



# REVIEWING THE PORTFOLIO

WITH THE FUTURE IN MIND

## WITH THE FUTURE IN MIND

Anglo American Platinum conducted a review of its business in response to its revised expectations for platinum demand growth and a number of structural changes that have eroded profitability in recent years, including capital intensity, mine depths, ore grades, higher-than-inflation unit cost increases, jewellery demand elasticity and increasing secondary supply of platinum. This review could result in material operational changes going forward, all of which are being made with the future in mind to create a sustainable and profitable company.



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### PORTFOLIO REVIEW

The Company's review of its portfolio proposes to deliver a R3.8 billion-a-year benefit from 2015, which includes a R390 million reduction of overheads. Production will be reduced by 400,000 ounces of platinum a year to keep baseline production at between 2.1-million ounces and 2.3-million ounces a year compared with the previously disclosed planned growth to 3-million ounces. The priority of the proposal is to create a platinum business for the long term, during which the business fundamentals remain strong.

 For more information on this story go to page 12 in this report



03



04



05



06



#### Images

01 Slag tapping, Polokwane Smelter

02 Dishaba 1 Shaft

03 Luke Venkatesan checks samples at the flotation cells, Mogalakwena North Concentrator

04 Underground locomotive control, Tumela 1 Shaft

05 A miner rides the chair lift

06 Kgabatlhe School renovated by Amplats

Cover Daniel Rapoo operating a roofbolter, Bathopele Mine



### Other sources of information



### Our approach to reporting


This report offers a complete overview of Anglo American Platinum Limited's (Amplats or the Company) financial, social and environmental performance in a single, consolidated report. In preparing this integrated report, the Company has been guided by the principles of integrated reporting as set out in the International Integrated Reporting Committee's discussion paper and the guidance offered in the framework discussion paper released in January 2011 by the Integrated Reporting Committee of South Africa. The report must be read in conjunction with the full set of financial statements, the sustainable development report and the resources and reserves report; all of which are available for viewing or downloading from the Company's website at [www.angloamericanplatinum.com](http://www.angloamericanplatinum.com).

The aim of this report is to enable investors, potential investors and other stakeholders, including Government, host communities and our employees, to make a better informed assessment of the value the Company creates in society and its long-term sustainability. Much of the information and data on the Group's sustainability performance is integrated into the relevant sections of this report, including the chairman's statement, the chief executive's report, and the sections on strategy, the business environment, performance highlights and business results.

### Key to icons in this document

 Go to a page in this or another publication

 [www.angloamericanplatinum.com](http://www.angloamericanplatinum.com)

 Denotes strategy element throughout the report

# PERFORMANCE OVERVIEW

## WITH THE FUTURE IN MIND

- The significant improvement in safety performance has continued in 2012, with a 42% year-on-year reduction in fatalities. Regrettably, 7 employees lost their lives in 2012
- Equivalent refined platinum production down 8% year-on-year to 2.22 million ounces mainly owing to lost production relating to the illegal industrial action
- Cash operating costs up 21% year-on-year to R16,364 per equivalent refined platinum ounce owing to the illegal industrial action and above-inflation increases in input costs
- Headline earnings down 141% to a loss of R1,468 million owing to lower sales volumes, higher mining inflation and lower realised metal prices
- Recommendations of the Amplats portfolio review were announced on 15 January 2013; constructive engagement with all stakeholders progressing

OPERATIONAL INDICATORS		2012	2011
Tonnes milled	000 tonnes	38,677	41,507
4E built-up head grade	g/t	3.20	3.24
Equivalent refined Pt ounces <sup>1</sup>	000 Pt oz	2,219.1	2,410.1
Refined Pt ounce per operating employee	Per annum	29.3	32.5
REFINED PRODUCTION			
Platinum (Pt)	000 oz	2,378.6	2,530.1
Palladium (Pd)	000 oz	1,395.9	1,430.7
Rhodium (Rh)	000 oz	310.7	337.6
Gold (Au)	000 oz	105.2	105.1
PGMs	000 oz	4,640.6	4,887.4
FINANCIAL PERFORMANCE			
Net sales revenue	R million	42,838	51,117
Gross profit on metal sales	R million	890	8,555
Headline (loss)/earnings	R million	(1,468)	3,566
Net debt	R million	10,491	3,662
Debt:equity ratio		1:4.0	1:9.5
Capital expenditure (including capitalised interest)	R million	7,201	7,504
Gross profit margin	%	2.1	16.7
Net sales revenue	R/oz Pt sold	19,764	19,595
Cost of sales	R/oz Pt sold	19,354	16,306
Cash on-mine costs	R/tonne milled	625	529
Cash operating costs	R/oz refined Pt	15,660	12,869
ENVIRONMENTAL, SOCIAL AND GOVERNANCE (ESG)			
Employees (as at 31 December)	Number	56,379	58,541
HDSAs in management	%	58.3	56
Fatalities	Number	7	12
Lost-time injury-frequency rate	Rate/200,000 hrs	1.15	1.27
Sulfur dioxide emissions	000 tonnes	20.1	18.8
GHG emissions, CO <sub>2</sub> equivalents <sup>2</sup>	000 tonnes	5,743	5,991
Water used for primary activities	Megalitres	28,755	31,248
Energy use	Terajoules	24,392	25,168
Number of Level 3, 4 and 5 environmental incidents	Number	0	0
Corporate social investment	R million	276.1	186.5

<sup>1</sup> 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.

<sup>2</sup> Excludes Scope 3 emissions

### Overview

- 2 Chairman's statement
- 6 Chief executive's report
- 10 Strategy
- 14 Materiality, managing risks and mineral policy

### Business review

- 22 Market review

### Operations review

- 32 Production overview
- 36 Managed mines overview
- 39 Managed mines
- 63 Joint-venture operations and associates overview
- 64 Joint-venture operations and associates
- 78 Process overview
- 80 Process operations
- 86 Group performance data

### Reserves and Resources

- 110 Ore Reserves and Mineral Resources review
- 120 Reserves and Resources estimates

### Sustainability and governance

- 144 Sustainability review
- 150 Human resources review
- 156 Board
- 158 Exco
- 160 Management
- 162 Corporate governance
- 172 Remuneration report
- 182 Social, Ethics & Transformation Committee report
- 185 Audit Committee report

### Financial review

- 188 Finance director's review
- 198 Five-year financial review
- 200 Approval of financial statements
- 200 Company secretary certificate
- 201 Independent auditor's report
- 202 Directors' report
- 206 Principal accounting policies
- 216 Consolidated comprehensive income statement
- 217 Consolidated comprehensive financial position
- 218 Consolidated statement of cash flows
- 219 Consolidated changes in equity
- 220 Notes to the consolidated annual financial statements
- 251 Annexures
- 258 Anglo American Platinum annual financial statements

### Shareholder information

- 262 Notice of annual general meeting
- 269 Glossary
- 271 Form of proxy
- IBC Shareholders' diary
- IBC Administration

# RECONFIGURING THE BUSINESS WITH THE FUTURE IN MIND

In the past year Amplats, together with the rest of the platinum mining industry, continued to face unremitting headwinds. These have now eroded margins to the point where the Company has posted a headline loss of R1.5 billion in 2012. The company is committed to taking the action needed to create a sustainable, competitive and profitable business for all its stakeholders.



## PERFORMANCE REVIEW

Steady progress has been made in improving the Company's safety performance since 2008. In 2012, the number of work-related fatalities decreased to seven – from 12 the previous year. Along with my fellow directors, I extend my heartfelt condolences to the families, friends and colleagues of the deceased. We have investigated the underlying causes of each and every one of these fatalities, to ensure that they are avoided in future. Our efforts to achieve the safety of our employees have been stepped up yet again, and our goal of zero harm is constantly being woven into the very fabric of our business through carefully considered programmes aimed at all levels of our organisation. We will not rest until every employee is assured of returning home safely at the end of the working day.

The platinum industry faced three significant external challenges in 2012: an average platinum market price of \$1,551 per ounce in response to slow market demand for platinum group metals (PGMs), particularly in Europe; the substantial operational challenges related to two months of unprotected and violent illegal industrial action, linked to unrealistic wage demands, which resulted in 305,600 ounces of lost platinum production, equating to revenue of R6 billion; and the above-inflation cost pressures being experienced by the platinum mining industry in general.

## MARKETS

Net platinum demand declined by 140,000 ounces or 2% in 2012, as a consequence of weaker demand for autocatalyst and industrial applications, partially offset by an increase in demand for platinum jewellery. The platinum market moved into deficit during the year, owing to a fall in newly mined and recycled supplies. Supplies of platinum were negatively affected by labour stoppages and mine closures in South Africa.

The palladium market moved from a surplus in 2011 to a significant deficit in 2012 as South African output was lower, also owing to labour stoppages and mine closures. Additionally, less palladium was sold from Russian stockpiles. Gross demand for palladium rose by 15% in 2012, owing to an increase in demand from the autocatalyst sector and a significant increase in investment demand.

## PLANNING FOR THE LONG TERM

Clearly, the Company's operational and financial performance is not sustainable. At this time last year, I announced that we would be undertaking a comprehensive review of the business during 2012. This review was conducted across the entire value chain of the business, to address structural challenges that have eroded profitability over time. Building on the varied and effective steps taken to contain operational costs in recent years, the objective of the proposed action is to create a safe, sustainable, competitive and profitable platinum business for the long-term benefit of all our stakeholders.

This will be achieved by aligning baseline production with long-term demand expectations and focusing on a high-quality portfolio of operations to produce PGMs on an economically sustainable basis. Overheads have been reviewed and reduced, while a new organisational design is in

the process of being developed to ensure that the operations are appropriately supported.

The commercial strategy has also been revised to guarantee value and stability for platinum and its customers, while we promote new applications for PGMs.

The proposed plan will increase exposure to lower-risk, higher-margin, less capital-intensive mines, supporting a significant reduction in the cost base and a more efficient allocation of capital. Ongoing improvements in the reliability of its production capability, and the continued promotion of cost management throughout the business, will allow the Company to be well positioned to extract optimal value from the assets. At the same time, flexibility for long-term growth options will be retained, to ensure that the Company is well positioned should demand increase above expectation.

As part of the business review, it is proposed that our Rustenburg operations be reconfigured into a sustainable 320,000 to 350,000 ounces per annum platinum producer, across three operating mines. Four unsustainable, high-cost shafts will need to be put on long-term care and maintenance. These are Khuseleka 1 and 2, and Khomanani 1 and 2. Rustenburg's processing operations will also be reconfigured to align with the revised mining footprint. We have come to the conclusion that the Union mines are likely to be of greater value under different ownership and the intention, therefore, is to dispose of these operations, at the right time. In the interim, Union mines will be reconfigured to protect near-term value. This will be achieved by stopping mining activities at the Union North declines, combining the Union North and South mines into one operation, and putting the Mortimer Merensky Concentrator on long-term care and maintenance.

An extensive consultation process with the Department of Mineral Resources, union leadership and employees is continuing. We will continue to take our social responsibility seriously, particularly to our employees and the communities neighbouring our operations. Anglo American Platinum remains committed to ensuring a sustainable business for all of its stakeholders, including the approximately 45,000 employees who depend on its ongoing viability.

## MINERAL POLICY AND LEGISLATION

It is imperative for businesses to operate in the context of a stable regulatory framework and a clear and fair fiscal regime.

### A consultative process with the Department of Mineral Resources, union leadership and employees is being followed to evaluate options, and to minimise any potential job losses.

The South African Government's plans to attract and promote the significant private-sector investment required to ensure a thriving mining sector, that contributes meaningfully to society at large, rests on three critical components: ensuring policy predictability and certainty; enforcing the rule of law; and investing in the enabling infrastructure required.

We welcome the resolution taken by the African National Congress (ANC), South Africa's ruling political party, at its recent policy conference, that wholesale mine nationalisation is not a reasonable nor sustainable option for South Africa. Nationalisation has now been firmly ruled out as an option for the mining industry. The ANC's decision will create greater certainty among investors and will encourage investment in the country's mining sector.

The ANC did, however, endorse proposals for a new resource rent tax. It has argued that the proposed new tax is necessary to ensure that the state benefits appropriately from the profits the mining industry earns. We remain of the view that the existing royalty regime was introduced for exactly this purpose, and that combined with the existing system of taxation, it already ensures a fair distribution of the benefits of mining. Further changes to the tax and royalty regime could well make South Africa uncompetitive internationally, and we will continue to engage the ruling party and the Government on any proposals for a resource rent tax.

The Mineral and Petroleum Resources Development Amendment Bill was published by the Minister on 27 December 2012. The Bill proposes an amendment to both the current Mineral and Petroleum Resources Development Act (the MPRDA), as well as the MPRDA Amendment Act of 2008. While several of the proposed amendments are positive and will assist in achieving one of the key stated objectives – greater policy certainty – there are also key areas where the amendments, as proposed, would increase the discretion to be applied by the Minister and other Government officials, on important matters, including, inter alia, relating to granting and transferring mineral rights and imposing restrictions on export volumes and pricing. This increased discretion will in fact decrease certainty in policy and its application, and, in so doing, in our view, deter investment which requires long-term stability and certainty. Amplats has contributed to formal representations on this matter and will continue to engage Government with a view to finding more appropriate policy alternatives.

**MARKET OUTLOOK**

Despite the less than optimistic outlook for global economic growth, Anglo American Platinum believes that the global platinum market is likely to be balanced in the short term, as a result of reduced production by Anglo American Platinum and possible supply disruptions. If South African platinum production returned to pre-strike levels, then the market would be oversupplied. Overall gross platinum demand is expected to grow marginally in 2013, despite the lack of economic growth in the European market. Tightening emissions legislation in all markets, particularly the implementation of Euro VI and the overall global increase in vehicle production, especially in China and India, are expected to offset the lower volumes in Japan, North America and Europe.

Jewellery demand is expected to grow, primarily owing to increased disposable income spent on platinum jewellery in China and India, underpinned by an increase in organised retail and strong marketing campaigns. Continued expansion of retail outlets in mainland China by Hong Kong jewellers continues to support demand growth. The decline in industrial demand for platinum in 2012 is expected to recover somewhat in 2013 as LCD glass, glass fibre and chemical capacity growth resumes. The growing popularity of cloud computing and the associated demand for high-capacity hard drives will increase platinum demand from the electrical sector.

Primary supply challenges are expected to continue during 2013 with higher mining inflation putting pressure on margins and increased risk of supply disruptions from industrial action in South Africa. Supplies of metal from the recycling of spent autocatalysts are expected to rise as pipeline stocks are processed.

Palladium demand is expected to grow in 2013, 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 flat in 2013. Primary supply is also expected to be constrained by the same factors impacting platinum production. The palladium market is therefore expected to remain in deficit in 2013.

The rhodium market is expected to remain depressed in 2013. Autocatalyst and new industrial demand is expected to increase modestly. Recycling continues to grow, resulting in the market remaining in surplus.

**On behalf of the board I would like to thank Neville for his many contributions to the Company since 2008.**



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Anglo American's revised commercial strategy includes diversifying our customer portfolio and increasing net revenue. During 2012, contracts representing 20% of sales were either renegotiated or terminated, which improved revenue by approximately R100 million and these actions are forecast to have a full-year impact of approximately R170 million in 2013. Existing contracts attracting discounts and commissions, that terminate in 2013, will not be renewed and will improve revenue in 2014 by a further R600 million. Our revised commercial strategy is on track to achieve R700 million per annum profit before tax improvement in 2013, reaching R1 billion per annum by 2015.

**CHANGES TO THE BOARD**

Mr Tom Wixley retired from the board as an independent non-executive director on 30 March 2012, after not standing for re-election. I express my deepest appreciation for the distinguished service rendered by Tom during his 11-year association with the board and I wish him the very best for the future.

Mr Neville Nicolau left as an executive director and the chief executive on 19 July 2012 to pursue other interests.



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- 01 Maemo Moshaksomo, section manager at Bathopele Mine, prepares for the daily safety briefing
- 02 Platinum bars and grain
- 03 Checking calibration levels in the 219 reactor, PMR



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On behalf of the board I would like to thank Neville for his many contributions to the Company since 2008. Following the resignation of Neville, Mr Chris Griffith was appointed as an executive director and the chief executive, effective from 1 September 2012. Chris returns to the Company following his success over four years as CEO of Kumba Iron Ore Limited. He brings with him more than 22 years of mining knowledge, much of it deeply rooted in direct operational experience and including 18 years in the platinum business. Chris also has an impressive track record of delivering safe operational performance and leading effective change.

Other changes to the board included the resignations of Ms Albertinah Kekana on 25 September 2012, following her appointment as CEO of Royal Bafokeng Holdings; and of Mr Godfrey Gomwe, who resigned on 15 October 2012, following his appointment as CEO of Anglo American's thermal coal business. I wish both Albertinah and Godfrey success in their new roles. Ms Khanyisile Kweyama joined the board as a non-executive director on 15 October 2012; and Mr John Vice as an independent non-executive director on 30 November 2012. We welcome both Khanyisile and John to the board and look forward to the invaluable contribution they will undoubtedly make.

Lastly, I took a decision in October 2012 to step down as chief executive of Anglo American plc and chairman of Anglo American Platinum at the respective annual general meetings of the companies. It has been a great honour to chair the board, and I am extremely proud of what has been achieved

during my period as chairman. I will retain enormous admiration and affection for this great company and its outstanding people. The decision to leave was a difficult one to make, but I feel that the time will be right to hand over to a successor, who can build on the strong foundations we have laid and complete the work on the Company's reconfiguration, in consultation with all stakeholders.

**Cynthia Carroll**  
Chairman

1 February 2013

# TAKING EVERY STEP WITH THE FUTURE FIRMLY IN MIND



Chris Griffith

## HEADLINE LOSS

down 141% to

# R1.5bn

For more information turn to page 42

## REFINED PLATINUM PRODUCTION

# 2.38 Moz

For more information turn to page 42

## CHANGE AND SUSTAINABILITY

2012 was a particularly challenging year for the platinum industry and for Amplats in particular. Lower platinum group metal prices amid global economic uncertainty; protracted unprotected industrial action; and continued above-inflation cost pressures on the business have all significantly undermined the Company's ability to return a profit. A headline loss of R1.5 billion is reported for the 2012 financial year.

I rejoined Amplats in September 2012 following Neville Nicolau's decision to leave in July. My career in mining began on the operations of this great company 23 years ago, and it is indeed an honour to be entrusted with leading the executive team and the business, as Amplats takes the difficult steps needed to ensure that it once again becomes a sustainable, competitive and profitable platinum enterprise capable of delivering long-term benefits for all its stakeholders.

## OVERVIEW OF 2012 PERFORMANCE

### Safety, health and the environment

Although this was our safest year ever, it is with sadness that I have to report that seven of our colleagues died while on Company business in 2012. On behalf of management, I would like to extend my sincere condolences to the Gumedede, Leboea, Mahagaja, Malesa, Mzondi, Nyirenda and Sidubulekana families who lost their loved ones in incidents at our operations. I will continue to do everything I can to ensure that we remain steadfast in our commitment to achieving zero harm throughout our operations.

Good progress has been made during the past five years in improving our overall safety performance, specifically in reducing the number of lost-time injuries. The lost-time injury-frequency rate at Amplats has been declining steadily, from 2.03 in 2007 to 1.15 in 2012. Conscious of the imperative to achieve zero harm, Amplats has created two new executive-level positions related to the safety and

health of our employees. The first position is that of executive head responsible for safety, health and the environment. The second is that of executive head: technical, which requires a thorough understanding of the safety, occupational health and environmental dimensions of our business and will boost the deployment of appropriate technology to eliminate or reduce hazards in the workplace. Both positions will be filled shortly.

Through this strengthened leadership, and through our Zero Harm in Action programme, which I will continue to lead, Amplats will be going all out to ensure that every employee is able to go home safely and in good health at the end of his or her shift.

Company operations retained their environmental management system certificates against the ISO 14001 standard in 2012, and all but one operation's new water-use licences have now been granted by the Department of Water Affairs.

Amandelbult Mine continues to operate under the conditions contained in its water permit, granted under previous legislation. Engagement with Government officials continues, and the new licence is likely to be issued in the course of 2013.

Once again, the Company performed well in the rating of companies' disclosure on climate change issues undertaken by the Carbon Disclosure Project (CDP). Amplats achieved second position in the materials category of the CDP's 2012 Global 500 Climate Change assessment of disclosure. Overall, Amplats was rated among the top-scoring companies of the Global 500 Report and was the highest-rated South African company, an achievement of which we are extremely proud.

## MARKET CONDITIONS

Largely under the influence of global economic instability, and with issues in Europe weighing particularly heavily on market sentiment, the prices of platinum group metals (PGMs) remained depressed in 2012. The average US\$ basket price per platinum



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**Good progress has been made during the past five years in improving our overall safety performance, specifically in reducing the number of lost-time injuries.**

01 New technology in locomotives improves safety performance, Tumela 1 Shaft

02 Pump maintenance at Mogalakwena North Concentrator

03 Isaac Majwafi, a dispatch supervisor packing platinum bars, PMR



ounce sold declined by 11%, from US\$2,698 in 2011 to US\$2,406 in 2012, a development driven primarily by weaker demand on poor market sentiment. Gross demand for platinum declined by 140,000 ounces or 2% in 2012, after the significantly weaker demand for autocatalyst and industrial applications exceeded the increase in demand in the jewellery sector, which responded to the low platinum price.

In 2012, the platinum market moved into deficit, owing to a fall in supply of almost one million ounces in both newly mined platinum and supplies of platinum recycled. In South Africa supplies of platinum were negatively impacted by labour stoppages and mine closures.

The palladium market moved from a surplus in 2011 to a significant deficit in 2012 as South African output was lower also owing to labour stoppages and mine closures and less metal was sold from Russian stockpiles. Gross demand for palladium rose by 15% in 2012, owing to an increase in demand from the autocatalyst sector and a significant increase in investment demand.

Since a recovery in the European automotive market is still predicted to be some way off, demand from the autocatalyst sector is expected to remain flat. Furthermore, additional recycled metal is likely to be available in the market as the stocks of spent autocatalysts are recycled. It is our view that global platinum demand will be growing more slowly over the next decade than was previously forecast. The market may still remain in a slight deficit in 2013, principally as a consequence of the challenges in metal supply being experienced by all primary platinum producers in South Africa.

**OPERATIONAL PERFORMANCE**

Production at our Rustenburg, Union and Amandelbult mines was negatively impacted by unprotected industrial action that spanned almost two full months, from 18 September to 15 November 2012. At the Rustenburg mines, production decreased by 43,300 ounces or 8%, while at the Union and Amandelbult mines production decreased by 13% and 23% respectively. The net effect of

the strike action was a loss of platinum production of 306,000 ounces, including 82,000 ounces lost during the start-up period following the strike.

Our overall equivalent refined platinum production was 2.22 million ounces. Of these, 1.46 million ounces were produced by our managed mines and the rest by our joint-venture operations. This represents an overall decrease of 8% compared to production in 2011. Output from our joint-venture operations was 3% lower year-on-year owing to industrial action at the Modikwa and Bokoni mines, and to the curtailment of Marikana Mine in June 2012 because of unfavourable market conditions. While output at the Mogalakwena Mine decreased by 2% to 300,200 ounces on account of a decline in tonnes delivered to the concentrator and poorer ore grades, this was offset by improved recoveries.

Decreased production for all operations was offset partly by higher volumes from Unki Mine in Zimbabwe. Equivalent refined platinum production at Unki increased by 20% to 62,100 ounces after the mine exceeded its ramp-up schedule and reached steady-state production levels a year ahead of plan.

Overall, our refined platinum production decreased by 6% to 2.38 million ounces after the processing of pipeline stocks in the second half of 2012 reduced the impact of the industrial action.

**REVIEW OF PROJECTS**

Capital expenditure decreased by 4% to R7.2 billion. Of this, R3.4 billion related to project spend, R3 billion to stay-in-business capital and R399 million to waste-stripping at the Mogalakwena Mine. The majority of project capital expenditure was invested in Twickenham Mine (R801 million excluding pre-production costs) and Unki Mine (R183 million).

During 2012 a decision was taken to stop the Thembelani 2 shaft project and to shift capital to more attractive opportunities within Amplats. Tumela 4 shaft, slag-cleaning furnace No 2 and a few smaller projects have also been halted as they are not viable in the

**In South Africa supplies of platinum were negatively impacted by labour stoppages and mine closures, with supplies from the region at their lowest in 11 years.**

current economic and operating environment. As a result we have had to undertake a writedown of R2.2 billion for Thembelani 2 shaft; and a write-down of R4.4 billion for Tumela 4 shaft, Slag-cleaning furnace No 2 and the rest. We will continue to prioritise capital projects and stay-in-business expenditure to ensure that capital funding requirements are aligned with our strategy.

## FINANCIAL PERFORMANCE

The market conditions, the substantial operational challenges related to the unprotected industrial action and the above-inflation cost pressures – in the region of 10% – all had a significant bearing on the Company's financial performance. Amplats posted a headline loss of R1.5 billion, compared to the profit of R3.6 billion earned in 2011. The loss attributed to ordinary shareholders of R6.7 billion is principally the result of the writedown previously mentioned and of the decline of 17% in refined platinum sales caused by the unprotected industrial action in the second half of 2012. Attributable and headline losses for the year were R25.58 and R5.62 per share respectively.

Clearly the Company's financial performance is not sustainable. If action is not taken to reconfigure its operations, its very existence may be in jeopardy. It is for this reason that everything we are undertaking now is being done with our future in mind.

## TRANSFORMATION AND SUSTAINABILITY

The social and economic transformation of South Africa and, in parallel, of our Company, remains crucial if the injustices of the past are to be redressed. Full coverage of our progress in meeting the objectives of the Mining Charter is included in the Sustainable Development Report for 2012 that accompanies this integrated report. In summary, however, we are able to state that we have made good progress in transforming our

**We spent R276 million in 2012 on community projects.**

workplace. Some 38% of top management positions at Amplats are now occupied by historically disadvantaged South Africans, 13% of whom are women. Our efforts to encourage women to work in the industry are gaining traction, with 12.7% of the total workforce now consisting of women.

There remains much to be done, however, and it saddens me to reflect on the death of Ms Binky Moseane, who was assaulted and killed underground at Khomanani Mine. Our sympathy and condolences are extended to Binky's family, friends and colleagues. The South African Police Service investigation into this murder continues and the Company continues to support the investigation. Following this shocking incident, we have taken steps specifically to improve the safety of the women working underground at our operations, so as not to deter women from seeking employment there.

While the industry has come under increased scrutiny in 2012 for its socio-economic performance, I am confident that we have played a significant role in transforming many people's lives for the better. This we have done through our support for initiatives that improve the quality of education, health and other basic services; and by providing important primary infrastructure such as roads, housing, water and electricity in the areas close to our operations. We spent R276 million in 2012 on such community projects.

Despite our substantial commitments to community welfare, however, we firmly believe that a great deal more can be accomplished. The most effective fulcrum for achieving better outcomes, I remain convinced, is greater collaboration between mining companies on development issues in similar operating regions. We have already begun to engage our stakeholders in this regard, and look forward to sorting out overall regional challenges around housing and basic infrastructure through co-operation and fruitful partnerships.

## OUTLOOK AND PROPOSED CHANGES TO OUR COMPANY

During 2012, we undertook an extensive review of the business. The need for such a review was first mentioned in February 2012 at the Company's results presentation, because several factors that had impacted our profitability in recent years had come together in such a way as to suggest the need for a long hard look at our operations. These included increasing capital intensity; increasing mine depths and decreasing ore grades; higher-than-inflation unit-cost increases; the substitution of cheaper PGMs for platinum; and the increased recycling of platinum, which was gaining strong momentum and reducing the demand for primary mined platinum. All these aspects, together with the more general but ever-clearer realisation that for various reasons the global demand for platinum would be growing significantly more slowly over the next decade than had previously been envisaged, clearly called for fresh analysis and revised strategies.

We had also previously stated that a number of our mines had been under considerable economic pressure and making losses for some time. Obviously such losses are not sustainable, not even in the medium term, and we now need to take strong action to ensure the long-term sustainability of our business for the benefit of all our stakeholders, including our employees and our host communities.

The extensive review that has taken place across the entire business – from the operations to the corporate offices – has received input from the board, the executive, functional heads of department and many individual employees. Our proposed changes to the business are built, firstly, on halting our loss-making operations and on concentrating on our higher-quality and lower-cost operations and secondly on aligning our output with expected market demand. Therefore, and as announced on 15 January 2013, we have proposed fundamental



01 Preshift underground safety briefing, Bathopele

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changes to the Company. These include reconfiguring the Rustenburg operations into a sustainable 320,000 to 350,000 ounces per annum platinum producer across three operating mines. Four unsustainable, high-cost shafts need to be put on long-term care and maintenance, namely Khuseleka 1 and 2 and Khomanani 1 and 2. Rustenburg's processing operations will also be reconfigured to align with the revised mining footprint, which may include closing the Waterval UG2 concentrator and No 2 smelting furnace.

It is believed that the Union mines are likely to be of greater value under different ownership as it will not be competing for allocation of our capital and the intention, therefore, is to sell them at the right time to maximise value. In the interim, they will be reconfigured to protect near-term value. This will be done by stopping loss mining activities at the Union North declines, combining the Union North and South shafts into one operation, and putting the Mortimer Merensky Concentrator on long-term care and maintenance. The restructuring of joint-venture operations has also been reviewed in order to optimise long-term profitability and competitiveness.

This proposed restructuring of operations will enable us to allocate capital to those of our mines that are best placed to sustain and create employment over the long term. We also cannot continue to maintain our current overhead structure if our mining and processing footprint is getting smaller. We are therefore proposing to redesign our overhead

cost base to fit the new mining and processing footprint, and have identified potential annual overhead savings of R390 million by 2014. These savings extend beyond our operations to the corporate office, and include creating new centres of excellence and expertise to bring together services, scarce skills, and save time, effort and money. We have also looked at opportunities to further reduce costs and improve efficiencies in direct and indirect costs, and have identified a further R3.5 billion per annum in potential savings by 2015. This adds up to the possible creation of an annual value of R3.8 billion.

Regrettably, these proposed changes will have an impact on employees. We estimate that some 14,000 roles will need to be restructured or else vacated through retrenchment. Affected employees have been notified of these proposed changes and are now involved in a formal collective consultation process. Where labour restructuring is necessary, we will implement retrenchment support and assistance packages that go well beyond what has been standard for the industry. These are described in the accompanying Sustainable Development Report.

Over and above the regulated packages, we have designed a comprehensive social plan to ensure that we can compensate for all the jobs that may be impacted. The social plan will be focused on our employees (and their dependants) in the Rustenburg area and the labour-sending areas. Amplats has a very proud history of making a contribution to South Africa. We will continue to take our

**Rustenburg operations should be reconfigured to a 320 to 350 koz per annum platinum producer.**

responsibility to our employees seriously, and to treat them with care and respect during this difficult period.

#### EXECUTIVE AND STAFF

I would like to take this opportunity to thank Neville Nicolau for his contribution to the Company over the past four years and for his personal leadership of the culture change programme and safety improvement initiatives and wish him all the best with his future endeavours. Also during the past year Khanyisile Kweyama, executive head: human resources, was transferred as executive director to Anglo American South Africa Limited. I would like to wish Khanyisile all the best in her new role. We are in the process of recruiting a worthy replacement.

On behalf of the executive and board I would like to express my appreciation to Cynthia Carroll for her leadership and dedication to the Company as chairman and wish her well with her future.

Lastly to the management and staff of Amplats: thank you for helping us through a year that was difficult, often as a consequence of uncontrollable external factors and events. I again call on your support during 2013, as we make the changes necessary to ensure a sustainable future for this Company.

**Chris Griffith**  
Chief executive

1 February 2013

# OUR STRATEGY IN ACTION

## WITH THE FUTURE IN MIND



The strategic objective of Amplats is to produce a safe, sustainable, competitive and profitable platinum business for the long-term benefit of all its stakeholders. Amplats plans to achieve this through a three-pronged approach: by developing the market for platinum group metals; by optimising the portfolio through aligning baseline production with long-term demand expectations and focusing on high-quality operations; and by managing costs to deliver profitability, sustainably.

### Developing the market

Amplats has a revised commercial strategy to realise value through revised contractual terms with a broader customer portfolio while promoting new PGM applications. It aims to develop markets for new industrial applications while maximising the benefit from the traditional autocatalyst and jewellery markets. It seeks to leverage on new and existing relationship with its customers, consumers and other stakeholders to realise this goal.

### Optimising the portfolio

Amplats plans to align baseline production with long-term demand expectations, focusing on a high-quality portfolio of operations to produce PGMs on an economically sustainable basis. Exposure to high-risk, low-margin, capital-intensive mines will be reduced, supporting a significant reduction in the cost base. In pursuing value over volume, Amplats has streamlined its project pipeline allowing a more efficient allocation of capital to mines that are best placed to sustain and create employment over the long term. Flexibility in the portfolio will be retained to meet potential upside in demand expectations.

### Managing the costs

While unrelenting in its focus on safety as it pursues its Zero Harm objectives, Amplats seeks to enhance value at its current operations by implementing a programme of targeted cost reduction and efficiency improvements. These are expected to deliver significant cost reductions on a sustainable basis by 2015. Additionally, overheads have been reviewed and reduced to ensure that they appropriately support the operations through a new organisation design.



Our future and success depend on finding, securing and optimally exploiting world-class PGM deposits.



### MINERAL RESOURCE BASE



Amplats has the largest and most diversified Mineral Resource base in the industry. South African and Zimbabwean resources (excluding reserves) amount to 670.2 4E million ounces and 177.2 4E million ounces classified as reserves. With this comes complexity of the business in terms of mine locality, reef types, joint-venture structures and the processing footprint. In order to translate the advantage of the large resource base into industry-leading returns, Amplats prioritises high-grade, shallow resources for mine development, while leveraging off existing infrastructure at older mines to enable mine flexibility.

 [Go to page 50 for more information](#)

### STAKEHOLDER RELATIONS



Amplats understands the importance of constructive stakeholder engagement. Recognising the value of partnerships in building capacities, improving governance and promoting sustainable development, it strives to actively engage with its stakeholders. Its principal accountability is to its investors and it seeks to maximise shareholder value over time. Stakeholder engagement is planned and conducted in accordance with the AA1000 Stakeholder Engagement Standard.

 [Go to page 28 of the Sustainable Development Report for more information](#)



## SECURE IT

Constructive stakeholder engagement and long-term relationships are key attributes to securing and retaining resources.



## EXTRACT IT

The responsible management of our portfolio of operations enables appropriate responses to market changes.



## SELL IT

Market intelligence informs our development, and this drives production requirements.

### PROJECT PIPELINE



Amplats streamlines and appropriately prioritises its project pipeline by allocating capital to the accretive projects with the most value. This is executed in line with the Group's strategic objective of producing a safe, sustainable, competitive and profitable platinum business for the long-term benefit of all its stakeholders.

[Go to page 46 for more information](#)

### FLEXIBLE PRODUCTION BASE



Amplats strives to create a production profile that is aligned to market supply and demand expectations. Sources of long-term production flexibility from its portfolio of operations and projects are maintained, to enable it to respond to both structural changes and the cyclical nature of the industry. While implementing effective cost management to ensure PGMs are produced on an economically sustainable basis, it exercises effective capital allocation in the direction of the highest-quality projects.

### UNDERSTANDING THE MARKET



The revised commercial strategy is underpinned by robust market intelligence that informs the underlying drivers of supply, demand and metal-price projections. Amplats also conducts market intelligence in order to direct market development opportunities and investments, risk management and the optimal route to market. This is achieved by leveraging information from its customers, investors and consumers.

[Go to page 34 for more information on this story](#)

### ENERGY, WATER AND LAND ACCESS

A reliable supply of electricity and water and secure road access are key infrastructural cornerstones of the Amplats strategy. Electricity shortages are a risk to the business. Water supply to both the Western and Eastern limbs requires adequate provision in order to be sustainable. Therefore, securing raw water and building dams and road infrastructure have been made key tenets of Amplats' execution plans.

[Go to page 110 of the Sustainable Development Report for more information](#)

### RESPONSIBLE MINING

Mining safely remains a key Amplats value. The safety of Amplats' employees is driven by its belief that Zero Harm is possible. Amplats focuses on uplifting and developing its communities, both in the proximity of its operations and in the labour-sending areas. It continues to endorse the ten principles of the United Nations Global Compact.

[Go to page 60 for more information on this story](#)

### DEVELOPMENT OF THE MARKET

Amplats develops the market in industrial applications with its partners. New applications are assessed through early-stage research and development spend and, in partnership with the Government and taking a leadership role in their commercialisation while providing local beneficiation and job opportunities. Jewellery demand is driven through partial funding of the PGI. Spending is focused on price-inelastic bridal segment in China and India, as well as co-investing in the development of industrial applications such as home generator fuel cells.

[Go to page 39 for more information on this story](#)

# OUR PORTFOLIO AT A GLANCE

A comprehensive review of the Company's portfolio of operations was conducted in 2012. This review culminated in the announcement, on 15 January 2013, of the proposed operational changes. The Company has subsequently agreed with the Department of Mineral Resources and labour unions to follow an extensive consultation process which will not take more than 60 days, beginning 30 January 2013. Thereafter the section 189 process will continue.

## OVERVIEW

Amplats is the world's leading primary producer of platinum group metals and accounts for approximately 40% of the world's newly mined platinum. The Company is listed on the JSE Limited and has its headquarters in Johannesburg, South Africa. Amplats' wholly owned South African mining operations in the Bushveld Complex include the Bathopele, Dishaba, Khomanani, Khuseleka, Mogalakwena, Siphumelele, Thembelani and Tumela mines. The Twickenham Mine remained under development during 2012.

In addition, the Group has a number of joint ventures, as follows: with Atlas Resources Corporation over the Bokoni Mine; ARM Mining Consortium Limited over the Modikwa Mine; Royal Bafokeng Resources over the combined Bafokeng-Rasimone Platinum Mine and Styldrift properties; the Bakgatla-Ba-Kgafela traditional community, which holds a 15% share in Union North and South mines; Eastern Platinum Limited (a subsidiary of Lonmin plc) and its partner, the Bapo-Ba-Mogale traditional community and Mvelaphanda Resources, over the Pandora Joint Venture; and Xstrata Kagiso Platinum Partnership, to operate the Mototolo Mine. Amplats also has pooling-and-sharing arrangements with Aquarius Platinum (South Africa), covering the shallow reserves of the Kroondal and Marikana mines that are contiguous with its own Rustenburg mines.

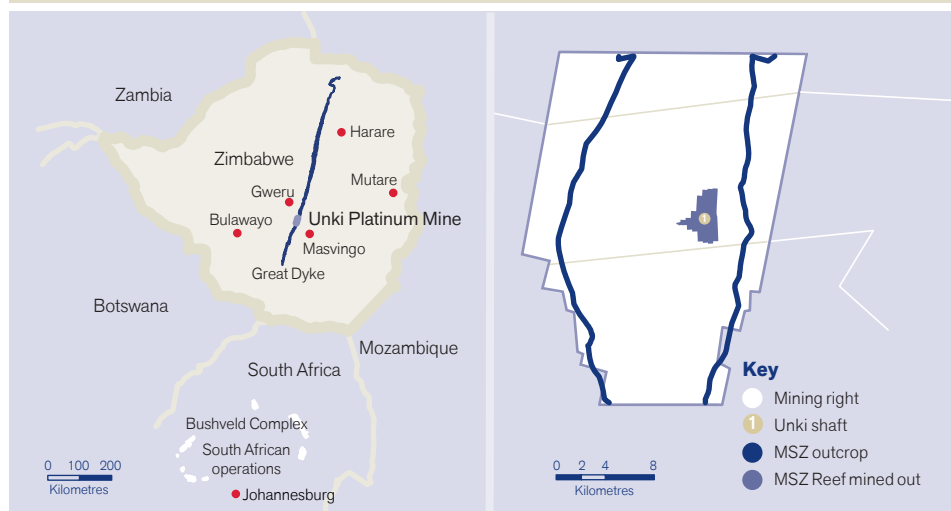
The Group's smelting and refining operations are wholly owned through Rustenburg Platinum Mines Limited and are situated in South Africa. These operations treat concentrates, not only from the wholly owned operations, but also from joint ventures and third parties.

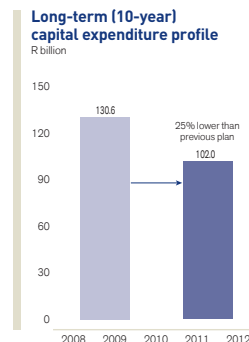
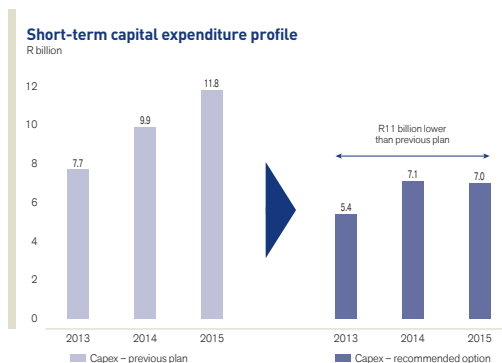
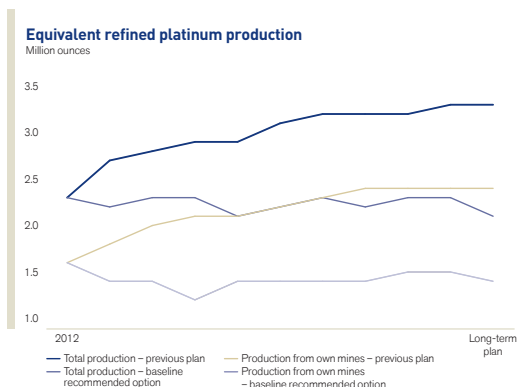
Elsewhere in the world, the Group operates the Unki Mine on the Great Dyke in Zimbabwe and is actively exploring in Brazil with joint-venture exploration partners. The Group also has exploration partners in Russia.

### Our operations in South Africa – 2012



### Unki Platinum Mine – Zimbabwe 2012

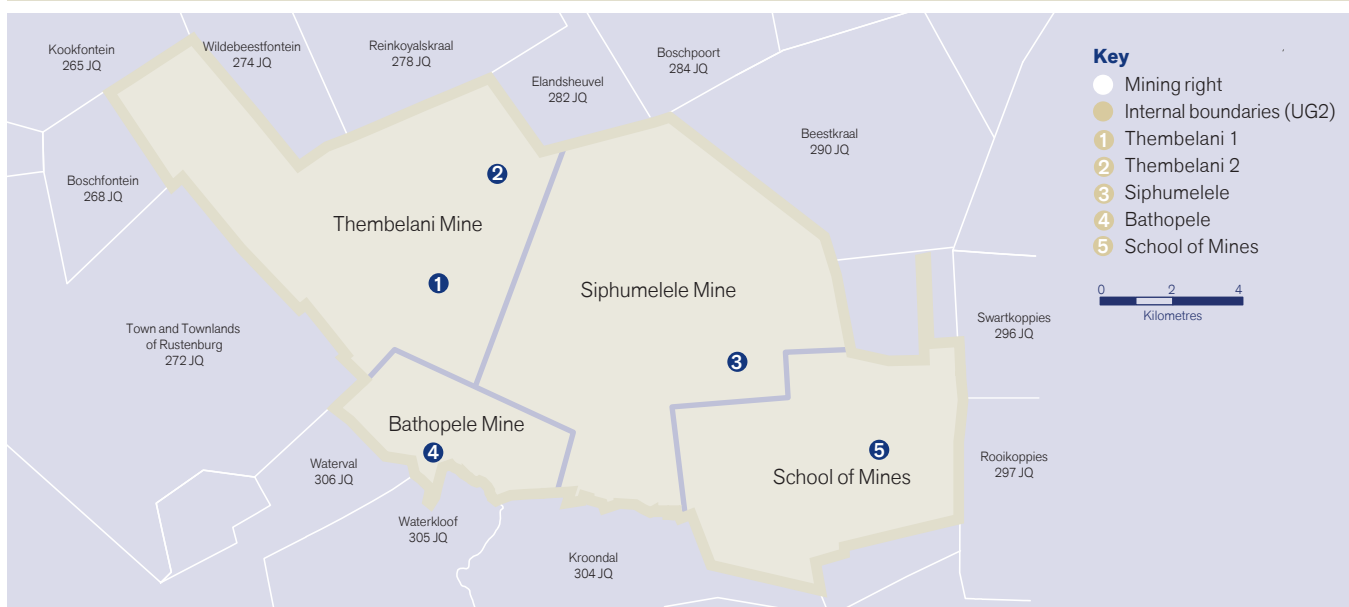




## Rustenburg before portfolio review



## Rustenburg after the proposed portfolio review



# MATERIAL ISSUES

Determining materiality is a critical part of reporting in accordance with the guidelines of the Global Reporting Initiatives (GRI). Each year the Company undertakes a formal materiality assessment that is tabled at the board's Audit Committee for discussion and input prior to being finalised.

## Materiality analysis

The 2012 materiality analysis was conducted using the GRI's G3 "self-test" methodology for materiality. In determining materiality a number of internal and external factors were evaluated as follows:

### Internal factors

- Policies – Key Company principles and policies encompassing Company integrity and values, Company strategy, safety, health, the environment and labour.
- Risk – Significant risks to the Company as defined by the internal risk methodologies described on page 16.
- Opportunities – The Company's core products and the manner in which these can, or could, contribute to sustainable development.
- Stakeholders – An internal review of the interests and expectations of stakeholders specifically invested

in the success of the Company, e.g. employees, unions, shareholders and suppliers.

### External factors

- Industry-wide issues – A review of the material issues reported by other businesses in the sector, including Anglo American plc, Impala Platinum, Lonmin Platinum, AngloGold Ashanti, Rio Tinto, BHP, Xstrata and Teck.
- Mineral policy, legislation and norms – A review of the requirements of key legislation and mineral policy including, inter alia, the Minerals Petroleum Resources Development Act; the National Environmental Management Act; and the National Water Act. Other key codes and norms are the requirements of the principles of the United Nations Global Compact, the Performance Standards of the International Finance Corporation and core issues relating to ISO 26000.

- Memberships, associations and panels – An analysis of issues raised through organisations such as the International Platinum Group Metals Association, the Chamber of Mines and the International Council on Mining and Metals.

## Our most material issues

Following the completion of the materiality analysis and deliberation with the Company's Audit Committee, it is the Company's view that the six most material issues affecting the Company's short-, medium- and long-term sustainability are as follows:

- Financial sustainability
- Safety and health performance
- Mineral policy and legislative compliance
- Labour expectations and aspects
- Community impacts and benefits
- Access to, and allocation of, resources such as energy, water and land

The tables that follow is a summary of what each material issue covers, why it is important, and what the Company is doing to address it.

Material sustainability issues			
Material issues	Financial sustainability	Safety and health	Regulation and minerals legislation
What does this cover?	<ul style="list-style-type: none"> <li>• Headline earnings</li> <li>• Net debt</li> <li>• Gross profit margin</li> <li>• Operating free cash flows</li> </ul>	<ul style="list-style-type: none"> <li>• Worker safety (employee and contractor).</li> <li>• Worker health and wellness.</li> </ul>	<ul style="list-style-type: none"> <li>• Our mining rights as granted by the Department of Mineral Resources.</li> <li>• Adherence to the Mining Charter and implementation of its social and labour plans.</li> <li>• Other material licences and authorisations such as approvals of environmental impact assessments (EIAs) and water-use licences.</li> </ul>
Why is it important?	<ul style="list-style-type: none"> <li>• Without positive free cash flows and profits our Company would not exist and its benefits to society would be lost.</li> </ul>	<ul style="list-style-type: none"> <li>• The mining business carries inherent risks that may affect the safety and health of our workers.</li> <li>• We want all people who work at Amplats to return home safely and healthy at the end of their shift.</li> </ul>	<ul style="list-style-type: none"> <li>• Without a valid mining right we would not be permitted to mine.</li> <li>• Non-adherence to the Mining Charter and/or failure to implement the social and labour plans can lead to rights being revoked.</li> <li>• Approved EIAs and water-use licences are key to ensuring that our environmental impacts are minimised.</li> </ul>

**Material sustainability issues**

Material issues	Financial sustainability	Safety and health	Regulation and minerals legislation
What do our stakeholders expect from us?	<ul style="list-style-type: none"> <li>Shareholders want a sound return on their investment.</li> <li>The Government needs taxes.</li> <li>The communities close to our operations want benefits from our business. These include procurement benefits, employment and the provision of infrastructure.</li> </ul>	<ul style="list-style-type: none"> <li>To make safety and health the top priority in any situation and have no injuries as a result.</li> <li>To build, maintain and continually improve safety and health systems.</li> <li>To fix problems promptly and notify anyone who may be affected by them.</li> </ul>	<ul style="list-style-type: none"> <li>Legal compliance and the validity of all rights, authorisations and permits.</li> <li>Implementation of the Mining Charter and the social and labour plans.</li> </ul>
What are we doing?	<ul style="list-style-type: none"> <li>Through our Company strategy we will create maximum value by understanding and developing the market for platinum group metals (PGMs).</li> <li>Conduct our business safely, cost-effectively and competitively, thus contributing positively to our host communities.</li> </ul>	<ul style="list-style-type: none"> <li>Safety is one of our values.</li> <li>We have a safety strategy intent on delivering "zero harm" to our employees.</li> <li>We have programmes in place to reduce exposure to noise, TB and HIV.</li> </ul>	<ul style="list-style-type: none"> <li>Letters of conversion of mining rights were received in 2010. Fourteen rights have been converted and one is going through the administrative process.</li> <li>Tracking social and labour plan implementation.</li> <li>Engaging with the Department of Water and Environmental Affairs to get the four outstanding water-use licences approved.</li> </ul>

Material issues	Labour expectations	Community engagement and development	Access to, and allocation of, resources
What does this cover?	<ul style="list-style-type: none"> <li>Working conditions</li> <li>Worker rights</li> <li>Wages</li> </ul>	<ul style="list-style-type: none"> <li>Stakeholder engagement.</li> <li>Programmes to ensure that society and communities benefit from our activities.</li> </ul>	<ul style="list-style-type: none"> <li>Energy security, energy efficiency and climate change.</li> <li>Access to water resources and improvements in water-use efficiency.</li> <li>Access to land and surface rights.</li> </ul>
Why is it important?	<ul style="list-style-type: none"> <li>The Company employs a large workforce and it is imperative that they are paid a living wage in line with national norms.</li> <li>A disgruntled workforce has the potential to disrupt operations, as was seen in 2012 across the mining industry in South Africa.</li> </ul>	<ul style="list-style-type: none"> <li>Company actions have an impact on the socio-political structures and relationships in host communities. The more unstable the society, the more likely it is that external factors will have negative or positive effects on it (by either exacerbating instability and conflict or providing support and promoting stability).</li> </ul>	<ul style="list-style-type: none"> <li>Our ability to mine was recently curtailed – during the energy crisis of 2008, when South Africa ran short of electricity. This had an impact on our output of PGMs. South Africa's electricity-supply position remains tenuous.</li> <li>Climate-change policy and its effect on taxes has the potential to have a major impact on the Company's cost structure.</li> <li>Water is a key resource for the mining and processing of PGMs. Without it, we would be unable to produce any metals.</li> <li>Land is needed to access the PGM ore and develop infrastructure.</li> </ul>
What do our stakeholders expect from us?	<ul style="list-style-type: none"> <li>Freedom of association</li> <li>No unfair discrimination</li> <li>No forced or child labour</li> <li>Living wages</li> <li>Open and transparent communication with employees</li> <li>Care and respect</li> </ul>	<ul style="list-style-type: none"> <li>Engage with stakeholders in the early stages of mining and throughout the mining life cycle in order to gain a societal licence.</li> <li>Design and implement strong and effective social management systems wherever we operate.</li> <li>Comply with regulations and demonstrate broad community support.</li> <li>Leave communities better off as a result of our mining activities.</li> </ul>	<ul style="list-style-type: none"> <li>Consider climate impacts in our business decisions. Operate energy efficiently, reducing our carbon footprint per unit of production. Plan to reduce net emissions, even as our output grows.</li> <li>Respect the needs of other water users. Plan and operate so as to minimise the mines' water demands. Operate to the highest standard of care in relation to tailings and effluents.</li> <li>Mining makes land sterile until such time as it is rehabilitated and reclaimed. This impact should be minimised and our mining footprint kept as small as possible.</li> </ul>
What are we doing?	<ul style="list-style-type: none"> <li>We recognise the right of our employees to freedom of association and to collective bargaining. Our remuneration practices will be determined according to local market conditions and we will strive to ensure that we pay wages that are, as a minimum, adequate to satisfy the basic needs of our employees and their families.</li> <li>We promote diversity and do not tolerate unfair discrimination or the inhumane treatment of employees including through any form of forced labour, physical punishment or other abuse. Our workforce has the right to work in an environment free from harassment or intimidation.</li> <li>We prohibit child labour in our operations. Should we encounter cases in our supply chain we will develop a responsible approach to ending it so that it ensures the welfare of the children.</li> </ul>	<ul style="list-style-type: none"> <li>Ensuring that we are identifying, managing and mitigating social risks and maximising on opportunities through the implementation of the Anglo American Social Way.</li> <li>Ensuring positive benefits by developing the correct policies and processes, and by employing people with the right skills and abilities in social management.</li> </ul>	<ul style="list-style-type: none"> <li>We have set energy-efficiency targets and have plans in place to meet these targets. We are working with the Government to assist in ensuring energy security, so as to guarantee that production is not disrupted.</li> <li>We have set water-efficiency targets and have plans in place to meet these. Our water strategy has addressed long-term access to water sources and mandates us to minimise impacts from water discharges.</li> <li>We have a climate-change strategy and are engaging with the Government on proposed carbon taxes.</li> </ul>

# MANAGING RISKS TO THE BUSINESS

Amplats operates a robust and dynamic risk-management process by deploying appropriate risk strategies to exploit opportunities and, conversely, manage downside risk to an acceptable level.

Risk management is part of the Group's strategic and business processes, and is a key element in achieving our vision and strategic objectives, and protecting our core values.

It forms an integral part of the Company's governance framework. The board recognises that an effective risk-management process and systems of internal control are fundamental in ensuring effective governance and sustainability of our business.

The Company has implemented an integrated risk management (IRM) methodology, which means that each key risk in every part of the business is included in a structured framework and systematic process of risk management. The methodology design takes cognisance of best-practice requirements and is aligned to the principles of the King III Code

of Governance, which ensures that strategy, risk and performance are integrated. The Group's risk-management process is detailed on page 167.

## Risk management during 2012

The key aspects of Amplats' risk performance during 2012 are:

- **The inability to sustain improvements in safety performance.** Although safety indicators continued to show improvement, Amplats operations experienced seven fatalities during 2012.
- **The global economy.** 2012 saw continued economic instability in Europe and fiscal uncertainty in the United States, both of which impacted the demand for platinum and hence the price of the metal.

- **The inability to meet production targets and sustain cost control.** From an operational perspective, both aims received focused management attention during the year. However, performance was negatively impacted by the industrial action during the third and fourth quarters. The Group's cost structure and operating model were subject to review during 2012, and the results of this process were announced in January 2013.
- **Social unrest.** The disruptions caused by the unprotected industrial action during the second half of 2012 were not anticipated, occurring outside the two-year wage-agreement cycle and originating within the wider Rustenburg community after the Impala and Lonmin strikes, before spreading to the Amplats workforce.



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The table below illustrates the alignment of risk and strategy within Amplats, and provides an indication of assessed performance during 2012:

Strategy	Strategic objective	Key risks	Key risk indicators tracked	Performance	
To maximise value by understanding and developing the market for platinum group metals (PGMs), expanding our production into that opportunity when right to do so and conducting our business safely, responsibly, cost-effectively and competitively	<b>Understanding and developing markets</b>	<ul style="list-style-type: none"> <li>Unfavourable global economic conditions</li> <li>Security of PGM supply</li> </ul>	<ul style="list-style-type: none"> <li>Engagement with customer base</li> <li>Ten-year demand forecast (internal and external)</li> <li>Analysts' ratings of Amplats</li> <li>REACH registration of products – from 2013 onwards</li> <li>Warnings and fines from authorities</li> <li>Customer complaints</li> <li>Amplats' share-price movement</li> <li>Market projection: supply versus demand</li> <li>Cost position of peers</li> </ul>	▣	
	<b>Sustaining and growing the business</b>	Leveraging the resource footprint	<ul style="list-style-type: none"> <li>Inability to deliver capital replacement and expansion projects</li> <li>Bulk infrastructural constraints</li> <li>Unfavourable potential policy changes in South Africa</li> <li>Loss of economic value in Zimbabwe</li> </ul>	<ul style="list-style-type: none"> <li>Availability of capital</li> <li>Projects' impact on future ounce profile</li> <li>Capital expenditure versus investment proposals</li> <li>Individual status of key projects</li> <li>Key infrastructural constraints</li> <li>Bills before Parliament</li> <li>Future ounces at risk</li> <li>Capital at risk</li> </ul>	▣
		Strong stakeholder relationships	<ul style="list-style-type: none"> <li>Social unrest: poor relations with host communities and workforce</li> <li>Compliance with/response to regional regulatory requirements</li> </ul>	<ul style="list-style-type: none"> <li>Community demonstrations</li> <li>Labour unrest</li> <li>Relationship surveys</li> <li>Joint-venture partner performance indicators</li> <li>Compliance with legal and social requirements</li> </ul>	⊗
	<b>Conduct business safely, cost-effectively and competitively</b>	Safety – zero harm	<ul style="list-style-type: none"> <li>Inability to sustain safety performance improvements</li> <li>Employee health impairment</li> </ul>	<ul style="list-style-type: none"> <li>Fatalities and injury frequencies</li> <li>Employee-health indicators</li> </ul>	▣
		Low-cost producer	<ul style="list-style-type: none"> <li>Inability to meet production targets</li> <li>Inability to sustain cost efficiencies</li> <li>Skills shortages</li> </ul>	<ul style="list-style-type: none"> <li>Production-performance indicators</li> <li>Cost-performance indicators</li> <li>Turnover – constraint roles</li> </ul>	▣

☑ 2012 risk indicators positive.

▣ 2012 risk indicators flat or trending towards positive, but further mitigation required.

⊗ Negative 2012 risk indicators, further mitigation required.

\* Note detailed risk-mitigation strategies for key risks are included in the table on pages 169 to 171.

# MINING LICENCES AND BLACK ECONOMIC EMPOWERMENT

Amplats, having achieved execution on 14 out of 15 mining licences, remains committed to meeting the requirements of South Africa's Mineral and Petroleum Resources Development Act and the Mining Charter.

The Group is proud of the contribution it has made to empowerment in South Africa through the numerous transactions it has facilitated since 2000. These have resulted in the significant and meaningful empowerment of historically disadvantaged South Africans (HDSAs) in various operations and projects. The table below contains a brief summary of these transactions completed over the years:

Date	Summary of transactions
August 2000	Sale of a 17.5% (and facilitation of an additional 5%) in Northam to Mvelaphanda Resources.
August 2001	Formation of 50:50 Modikwa JV with ARM Mining Consortium, an empowerment company that includes the Mampudima and the Matimatjatji communities of approximately 60,000 rural residents as broad-based participants.
August 2002	The establishment in July 2002 of a 50:50 unincorporated joint venture with Royal Bafokeng Nation over the Bafokeng-Rasimone Platinum Mine (BRPM) and the Styldrift project area. Following the restructuring of the BRPM Joint Venture in December 2009, Royal Bafokeng Platinum Limited (RB Plat) acquired a 67% interest as well as operational control of the BRPM Joint Venture on 4 January 2010. RB Plat listed on the JSE Limited on 8 November 2010 and the Group currently holds a 12.6% equity interest in RB Plat, in addition to the 33% direct interest in BRPM.
February 2003	The formation, in August 2002, with Lonmin plc, of the Pandora Joint Venture, which includes the participation of the Bapo-Ba-Mogale Mining company and Mvelaphanda Resources (on behalf of Northam) as empowerment partners, each having a 7.5% interest in the joint venture.
December 2005	The disposal in October 2005 of the rights on the property Elandsfontein 440 JQ to Eland Platinum Mines (EPM), with the Ngazana Consortium holding a 26% interest in EPM.
July 2006	The development of a chromite recovery plant at the Group's Union Mine with Siyanda Chrome Investments, an HDSA company.
November 2006	The transaction, in December 2006, with the Bakgatla-Ba-Kgafela (Bakgatla), who are the traditional community at Union Mine, giving the Bakgatla a 15% stake in Union Mine as well as a 26% stake in the Magazynskraal project and a 55% stake in the Rooderand project.
September 2007	The announcement of the Group's sale to Anooraq Resources Corporation (Anooraq) of an effective 51% of Bokoni Platinum Mine (Bokoni) and an additional 1% of the Ga-Phasha, Boikgantsho and Kwanda Joint Venture projects. Anooraq now owns and controls an effective 51% of Bokoni, Ga-Phasha, Boikgantsho and Kwanda. This transaction gave Anooraq control over the third-largest PGM resource base in South Africa.
September 2007	The disposal of the Group's 50% interest in the Booyensdal project and of its 22.4% interest in Northam to Mvelaphanda Resources, for a total consideration of R3.7 billion. Mvelaphanda Resources injected the Booyensdal project into Northam in return for Northam shares, resulting in Mvelaphanda Resources acquiring majority control of Northam. This transaction gave Mvelaphanda Resources control over the fifth-largest PGM resource base in South Africa.
September 2007	Announcement of the establishment of an employee share ownership plan (ESOP) that effectively owns 1.5% of Amplats to benefit all permanent employees not participating in any other company share scheme. More than 90% of the scheme's beneficiaries are HDSAs.
December 2008	The Group swapped its 37% interest in the Western Bushveld Joint Venture for a 26.6% equity interest in Wesizwe Platinum Limited (Wesizwe), an HDSA company.
February 2011	Announcement of the Group's R3.5 billion (circa 2.33% of market capitalisation) community economic empowerment transaction, Project Alchemy. See details on page 19.

## MINERAL RIGHTS UNDER CONTENTION

Amplats is geared for growth, with a total declared inclusive Mineral Resource estimate of 878,8 Moz 4E for the Company in South Africa and Zimbabwe. This number excludes any disputed rights such as Middellaagte 382 KQ, a portion of Tigerpoort 426 KS, Rooderand 46 JQ and the Modikwa deeps. Amplats is at the advanced stage of engagement with the regulator, the DMR, to amicably resolve the disputes.

## MINING CHARTER

Amplats remains committed to the transformation of the South African mining industry and welcomed the release of the revised Mining Charter in September 2010. The charter retained the requirement, set in 2002, of a historically disadvantaged South African (HDSA) ownership of 26% by 2014. The revised charter provided clarity in a number of areas, for instance in its definition of the term "beneficiation". This is the second year in which we are reporting against the new Mining Charter scorecard.

In advancement of black economic empowerment, the Company has entered into a number of disposal transactions and joint ventures and it has established an employee share ownership scheme as well as various community trusts as part of the community economic empowerment transaction. The result of these transactions was a transfer of more than 26% of the Company's forecast attributable production, as it would have been in 2014 had it not entered into these transactions, to historically disadvantaged South Africans.

The Company continues to meet all its Mining Charter obligations. The table on page 21 provides a summary of performance against the charter. It also shows where to obtain more information regarding particular sections of the new scorecard.

## ALCHEMY

Alchemy is a R3.5 billion transaction, concluded in 2011, and is aimed at ensuring the long-term sustainable development of four of our host communities and major labour-sending areas. The transaction is notionally vendor-financed over 10 years at a fixed 9.5% notional interest rate and includes an upfront discount of 5%. Amplats has issued a total of 6,290,365 ordinary shares of 10 cents each to the Lefa La Rona ("Our Inheritance") Trust. The Alchemy shares issued represented 2.33% of Amplats ordinary shares in issue at the time.

The Lefa La Rona Trust has been established and received public benefit status from the South African Revenue Service in 2012. The four development trusts (Development Trusts) are in the process of being set up to benefit the host communities within an approximate radius of 15 kilometres from the Amandelbult, Rustenburg, Twickenham and Mogalakwena mines and a non-profit company incorporated for the benefit of the labour-sending areas. The Development Trusts and the non-profit company will benefit from the following cash flows: annual dividend receipts; a guaranteed minimum dividend flow of R20 million per annum to provide an annual cash amount to the Development Trusts and the non-profit company, after taking into consideration the annual dividends received; rechannelled CSI spend of R30 million to the extent that the development trusts secure approval for development projects within the host communities; health and safety cash-flow benefits for the Development Trusts if key performance indicators relating to on-and-off-mine health and safety targets are achieved; proceeds from the potential increase in the Amplats share price after settling of the notional vendor funding, to the extent that the shares are disposed of by the Development Trusts and the non-profit company at the expiry of the term of the transaction.

The Company's ultimate ambition in this transaction is to make a meaningful and sustainable contribution to the ability of those communities to thrive well beyond the life of our mining operations.

## MINERAL POLICY – SOUTH AFRICA

It is imperative for business in South Africa to be able to operate in the context of a stable regulatory framework and a clear and fair fiscal regime. The South African Government's plans to attract and promote the significant private-sector investment required to ensure a thriving mining sector that contributes meaningfully to society at large rests on three critical components: ensuring policy predictability and certainty; enforcing the rule of law; and investing in the enabling infrastructure required.

The resolution taken by the African National Congress (ANC), South Africa's ruling political party, at its recent policy conference, that wholesale mine nationalisation is not a reasonable or sustainable option for South Africa is welcomed. Nationalisation has now been firmly ruled out by the current ruling party as an option for the mining industry. Nationalisation would not have solved the economic or transformational challenges South Africa faces, but would instead have had a negative impact on the country's economy and ability to create jobs. The ANC's decision will create greater certainty among investors and will once again encourage investment in the country's mining sector.

The ANC did, however, endorse the proposals in the Sims Report for a new resource rent tax. It has argued that the proposed new tax is necessary to ensure that the state benefits appropriately from the profits the mining industry earns. It is Amplats' view that the existing royalty regime was introduced for exactly this purpose and that, combined with the existing system of taxation, it already ensures a fair distribution of the benefits of mining. Further changes to the tax and royalty regime may well make South Africa uncompetitive internationally. The Company will continue to engage the ruling party and the Government on the proposals for a resource rent tax.

**INDIGENISATION ACT – ZIMBABWE**

On 1 November 2012, a Heads of Agreement relating to the proposed Unki Mine indigenisation implementation plan was signed with the Government of Zimbabwe. The Heads of Agreement is subject to the fulfilment of certain conditions precedent and sets out the key terms for transfer of 51% equity ownership of Unki Mines (Private) Limited to selected indigenous Zimbabwean entities as required by the Indigenisation and Economic Empowerment Act. The proposed transaction will be facilitated through a notional vendor financing structure provided to the following indigenous entities:

- 10% equity ownership transaction to a trust established for the benefit of the community surrounding Unki Mine's operations.
- 10% equity ownership transaction to a trust to be established for the benefit of all full-time employees of Unki Mine.
- 10% equity ownership transaction to a consortium of strategic equity partners.
- 21% equity ownership transaction to the National Indigenisation and Economic Empowerment Fund.

The notional vendor financing will be repaid by the indigenous entities from a share of their future dividends. Subject to fulfilment of all the conditions precedent, Amplats intends to implement the indigenisation plan by 30 June 2013.

01 Norman Mehlo and Mkhusele Mbaule performing maintenance on the water reticulation system, Rustenburg

**WATER USE LICENCE**

Our operations with approved water use licences (WUL) are Twickenham Platinum Mine, Polokwane Metallurgical Complex, Mogalakwena Mining area, Rustenburg mines, Union Mines and the Mototolo

Concentrator and Der Brochen Project (whose integrated WUL was approved in April 2011). Engagement around the issuing of Amandelbult's water-use licence with Government continues. Amandelbult has a valid water permit under the old Act.



**Mining Charter scorecard summary**

Description	Measure	2012 progress against target	Compliance target by 2014
<b>Reporting</b> Has the Company reported the level of compliance with the charter for the calendar year?	Documentary proof of receipt from the department	Reports submitted on a quarterly basis	Annually
<b>Ownership</b> Minimum target for effective HDSA ownership	Meaningful economic participation	In advancement of black economic empowerment, the Company has entered into a number of disposal transactions and joint ventures and it has established an employee share ownership scheme as well as various community trusts as part of the community economic empowerment transaction. The result of these transactions was a transfer of more than 26% of the Company's forecast attributable production, as it would have been in 2014 had it not entered into these transactions, to historically disadvantaged South Africans.	26%
	Full shareholder rights	Good progress to achieving 2014 target	26%

## Mining Charter scorecard summary

Description	Measure	2012 progress against target	Compliance target by 2014
<b>Housing and living conditions</b>			
Conversion and upgrading of hostels to attain the occupancy rate of one person per room	Percentage reduction of occupancy rate towards 2014 target	50% of employees in single room accommodation	Occupancy rate of one person per room
Conversion and upgrading of hostels into family units	Percentage conversion of hostels into family units	All hostels converted into family units	Family units established
<b>Procurement and enterprise development</b>			
Procurement spent from BEE entity	Capital goods	51.7%	40%
	Services	53.4%	70%
	Consumable goods	55.5%	50%
Multinational suppliers' contribution to the social fund	Annual spend on procurement from multinational suppliers	This programme is currently being addressed and work is under way. The identification of suppliers is complete. The strategy for the management of the funds is being developed.	0.5% of procurement value
<b>Employment equity</b>			
Diversification of the workplace to reflect the country's demographics to attain competitiveness	Top management (board) level	38%	40%
	Senior management (Exco)	39.8%	40%
	Middle management	57.2%	40%
	Junior management	65%	40%
	Core skills	83.4%	40%
<b>Sustainable development and growth</b>			
Improvement of the industry's environmental management	Implementation of approved EMPs	Regulation 55 performance reviews are done by the environmental managers and are submitted to the DMR by the operations. The schedules are aligned with the EMPR commitments.	100%
Improvement of the industry's mine health and safety performance	Implementation of the tripartite action plan on health and safety	Implementation of action plans aligned	100%
Utilisation of South African-based research facilities for analysis of samples across the mining value chain	Percentage of samples in South African facilities	100%	100%
<b>Beneficiation</b>			
Contribution of a mining company towards beneficiation (this measure is effective from 2012)	Additional production volume contributory to local value addition beyond the baseline	The Company continues with implementation of its beneficiation strategy. The offset guidelines have not been finalised by the DMR and therefore the Group cannot calculate what offsets it qualifies for. Furthermore, the DMR released its beneficiation strategy. There is no reference to baseline levels and targets.	Section 26 of the MPRDA (percentage above baseline)
<b>Human resource development</b>			
Development of requisite skills, including support for South African-based research and development initiatives intended to develop solutions in exploration, mining, processing, technology efficiency (energy and water use in mining), beneficiation as well as environmental conservation and rehabilitation	HRD expenditure as percentage of total annual payroll (excluding mandatory skills development levy)	5.4% achieved	5%
<b>Mine community development</b>			
Conduct ethnographic community consultative and collaborative processes to delineate community needs analysis	Implement approved community projects	Projects in communities surrounding our operations implemented to the value of R276 million	Up-to-date project implementation

 **STRATEGIC ELEMENT:** Understand and develop the market



# MARKET ASSESSMENT

WITH THE FUTURE IN MIND



The platinum market moved into deficit in 2012 owing to a fall in newly mined and recycled supplies. Supplies of platinum were negatively impacted by labour stoppages and mine closures in South Africa.

**MARKET DEVELOPMENT AND BENEFICIATION**

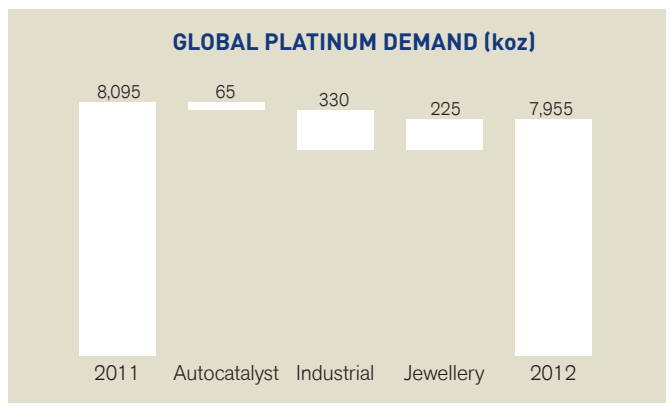
Amplats believes that it is important to invest in developing sustainable PGMs, because applications for these unique metals are largely derived. Together with various partners, the Company invests in a portfolio of activities ranging from lab-scale research and product development to investments in the early-stage commercialisation of products capable of driving PGM demand in the longer term. As far as possible, these market development opportunities are located in or focused on South Africa, so as to facilitate beneficiation of the metals produced.



Overall platinum demand in the China jewellery sector rose by 14% to 1.9 million ounces in 2012, supplied by 1.4 million ounces of new metal and 0.5 million ounces of recycled platinum jewellery.

**3.04 Moz**  
OF PLATINUM WAS USED IN AUTOCATALYSTS IN 2012

**5.8 Moz**  
OF NEWLY MINED PLATINUM SUPPLY IN 2012



**“We are investing in likely high-growth platinum demand applications, such as stationary fuel cell, which also present significant South African beneficiation and job creation opportunities.”**  
**Andrew Hinkly**  
Executive head: Marketing

**1,532 US\$/oz**  
AVERAGE PLATINUM PRICE ACHIEVED

# MARKET REVIEW

Growth in global vehicle sales remains dominated by gasoline vehicles, and in 2012 gross autocatalyst demand for platinum declined while that for palladium and rhodium increased.

Gross platinum demand declined by 140 koz or 2% in 2012 as weaker demand for autocatalyst and industrial applications exceeded the increases in jewellery demand, which responded to low prices. Primary supply of platinum was negatively impacted by labour stoppages and mine closures in South Africa. In addition, autocatalyst recycling decreased by 15.5% in 2012 owing to the lower platinum price.

Gross demand for palladium rose by 15% in 2012, owing to an increase in demand from the autocatalyst sector and a significant increase in investment demand. The palladium market moved from a surplus in 2011 to a deficit in 2012 as South African output was lower, also owing to labour stoppages and mine closures, and less metal was sold from Russian stockpiles.

The rhodium market moved into balance in 2012 after years of surplus, with reduced supplies matching increased demand primarily from the autocatalyst sector.

If South African platinum production returns to pre-strike levels, then the market would be oversupplied.

## Platinum supply and demand

(000 oz)	2012	2011
<b>Supply</b>		
South Africa	4,285	4,855
Russia	790	835
North America	340	350
Other	440	440
<b>Primary supply</b>	<b>5,855</b>	6,480
Autocatalyst recycle	1,035	1,225
Jewellery recycle	785	810
Industrial recycle	10	10
<b>Secondary supply</b>	<b>1,830</b>	2,045
<b>Gross supply</b>	<b>7,685</b>	8,525
<b>Demand</b>		
Autocatalyst: gross	3,040	3,105
Jewellery: gross	2,735	2,480
Industrial: gross	1,720	2,050
Investment	460	460
<b>Gross demand</b>	<b>7,955</b>	8,095
<b>Movement in stocks</b>	<b>(270)</b>	430

## AUTOCATALYST SECTOR

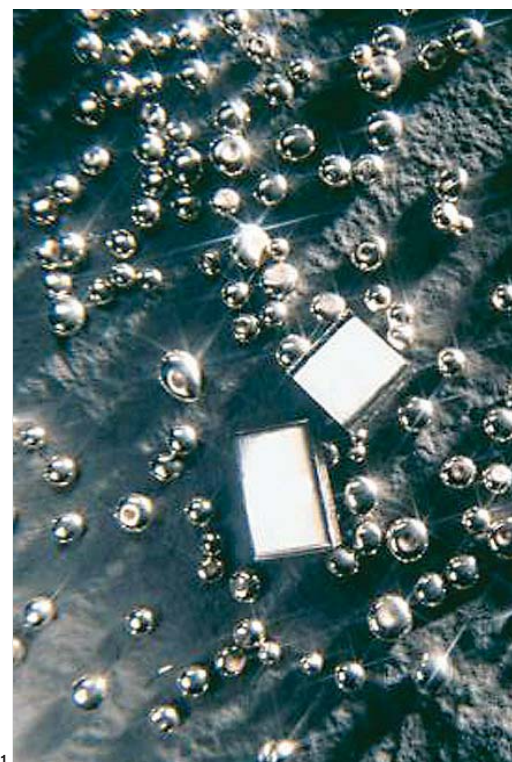
Global light-vehicle sales grew by 5% in 2012 to 80.7 million units, reflecting a mix of growth and decline in different markets. Growth in North America, Japan and the BRIC nations (Brazil, Russia, India and China) offset weakness in Europe and other regions. The ongoing economic uncertainty in Europe continued to impact demand for new vehicles with sales 8% below those in 2011.

Gross demand for platinum in autocatalysis declined over 2011, with the increase in demand in Japan and other regions unable to make up for the decline in demand from Europe. The increased production of gasoline vehicles in 2012 underpinned a 7% increase in palladium demand and a 5.9% increase in rhodium demand. Palladium demand also benefited from continuing substitution of platinum by palladium in diesel vehicles.

## Europe

The automobile market in Europe contracted in 2012 as a result of the ongoing economic turmoil in the region. The registration of vehicles was down by 8.3% year-on-year, while production fell by 6%. Output from European plants was given some support by demand for luxury vehicles in export markets, but a decrease in the output of diesel vehicles further eroded platinum demand in this sector. In addition, the move to smaller, more economical vehicles benefited sales of small gasoline vehicles to the detriment of sales of diesel vehicles.

The introduction of lean NOx traps for lean-burn gasoline engines is benefiting the demand for platinum; however, the increase in the fitment of lean NOx traps in 2012, ahead of legislation, was insufficient to make up for the overall decrease in the production of vehicles. The market for heavy-duty vehicles responds more closely to changes in economic conditions than does the market for light-duty vehicles, and OEMs reduced output in the face of the weaker economic conditions. Demand for platinum in the heavy-duty sector was firmer on account of the production



01

of Euro VI-compliant vehicles ahead of enforced compliance in 2013. Demand will continue to be underpinned by the roll-out of Euro VI-compliant vehicles over the next two years.

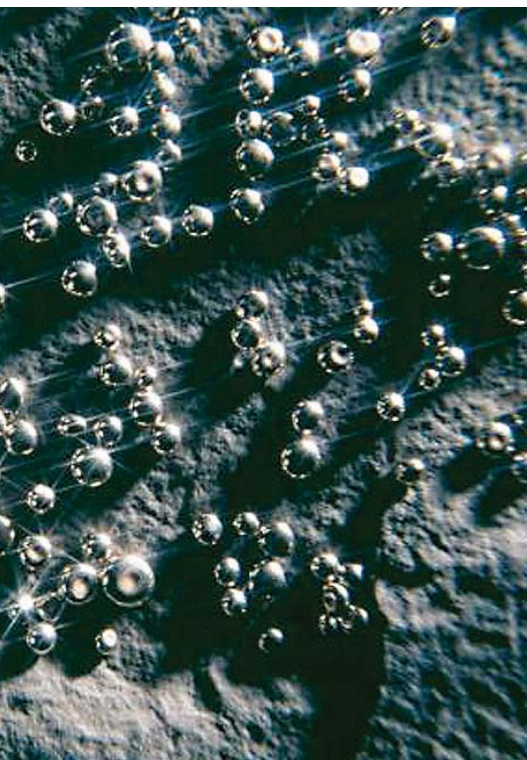
Purchases of palladium in 2012, although slightly lower than in 2011 at 1.4 million ounces, were supported by an increase in the number of vehicles produced that meet the Euro VI emission levels. Palladium is also benefiting from an increase in the number of compressed natural gas vehicles being produced. Rhodium demand declined by 7%, in line with the decrease in the manufacture of gasoline vehicles.

## Japan

Sales of light-duty vehicles recovered strongly in 2012, growing by 27%. Sales slowed in the closing months of the year following the expiry of the eco-car subsidy. Production rose to rose 20.6% over that of the previous year, which was beset by supply chain issues emanating from the earthquake and tsunami in March. Production is expected to decline

**01** Platinum and to a much greater extent palladium are the principal platinum group metals used in dental restorations

**02** Hard disks contain platinum group metals to enhance storage capacity



in 2013, because of weak domestic demand and the relocation of some production capacity offshore. Japanese purchases of platinum increased by 19% to 563,000 ounces.

#### North America

Sales of light-duty vehicles in North America rose by 12.5% in 2012. Growth levels, however, were inflated by year-on-year comparisons with those for a weak 2011, when inventory was extremely low. In 2012, light-duty-vehicle production climbed 17%. Despite this, gross demand for platinum was flat as its substitution by palladium increased. Net demand growth remained negative as the growth in supply of metal from autocatalyst scrap exceeded demand growth.

However, the demand for palladium and rhodium increased strongly in line with the growing trend in substitution and a rise in output of gasoline vehicles, and purchases of the metals grew by 14% to 1.7 million ounces and 20% respectively.

#### China

The Chinese automobile market remained resilient in 2012, with sales of light vehicles up by 5.9%. Production also made strong gains, with a 5.9% increase. China is predominantly a gasoline market and platinum usage in the automobile sector is under 100,000 ounces per annum at present.

Palladium purchases were 8% higher year on year, reflecting the country's increased production of automobiles. Purchases of rhodium also increased, growing by 8%. Demand for PGMs was further enhanced by the fitment of Euro V-equivalent exhaust gas systems as Beijing is expected to enact legislation mandating that vehicles meet the more exacting China V legislation. Some OEMs are fitting compliant systems ahead of the legislation.

#### Rest of World

Sales of light vehicles in the Rest of World (ROW) region rose by 4.2 in 2012, while the production of light-duty vehicles was 4.7% higher than in 2011. Strong growth in Brazil, India, Mexico and Russia

underpinned the increase. The output of light-duty diesel vehicles rose by 18%, largely on account of their increasing popularity in India.

Demand for platinum in ROW grew by 34% in 2012, while demand for palladium use was 7%. The increase in demand for platinum was a result of strong automobile demand, particularly in India. Sales of passenger vehicles in India increased by 11% in 2012. More importantly, the diesel share of domestic production increased by 5.7 percentage points, to represent 49% of output. In a society where value for money is important, diesel vehicles are growing in popularity thanks to their greater fuel efficiency. Output from Mexico was also stronger, owing to increased demand from North America.

#### The recycling of autocatalyst scrap

Supplies of PGMs from the recycle of spent catalysts shrunk 13% in 2012 to 2.079 million ounces. Recovery of metal in Europe and North America was negatively impacted by collectors holding back stock in anticipation of higher PGM prices, while lower stainless steel prices kept dismantlers from decanning the catalysts which also reduced supplies of feed for processing. In Japan supplies increased as the recovery in sales of new vehicles in 2012 after the slowdown in 2011 resulted in more vehicles being scrapped in that year. In developing markets recovery of PGMs are increasing and reflect the historic growth of vehicle sales.

#### THE JEWELLERY SECTOR

Despite generally weaker economic conditions across the globe, strong demand from China and India saw gross platinum demand for the fabrication of jewellery increase by 10% in 2012, to 2.7 million ounces. With platinum no longer trading at a premium to gold, increased sales from consumer choice at point-of-sale occurred. In China retailers benefited from higher margins as, despite the lower price, retailers maintained weight-based platinum jewellery sales above those of gold. India continues to

grow faster than other markets in percentage terms. The relatively lower price of platinum and its discount to gold will continue to support the jewellery sector in 2013. Gold's premium is encouraging consumers to move from 18 carat white gold to platinum, while also resulting in restocking by retailers.

### China

Gross demand for platinum for the fabrication of jewellery in China rose by 14% in 2012, to nearly 2 million ounces. The Chinese market continues to benefit from platinum's discount to gold. The retail price of platinum has, however, remained higher than that of gold in most cities, delivering a better return on investment.

1.4 million ounces of platinum was purchased by manufacturers in 2012, 16% higher than in 2011. Recycling of old jewellery was half a million ounces. In China consumers tend to hand in old jewellery for recycling when upgrading to a larger piece and so the level of recycling represents increased demand for platinum in contrast to Western markets. Higher prices encourage consumers to upgrade and consequently hand in older jewellery pieces.

### Europe

Gross demand for platinum for jewellery fabrication in Europe remained firm in 2012 despite the economic situation owing to the sovereign debt crisis. Gross demand for platinum was up 4.65% at 180,000 ounces. In the UK platinum gained market share from white gold owing to the price differential with the number of pieces hallmarked rising over 2011. Demand for top-end luxury items from the Middle and Far East benefited the Swiss watch industry which registered a 4% increase in the number of platinum watch cases hallmarked.

### North America

North American jewellery fabricators purchased marginally less platinum in 2012 and the procurement of platinum totalled 184,000 ounces. Manufacturing has profited from the export market, where high-end

**Demand for top-end luxury items from the Middle and Far East benefited the Swiss watch industry which registered a 4% increase in the number of platinum watch cases hallmarked.**

brand-name stores in the Middle East and Asia are building stock. Furthermore, platinum's discount to gold has improved its competitiveness in the domestic market. These factors, however, were insufficient to make up for destocking at manufacturers in North America.

### Japan

Historically, the Japanese platinum jewellery industry has been predominantly a bridal market. With the aging of the population and a drop in the number of marriages in more recent times, the demand for platinum bridal rings has declined in Japan. A steady decrease in the weight of the jewellery pieces manufactured has further reduced purchases of platinum for jewellery manufacture. This fell for the third consecutive year, to 303,000 ounces. Overall demand was further negatively impacted by the supply of metal from old scrap and net demand for platinum was 22,000 ounces in 2012.

### Rest of World

Demand for platinum jewellery in India was a highlight in 2012, expanding by 38% in ounce volumes. The country is primarily a gold market, however, the younger Indian consumer and a changing retail climate support a preference for white metals in jewellery. Platinum is associated more with emotion than wealth or investment, and possesses an international image. Purchases of platinum also benefited from an increase in exports of platinum jewellery from India.

### INVESTMENT SECTOR

Investment demand for platinum was flat in 2012 compared to 2011, although the performance during the year was erratic. Japanese buyers of large bars were very active in the months when the price was lower with disinvestment in the last quarter when the price rose. Overall net demand was positive at 175,000 ounces. The release of the Canadian Platinum Maple Leaf and the Australian Platinum Platypus bullion coins also boosted interest in demand in the United States (US) and the ROW.



### Exchange-traded funds

Platinum and palladium exchange-traded funds (ETFs) were launched in 2007, by ETF Securities in the UK and Zurich Kantonalbank in Switzerland. At the end of 2009, ETF Securities introduced a PGM product in the US and was soon followed by Swiss Bank Julius Baer, which launched its own offering at the beginning of 2010. Since then a plethora of products has been introduced, including a rhodium ETF. After a relatively uneventful first two quarters in 2012, interest in PGM investment counters rose from August onwards, when industrial unrest in the platinum-producing region of South Africa sparked fears of supply shortages. The net increase in investment in platinum ETFs was 192,900 ounces in 2012, marginally higher than net investment in 2011. After significant liquidation in palladium ETFs in 2011, positive sentiment returned in 2012. In the presence of strong underlying financial fundamentals, investors increased their holding in palladium

ETFs, to 2.04 million ounces in 2012, a net increase of 286,200 ounces.

### INDUSTRIAL SECTOR

A decline in purchases from the glass and electrical sectors in 2012 resulted in a decrease of 11% in demand for platinum for industrial applications, to 1.7 million ounces.

#### Chemicals

Purchases of platinum for the chemical sector declined by 5% in 2012, to 446,000 ounces.

Platinum catalysts are used in many chemical processes, for example the production of nitric acid, silicones and paraxylene. The major use of nitric acid is in the fertilizer industry.

Employing platinum catalysts to produce nitric acid is one of the oldest industrial uses of the metal. In the manufacture of nitric acid, ammonia gas is oxidised over a platinum–rhodium

catalyst in order to produce nitric oxide, and is then further oxidised to form nitrogen dioxide. The nitrogen dioxide is added to water to form nitric acid. In this process a portion of the precious metals is lost, although palladium catchment gauze can be used to reduce the losses. Because of these losses, much of the consumption of platinum is top-up metal. It is only when new nitric acid capacity is created that demand increases significantly.

Platinum is consumed in the process of curing silicones, and thus demand for the metal follows the ebbs and flows of industrial activity in that sector. As with other industrial applications, growth has been most significant in China and ROW. In the area of process catalysts, investment in paraxylene capacity in China boosted demand in 2012.

Palladium-based catalysts are used in a vast array of bulk and speciality fine chemical production processes. Some of the bulk chemicals produced are acetaldehyde, hydrogen peroxide,

**Investment demand for platinum was higher in 2012 than in 2011, although the performance during the year was erratic.**

oleochemicals, purified terephthalic acid (PTA) and vinyl acetate monomer (VAM). Growth in capacity for the production of PTA and VAM in China has underpinned palladium demand recently; while growing demand in India has also necessitated increased capacity construction. There has been little investment in capacity in Europe and North America owing to the economic uncertainty there. Overall, the offtake of palladium was 19% higher in 2012 than in 2011, at 529,000 ounces.

#### Glass

Platinum's high melting temperature, strength and resistance to corrosion have resulted in equipment used in the glass industry being made from platinum alloys. Platinum and rhodium are used in the manufacture of liquid-crystal displays (LCDs), and platinum/rhodium bushings are used to manufacture glass fibre. Demand for LCDs has benefited from better sales of flat-screen televisions and new capacity is still being built in China. However, sales of platinum to the glass sector are not expected to have increased in 2012, since large amounts of metal are being returned from the closure of old marble remelt facilities. Net demand for platinum in this segment shrank by 65% to 184,000 ounces, while that for rhodium fell to 33,000 ounces.

#### Petroleum

Platinum catalysts are used in the reforming and isomerisation steps in the refining process. Losses in process are small, and so demand increases only when new capacity expansions are undertaken. Purchases of platinum by the petroleum sector decreased by 3% in 2012.

Platinum catalysts are also used in the production of biofuels.

#### Electrical sector

The purchase of platinum for electronic applications declined in 2012 by 16.3%.

## Hard disks

Hard disks represent the single largest consumer of platinum in electronics. The addition of platinum to the cobalt alloy used in hard disks enhances the magnetic qualities of the alloy. This facilitates higher-density data storage and faster data access. The hard-disk industry was particularly badly affected by the Japanese earthquake and the Thailand flooding in 2011, and had not fully recovered in the first half of 2012. Purchases of platinum from manufacturers therefore continued to decline in 2012.

Thermocouples made of platinum and rhodium are used in the steel, glass and semiconductor industries.

Demand for platinum in this application accounts for under 20% of electrical demand and fluctuates in line with the production cycles in those industries.

## Palladium

Demand for palladium in electronic applications declined once again in 2012, to 770,000 ounces, which represents a reduction of 12%. The largest single area of palladium consumption in the electronic sector is in multi-layer ceramic capacitors (MLCCs), where palladium/silver conductive electrode material is layered between insulating ceramic wafers. Nickel-based MLCCs have been replacing palladium-based ones and now account for more than 80% of total output. However, thanks to palladium's special physical properties, palladium-based MLCCs are still preferred for use in exacting environments such as aerospace and engine-management systems in vehicles.

Palladium is used with silver to connect electronic components in hybrid integrated circuits. It is also used to plate connectors that link components in electronic circuitry. Gold can also be used in this application, but palladium has a lower density than gold and can thus be used in smaller amounts. With palladium trading at a significant discount to gold, the threat of gold being substituted for platinum is low.

Lead frames are used to connect integrated circuits to other electronic devices. Some manufacturers use palladium to plate the frames, as an environmentally preferable alternative to tin-lead solder. Gold can also be used in place of palladium. However, the present price advantage that palladium has over gold is encouraging a move towards the use of palladium.

### Palladium supply and demand

(000 oz)	2012	2011
<b>Supply</b>		
South Africa	2,380	2,560
Russia	2,850	3,480
North America	890	900
Other	420	420
<b>Primary supply</b>	<b>6,540</b>	7,360
Autocatalyst recycle	1,525	1,655
Jewellery recycle	195	210
Industrial recycle	520	480
<b>Secondary supply</b>	<b>2,240</b>	2,345
<b>Gross supply</b>	<b>8,780</b>	9,705
<b>Demand</b>		
Autocatalyst: gross	6,525	6,030
Jewellery: gross	450	505
Industrial: gross	2,485	2,480
Investment	285	(565)
<b>Gross demand</b>	<b>9,745</b>	8,450
<b>Movement in stocks</b>	<b>(965)</b>	1,255

## Dental alloys

The demand for palladium in dentistry is expected to have fallen slightly in 2012, to 538,000 ounces. Palladium and, to a lesser extent, platinum are alloyed with other metals for use in dental restorations such as crowns. Alloys high in gold usually contain platinum, while alloys low in gold contain mostly palladium (between 50% and 80%). In Japan the government specifies which alloy must be used for subsidised dental work. The alloy, kinpala, contains 20% palladium. Japan is the leading market for palladium dental alloys, with consumption at 223,000 ounces in 2012, up marginally over the previous year's. In Europe and North America, however, demand has declined in the wake of the increased use of base metal alloys and ceramics in dentistry.

## Fuel cells

The principle of fuel-cell technology – an electrochemical reaction between hydrogen and oxygen which produces an electrical current – has been known since 1839, when it was discovered by the British physicist, Sir William Grove. Up to the 1980s fuel-cell technology had only been used in highly technical applications such as the Apollo space programme. In the 1980s and 1990s growing concerns over the environment and the promulgation of increasingly more stringent emission legislation focused attention on the fuel cell as a clean and efficient producer of energy. Following the adoption of the Kyoto protocol at the end of 1997, many nations focused attention on technology that would reduce global warming gases. The development of fuel-cell technology has benefited in the years since from government support. Platinum is used as a primary catalyst in a number of fuel-cell technologies including that of the phosphoric acid fuel cell (PAFC) and the proton exchange membrane (PEM) fuel cell. The demand for platinum in fuel cells has grown significantly in the last few years, albeit off a small base. Sales of combined heat and power (CHP) units have increased strongly in Japan following the Fukushima disaster. However, in the rest of the world large stationary PAFCs are competing with non-platinum solid oxide fuel cells (SOFCs). Many OEMs are planning to commercialise fuel-cell vehicles by 2015. It is critical that a hydrogen fuelling grid is available for this to occur. To this end certain countries, such as Japan and Germany, have programmes in place to provide hydrogen filling stations ahead of the introduction of these vehicles. The largest growth in fuel-cell systems has been in the portable sector. Fuel-cell electronic chargers for consumer electronics are available commercially and gaining a following worldwide.

**Hard disks represent the single largest consumer of platinum in electronics. The addition of platinum to the cobalt alloy used in hard disks enhances the magnetic qualities of the alloy. This facilitates higher-density data storage and faster data access.**

## Rhodium supply and demand

(000 oz)	2012	2011
<b>Supply</b>		
South Africa	595	641
Russia	91	72
North America	21	20
Other	25	32
<b>Primary supply</b>	<b>732</b>	765
Autocatalyst recycle	228	280
<b>Secondary supply</b>	<b>228</b>	280
<b>Gross supply</b>	<b>960</b>	1,045
<b>Demand</b>		
Autocatalyst: gross	778	712
Industrial: gross	142	179
Investment	42	15
<b>Gross demand</b>	<b>962</b>	906
<b>Movement in stocks</b>	<b>(2)</b>	139

## PRICE COMMENTARY

2012 was a volatile year for the platinum price with supply insecurities vying with macroeconomic factors in the market. Platinum made a promising start in the first quarter of the year climbing from an opening fix of \$1,406 to the year's high of \$1,729 on 23 February. Platinum managed briefly to regain its premium to gold in mid-March as a strong dollar exerted pressure on gold. Macroeconomic concerns over the crisis in the Eurozone dominated markets over the second quarter and platinum slipped below \$1,600 in April. Platinum fell below \$1,500 in May as reports of high unemployment in the Eurozone gave rise to steep declines in the precious metals complex. Announcements of mine closures in June failed to give support to the price and platinum continued to fall. The fall was exacerbated by economic concerns and the price fell below \$1,400 in July. After realising the year's low of \$1,390 on 3 August platinum rallied strongly gaining \$123 over the month and managed to breach \$1,500 once again. Illegal walkouts at South African mines and the violent conflict spread across South African mines, igniting fears of prolonged supply disruptions. Supply concerns continued to dominate the market in September

## OTHER USES FOR PLATINUM



01

Most of the platinum that is mined in the world today is used in the manufacture of catalytic converters in exhaust systems. Together with fine jewellery, autocatalysts consume more than 70% of the world's supply of platinum. However, platinum is also required in a great many industrial applications: some sources estimate that one-fifth of everything we use either contains platinum or requires platinum in its manufacture.

As a result, and although individually not large, other applications requiring platinum together consume a significant amount of platinum each year. With purchases of 690,000 ounces in 2012 – a 17% improvement on the previous year's figure – demand for platinum from this sector continued to strengthen.

The bigger purchases were made mostly for non-catalytic automotive applications, for example oxygen sensors and spark plugs. As in the case of purchases for autocatalyst uses, the driver of demand for these components is the production of vehicles and the increasingly more severe exhaust emissions legislation. As legislation becomes more stringent, more oxygen sensors per vehicle are required.

Besides this, the extended warranty period on vehicles in recent years has increased demand for spark plugs with a longer life. Platinum and, increasingly, iridium are being used in spark plugs to prolong their life.

Platinum also plays an important role in biomedical applications, for example guide wires in vascular and other surgery, pacemakers and defibrillators. After guide wires, the cardiac rhythm management sector is the largest demand sector among biomedical devices. This sector includes pacemakers, implantable cardioverter defibrillators and cardiac resynchronisation devices. Platinum alloys are employed in stents used in cardiovascular procedures, and this use has boosted demand in recent years. Platinum is also used in the production of anti-cancer drugs such as Cisplatin, Carboplatin and Oxaliplatin.

Although discovered over 40 years ago, platinum-based drugs are still proving to be highly effective in the fight against this dreaded disease. Sales of Oxaliplatin (Eloxatin), which is used in the treatment of life-threatening metastatic colorectal cancer, rose strongly in 2012.

and these, together with high levels of speculative interest, underpinned a rise in the price to just short of \$1,700 on 14 September. Supply concerns continued to dominate early in October, but were surpassed by negative economic news later in the month. A decline in the euro saw platinum fall to as low as \$1,539 during the month. Platinum moved in tandem with gold for most of November but also benefited from a forecast of a deficit in the market with the price breaching \$1,600 on 26 November. Platinum traded in a range between \$1,585 and \$1,615 until the last full week of trade when heavy liquidation saw the price losing \$78. Platinum fixed at \$1,527 on the afternoon of 28 December, 8.6% above where it started the year.

**MARKET DEVELOPMENT AND BENEFICIATION**

Amplats believes that it is important to invest in developing sustainable markets for PGMs, because applications for these unique metals are largely derived. Together with various partners, the Company invests in a portfolio of activities ranging from lab-scale research and product development to investments in the early-stage commercialisation of products capable of driving PGM demand in the longer term. As far as possible, these market development opportunities are located in or focused on South Africa, so as to facilitate local beneficiation of the metals produced.

The Company invests in market development and beneficiation across four broad areas overall:

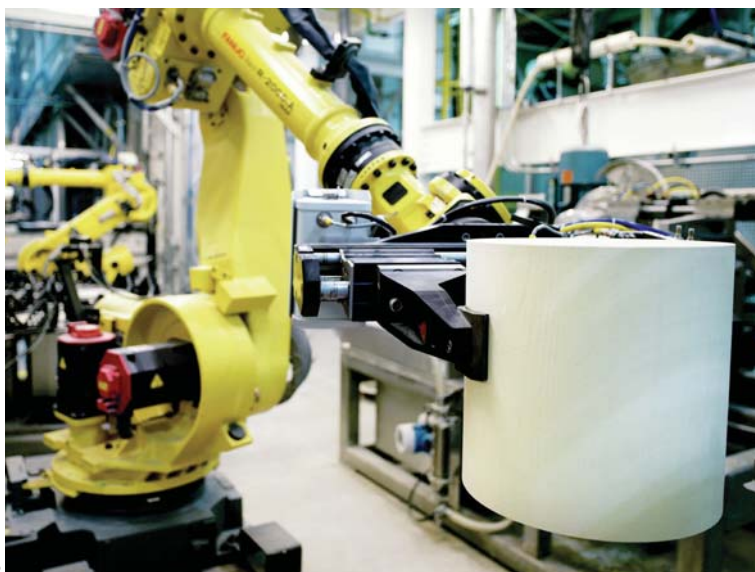
- The platinum jewellery market, both local and international.
- Research into PGM applications at South African universities and research institutes.
- The commercialisation of fuel cells.
- The establishment of the PGM Development Fund to invest in local, early-stage industrial businesses that consume PGMs.

**Developing the jewellery market**

Together with other platinum producers, the Company supports the Platinum



01



02

Guid International (PGI). The PGI has provided sales support and training to all levels of the global jewellery trade for over 30 years. In addition to supplying expert information and practical advice to help jewellery buyers, the guild also develops targeted marketing campaigns to stimulate interest and sales in platinum jewellery around the world.

In South Africa Amplats concentrates on building the design and manufacturing capability of platinum jewellers; providing jewellers with access to affordable metal; and stimulating demand for platinum jewellery. In 2012, the Company continued to support five training institutes that are geared to providing instruction in platinum jewellery design and manufacturing. In addition, it supported the Small Enterprise Development Agency's Platinum Incubator in Rustenburg. This initiative, run by the Department of Trade and Industry, offers training in business skills for small jewellery manufacturers.

In line with the Government's beneficiation objectives, Amplats continued to provide a metal consignment scheme to facilitate the local jewellery industry. The scheme allows for extended payment terms and gives jewellers the opportunity to manage price volatility.

During the year under review, the Company ran its 14th PlatAfrica design and manufacture competition, attracting a record 137 entries from professionals, apprentices and students. The pieces, submitted under the theme "Red Carpet Platinum", showcased local design talent and high-quality workmanship. The annual competition and its related media campaign raises consumer and retail awareness of platinum jewellery in South Africa.

**Research collaborations**

Both Amplats and the Government realise that the development of local products can be enabled only by strengthening research capacity and

- 01 Platinum laboratory equipment
- 02 HDD catalyst manufacturing

building skills in the fields of science and engineering. To this end, the Company supports various PGM research programmes at South African universities and at the Council for Scientific and Industrial Research (CSIR). Some of the programmes are undertaken in collaboration with international researchers, and this allows the transfer of skills and access to new methodologies and equipment.

While these programmes are starting to show pleasing results, they are still at very early stages of development and for this reason are reviewed regularly. It is hoped that they will lead to the development and commercialisation of new PGM applications; drive demand in the longer term; and help to establish new industries in South Africa.

### Fuel-cell product development

A key development area for platinum lies in accelerating the use of platinum-based fuel cells for the small- and large-scale provision of electricity in mobile, stationary and portable applications. Fuel cells are efficient, versatile and scalable, and offer significant medium- to long-term demand for platinum. This technology presents the following advantages:

- It facilitates the switch from vehicles with internal combustion engines to electric vehicles.
- It increases the availability of electricity in emerging economies with low rates of electrification.
- It provides more energy- and carbon-efficient solutions in numerous other applications.

Given the Company's extensive operations and its desire for safe, sustainable platinum, Amplats has been identifying uses for fuel cells in its own operations; and, together with its partners, is currently investing in the development of underground fuel-cell locomotives and a mining-cap lamp. The prototypes of both products are currently being tested, in order firstly to refine their design parameters and secondly to hone the business case for their commercialisation in South Africa.

Beyond the area of mining, the Company is also investing in the

development of a fuel-cell home generator designed to provide efficient, reliable power to rural communities not connected to the electricity grid.

In parallel with these technical-product-development activities, the Company is focusing its efforts on creating a local manufacturing strategy; and on securing offtake as part of the commercialisation process.

### Platinum Group Metal Development Fund

The Company established the Platinum Group Metal Development Fund (PGMDF) in 2009 to increase the use and application of PGMs in South Africa. This it does by investing in entities that either support PGM product development or use PGM technology in their products or processes. The fund provides capital to innovators and entrepreneurs during the early-stage development and commercialisation of PGM technology. The focus is on local beneficiation.

To date the fund, together with the Department of Science and Technology and USA-based Altery Systems, has invested in Clean Energy Investments Proprietary Limited. Clean Energy provides fuel-cell-based back-up power solutions into the telecommunications industry. Installation, maintenance and fuelling is performed by South African companies and it is expected that fuel-cell units will be assembled and manufactured in South Africa once critical volumes have been reached.

### OUTLOOK

Despite the less than optimistic outlook for global economic growth, gross demand for platinum in 2013 is expected to increase. However, supplies of metal from the recycling of spent autocatalysts are expected to rise as pipeline stocks are processed. Mined supplies of platinum could face further challenges in 2013 with high mining cost inflation pressuring margins at South African mines. Overall the market is expected to remain balanced in the short term.

### Supplies of platinum could face further challenges in 2013 with high mining cost inflation pressuring margins at South African mines.

Gross demand from the autocatalyst sector is expected to remain flat. Demand from the Japanese autocatalyst sector is forecast to decline from 2012 levels where it was boosted by the strong recovery following the 2011 disasters, while purchases by North American OEMs are to continue to decline with increasing thriftiness and substitution. A recovery in the European automobile market is not expected in 2013 and light-duty diesel vehicles are losing popularity to smaller more fuel-efficient gasoline vehicles. However, the Company expects demand from platinum to increase in the European autocatalyst sector owing to the implementation of Euro VI legislation. Growth is expected to continue in China, albeit at a slower rate, while the increase in production of diesel vehicles in India will support demand in ROW.

The decline in industrial demand for platinum in 2012 is expected to recover somewhat in 2013 as LCD glass, glass fibre and chemical capacity growth resumes. The growing popularity of cloud computing and the associated demand for high-capacity hard drives will increase platinum demand from the electrical sector. Jewellery demand growth is expected in China and India in 2013. Popularity of platinum jewellery in India continues to grow, underpinned by an increase in organised retail and strong marketing campaigns. Continued expansion of retail outlets in mainland China by Hong Kong jewellers is supporting demand growth in China.

 **STRATEGIC ELEMENT:** Conduct operations responsibly, cost effectively and competitively

# OPERATIONS REVIEW

WITH THE FUTURE IN MIND





Overall refined platinum production decreased by 6% to 2.38 million ounces from managed and joint-venture operations in South Africa and Zimbabwe.

**PERFORMANCE DECLINED OWING TO NUMEROUS FACTORS**

There were substantial operational challenges in 2012 relating to two months of unprotected industrial action linked to unrealistic wage demands, which resulted in 305,600 ounces of lost platinum production equating to R6.0 billion in revenue.

The refined platinum ounce per operating employee decreased from 32.5 in 2011 to 29.3 in 2012 owing primarily to the impact of the unprotected strike action.



**“Demand uncertainties and production inefficiencies may drive further closures. Lower cost output is required to ensure sustainability”**

**Stephen Forrest**  
SFA (Oxford) Ltd, February 2013

**1.46 Moz**

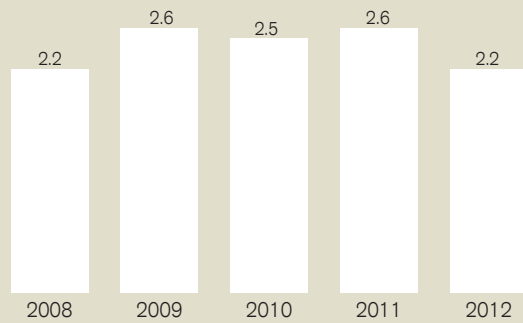
**OF PLATINUM PRODUCED BY OWN MINES**

**R16,364**

**CASH OPERATING COST PER EQUIVALENT REFINED PLATINUM OUNCES**



**PLATINUM SALES VOLUMES**



**“Production at our own mines in Rustenburg, Union and Amandelbult was negatively affected by the illegal strike from 18 September to 15 November 2012.”**

**Pieter Louw**  
Executive head: Own mines

**R8.2 to US\$**

**AVERAGE EXCHANGE RATE ACHIEVED ON SALES IN 2012**

# FLOW OF MATERIAL ACROSS THE OPERATIONS

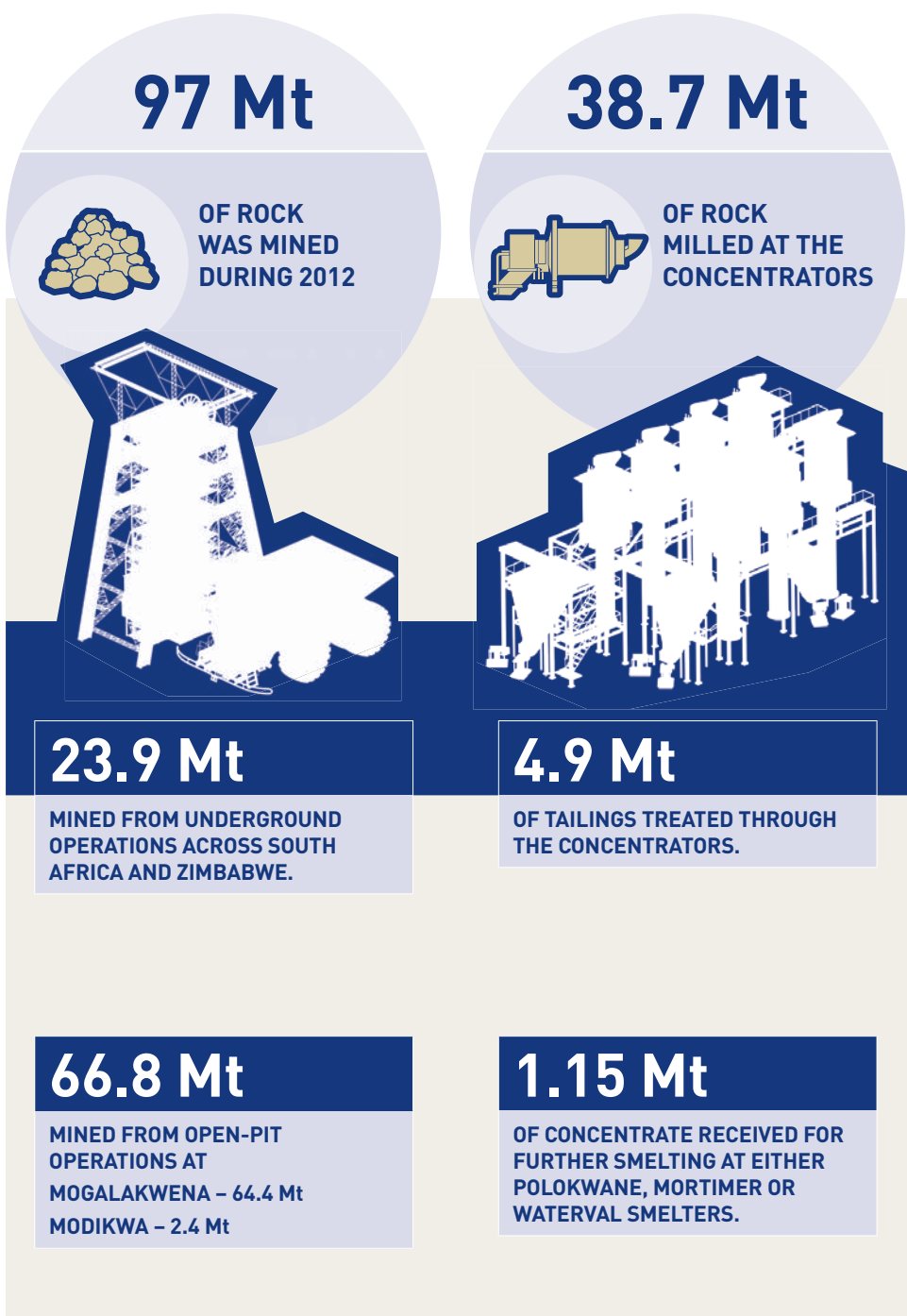
Anglo American Platinum mines platinum-bearing rock from underground and open-pit mines. This rock is then crushed, milled and the platinum group and base metals concentrated before smelting. After smelting, a high-grade matte is produced through a converting process, whereafter the base metals are separated from the PGMs. The base metals are recovered in a hydrometallurgical process at the Base Metals Refinery and PGMs are recovered at a separate Precious Metals Refinery.

## MINING

36 surface shafts and two open-pit operations were used to access ore across the Company in 2012. This may be reduced to 32 shafts as part of the outcome of the portfolio review.

## CONCENTRATING

17 concentrators were in operation in 2012. This may be reduced to 14 as part of the outcome of the portfolio review.



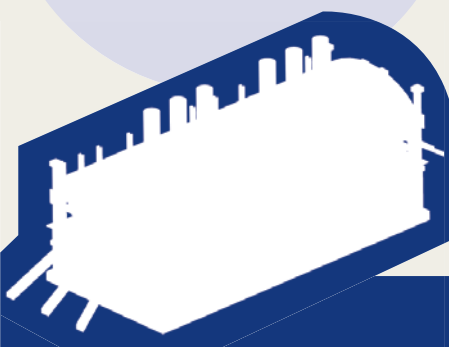
## SMELTING

Four smelting furnaces, one slag cleaning furnace and one converter were operated in 2012. This may be reduced to three smelting furnaces, one slag cleaning furnace and one converter as part of the outcome of the portfolio review.

**1.2 Mt**



**OF CONCENTRATE WAS SMELTED ACROSS THREE SMELTERS**



**185.1 kt**

**OF FURNACE MATTE WAS PRODUCED FROM THREE SMELTING OPERATIONS. THIS MATTE WAS PROCESSED IN THE WATERVAL CONVERTER.**

**55.2 kt**

**OF CONVERTER MATTE WAS PRODUCED FROM THE WATERVAL ACP AND SENT TO THE REFINERY.**

## REFINING

A base metals refinery refines nickel and copper and produces cobalt sulfate and sodium sulfate. A precious metals refinery refines platinum, palladium, rhodium, iridium, ruthenium and gold.

**2.4 Moz**



**OF PLATINUM WAS PRODUCED**



**29.6 kt**

**OF BASE METALS WERE PRODUCED**

**4.6 Moz**

**OF PGMs WERE PRODUCED, PRIMARILY COMPRISING:**

**2.4 Moz PLATINUM  
1.4 Moz PALLADIUM  
0.3 Moz RHODIUM**

# MANAGED MINES OVERVIEW

## STRATEGIC INTENT



Pieter Louw

### OWN MINES OUNCES LOST OWING TO ILLEGAL STRIKE

# 278 koz

 For more information  
turn to page 90

### EQUIVALENT REFINED PLATINUM PRODUCTION

(2011: 1,601 koz)

# 1,458 koz

 For more information  
turn to page 90

The mining operations of Anglo American Platinum Limited (Amplats) consist of managed mines, joint-venture mines and associate mines across South Africa and in Zimbabwe. These mines extract ore from the Merensky and UG2 reefs, the Platreef and the Main Sulphide Zone. The ore is processed by own-managed, joint-venture and associate concentrators; and further processed by our own smelters and refineries.

### MANAGED (OWNED) MINES OVERVIEW

Amplats-managed mines consist of 11 mines and one project stretching from the Western Limb to the Eastern Limb of the Bushveld Complex in South Africa, and also Unki Platinum Mine, located 21 kilometres south-east of the town of Shurugwi on Zimbabwe's Great Dyke. With the exception of Mogalakwena Mine, which is an open-pit venture, all the mines are underground operations.

Several of our operations attained significant safety milestones during 2012, as follows:

- There were 2 million fatality-free shifts at Tumela Mine.
- Dishaba Mine reached 2.6 million fatality-free shifts.
- Siphumelele Mine achieved 1.9 million fatality-free shifts and 2.9 million shifts without fall-of-ground fatalities.
- Thembelani Mine achieved 1.6 million fatality-free shifts and five years of shifts without fall-of-ground fatalities.
- Khomanani Mine reached 1 million fatality-free shifts.
- Our managed operations as a whole were free of fatalities in the third quarter of 2012.

The lost-time injury-frequency rate (LTIFR) per 200,000 hours worked improved to 1.33 from 1.50 in 2011, with the Bathopele, Dishaba, Khomanani, Siphumelele, Tumela,

Union North and Union South mines and Unki Platinum Mine recording improvements in their respective LTIFR rates in 2012.

Sadly and despite the achievements mentioned, six employees lost their lives at our managed mining operations and one at process during 2012.

Production at managed mining operations was impacted by a series of work stoppages, particularly in the second half of the year. Besides an illegal miners' strike in July 2012, there was also an unprotected and illegal strike by workers at all our South African underground mines, which started on 18 September and ended on 15 November. As a result, the equivalent refined platinum ounces produced decreased by 9.0% or 149,000 ounces to 1,458,000 ounces in 2012. The number of platinum ounces lost owing to the illegal strikes added up to 278,000. Of these, 200,000 related directly to the strike periods; while the rest were lost in the build-up to normal production levels following the main illegal strike.

Unki Mine in Zimbabwe continued to perform above expectation in 2012 and increased its output by 20%, to 62,100 platinum ounces. At 300,200 ounces, platinum production at Mogalakwena Mine was 2% down on the production figure for 2011. This was caused by lower milled volumes of some 3% that were exacerbated by a lower 4E head grade down to 2.81 g/t but were partly offset by improved recoveries which increased by 5%.

The overall 4E built-up head grade for underground mines was 4.05 g/t compared with 4.15 g/t in 2011, while the grade of ore from surface sources increased by 16% to 1.07 g/t.

A continued strong development performance in 2012 is evident in the immediately available Ore Reserves position, which ended the year at 22.2 months, up by 4% when compared with the position in 2011.

Productivity measured in m<sup>2</sup> per employee per month decreased by 10% to 5.3, on the back of the lower volumes produced as a result of the strike.

Cash on-mine costs (mining and concentrating) increased by 10.5% to R20.3 billion between 2011 and 2012, which is above the inflation index of 5.7% of the Mining and Quarrying PPI Index. The well-above-inflation increases on wages (9%), electricity (16%), explosives (9%), support material (7%) and diesel (19%) adversely affected the ability of operations to contain costs in absolute terms. In 2012, cash on-mine costs per tonne milled rose by 19.4%, to R692. Cash operating expenses (i.e. costs after allowing for off-mine, concentrating, smelting and refining activities) per refined platinum ounce increased by 22.5% to R16,547 as a consequence of the volumes lost through strike action and inflationary adjustments.

Capital expenditure for managed mines and their respective concentrator operations during 2012 was R3.8 billion (down 9% from R4.2 billion in 2011), spent as follows: R1.51 billion on projects (2011: R1.57 billion); R399 million (2011: R563 million) on waste stripping at the Mogalakwena opencast mine; and R1.87 billion on stay-in-business projects (2011: R2.03 billion).

Various capital projects are currently in execution at our mines. Details of these and of the impact of our recently announced portfolio review are covered in the individual mine reviews.

### Outlook

Equivalent refined production from managed mines is expected to remain unchanged in 2013

**Equivalent refined production from managed mines is expected to remain unchanged in 2013.**



01



02

- 01 Der Brochen
- 02 Twickenham Mine



**GREENFIELD PROJECTS**

**Twickenham Platinum Mine  
(Managed – 100% owned)**

The Twickenham project is central to unlocking value for the Company in the Eastern Limb of the Bushveld Complex.

**Safety**

Twickenham’s safety performance improved in 2012. There was a 79% reduction in the lost-time injury-frequency rate, from 0.76 in 2011 to 0.53 in 2012. The project achieved 2 million fatality-free shifts in July 2012. A total of 2.2 fatality-free shifts were worked in 2012, and the project has now been fatality-free for five years.

**Going forward**

The current macroeconomic environment has resulted in Amplats having to review its capital expenditure over the next three-year period. As a result, Twickenham Mine will defer its current ramp-up schedule and enter into a period whereby it is required to stay-in-business as an operating mine without the support of significant capital funding for the next three years.

The revised operating strategy has been modelled on a singular mine development schedule and production profile, which includes both Hackney and Twickenham shafts. The mining scope will prioritise haulage (flat) development on levels 1, 2 and 3 in order to establish raise line development to support sustainable production over the three-year period. Development to support the mining scope will be confined to critical “fit for purpose” infrastructure. During this period, Twickenham’s development ore will be toll-treated by neighbouring mines.

The mining steady-state of 3 million tonnes per annum will be deferred to 2023.

Additional study work to improve the mine’s business case will be carried out during 2013, and a consolidated restated investment proposal will be prepared for review and board approval by the fourth quarter of 2013.

**Capital expenditure**

The current approved capital for the consolidated project IP is R7.96 billion, while actual capital spend to date is R2.65 billion, with capital expenditure for 2013 estimated at R300 million.

**Der Brochen  
(Managed – 100% owned)**

Der Brochen is a greenfield project area in the extreme south of the Eastern Limb of the Bushveld Complex. Exploration work has been in progress since 2001. In 2009, an additional 1.3 km of strike was sold to Mvelaphanda Resources as part of the Booyensdal transaction.

An amendment to the mining works programme (MWP), together with a social and labour plan, was submitted to the Department of Mineral Resources in 2010 taking the reduced footprint into account. A new-order mining-right conversion was executed in October 2010. Conceptual study work aligned to the MWP commitments commenced in 2010.

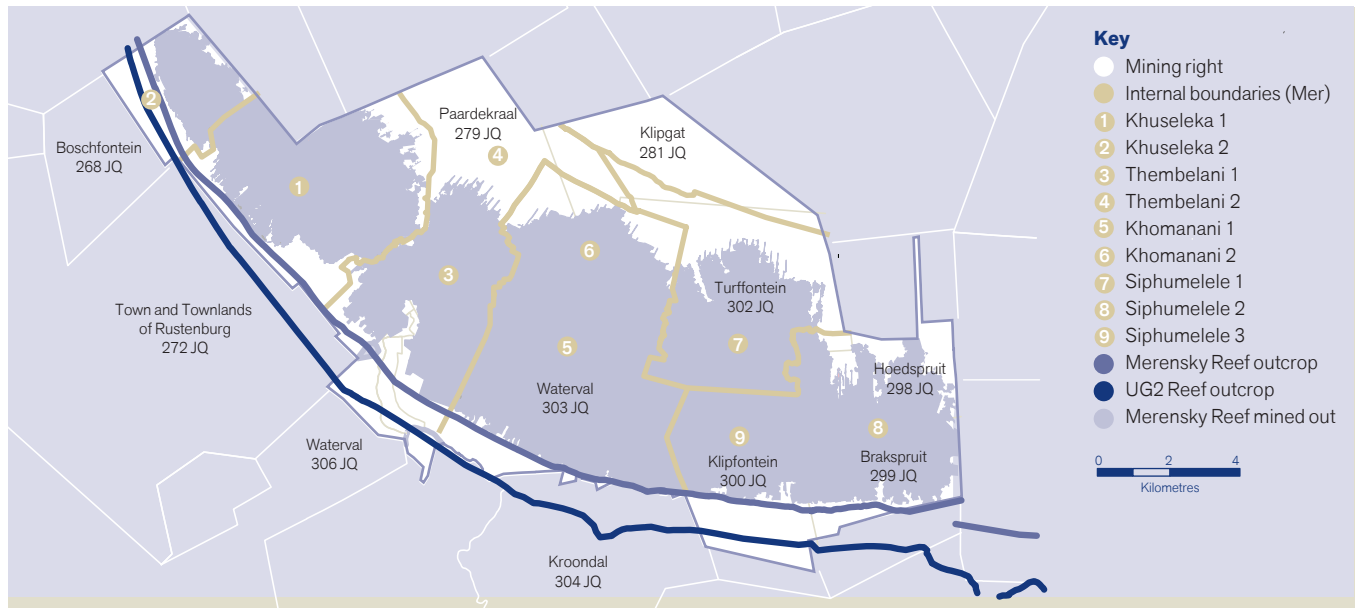
Following a seismic survey in 2010, a concept study was completed in 2011. Consideration is being given to a number of exploitation options ranging from stand-alone phased, decline shaft access to possible joint-venture options.

# MANAGED MINES

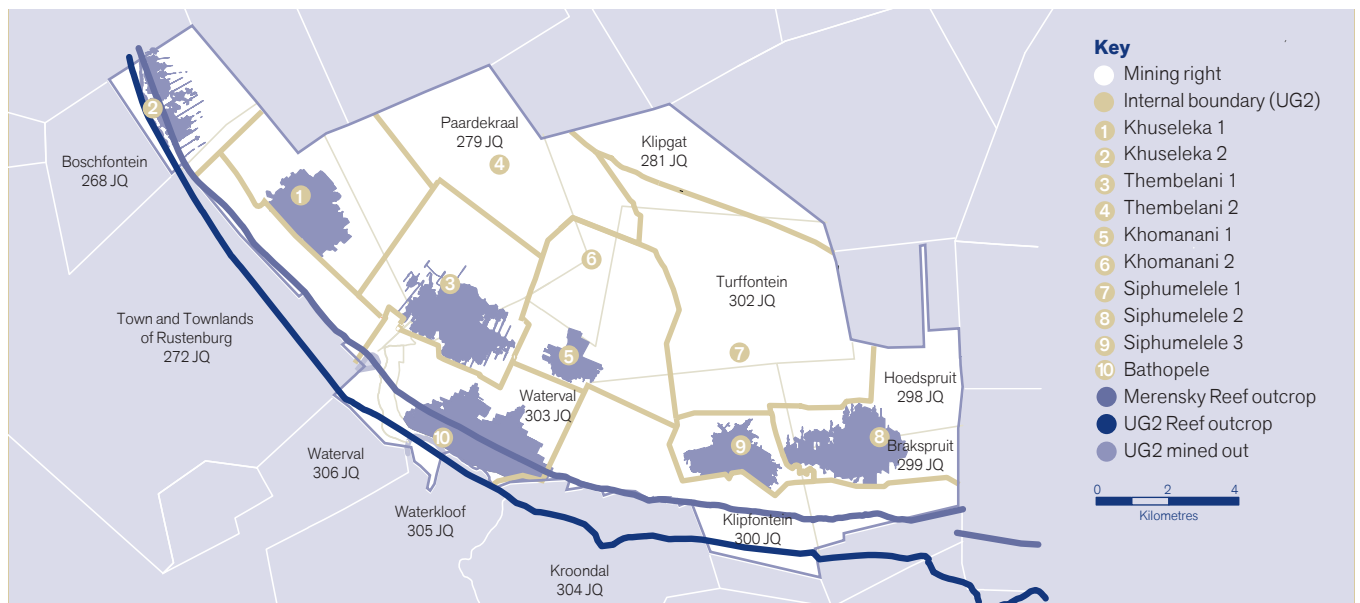
## WITH THE FUTURE IN MIND

### RUSTENBURG MINES

Merensky Reef map – showing workings for Khuseleka, Thembelani, Khomanani and Siphumelele mines.



UG2 Reef map – showing workings for Bathopele, Khuseleka, Thembelani, Khomanani and Siphumelele mines.



# BATHOPELE MINE

(MANAGED – 100% OWNED)



Dawie van Aswegen

## EQUIVALENT REFINED PLATINUM PRODUCTION

(2011: 112.5 koz)

# 108.7 koz

For more information turn to page 91

## OPERATING CONTRIBUTION

(2011: R548 m)

# -R32m

For more information turn to page 91



	2012	2011
<b>Safety</b>		
Fatalities	<b>0</b>	2
LTIFR	<b>0.79</b>	0.84
Refined platinum production (000 oz)	<b>115.7</b>	118.3
Operating contribution (Rm)	<b>(32)</b>	548
Gross profit margin (%)	<b>(10)</b>	17
Operating free cash flow (Rm)	<b>(104)</b>	434
Net cash flow (Rm)	<b>(262)</b>	254
Cash on-mine costs/tonne milled	<b>R623</b>	R558
<b>Mineral Resources inclusive of Ore Reserves</b>		
Merensky	2.1 Mt ⇒ 0.2 4E Moz	
UG2	47.3 Mt ⇒ 5.3 4E Moz	

### MINE OVERVIEW

The Bathopele Mine is situated in the province of North West in South Africa, near the town of Rustenburg and within the Western Limb of the Bushveld Complex. The mine operates under a mining right covering a total area of 17 square kilometres.

The current infrastructure consists primarily of two decline shafts, namely East and Central shafts. Development of the West shaft, which is accessed underground from Central shaft, commenced during January 2011. It is a trackless mechanised operation that mines the UG2 horizon exclusively at a current depth varying between 40 metres and 350 metres below surface using low-profile (LP) and

extra-low-profile (XLP) equipment suites. The mining layouts applied are bord and pillar in the LP section and breast mining in the XLP section. The XLP mining section contributed 11% of the m<sup>2</sup> produced.

Bathopele's life-of-mine (LoM) extends to 2026. The current LoM plan consists of a Mineral Resource (exclusive of Ore Reserves) of 0.5 4E million ounces and an Ore Reserve of 3.8 4E million ounces.

### KEY ACHIEVEMENTS

- One and a half year (579 days) fatality-free and 977,000 fatality-free shifts achieved during 2012
- A year-on-year improvement of 22% in decline barrel development

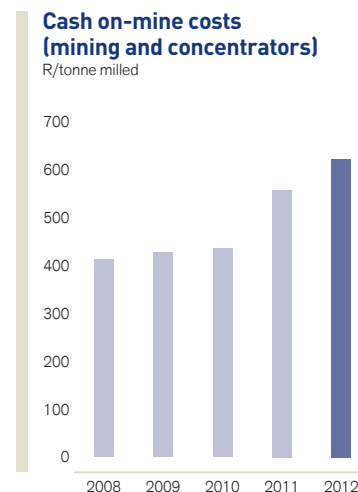
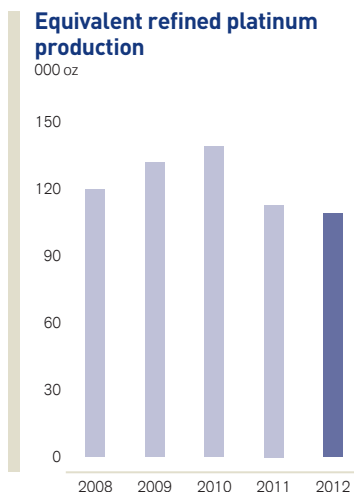
## OPERATIONAL REVIEW

The lost-time injury-frequency rate improved marginally to 0.79 in 2012 from 0.84 in 2011.

Equivalent refined platinum ounces decreased to 108,700 ounces, down by 3.4% compared with 2011. The mine achieved 15% higher production of platinum ounces in the first half of 2012 compared with 2011. However, this performance was eroded in the second half of 2012 by two strike-related stoppages, namely a miner strike in July and the unprotected illegal strike in September lasting through to mid-November. The 4E built-up head grade declined to 2.85 g/t, down 7.5% on 2011 mainly owing to increased on-reef decline barrel development and lower grade areas mined as the mine progressed through the Hex River fault. The immediately available Ore Reserves were 14.1 months at 31 December 2012, an increase of 0.4 months over the figure for 2011. Labour productivity, which was up 13% year-on-year in the first half of 2012, decreased substantially over the second half of the year as a result of the unprotected industrial action and ended the year 6.1% lower compared with 2011 at 12.3 m<sup>2</sup> per operating employee.

At R1.57 billion, cash on-mine costs were 15.7% up on those for 2011. Inflationary increases of 16% on electricity, 9% on labour and 15% on key input commodity items, combined constituting 80% of the total cost base of Bathopele, were primarily driving cost increases. The cash on-mine cost per tonne milled rose by 11.6%. Bathopele was able to mill some tonnes through the strike period owing to it feeding directly into the concentrator through a conveyor belt feed system. The cash operating expenses (the costs after allowing for off-mine smelting and refining activities) per equivalent refined ounce, however, increased by 20% year-on-year, to R15,804 owing to

**Inflationary increases of 16% on electricity, 9% on labour and 15% on key input commodity items, combined constituting 80% of the total cost base of Bathopele.**



marginal lower volume, lower grade and higher operating costs. The gross profit margin of the operation was -10%, down from 17% in 2011.

## CAPITAL EXPENDITURE

Total capital expenditure increased by 16.7% to R404 million in 2012 (R346 million in 2011). Stay-in-business capital expenditure amounted to R263 million (R193 million in 2011), while project capital expenditure, mainly on Bathopele Phase 4, ended the year at R141 million (R153 million in 2011).

The Bathopele Phase 4 and Phase 5 projects progressed to 88% and 6% completion respectively and was also impacted by the industrial action causing a decline in development rates. Both projects ended the year without any lost-time injuries. Development of Phase 4 is scheduled for completion in the second quarter of 2015. No cost overruns are anticipated.

Operating free cash flow (cash available after allowing for all direct and allocated indirect operating costs and stay-in-business capital) declined to -R104 million from R434 million in 2011.

## OUTLOOK

Bathopele Mine will not be impacted by the Platinum Review. The mine is expected to return to equivalent refined platinum ounce production levels of between 115 koz to 130 koz in 2013.



# KHOMANANI MINE

## (MANAGED – 100% OWNED)



Daan Breet

### EQUIVALENT REFINED PLATINUM PRODUCTION

(2011: 97.2 koz)

# 96.6 koz

 For more information  
turn to page 92

### OPERATING CONTRIBUTION

(2011: R234 m)

# -R167m

 For more information  
turn to page 92



	2012	2011
<b>Safety</b>		
Fatalities	<b>1</b>	2
LTIFR	<b>1.32</b>	1.49
Refined platinum production (000 oz)	<b>102.8</b>	102.2
Operating contribution (Rm)	<b>(167)</b>	234
Gross profit margin (%)	<b>(17)</b>	5
Operating free cash flow (Rm)	<b>(202)</b>	64
Net cash flow (Rm)	<b>(273)</b>	20
Cash on-mine costs/tonne milled	<b>R1,215</b>	R1,055
<b>Mineral Resources inclusive of Ore Reserves</b>		
Merensky	10.5 Mt ⇨ 2.1 4E Moz	
UG2	53.7 Mt ⇨ 8.2 4E Moz	

### MINE OVERVIEW

The Khomanani mine is situated within the Western Limb of the Bushveld Complex, near the city of Rustenburg in the province of North West in South Africa. The mine operates under a mining right covering a total area of 42 square kilometres.

The current mine infrastructure consists of two operating shaft complexes, namely Khomanani 1 shaft, from which the UG2 Reef is mined; and Khomanani 2 shaft, from which the deeper Merensky is exploited. Khomanani 2 shaft serves solely as a men-and-materials shaft, with all Merensky ore conveyed via an interconnecting rail system to Khomanani 1 shaft, whence all the Merensky and UG2 ore is hoisted. The Merensky ore is mined using a

conventional scattered-breast mining method, while the UG2 ore is mined via an improved on-reef semi-mechanised hybrid system. This entails making use of conventional hand-held drilling machines and winches in the stope workings, but with drill rigs, load-haul-dump machines and belts in the development excavations. This mining method facilitates a higher level of production. The operating depth for the current workings is between 635 metres and 1,245 metres below surface.

Khomanani's life-of-mine (LoM) currently extends to 2027. The current LoM plan comprises a Mineral Resource (exclusive of Ore Reserves) of 5.4 4E million ounces (both Merensky and UG2 reefs) and an Ore Reserve of 3.6 4E million ounces.

## KEY ACHIEVEMENTS

- One million fatality-free shifts achieved on 6 August 2012.

## OPERATIONAL REVIEW

Regrettably one employee lost his life at Khomanani Mine on 19 December 2012. The lost-time injury-frequency rate improved 11.4% to 1.32 in 2012 compared with 1.49 achieved in 2011.

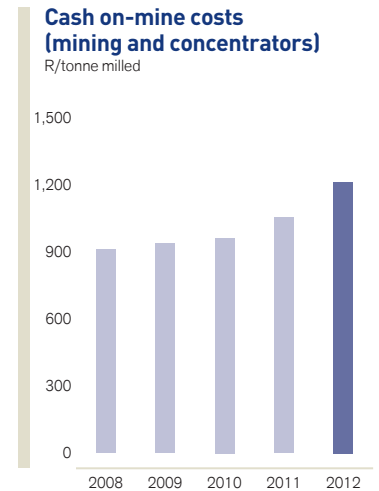
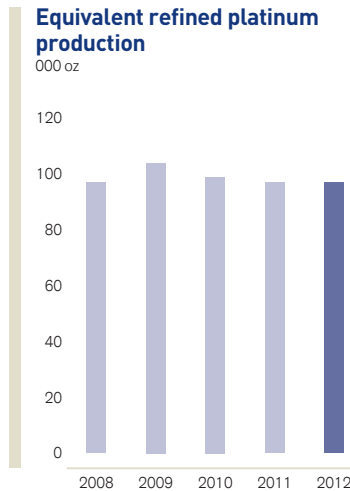
Equivalent refined platinum ounces decreased to 96,600 ounces, down by 0.6%. This essentially flat year-on-year performance was achieved in spite of the unprotected strike action during the second half of 2012, emphasising the very good performance this mine had during the first half of 2012 compared with 2011. The 4E built-up head grade was marginally up on 2011 at 4.35 g/t, while immediately available Ore Reserves ended the year at 18.2 months; marginally lower than the 19.0 months recorded for 2011. Productivity for the year was 5.4 m<sup>2</sup> per operating employee, down 7% versus the 2011 figure.

At R1.59 billion, cash on-mine costs were 13% up on those for 2011 as a result of inflationary increases in excess of CPI on electricity, labour and key input commodity items. The higher costs and lower tonnage resulted in the cash on-mine cost per tonne milled increasing by 15% year-on-year, while cash operating expenses (costs after allowing for off-mine smelting and refining activities) per equivalent refined ounce increased by 14%, to R17,938. The gross profit margin of the mine declined to -17% in 2012 from 5% in 2011.

## CAPITAL EXPENDITURE

Total on-mine capital expenditure decreased to R187 million in 2012 (it was R205 million in 2011). Stay-in-business capital expenditure was R132 million (R185 million in 2011), while project capital expenditure amounted to R55 million (R20 million in 2011).

**The higher costs and lower tonnage resulted in the cash on-mine cost per tonne milled increasing by 15% year-on-year.**



The Khomanani UG2 development project between 23 and 27 levels was stopped as a result of the current capital constraints.

Operating free cash flow (cash available after allowing for all direct and allocated indirect operating costs and stay-in-business capital) declined to -R202 million from R64 million in 2011.

## OUTLOOK

In the Platinum Review it is proposed that Khomanani Mine operations be placed under long-term care and maintenance. It is anticipated that the Mineral Resources in the current Khomanani Mine area will be extracted from both the Thembelani and Siphumelele mine's complexes. Existing operations would continue prior to implementation of any care and maintenance programme.

# THEMBELANI MINE

## (MANAGED – 100% OWNED)




Chris Moller

### EQUIVALENT REFINED PLATINUM PRODUCTION

(2011: 101.2 koz)

# 81.2 koz

 For more information  
turn to page 93

### OPERATING CONTRIBUTION

(2011: R396 m)

# -R318m

 For more information  
turn to page 93



	2012	2011
<b>Safety</b>		
Fatalities	<b>0</b>	2
LTIFR	<b>2.41</b>	2.04
Refined platinum production (000 oz)	<b>86.5</b>	106.4
Operating contribution (Rm)	<b>(318)</b>	396
Gross profit margin (%)	<b>(28)</b>	12
Operating free cash flow (Rm)	<b>(249)</b>	309
Net cash flow (Rm)	<b>(573)</b>	(162)
Cash on-mine costs/tonne milled	<b>R1,256</b>	R933
<b>Mineral Resources inclusive of Ore Reserves</b>		
Merensky	36.8 Mt ⇒ 6.8 4E Moz	
UG2	104.1 Mt ⇒ 15.6 4E Moz	

### MINE OVERVIEW

The Thembelani Mine is situated in the province of North West in South Africa, near the town of Rustenburg. It forms part of the Western Limb of the Bushveld Complex and operates under a mining right covering a total area of 31 square kilometres.

The mine's current infrastructure consists primarily of one vertical shaft system (Thembelani No 1 shaft), which transports rock, men and material. Mining occurs on both the Merensky Reef and the UG2 Reef horizons. The predominant mining layout is conventional scattered breast mining with strike pillars. The operating depth for the current workings is

between 400 metres and 900 metres below surface.

Thembelani's life-of-mine (LoM) extends to 2037 for currently approved projects, although several projects in study phase could extend the LoM to beyond 2045. The current LoM plan consists of a Mineral Resource (exclusive of Ore Reserves) of 16.2 4E million ounces and an Ore Reserve of 4.9 4E million ounces.

### KEY ACHIEVEMENTS

- Thembelani Mine achieved 1.6 million fatality-free shifts (640 days) and five years without a fall-of-ground fatality at the end of December 2012.

## OPERATIONAL REVIEW

The lost-time injury frequency rate deteriorated 18.1% to 2.41 in 2012. The rate did, however, improve by 13% from 2.78 at the end of June 2012. Safety remains a key focus and management action plans are in place to further improve safety performance at this operation.

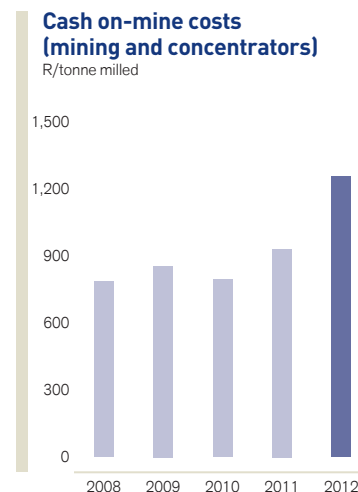
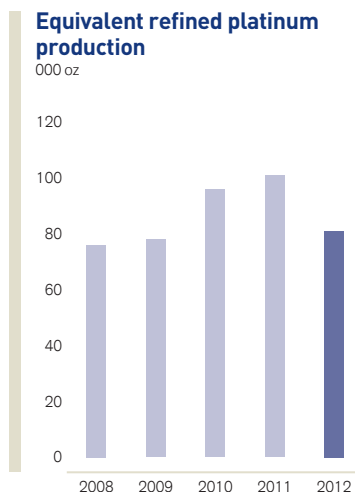
Equivalent refined platinum ounces decreased by 19.8% to 81,200 ounces, down from 101,200 ounces in 2011. The mine produced similar ounces in the first half of 2012 compared with 2011, but was hit hard by the miner strike and then by the illegal strike in September. The 4E built-up head grade improved 2% year-on-year to 4.45 g/t and significant development achievements resulted in the mine increasing its immediately available Ore Reserves to 29.2 months, up 130% from 2011. At 4.7 m<sup>2</sup> per operating employee, productivity decreased 25.4% to that achieved in 2011.

Cash on-mine costs increased by 8.1%, to R1.49 billion. The increase in costs was the result of the inflationary pressures related to wages and electricity. The cash on-mine cost per tonne milled rose by 35% to R1,256 per tonne. Cash operating expenses (the costs after allowing for off-mine smelting and refining activities) per equivalent refined ounce increased by 34% to R19,787. The gross profit margin of the mine declined to -28% in 2012 from 12% in 2011.

## CAPITAL EXPENDITURE

Total capital expenditure decreased to R372 million in 2012 (it was R533 million in 2011). Stay-in-business capital expenditure amounted to R62 million (R86 million in 2011), while project capital expenditure was R310 million (R447 million in 2011).

The Thembelani replacement project consists of the No 2 main shaft for men and material and a ventilation shaft. Given the current global uncertainty,



development of the shaft has been stopped at 33 Level and the shaft has been put on care and maintenance. Further option studies will be conducted during this period to define the optimal configuration for extraction below the current shaft bottom. As a result of this decision, Thembelani 2 shaft project capital expenditure to date of R2.2 billion was written down in the current financial year. Further details on the capital writedown are detailed on page 196 of this report.

Capital development on 21 to 25 Level, which formed part of the UG2 ore replacement projects (ORPs), were suspended in December 2012 as a result of capital constraints.

Operating free cash flow (cash available after allowing for all direct and allocated indirect operating costs and stay-in-business capital) declined to -R249 million from R309 million in 2011.

## OUTLOOK

In the Platinum Review it is proposed that mining operations at Thembelani are optimised to include Mineral Resources from both Khomanani and Khuseleka mines. Footprint expansion is likely to bring cost benefits through scale optimisation and concentration of activities and increased production.



# KHUSELEKA MINE

## (MANAGED – 100% OWNED)



Zweli Ndese

### EQUIVALENT REFINED PLATINUM PRODUCTION

(2011: 126.5 koz)

# 125.3 koz

For more information  
turn to page 94

### OPERATING CONTRIBUTION

(2011: R341 m)

# -R228m

For more information  
turn to page 94



	2012	2011
<b>Safety</b>		
Fatalities	<b>2</b>	0
LTIFR	<b>2.02</b>	1.65
Refined platinum production (000 oz)	<b>133.4</b>	133.0
Operating contribution (Rm)	<b>(228)</b>	341
Gross profit margin (%)	<b>(18)</b>	7
Operating free cash flow (Rm)	<b>(187)</b>	204
Net cash flow (Rm)	<b>(378)</b>	(36)
Cash on-mine costs/tonne milled	<b>R1,010</b>	R916
<b>Mineral Resources inclusive of Ore Reserves</b>		
Merensky	10.2 Mt ⇔ 2.0 4E Moz	
UG2	66.8 Mt ⇔ 10.2 4E Moz	

### MINE OVERVIEW

The Khuseleka Mine is situated within the Western Limb of the Bushveld Complex, near the city of Rustenburg in the province of North West in South Africa. The mine operates under a mining right covering a total area of 26 square kilometres.

Current mine infrastructure comprises two operating shaft complexes, namely Khuseleka 1 and Khuseleka 2. Khuseleka 1 comprises a vertical and sub-decline shaft system for the exploitation of UG2 and Merensky ore, while Khuseleka 2 extracts the shallow UG2 and Merensky ore in the north-western sector of the lease

area through an incline shaft system. The operating depth for the current workings is between 300 metres and 1,000 metres below surface.

Mining on both the Merensky and the UG2 Reef horizons at Khuseleka Mine is via conventional scattered breast stoping with strike pillars. Khuseleka's life-of-mine (LoM) extends to 2036. The current LoM plan consists of a Mineral Resource (exclusive of Ore Reserves) of 1.9 4E million ounces and an Ore Reserve of 7.0 4E million ounces.

### KEY ACHIEVEMENTS

Maintaining equivalent refined output to that achieved in 2011.

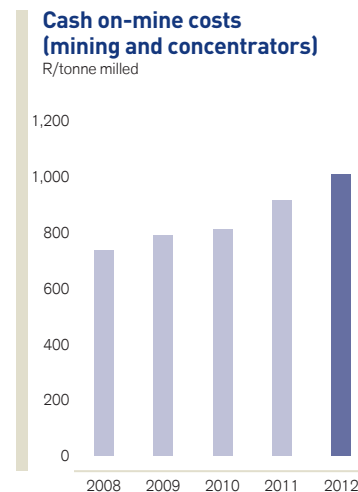
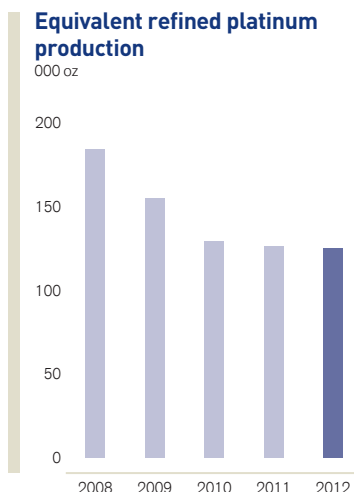
## OPERATIONAL REVIEW

Regrettably two employees lost their lives at Khuseleka Mine during 2012. The lost-time injury-frequency rate (LTIFR) increased to 2.02, up by 22.4% from 2011 (1.65). To counter this unsatisfactory safety performance we have made management changes following the fatalities and implemented initiatives and systems to ensure that the employees respond appropriately to high risk conditions. We had also developed a detailed safety management plan to improve the safety performance of the mine.

Khuseleka Mine increased its output of equivalent refined production in the first half of 2012 by 32% over the same period in 2011 owing to the successful ramp-up of Khuseleka 2 shaft. However, the work stoppages caused by illegal strikes in the second half of the year eroded this strong performance substantially and the mine produced 125,300 equivalent refined platinum ounces for the year, 1% below that in 2011. Immediately available Ore Reserves of 32.5 months at the end of December 2012, albeit lower compared with 2011, remained very healthy. Tonnes milled increased by 2.3% to 2.1 million tonnes owing to the mining and treatment of 200 kt opencast sources, while the 4E built-up head grade increased by 4.2% to 3.96 g/t (3.80 g/t). Productivity decreased by 20% to 4.9 m<sup>2</sup> per operating employee as a result of lower volumes.

Cash on-mine costs increased by 12.6% to R2.1 billion owing to the ramp-up costs for Khuseleka 2, new opencast mining and to above-CPI mining inflation primarily on employment and electricity costs. Cash on-mine costs per tonne milled rose by 10.3% to R1,010 per tonne, while cash operating expenses (the costs after allowing for off-mine smelting and refining activities) per equivalent refined ounce rose to R18,236, an increase of 14% on the

**It is anticipated that the Mineral Resources in the current Khuseleka 1 shaft area will be extracted from Thembelani Mine.**



2011 figure. The gross profit margin of the mine declined to -18% in 2012 from 7% in 2011.

## CAPITAL EXPENDITURE

Total capital expenditure reduced to R251 million in 2012 (R337 million in 2011). Stay-in-business capital expenditure was R80 million (R127 million in 2011), while project capital expenditure amounted to R171 million (R210 million in 2011).

The Khuseleka ore replacement project (KORP) was approved in March 2007. The scope of the project consists of Ore Reserve development to access the Merensky Reef (between 25 Level and 28 Level) and the UG2 Reef (between 18 level and 28 level); associated project infrastructure to facilitate the mining of these Merensky and UG2 Resources; three raise bored ventilation shafts; and a surface refrigeration plant. The overall project is currently 82% complete.

Merensky Reef access development is 100% complete, while UG2 Reef access development is 72% complete with surface and underground infrastructure being 99% and 64% completed respectively. Project

implementation progressed well during the first half of 2012, but was significantly impacted by the illegal strike action during the second half of 2012. Project execution was halted in December 2012 owing to capital constraints.

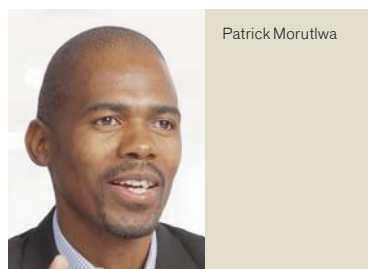
Operating free cash flow (cash available after allowing for all direct and allocated indirect operating costs and stay-in-business capital) declined to -R187 million from R204 million in 2011.

## OUTLOOK

In the Platinum Review it is proposed that Khuseleka Mine operations be placed under long-term care and maintenance. It is anticipated that the Mineral Resources in the current Khuseleka 1 shaft area will be extracted from Thembelani Mine. Existing operations would continue prior to implementation of any care and maintenance programme.

# SIPHUMELELE MINE

## (MANAGED – 100% OWNED)



Patrick Morutlwa

### EQUIVALENT REFINED PLATINUM PRODUCTION

(2011: 96.0 koz)

# 78.3 koz

 For more information  
turn to page 95

### OPERATING CONTRIBUTION

(2011: R381 m)

# -R56m

 For more information  
turn to page 95


	2012	2011
<b>Safety</b>		
Fatalities	<b>0</b>	0
LTIFR	<b>2.49</b>	2.61
Refined platinum production (000 oz)	<b>83.4</b>	100.9
Operating contribution (Rm)	<b>(56)</b>	381
Gross profit margin (%)	<b>(12)</b>	12
Operating free cash flow (Rm)	<b>(34)</b>	257
Net cash flow (Rm)	<b>(133)</b>	190
Cash on-mine costs/tonne milled	<b>R1,049</b>	R827
<b>Mineral Resources inclusive of Ore Reserves</b>		
Merensky	23.0 Mt ⇨ 5.1 4E Moz	
UG2	77.7 Mt ⇨ 12.4 4E Moz	

### MINE OVERVIEW

The Siphumelele Mine is situated in the North West province of South Africa, near the town of Rustenburg and within the Western Limb of the Bushveld Complex. The mine operates under a mining right covering a total area of 43 square kilometres.

The mine's current infrastructure consists of one shaft system (a surface vertical shaft and decline system) for rock, men, material, services and ventilation. Mining at Siphumelele takes place on the Merensky Reef horizon, but the mine currently also processes limited quantities of low-grade, surface-rock dump material. The UG2 Reef is currently in the process

of being accessed from the existing infrastructure, with stoping operations due to commence in the first quarter of 2014. The predominant mining layout is conventional breast stoping with strike pillars. Operating depth for the current workings is between 600 metres and 1,350 metres below surface.

Siphumelele LoM extends to 2030 for currently approved projects, although in study phase could extend LoM to beyond 2045.

The current LoM plan consists of a Mineral Resource (exclusive of Ore Reserves) of 12.9 4E million ounces and an Ore Reserve of 3.80 4E million ounces.<sup>1</sup>

<sup>1</sup> Siphumelele 2 and 3 Ore Reserves and Mineral Resources are not included in this section.

## KEY ACHIEVEMENTS

- No fatalities for 2012.
- 1.9 million fatality-free shifts (924 days)
- 2.9 million fall-of-ground fatal-free shifts.
- Improved lost-time injury-frequency rate.

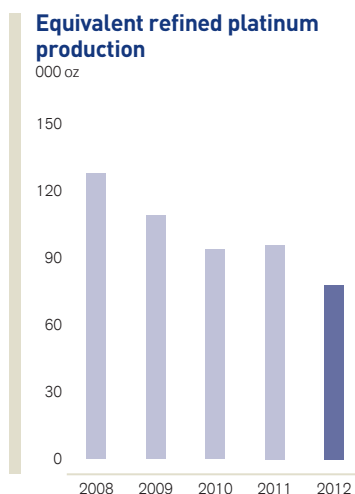
## OPERATIONAL REVIEW

Siphumelele Mine has recorded two and a half years with no fatalities. The lost-time injury-frequency rate decreased 4.6% to 2.49 compared with that for 2011.

Equivalent refined platinum ounce production for the year decreased by 18% to 78,300 ounces following a strong start in the first half of 2012 which saw production increasing by 8% year-on-year. Production on the mine was negatively affected by the illegal strikes in the second half of 2012. Tonnes milled decreased by 21% to 1,1 million tonnes owing to the strike impact on underground volumes and some 145 kt less low-grade surface ore sources milled. The underground 4E built-up head grade decreased by 3% to 5.43 g/t, but the surface material volume treated grade increased by 5.4% to give an overall grade increase of 2% to 3.93 g/t. The immediately available Ore Reserves ended the year on 19.8 months, an increase of 7.6% compared with 2011. Productivity decreased by 18.8% to 3.9 m<sup>2</sup> per operating employee for 2012.

Cash on-mine costs were very well controlled and were flat year-on-year at R1.2 billion. Operational cost savings were mainly achieved as a result of lower surface material treated and stringent cost controls implemented. The lower volumes did, however, impact unit costs and consequently the cash on-mine cost per tonne milled increased by 26.8% to R1,049 per tonne milled, while cash operating expenses (costs

**Tonnes milled decreased by 21% to 1,1 million tonnes owing to the strike impact on underground volumes.**



after allowing for off-mine smelting and refining activities) per equivalent refined ounce increased by 23% to R16,603.

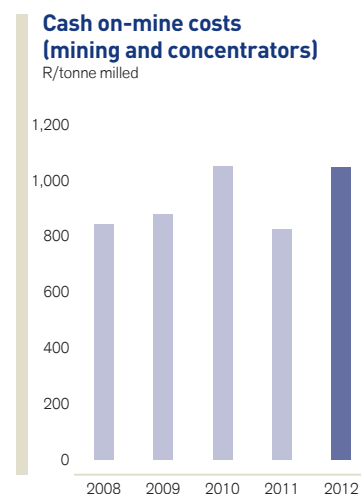
The gross profit margin of the mine declined to -12% in 2012 from 12% in 2011.

## CAPITAL EXPENDITURE

Total capital expenditure decreased to R149 million in 2012 (R187 million in 2011). Stay-in-business capital expenditure amounted to R63 million (R144 million in 2011), while project capital expenditure was R86 million (R43 million in 2011).

The feasibility study for the deepening project on the Merensky shaft was delayed as a consequence of the review of priorities that accompanied recent economic forecasts and the consequent unavailability of capital. Currently the project is only scheduled to commence in 2030.

Owing to the above review the project work has concentrated on exploiting mining opportunities on the UG2 ore body from 21 to 24 levels, which is part of the Rustenburg UG2 strategy. The project involves developing haulages and cross-cuts from the



current Merensky infrastructure in order to access this ore body. Capital development was stopped in December 2012 owing to capital constraints. Study work may be resumed in the future in order to determine an optimal extraction strategy for the UG2 and remaining Merensky.

## OUTLOOK

Siphumelele is expected to return to equivalent refined platinum ounce production levels of around 95 koz of platinum ounces in 2013 while focusing on further improving its safety performance in line with that achieved by other similar Amplats operations.

In the Platinum Review it is proposed that mining operations at Siphumelele are optimised to include Mineral Resources from Khomanani Mine. Footprint expansion is likely to bring cost benefits through scale optimisation and concentration of activities.

# TUMELA MINE

(MANAGED – 100% OWNED)



**EQUIVALENT REFINED PLATINUM PRODUCTION**

(2011: 264.0 koz)

**217.1** koz

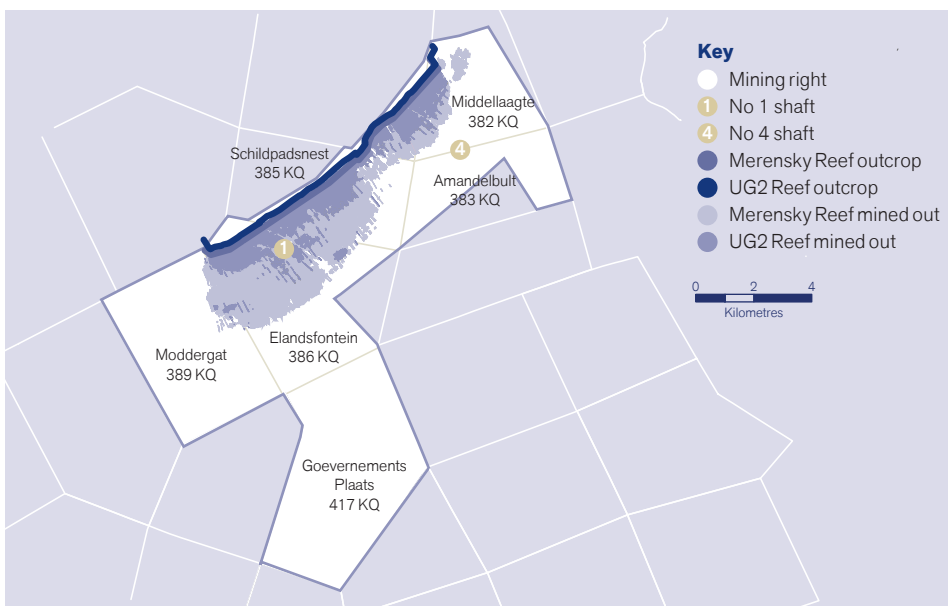
For more information turn to page 96

**OPERATING CONTRIBUTION**

(2011: R1,481m)

**R218m**

For more information turn to page 96



	2012	2011
<b>Safety</b>		
Fatalities	<b>0</b>	1
LTIFR	<b>1.56</b>	1.60
Refined platinum production (000 oz)	<b>221.8</b>	284.4
Operating contribution (Rm)	<b>218</b>	1,481
Gross profit margin (%)	<b>(2)</b>	21
Operating free cash flow (Rm)	<b>(261)</b>	1,365
Net cash flow (Rm)	<b>(369)</b>	1,264
Cash on-mine costs/tonne milled	<b>R958</b>	R708
<b>Mineral Resources inclusive of Ore Reserves</b>		
Merensky	151.2 Mt ⇒ 37.8 4E Moz	
UG2	315.9 Mt ⇒ 56.5 4E Moz	

## MINE OVERVIEW

The Tumela Mine is situated in the province of Limpopo in South Africa, between the towns of Northam and Thabazimbi, and forms part of the North-western Limb of the Bushveld Complex. The mine operates under a mining right covering a total area of 110 square kilometres.

The current working mine infrastructure consists of three vertical and four decline shaft systems to transport rock, workers and material. The mining occurs on both the Merensky Reef and the UG2 Reef horizons, and the mine is subdivided into two production areas, namely the Tumela lower mine and the Tumela upper mine. The predominant mining layout is conventional scattered breast mining with strike pillars. The operating depth for the current workings is between 180 metres and 895 metres below surface.

Tumela's life-of-mine (LoM) extends to 2034, although projects in study could extend the LoM to beyond 2050. It consists of a Mineral Resource (exclusive of Ore Reserves) of 82.3 4E million ounces and an Ore Reserve of 9.4 4E million ounces.

## KEY ACHIEVEMENTS

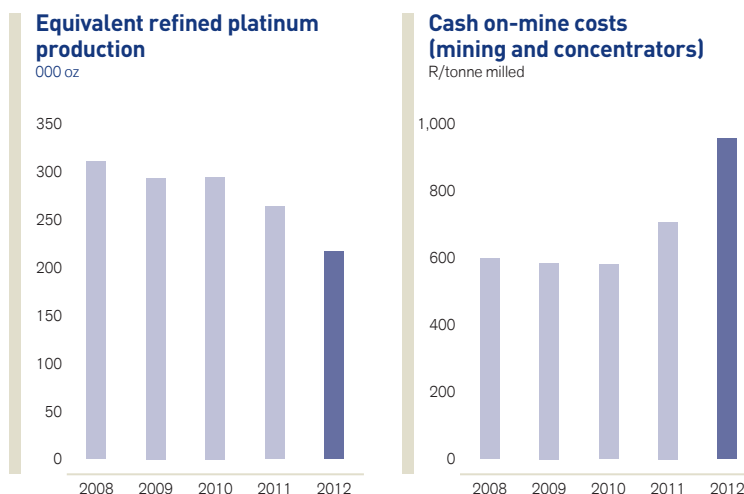
- Tumela Mine achieved 2 million fatality-free shifts on 7 November.
- Tumela's upper mine achieved 2 million fatality-free shifts on 17 September.
- Tumela's lower mine achieved 1 million fatality-free shifts on 3 December.

## OPERATIONAL REVIEW

Tumela Mine had no fatalities during 2012 and total injuries reduced to 155, a 24% year-on-year improvement. The lost-time injury-frequency rate improved marginally by 2.5% to 1.56 in 2012.

Equivalent refined platinum ounces decreased by 17.8% to 217,100 ounces in 2012. The mine had a difficult production year and the first half of 2012 showed a decline of 20% in production of equivalent refined ounces over the same period in 2011 mainly as a result of the depletion of low-grade

Equivalent refined platinum ounces decreased by 17.8% to 217,100 ounces in 2012.



surface sources and concentrator ounce lock-ups resulting from operational challenges at the Amandelbult concentrators. These challenges were resolved during quarter three and the production was increasing steadily, however, the illegal strikes which started in September 2012 in Rustenburg spread over to Tumela and employees went on strike on 4 October 2012 until mid-November 2012, resultantly disrupting any possible chance of production recovery in the second half of 2012. The tonnes milled decreased by 22% to 3.29 million tonnes, while the 4E built-up head grade increased by 5.4% to 4.12 g/t, as the result of resolving the concentrator challenges and a decrease in treating of low-grade surface material. The immediately available Ore Reserves ended the year on 26.1 months, 7.8% lower from the 2011 levels of 28.3 months but substantially above a required 18.0 month target. Productivity declined to 4.2 m<sup>2</sup> per operating employee, from 5.2 m<sup>2</sup> per operating employee in 2011.

Cash on-mine costs increased 6% to R3.16 billion in 2012 which reflects strong cost control management in light of the above-CPI inflation increases on labour, electricity and key input commodities. The lower volumes produced as a result of the factors mentioned impacted unit costs adversely and the cash on-mine cost per tonne milled increased by 35% to R958, while the cash operating expenses (costs after allowing for off-mine smelting and refining activities) per equivalent refined ounce increased by 28%, to R15,778.

The gross profit margin of the operation was -2%, down from 21% in 2011.

## CAPITAL EXPENDITURE

Total capital expenditure increased to R303 million in 2012 (R293 million in 2011). Stay-in-business capital expenditure was R230 million (R256 million in 2011), while project capital amounted to R73 million (R37 million in 2011).

The Tumela 4 shaft project was deferred in October 2008 following the global financial crisis. Evaluation of extraction options for Mineral Resources associated with the 4 Shaft area, and deeper areas below Tumela 1 Shaft have been concluded and are currently in concept study phase. Initial capital investment in Tumela 4 shaft surface infrastructure amounting to R0.6 billion has been written down in 2012. Further details on the capital writedown are depicted on page 196 of this report.

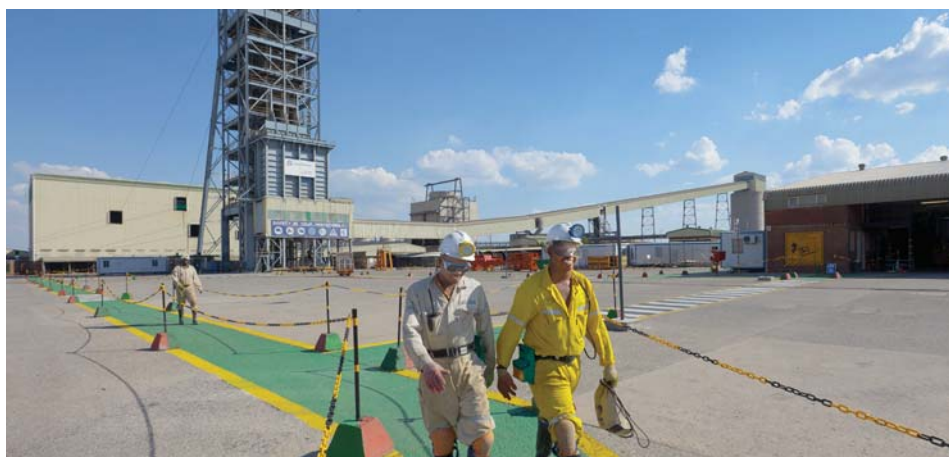
Operating free cash flow (cash available after allowing for all direct and allocated indirect operating costs and stay-in-business capital) declined to -R261 million from R1.36 billion in 2011.

## OUTLOOK

Tumela Mine will not be impacted by the Platinum Review. The operation is expected to improve its safety performance in 2013 while returning to previous equivalent refined platinum ounce production levels of around 260 koz to 280 koz per annum.

# DISHABA MINE

(MANAGED – 100% OWNED)



**EQUIVALENT REFINED PLATINUM PRODUCTION**

(2011: 150.3 koz)

**145.2** koz

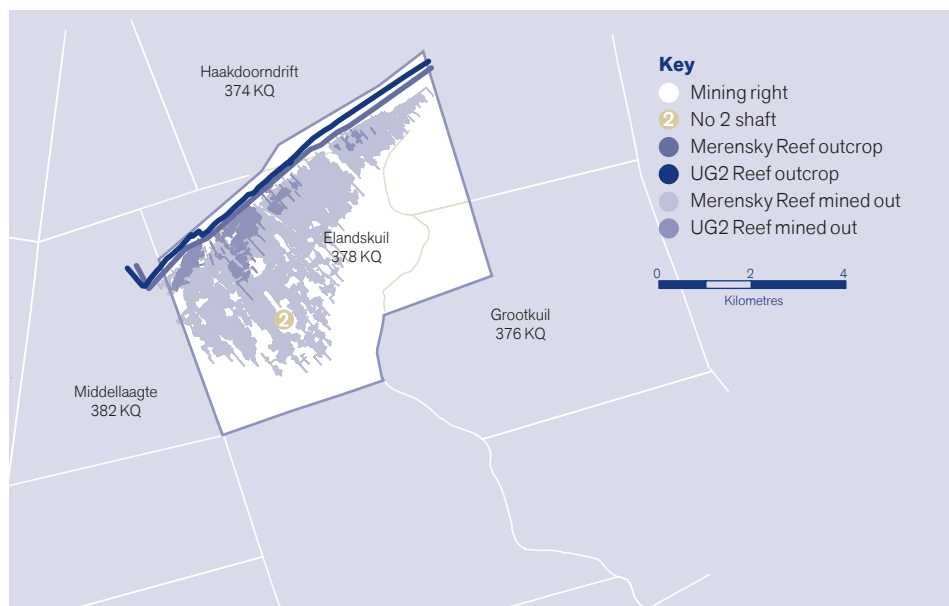
For more information turn to page 97

**OPERATING CONTRIBUTION**

(2011: R701 m)

**R351** m

For more information turn to page 97



	2012	2011
<b>Safety</b>		
Fatalities	<b>0</b>	1
LTIFR	<b>0.90</b>	1.94
Refined platinum production (000 oz)	<b>148.4</b>	161.9
Operating contribution (Rm)	<b>351</b>	701
Gross profit margin (%)	<b>6</b>	16
Operating free cash flow (Rm)	<b>47</b>	655
Net cash flow (Rm)	<b>18</b>	592
Cash on-mine costs/tonne milled	<b>R1,040</b>	R966
<b>Mineral Resources inclusive of Ore Reserves</b>		
Merensky	46.3 Mt ⇒ 10.4 4E Moz	
UG2	139.1 Mt ⇒ 24.6 4E Moz	

## MINE OVERVIEW

The Dishaba Mine is situated in the province of Limpopo in South Africa, between the towns of Northam and Thabazimbi, and forms part of the North-western Limb of the Bushveld Complex. The mine operates under a mining right covering a total area of 31 square kilometres.

The mine's infrastructure consists of one vertical shaft, one raise bore and four decline shafts. Dishaba mines on both the Merensky and the UG2 Reef horizons, and the mining layout is scattered breast mining with strike pillars. The operating depth for the current workings is between 30 metres and 1,250 metres below surface.

Dishaba's life-of-mine (LoM) extends to approximately 2058, and consists of a Mineral Resource of 14.4 4E million ounces (exclusive of Ore Reserves) and an Ore Reserve of 15.2 4E million ounces.

## KEY ACHIEVEMENTS

- The mine achieved 2.6 million fatality-free shifts (718 days) at the end of 2012. Significant improvement in the lost-time injury-frequency rate.
- Successful implementation of a revised underground support regime.

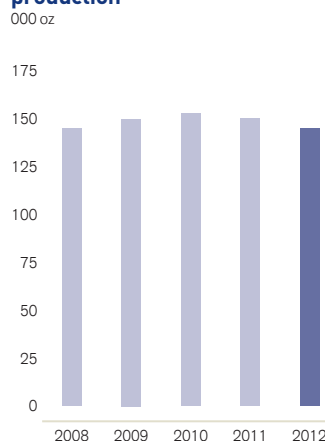
## OPERATIONAL REVIEW

The mine made significant strides in safety during 2012 with the mine achieving zero fatalities and improving its lost-time injury-frequency rate with 53%. These successes can be ascribed to improved systems and initiatives implemented to reduce employee risk behaviour, supported by an enhanced underground support regime and good communication with employees.

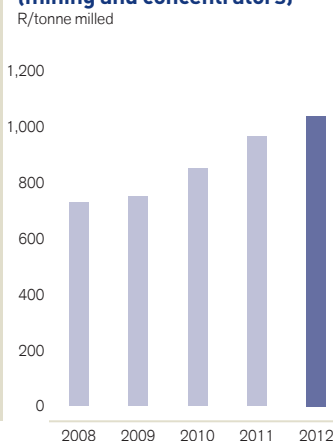
Dishaba Mine produced 145,200 equivalent refined platinum ounces for 2012, some 3.4% below the figure achieved in 2011. The mine started the first half of 2012 very strong and production exceeded 2011 six-month

**The mine made significant strides in safety during 2012 with the mine achieving zero fatalities and improving its lost-time injury-frequency rate with 53%.**

### Equivalent refined platinum production



### Cash on-mine costs (mining and concentrators)



delivery by 9%. This performance was eroded by the illegal strikes which started in Rustenburg in September 2012, spreading over to Dishaba in October 2012. The immediately available Ore Reserves were at 17.5 months, compared with 19.1 months in 2011, while the 4E built-up head grade improved 1% to 4.82 g/t. Productivity decreased by 2.1%, to 4.7 m<sup>2</sup> per total operating employee.

Cash on-mine costs were controlled in line with overall inflation and increased by 7% to R1.93 billion. The cash on-mine cost per tonne milled rose by 7.7% to R1,040, while cash operating expenses (costs after allowing for off-mine concentrating, smelting and refining activities) per equivalent refined ounce increased by 11%, to R14,606.

The gross profit margin of the operation was 6%, down from 16% in 2011.

## CAPITAL EXPENDITURE

Total capital expenditure decreased by 18% to R130 million in 2012 (it was R158 million in 2011). On-mine stay-in-business capital expenditure amounted to R125 million (R132 million in 2011), while project capital expenditure was R5 million (R26 million in 2011).

The backfill project which began in 2004, but deferred in 2008, recommenced in 2011 and has now progressed through the feasibility study into the approval stages. Poor ground conditions at 18 Level and lower on the Merensky Reef horizon require backfilling before mining can be executed safely. Although it was anticipated that R150 million would have been spent in 2013, this project was deferred as a result of capital constraints.

Operating free cash flow (cash available after allowing for all direct and allocated indirect operating costs and stay-in-business capital) declined to R47 million from R655 million in 2011.

## OUTLOOK

Dishaba Mine will not be impacted by the Platinum Review. The operation is expected to produce between 150 koz and 165 koz of platinum in 2013.

# UNION NORTH MINE

(MANAGED – 85% OWNED)



**EQUIVALENT REFINED PLATINUM PRODUCTION**  
(2011: 91.5 koz)

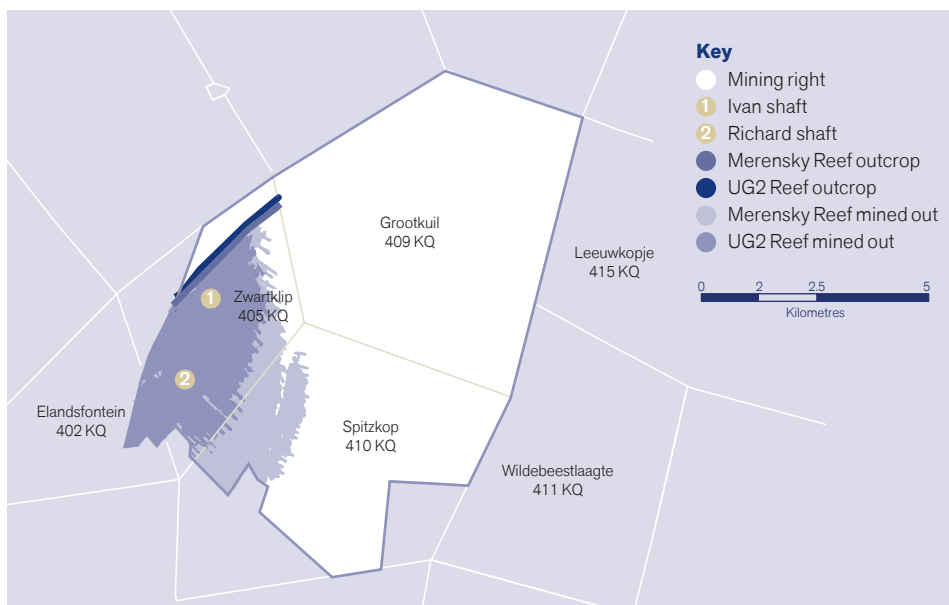
**63.7 koz**

For more information  
turn to page 99

**OPERATING CONTRIBUTION**  
(2011: R338 m)

**-R165m**

For more information  
turn to page 99



	2012	2011
<b>Safety</b>		
Fatalities	<b>1</b>	1
LTIFR	<b>1.19</b>	1.31
Refined platinum production (000 oz)	<b>69.3</b>	98.3
Operating contribution (Rm)	<b>(165)</b>	338
Gross profit margin (%)	<b>(22)</b>	11
Operating free cash flow (Rm)	<b>(209)</b>	339
Net cash flow (Rm)	<b>(240)</b>	264
Cash on-mine costs/tonne milled	<b>R625</b>	R483
<b>Mineral Resources inclusive of Ore Reserves</b>		
Merensky	7.6 Mt ⇒ 1.6 4E Moz	
UG2	37.9 Mt ⇒ 6.9 4E Moz	
<b>JV partner</b>		
Bakgatla-Ba-Kgafela traditional community	(15%)	

## MINE OVERVIEW

Union North Mine is situated in both the Limpopo and the North West provinces of South Africa, 15 kilometres west of the town of Northam, and forms part of the North-western Limb of the Bushveld Complex. It operates under part of a mining right covering a total of 119 square kilometres.

Union North's infrastructure consists of a vertical shaft (Richard Shaft) and of the 1S decline section. This section is serviced by another vertical shaft (Ivan Shaft), for hoisting purposes. The operating depth of the current workings is between 60 metres and 1,500 metres below surface.

The mine extracts mostly UG2 Reef ore, but also produces limited Merensky Reef ore and treats low-grade surface ore and tailings. Three-quarters of Union Mine's underground production is done conventionally (using breast stoping with strike pillars), while hybrid mining occurs at the declines.

Union North's life-of-mine (LoM) extends to 2030, and consists of a Mineral Resource (exclusive of Ore Reserves) of 4.3 4E million ounces and an Ore Reserve of 3.2 4E million ounces. The Mineral Resource and Ore Reserve reported are 85% attributable to Anglo American Platinum Limited (Amplats) and 15% attributable to the Bakgatla-Ba-Kgafela traditional community.

## KEY ACHIEVEMENTS

- Lost-time injury-frequency rate improved.
- Improved immediately available Ore Reserve position.

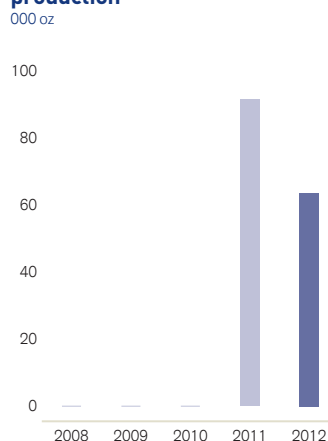
## OPERATIONAL REVIEW

Regrettably, one employee lost his life at Union North Mine during 2012. The lost-time injury-frequency rate for the mine ended down 9.1% at 1.19 compared with 1.31 in 2011.

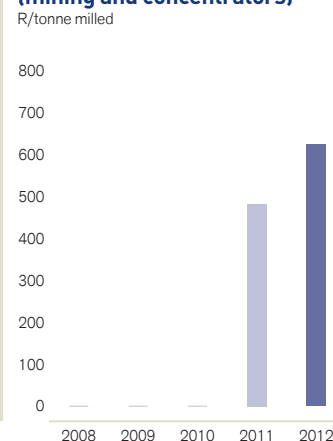
The Union North Mine output of equivalent refined platinum ounces decreased by 30.4% to 63,700 ounces

**Union North's life-of-mine (LoM) extends to 2030, and consists of a Mineral Resource (exclusive of Ore Reserves) of 4.3 4E million ounces and an Ore Reserve of 3.2 4E million ounces.**

## Equivalent refined platinum production



## Cash on-mine costs (mining and concentrators)



between 2011 and 2012. The tonnes milled decreased to 1.73 million tonnes, a reduction of 26% over 2011.

The decrease in volumes were caused by the depletion of low-grade surface material sources of 425 kt, the expected decline in Merensky ore mining and the illegal strike which spread over from Rustenburg to Union North Mine during October 2012. The immediately available Ore Reserves ended the year at 18.8 months, some 38% higher than in 2011 following the successful execution of an aggressive drop-raising, ledging and equipping plan. Productivity decreased to 2.6 m<sup>2</sup> per operating employee, a decline of 19% from the 3.2 m<sup>2</sup> per operating employee reported in 2011.

Absolute cash on-mine costs were managed very well and decreased by 4% to R1.08 billion. Above-inflation expenses on electricity, wages and other key commodities were offset by lower expenditure on surface material sources and other savings. The cash on-mine cost per tonne milled increased by 29% to R625 per tonne owing to the depletion of low-cost surface sources and lower underground volumes. Consolidated cash operating expenses (costs after allowing for off-mine smelting and refining activities) per equivalent refined ounce rose by 35% to R18,627. The gross profit margin was -22%, down from 11% reported in 2011.

## CAPITAL EXPENDITURE

Total capital expenditure decreased to R88 million in 2012 (R129 million in 2011). Stay-in-business capital expenditure amounted to R73 million (R92 million in 2011), while project capital expenditure was R15 million (R37 million in 2011).

Operating free cash flow (cash available after allowing for all direct and allocated indirect operating costs and stay-in-business capital) declined to -R209 million from R339 million in 2011.

## OUTLOOK

In the Platinum Review it is proposed that Union North Mine be consolidated with Union South Mine and operations in the old declines section be stopped. Existing operations would continue prior to implementation of the Platinum Review findings.

# UNION SOUTH MINE

(MANAGED – 85% OWNED)



**EQUIVALENT REFINED PLATINUM PRODUCTION**

(2011: 162.7 koz)

**132.0** koz

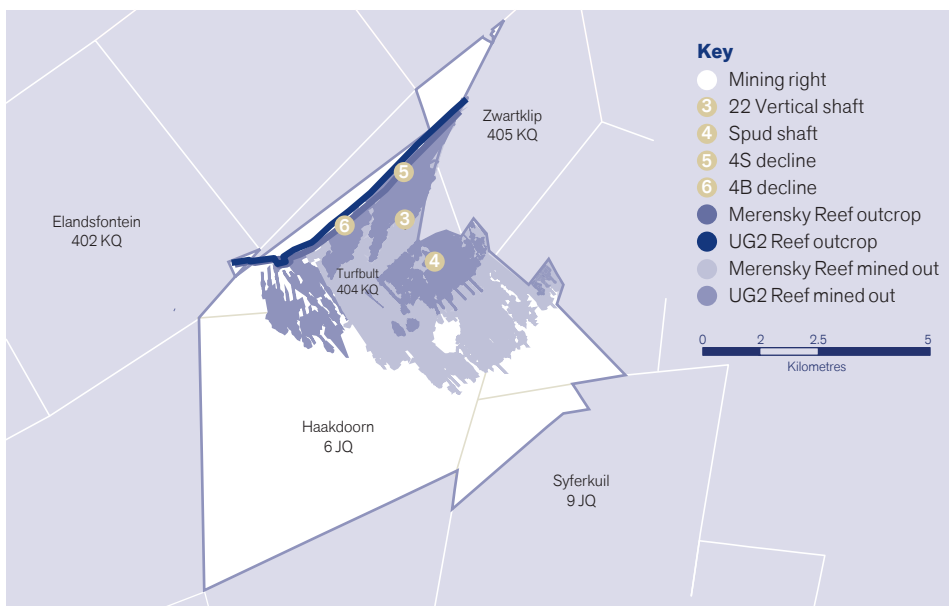
For more information turn to page 100

**OPERATING CONTRIBUTION**

(2011: R724 m)

**-R40m**

For more information turn to page 100



	2012	2011
<b>Safety</b>		
Fatalities	<b>1</b>	1
LTIFR	<b>1.08</b>	1.31
Refined platinum production (000 oz)	<b>143.7</b>	174.8
Operating contribution (Rm)	<b>(40)</b>	724
Gross profit margin (%)	<b>(10)</b>	15
Operating free cash flow (Rm)	<b>(87)</b>	712
Net cash flow (Rm)	<b>(288)</b>	438
Cash on-mine costs/tonne milled	<b>R884</b>	R765
<b>Mineral Resources inclusive of Ore Reserves</b>		
Merensky	76.3 Mt ⇒ 15.2 4E Moz	
UG2	135.8 Mt ⇒ 23.8 4E Moz	
<b>JV partner</b>		
Bakgatla-Ba-Kgafela traditional community	(15%)	

## MINE OVERVIEW

Union South Mine is situated in both the Limpopo and the North West provinces of South Africa, 15 kilometres west of the town of Northam, and forms part of the North-western Limb of the Bushveld Complex. It operates under part of a mining right covering a total of 119 square kilometres.

Union South's infrastructure consists mainly of one vertical shaft, namely Spud Shaft, and of a declines section, consisting of three decline complexes. The operating depth of the current workings is between 100 metres and 1,500 metres below surface.

The mine extracts mostly UG2 Reef ore, but also produces limited Merensky Reef ore. Approximately 60% of the underground production at Union South Mine is done by conventional mining at Spud Shaft (using breast stoping with strike pillars), with the remainder being hybrid mining at the declines section (mechanised development with conventional breast stoping and the removal of broken ore by belts).

Union South's life-of-mine (LoM) extends to 2035, and consists of a Mineral Resource (exclusive of Ore Reserves) of 29.0 4E million ounces and an Ore Reserve of 6.5 4E million ounces. The Mineral Resource and Ore Reserve reported are 85% attributable to Anglo American Platinum Limited (Amplats) and 15% attributable to the Bakgatla-Ba-Kgafela traditional community.

## KEY ACHIEVEMENTS

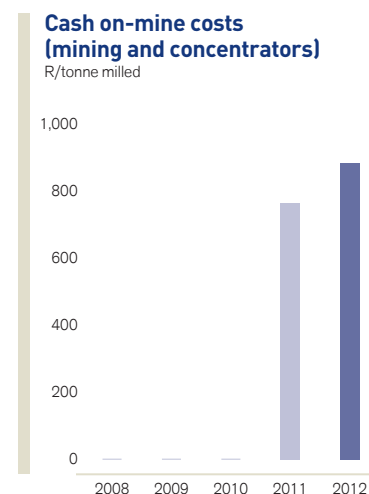
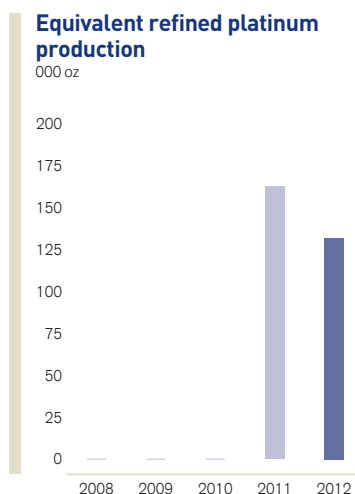
- The mine improved the lost-time injury-frequency rate.

## OPERATIONAL REVIEW

Regrettably, one employee lost his life at Union South Mine during 2012. There was, however, a significant improvement in the overall safety performance at Union South Mine with the lost-time injury-frequency rate improving by 18% to 1.08 from 1.31 in 2011.

The solid production performance of the first half of 2012 was hampered by the illegal strikes in the second half of

**The cash on-mine cost per tonne milled increased by 16% to R884 per tonne owing to the lower underground volumes.**



the year and the mine's output of equivalent refined platinum ounces decreased by 19% to 132,000 ounces compared to 162,700 ounces in 2011. The tonnes milled decreased to 2.2 million tonnes, a reduction of 10.6% from 2011 (2.4 million tonnes). The immediately available Ore Reserves ended the year at 18.6 months, a decrease of 12% from the 2011 figure of 21.1 months. Productivity decreased to 4.3 m<sup>2</sup> per operating employee per month, declining 12% from the 4.9 m<sup>2</sup> per operating employee reported in 2011.

Cash on-mine costs were managed well and increased below inflation by 3% to R1.93 billion. The cash on-mine cost per tonne milled increased by 16% to R884 per tonne owing to the lower underground volumes.

Cash operating expenses (costs after allowing for off-mine smelting and refining activities) per equivalent refined ounce rose by 26% to R16,305. The gross profit margin was -10%, down from the 15% reported in 2011.

## CAPITAL EXPENDITURE

Total capital expenditure decreased to R293 million in 2012 (R399 million in 2011). Stay-in-business capital expenditure amounted to R126 million (R190 million in 2011), while project capital expenditure was R167 million (R209 million in 2011).

Capital work in execution at the Declines (4B, 4 South, 3 South and 5 South) was stopped on 31 December 2012 owing to capital constraints, and clean-up operations will continue in the areas where already established. The remaining areas between Spud Shaft and the Declines will be extracted from Spud Shaft. A revision of 5 South Decline will be undertaken during 2013 to establish possible future extraction potential. The Union Deeps project targets the Merensky and the UG2 Reef horizons below the 27-level infrastructure serving the current Spud and Richard operations. The study process is at a concept-study phase.

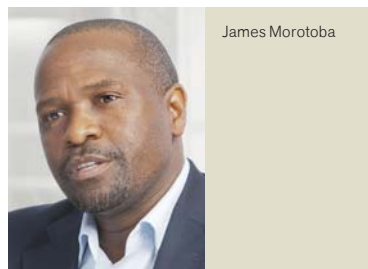
Operating free cash flow (cash available after allowing for all direct and allocated indirect operating costs and stay-in-business capital) declined to -R87 million from R712 million in 2011.

## OUTLOOK

In the Platinum Review it is proposed that Union South Mine be consolidated with North Mine. Existing operations would continue prior to implementation of the Platinum Review findings.

# MOGALAKWENA MINE

(MANAGED – 100% OWNED)



**EQUIVALENT REFINED PLATINUM PRODUCTION**

(2011: 306.3 koz)

**300.2** koz

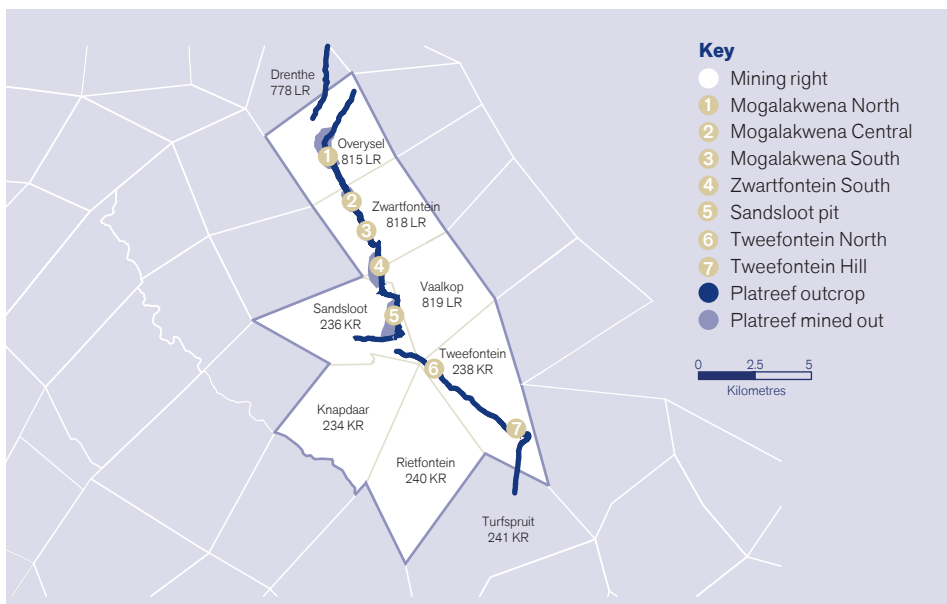
For more information turn to page 101

**OPERATING CONTRIBUTION**

(2011: R3,413m)

**R2,201**m

For more information turn to page 101



	2012	2011
<b>Safety</b>		
Fatalities	1	0
LTIFR	0.67	0.49
Refined platinum production (000 oz)	304.8	312.8
Operating contribution (Rm)	2,201	3,413
Gross profit margin (%)	21	35
Operating free cash flow (Rm)	1,198	2,679
Net cash flow (Rm)	802	2,334
Cash on-mine costs/tonne milled	R315	R254
<b>Mineral Resources inclusive of Ore Reserves</b>		
Platreef	3,533 Mt ⇒ 264.9 4E Moz	

## MINE OVERVIEW

The Mogalakwena Mine is situated 30 kilometres north-west of the town of Mokopane in the province of Limpopo. It operates under a mining right covering a total area of 137 square kilometres.

The current infrastructure consists of four open pits, namely the Sandsloot, Zwartfontein, Mogalakwena Central and Mogalakwena North pits. The mining method is open-pit truck and shovel, and the current pit depths vary from 110 metres (Mogalakwena North) to 245 metres (Sandsloot). The ore is milled at the new fully operational North Concentrator and at the older South Concentrator.

Mogalakwena's life-of-mine (LoM) extends well beyond 2060. The current LoM plan consists of an Ore Reserve of 89.1 4E million ounces and a Mineral Resource of 171.7 4E million ounces (exclusive of Ore Reserves).

## KEY ACHIEVEMENTS

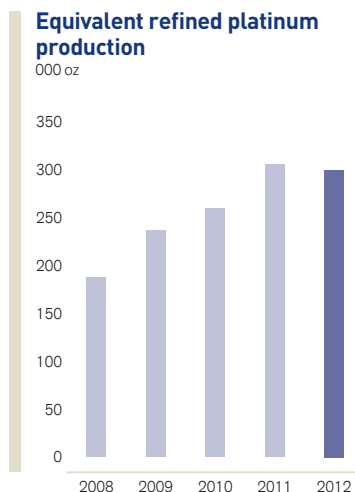
- Strong immediately mineable Ore Reserve position of 71 months established.

## OPERATIONAL REVIEW

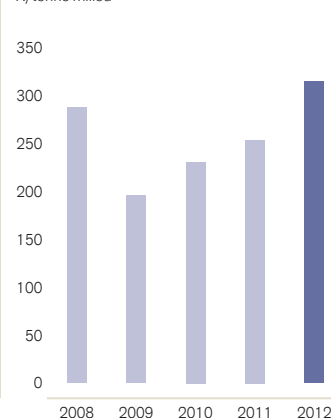
Mogalakwena Mine had a single fatality during 2012. Overall, Mogalakwena had a very challenging year in terms of safety with an increase in the lost-time injury-frequency rate of 37% to 0.67 from 0.49 in 2011. The mine has intensified its safety programme and some good improvements were noted during the last quarter of 2012.

Equivalent refined platinum ounces decreased 2% to 300,200 ounces in 2012. The reduced production was mainly as a result of 3% lower volume throughput in the concentrators and a 3% decline in the 4E built-up head grade caused by the lower tonnes mined from the higher grade Sandsloot pit. The concentrator recovery improved by 5% year-on-year. A technical decision was taken during 2012 to stop mining the Sandsloot pit for safety reasons. Further technical work is required to establish if mining Cut 6 and

**Equivalent refined platinum ounces decreased 2% to 300,200 ounces in 2012.**



**Cash on-mine costs (mining and concentrators) R/tonne milled**



below is feasible, which will be conducted during 2013. Cash on-mine costs increased by 20% to R3.30 billion owing to inflationary increases above CPI on electricity, wages, explosives, tyres and diesel exacerbated by:

- R164 million less capitalised waste stripping incurred compared with 2011
- acceleration of R98 million deferred waste stripping expenses for the Sandsloot pit, now stopped
- unexpected R142 million incurred on truck, shovel and drill repairs

Cash on-mine cost/tonne milled increased 24% to R315 per tonne. Cash operating expenses (costs after allowing for off-mine smelting and refining activities) per equivalent refined ounce increased to R15,464, some 22% higher than 2011. The gross profit margin declined to 21% from 35% reported in 2011.

## CAPITAL EXPENDITURE

Total capital expenditure decreased to R1,171 million in 2012 (from R1,251 billion in 2011). Stay-in-business capital expenditure was R561 million (R596 million in 2011); while capital waste stripping came in at R399 million (R563 million in 2011) and project capital expenditure at R211 million (R92 million in 2011).

Capital projects at Mogalakwena Mine are largely focused on the Mogalakwena North Concentrator de-bottlenecking studies, the finalisation of infrastructure implementation associated with the Mogalakwena North Expansion Project, as well as closing out on the community relocation projects.

Project close-out on Mogalakwena North Expansion Project, infrastructural development and village relocation is planned for 2013 and project implementation approval for the Mogalakwena North Concentrator de-bottlenecking is targeted for 2013.

It is also anticipated that Mogalakwena will start replacing its aging hydraulic shovel fleet with rope shovels from 2013 onwards.

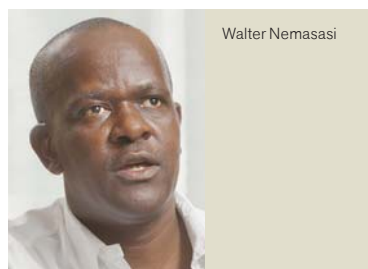
Operating free cash flow (cash available after allowing for all direct and allocated indirect operating costs and stay-in-business capital) declined to R1.2 billion from R2.7 billion in 2011.

## OUTLOOK

Mogalakwena Mine will not be impacted by the Platinum Review. The operation is expected to improve its safety performance and increase equivalent refined platinum output to between 310 koz and 315 koz in 2013.

# UNKI PLATINUM MINE

(MANAGED – 100% OWNED)



**EQUIVALENT REFINED PLATINUM PRODUCTION**

(2011: 51.6 koz)

**62.1** koz

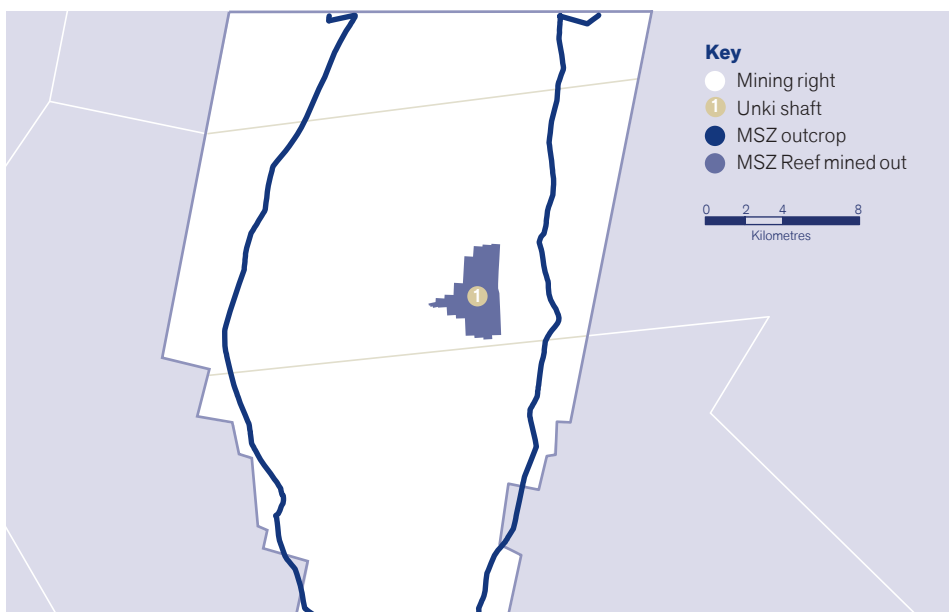
For more information turn to page 102

**OPERATING CONTRIBUTION**

(2011: R287m)

**R176m**

For more information turn to page 102



	2012	2011
<b>Safety</b>		
Fatalities	<b>0</b>	1
LTIFR	<b>0.09</b>	0.18
Refined platinum production (000 oz)	<b>64.6</b>	50.8
Operating contribution (Rm)	<b>176</b>	287
Gross profit margin (%)	<b>5</b>	23
Operating free cash flow (Rm)	<b>54</b>	135
Net cash flow (Rm)	<b>(245)</b>	(195)
Cash on-mine costs/tonne milled	<b>R622</b>	R509
<b>Mineral Resources inclusive of Ore Reserves</b>		
MSZ	246.1 Mt ⇨ 34.0 4E Moz	

## MINE OVERVIEW

The operations of Unki Mines (Pvt) Limited are situated on the Great Dyke of Zimbabwe, approximately 60 kilometres south-east of Gweru.

The mine is a mechanised, trackless board-and-pillar underground operation. A twin decline shaft system provides access to the underground workings for personnel and material, and also serves to convey ore. Both decline shafts are now 1,620 metres from portal on surface. Ten mining sections have been established, with strike belts transferring ore directly onto the main decline shaft conveyor. Run-of-mine ore is processed at the 120,000 tonne-per-month concentrator plant on site. The life-of-mine (LoM) of the current operations at Unki East extends to 2041, although projects in study could extend LoM to beyond 2055. Unki Mine's Mineral Resource (exclusive of Ore Reserves) stands at 26.0 4E million ounces, while its Ore Reserve stands at 6.5 4E million ounces.

## KEY ACHIEVEMENTS

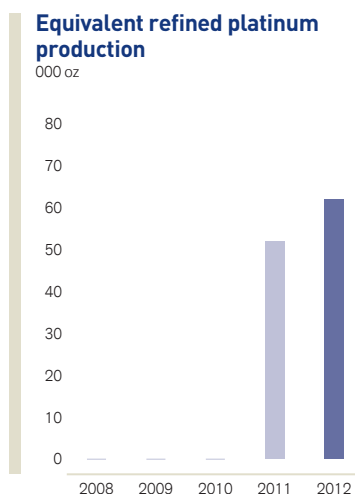
- Improved safety performance with zero fatalities for 2012 and 634 days fatality free.
- Increase in equivalent refined platinum ounces production.
- The mine achieved a first place in the Association of Mine Managers of Zimbabwe (AMMZ) National SHE Audit Award for 2012 and retained the OHSAS 18001 and ISO 14001 certification.

## OPERATIONAL REVIEW

There were no fatalities at Unki during 2012. The lost-time injury-frequency-rate improved significantly from 2011 recording a 50% improvement to 0.09. The mine had only two lost-time injuries for the entire year.

Equivalent refined platinum production increased by 20% year-on-year to 62,100 ounces in 2012. Tonnes milled increased to 1.5 million, up 20%

**Productivity was 12.6 m<sup>2</sup> per employee for the year, up 17% from 10.8 m<sup>2</sup> per operating employee reported in 2011.**



Note: Production commenced 2011.

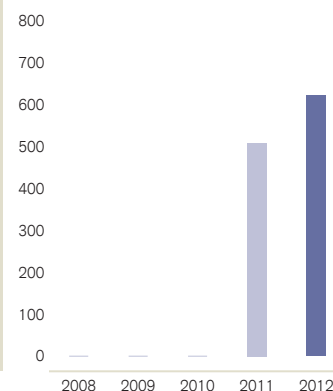
year-on-year, while the 4E built-up head grade declined by 6% to 3.43 g/t as a result of establishing mining infrastructure requiring an increase in mining width. Productivity was 12.6 m<sup>2</sup> per operating employee for the year, up 17% from 10.8 m<sup>2</sup> per operating employee reported in 2011.

Cash on-mine costs were R955 million for the year, up 46% on 2011 owing to mining inflation, increase in volumes mined and R94 million more pre-production non-recurring ore stockpile costs expensed, resulting in cash on-mine cost of R622 per tonne milled. The cash operating expenses (the costs after allowing for off-mine smelting and refining activities) per equivalent refined ounce for the year was R18,819 per ounce. The gross profit margin declined to 5% from 23% reported in 2011.

## CAPITAL EXPENDITURE

Total capital expenditure increased by 31% from R345 to R453 million in 2012. Stay-in-business capital expenditure amounted to R183 million (R45 million in 2011), while project capital expenditure ended the year at R270 million (R301 million in 2011). Remaining project work currently in progress includes primarily the construction of the mine-employee

## Cash on-mine costs (mining and concentrators) R/tonne milled



Note: Production commenced 2011.

housing complex in Shurugwi. Construction work for the current phase is scheduled for completion in 2015.

With the current operations now properly established, studies are in progress to determine the optimal expansion of the mine, to a level that would significantly contribute to the Company's strategy to lower its operating cost base while at the same time exploiting the opportunity to expand its production from the world's second-largest known economic platinum resource.

Operating free cash flow (cash available after allowing for all direct and allocated indirect operating costs and stay-in-business capital) declined to R54 million from R135 million in 2011.

## OUTLOOK

Unki Mine will not be impacted by the Platinum Review. The operation is expected to maintain its current production level for the immediate future.

## UNKI INDIGENISATION IMPLEMENTATION PLAN APPROVED



01

On 2 November 2012, Anglo American Platinum Limited (Amplats) announced the approval of the proposed 51% indigenisation implementation plan at Unki Mines (Pvt) Limited by the Zimbabwean Minister of Youth Development, Indigenisation and Empowerment. This transaction is the culmination of the originally envisaged process to develop Unki Mine in partnership with the people of Zimbabwe.

The proposed transaction will be facilitated through a notional vendor financing structure and includes the following shareholding structure:

- A 10% equity ownership transaction with a trust established for the benefit of the community neighbouring Unki's operations.
- A 10% equity ownership transaction with a trust to be established for the benefit of all full-time employees at Unki.
- A 10% equity ownership transaction with a consortium of strategic equity partners.

- A 21% equity ownership transaction with the National Indigenisation and Economic Empowerment Fund.

The disposal of equity under the indigenisation implementation plan will be undertaken at a market-related valuation of Unki adjusted for debt, and is subject to the requisite Amplats board and statutory approvals, as may be required. The acquisition price will be repaid from future dividends and Amplats intends to implement the indigenisation plan by 30 June 2013. The expected economic cost to Amplats of the empowerment plan is US\$59.3 million, which equates to 12.9% of the enterprise value of Unki Mine at the date of transaction.

Speaking in response to the November 2012 development, the chairman of Unki Mines (Pvt) Limited, July Ndlovu, commented that "Anglo American Platinum continues to contribute significantly to the upliftment of its host communities and its employees in South Africa, and will leverage this experience to ensure the successful

and seamless implementation of this transaction in Zimbabwe."

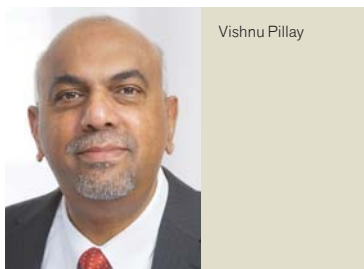
The Government of Zimbabwe has also agreed to ensure that the Company will receive payment of the amount of \$142 million due to it for the cession, in March 2008, of the Kironde and Bougai mineral right claims. This payment will be in lieu of empowerment credits due to it as per the 2008 cession-of-claims agreement, and is in addition to the amounts that will be receivable in respect of the disposal of the 51% equity in Unki.

According to July Ndlovu, the final success of the Zimbabwean indigenisation transaction would be "dependent on further engagement and consultation with affected stakeholders." Consequently, the transaction formed part of "an ongoing engagement programme with the Government of Zimbabwe, Unki's host communities, employees and other key stakeholders."

01 Unki Concentrator plant, Zimbabwe

# JOINT VENTURES AND ASSOCIATES OVERVIEW

## WITH THE FUTURE MIND



Vishnu Pillay

### EQUIVALENT REFINED PLATINUM PRODUCTION

(2011: 729 koz)

**705** koz

For more information turn to page 90

### m<sup>2</sup> PER TOTAL OPERATING EMPLOYEE

(2011: 8.85)

**9.75**

For more information turn to page 90

Amplats joint-venture and associate mines portfolio consists of seven mines, namely the Bafokeng-Rasimone, Kroondal, Marikana and Pandora mines situated in the Western Limb of the Bushveld Complex, and the Bokoni, Modikwa and Mototolo mines found in the Eastern Limb of the complex. The joint-venture portfolio was established over a decade ago in order to promote industry transformation and to optimise Mineral Resource extraction.

The joint-venture and associate mines are primarily underground mines and are not operationally managed by Amplats. Ore mined is processed into concentrate at each mine. Amplats claims its portion and the joint-venture partners' portion of concentrate is acquired by Amplats under purchase of concentrate agreements. The exception is the Pandora Joint Venture, where the ore is sold to Western Platinum Limited (a subsidiary of Lonmin plc).

#### Safety

Tragically, five employees lost their lives in the first four months of 2012 in fall-of-ground incidents, two at Modikwa Mine and one each at the Bokoni, Kroondal and BRPM mines. (There were three fatalities in 2011.) The joint-venture and associate mines subsequently proceeded to end the year on 258 days fatality free.

The overall lost-time injury-frequency rate (LTIFR) per 200,000 hours deteriorated, from 0.93 in 2011 to 1.03 in 2012. There were nevertheless notable reductions in the LTIFR at the Bafokeng-Rasimone, Mototolo, Bokoni and Pandora mines.

While the total number of section 54 instructions at joint ventures and associates remained the same year-on-year at 48, the total equivalent refined platinum ounces lost decreased from 25 koz in 2011 to 22 koz in 2012.

#### Operational review

Equivalent refined platinum ounces from joint ventures and associates, inclusive of both mined and purchased

production, decreased by 3% from 2011 to 704,688 ounces. The production in 2012 was impacted mainly by industrial action at Modikwa Mine (11,000 ounces lost) and Bokoni Mine (19,000 ounces lost); and also by the curtailment of Marikana Mine in June 2012. Together, the joint-venture and associate mines contributed 32% towards Amplats' total equivalent refined platinum ounces.

Joint ventures' cash on-mine costs (mining and concentrating) attributable to Amplats per tonne milled was R787, up by 17% on 2011. Joint ventures' productivity achieved was 9.75 m<sup>2</sup> per employee (including concentrator employees), 10% above performance in 2011. Joint ventures' built-up 4E head grade and concentrator recovery were 3.75 g/t (3.74 g/t in 2011) and 82.5% (80.4% in 2011) respectively.

#### Capital

Amplats' attributable capital expenditure for the joint-venture mines during 2012 was R581 million (R599 million in 2011), of which R174 million was spent on projects and R407 million on stay-in-business projects. Project capital includes primarily the Phase 2 expansion at Modikwa Platinum Mine and the K6 Shaft Project at Kroondal Platinum Mine.

In 2012, Amplats and Atlatsa Resources agreed in principle to the restructuring, recapitalisation and refinancing of Atlatsa and Bokoni Platinum Holdings Proprietary Limited.

#### Outlook

Equivalent refined production from the joint-venture and associate mines is expected to increase marginally in 2013, primarily driven by productivity improvements at Kroondal following the implementation of a revised hanging-wall support regime, and continued operational improvements and open-pit mining at Bokoni Mine.

# MODIKWA PLATINUM MINE

## (NON-MANAGED – 50% OWNED)

### EQUIVALENT REFINED PLATINUM PRODUCTION

(2011: 124.8 koz)

# 119.6 koz

 For more information turn to page 105

### OPERATING CONTRIBUTION

(2011: R312m)

# R141 m

 For more information turn to page 105



	2012	2011
<b>Safety</b>		
Fatalities	2	0
LTIFR	1.1	0.60
Refined platinum production (000 oz)	130.1	129.8
Operating contribution (Rm)	141	312
Gross profit margin (%)	4.1	15.2
Operating free cash flow (Rm)	(107.4)	287.7
Net cash flow (Rm)	(205.7)	184.4
Cash on-mine costs/tonne milled	R878	R737
<b>Mineral Resources inclusive of Ore Reserves</b>		
Merensky	208.8 Mt ⇒ 18.1 4E Moz	
UG2	275.2 Mt ⇒ 53.0 4E Moz	
<b>JV partner</b>		
ARM Mining Consortium Limited	(50%)	

## MINE OVERVIEW

Modikwa Platinum Mine is an independently managed, 50:50 joint venture between ARM Mining Consortium Limited and Rustenburg Platinum Mines Limited. The mine is on the border of the provinces of Mpumalanga and Limpopo in South Africa, approximately 25 kilometres west of the town of Burgersfort. It forms part of the Eastern Limb of the Bushveld Complex and operates under a mining right covering a total area of 140 square kilometres.

The current mine infrastructure consists of two major decline shafts, namely North Shaft and South Shaft, three adits on Onverwacht Hill, a newly sunk South 2 portal access and a concentrator. The mine is a hybrid operation using conventional stoping, with trackless development and ore clearance. The mine mines the UG2 horizon exclusively, from surface to 450 metres below the surface. The mining method at Modikwa is conventional breast stoping with strike pillars.

Modikwa's life-of-mine plan consists of a Mineral Resource (exclusive of Ore Reserves) of 60.2 million 4E ounces and an Ore Reserve of 8.7 million 4E ounces.

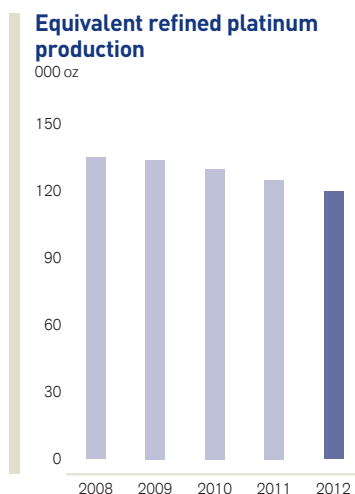
## KEY ACHIEVEMENTS

- Modikwa achieved 1 million fatality-free shifts on 7 November.
- The North 1 Phase 2 project – for the deepening of North Shaft by three additional levels – was approved in 2012.

## OPERATIONAL REVIEW

Following the achievement of almost 9 million fatality-free shifts, a multiple fatal incident occurred at the mine in February 2012. Sadly, both Ms Selekeng Patricia Moropa and Mr Khateane Lenong lost their lives in the fall-of-ground incident. The lost-time injury-frequency rate deteriorated from 0.60 in 2011 to 1.11 in 2012.

**The UG2 North 1 Shaft Phase 2 project was approved for execution during the third quarter of 2012.**



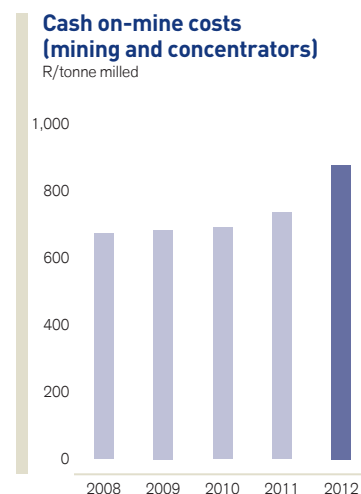
Equivalent refined platinum ounces attributable to Amplats, which included 59.8 koz purchased from the joint-venture partner, decreased by 4% to 119.6 koz. The main cause of this decrease was a 27-day wage strike in which approximately 11,000 equivalent refined platinum ounces were lost. The 4E built-up head grade decreased by 1% to 4.51 g/t, as a result of the increased feed of low-grade open-pit material.

Amplats' share of cash on-mine costs (mining and concentrating) increased by 16% to R976 million, compared with R841 million in 2011. Cash on-mine costs per tonne milled increased by 19% to R878; while cash operating costs (after allowing for off-mine smelting and refining activities) per equivalent refined platinum ounce increased by 22%, to R18,131.

## CAPITAL EXPENDITURE

Amplats' attributable share of capital expenditure for the year totalled R187 million, which was 5% higher than expenditure in 2011. This was largely the result of increased expenditure on the UG2 North 1 Shaft Phase 2 and the South 2 Shaft Phase 1 projects.

The UG2 North 1 Shaft Phase 2 project was approved for execution



during the third quarter of 2012. The project deepens the existing shaft by three levels, with steady-state production of 113 k Pt oz per annum expected in 2019.

The South 2 Shaft Phase 1 project remains at feasibility stage, with approval anticipated during the third quarter of 2013. The project includes the development of a new decline shaft as well as relevant surface infrastructure. The establishment of the South 2 Shaft portal and access road has been completed, and the sinking of the first leg of both the material and chairlift declines has been completed. Project work executed in 2012 was done without any lost-time injuries.

## OUTLOOK

A marginal increase in equivalent refined platinum ounce production is expected in 2013 owing to the impact of the strike in 2012.

# MOTOTOLO PLATINUM MINE

(NON-MANAGED – 50% OWNED)

**EQUIVALENT REFINED PLATINUM PRODUCTION**

(2011: 109.4 koz)

**118.8** koz

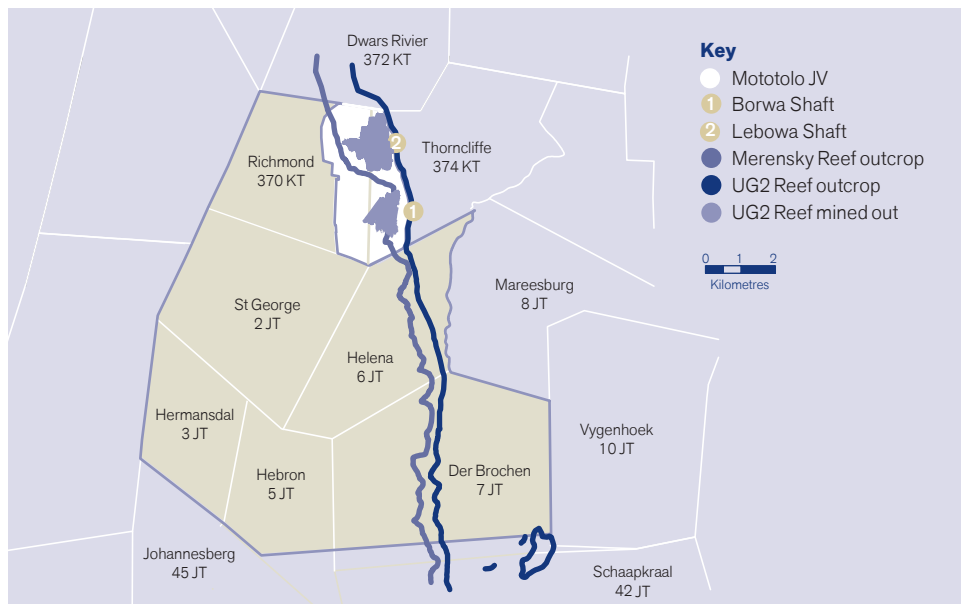
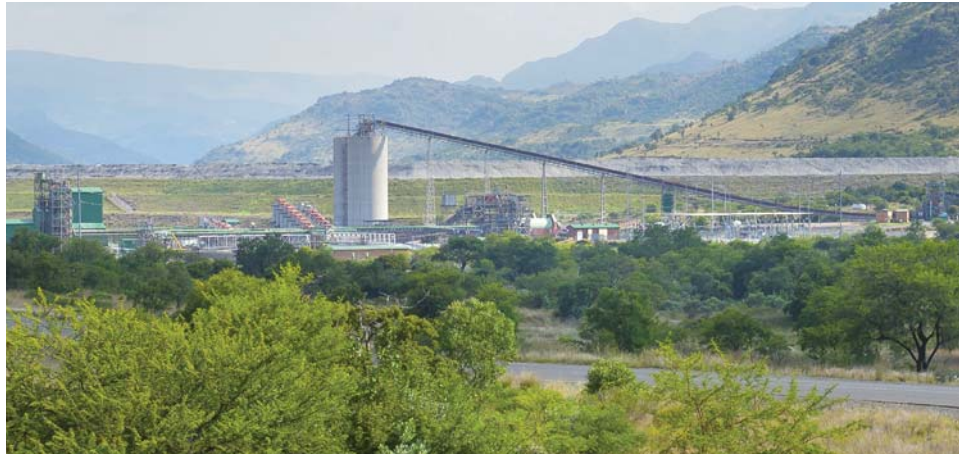
For more information  
turn to page 106

**OPERATING CONTRIBUTION**

(2011: R329m)

**R274m**

For more information  
turn to page 106



	2012	2011
<b>Safety</b>		
Fatalities	0	1
LTIFR	0.44	0.57
Refined platinum production (000 oz)	123.8	115.1
Operating contribution (Rm)	274	329
Gross profit margin (%)	19.4	23.9
Operating free cash flow (Rm)	80.7	237.2
Net cash flow (Rm)	72.9	198.3
Cash on-mine costs/tonne milled	R533	R494
<b>Mineral Resources inclusive of Ore Reserves</b>		
UG2	40.2 Mt ⇔ 5.5 4E Moz	
<b>JV partner</b>		
Xstrata Kagiso Platinum Partnership	(50%)	

## MINE OVERVIEW

Mototolo Platinum Mine is a 50:50 joint venture between the Xstrata Kagiso Platinum Partnership and Rustenburg Platinum Mines Limited. The mine is managed by Xstrata SA Proprietary Limited, and the concentrator by Amplats. Situated in the province of Limpopo in South Africa, it is approximately 30 kilometres west of the town of Burgersfort. It forms part of the Eastern Limb of the Bushveld Complex and operates under a mining right covering a total area of nine square kilometres.

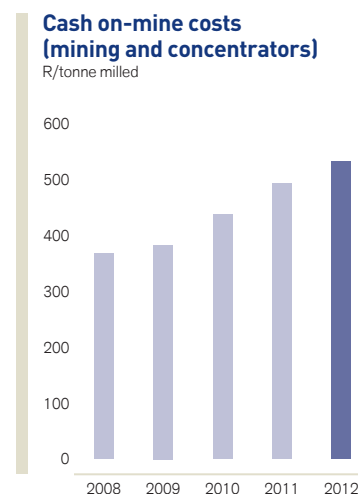
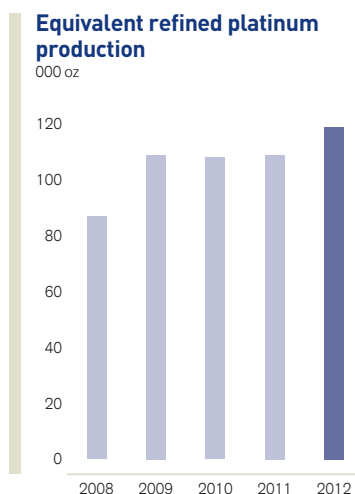
Current mine infrastructure consists of two decline shafts, namely Lebowa Shaft and Borwa Shaft. Mototolo is fully mechanised and mines the UG2 horizon exclusively, from surface to approximately 450 metres below surface. The mining method is bord and pillar.

Mototolo's life-of-mine (LoM) extends to 2024. The current LoM plan consists of a Mineral Resource (exclusive of Ore Reserves) of 3.5 million 4E ounces and an Ore Reserve of 1.6 million 4E ounces.

## KEY ACHIEVEMENTS

- A year-on-year 23% reduction in lost-time injury-frequency rate highlighted a significant improvement in safety performance.
- The poor ground conditions from a fault zone that previously prevented Borwa Shaft from achieving its targeted production levels have been steadily improving as panels were re-established across the fault.
- The mine has increased its throughput by 7%, from an average 192 kt per month in 2011 to an average 206 kt per month in 2012, thus exceeding its nameplate capacity of 200 kt per month.

**Equivalent refined platinum ounces attributable to Amplats increased by 9% to 118.8 koz.**



## OPERATIONAL REVIEW

There were no fatalities at Mototolo in 2012 (compared with one in 2011). The lost-time injury-frequency rate improved by 23%, from 0.57 in 2011 to 0.44 in 2012.

Equivalent refined platinum ounces attributable to Amplats, which included 59.4 koz purchased from the joint-venture partner, increased by 9% to 118.8 koz. The 4E built-up head grade improved from 3.27 g/t to 3.33 g/t as a result of reduced hanging-wall and footwall waste mining in certain areas.

Despite industry challenges in respect of industrial action in 2012, Mototolo signed a wage agreement without industrial action.

Amplats' share of cash on-mine costs (mining and concentrating) increased by 16% to R657 million, compared with R568 million in 2011. Cash on-mine costs per tonne milled increased by 8% to R533; while cash operating costs (after allowing for off-mine smelting and refining activities) per equivalent refined platinum ounce increased by 8%, to R12,726.

## CAPITAL EXPENDITURE

Amplats' attributable share of capital expenditure for the year totalled R70 million, which was 42% lower than expenditure in 2011, mainly as the result of market-related capital-saving initiatives.

## OUTLOOK

Equivalent refined platinum ounce production is expected to remain flat in 2013.

# KROONDAL PLATINUM MINE (NON-MANAGED – 50% OWNED)

## EQUIVALENT REFINED PLATINUM PRODUCTION

(2011: 208.6 koz)

# 213.2 koz

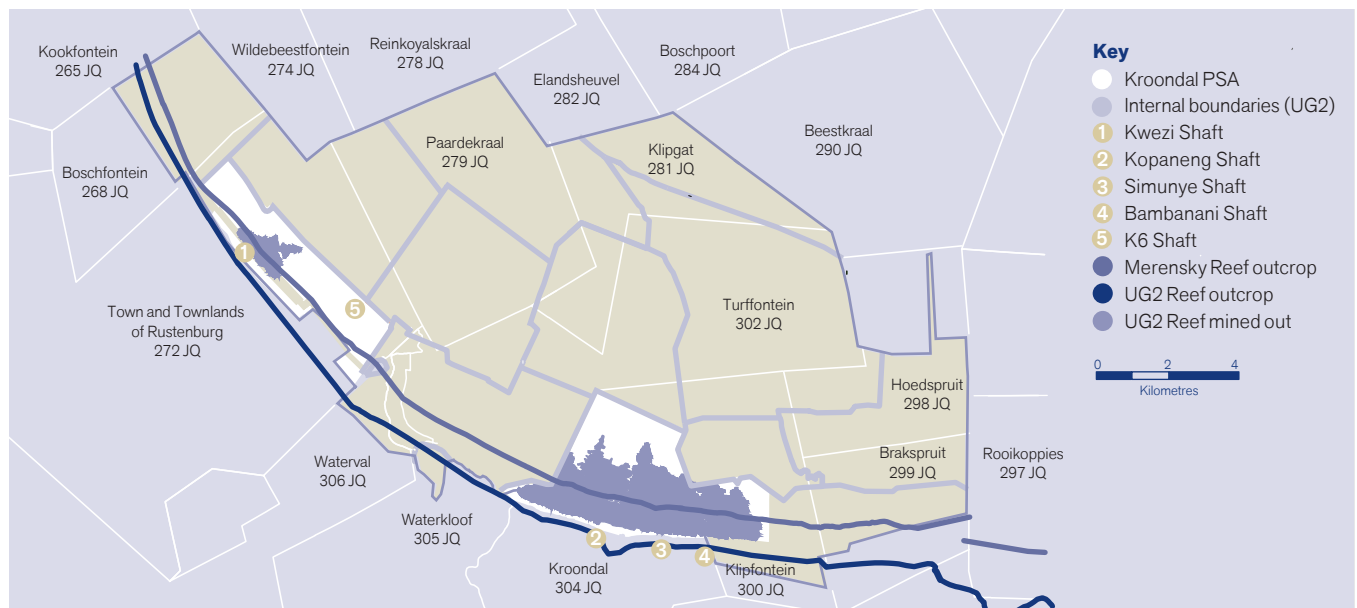
For more information  
turn to page 107

## OPERATING CONTRIBUTION

(2011: R536m)

# R221m

For more information  
turn to page 107



	2012	2011
<b>Safety</b>		
Fatalities	1	1
LTIFR	1.35	0.76
Refined platinum production (000 oz)	223.4	217.6
Operating contribution (Rm)	221	536
Gross profit margin (%)	5.0	18.7
Operating free cash flow (Rm)	(384.6)	314.5
Net cash flow (Rm)	(484.0)	211.2
Cash on-mine costs/tonne milled	R877	R726
<b>Mineral Resources inclusive of Ore Reserves</b>		
UG2	32.3 Mt ⇔ 6.2 4E Moz	
<b>JV partner</b>		
JV partner: Aquarius Platinum SA	(50%)	

## MINE OVERVIEW

The Kroondal Platinum Mine is a 50:50 pooling-and-sharing agreement (PSA 1) between Aquarius Platinum (South Africa) Proprietary Limited (AQPSA) and Rustenburg Platinum Mines Limited. The mine is managed by AQPSA. It is situated in the province of North West in South Africa, approximately 10 kilometres outside the town of Rustenburg, and located up-dip of Rustenburg Platinum Mines (RPM). Kroondal forms part of the South-western Limb of the Bushveld Complex and operates under a mining right covering a total area of 22 square kilometres.

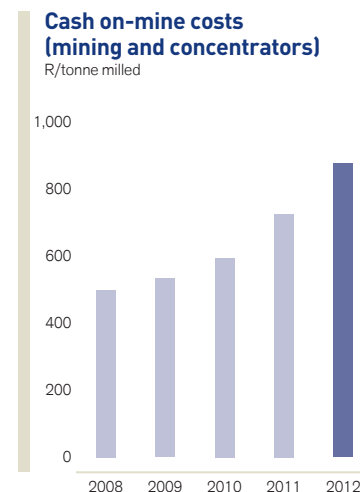
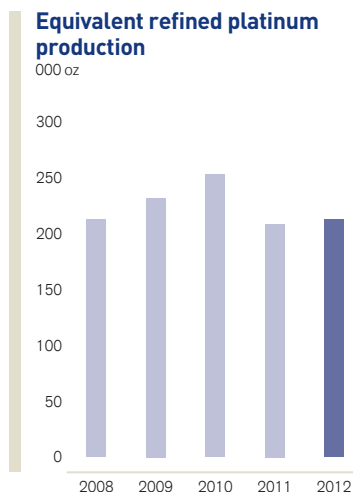
Current mine infrastructure consists of four decline shafts, namely the Bambanani, Simunye, Kopaneng and Kwezi shafts, and two concentrators. It is a partly mechanised, partly handheld-drilling operation that mines the UG2 Reef exclusively, between surface and 450 metres below surface. The mining method is bord and pillar.

Kroondal's life-of-mine (LoM) extends to 2021. The current LoM plan consists of a Mineral Resource (exclusive of Ore Reserves) of 0.4 million 4E ounces and an Ore Reserve of 4.7 million 4E ounces.

## KEY ACHIEVEMENTS

- Kroondal's Bambanani Shaft achieved 3 million fatality-free shifts in June 2012.
- Kroondal reached 1 million fatality-free shifts in October 2012.
- The migration from contractor mining to an owner-miner model has been successfully completed.
- The implementation of a revised hanging-wall support regime, to ensure safer and more productive operations, has improved the face time for mining crews.

**An increase in equivalent refined platinum ounce production is expected for 2013 following the implementation of a revised hanging-wall support regime.**



## OPERATIONAL REVIEW

Regrettably a fatality occurred at Kroondal on 17 April 2012 (there was also one fatality at the mine in 2011). Mr Tomas Alberto Ubisse, a utility-vehicle operator at the Simunye Shaft, sadly passed away a day after he was injured in a fall-of-ground incident.

The lost-time injury-frequency rate regressed, from 0.76 in 2011 to 1.35 in 2012.

Equivalent refined platinum ounces attributable to Amplats, which included 106.6 koz purchased from the joint-venture partner, increased by 2% to 213.2 koz, from 208.6 koz in 2011.

Amplats' share of cash on-mine costs (mining and concentrating) increased by 20% to R1.64 billion, compared with R1.37 billion in 2011. Cash on-mine costs per tonne milled increased by 21% to R877; while cash operating costs (after allowing for off-mine smelting and refining activities) per equivalent refined platinum ounce increased by 17%, to R16,480.

## CAPITAL EXPENDITURE

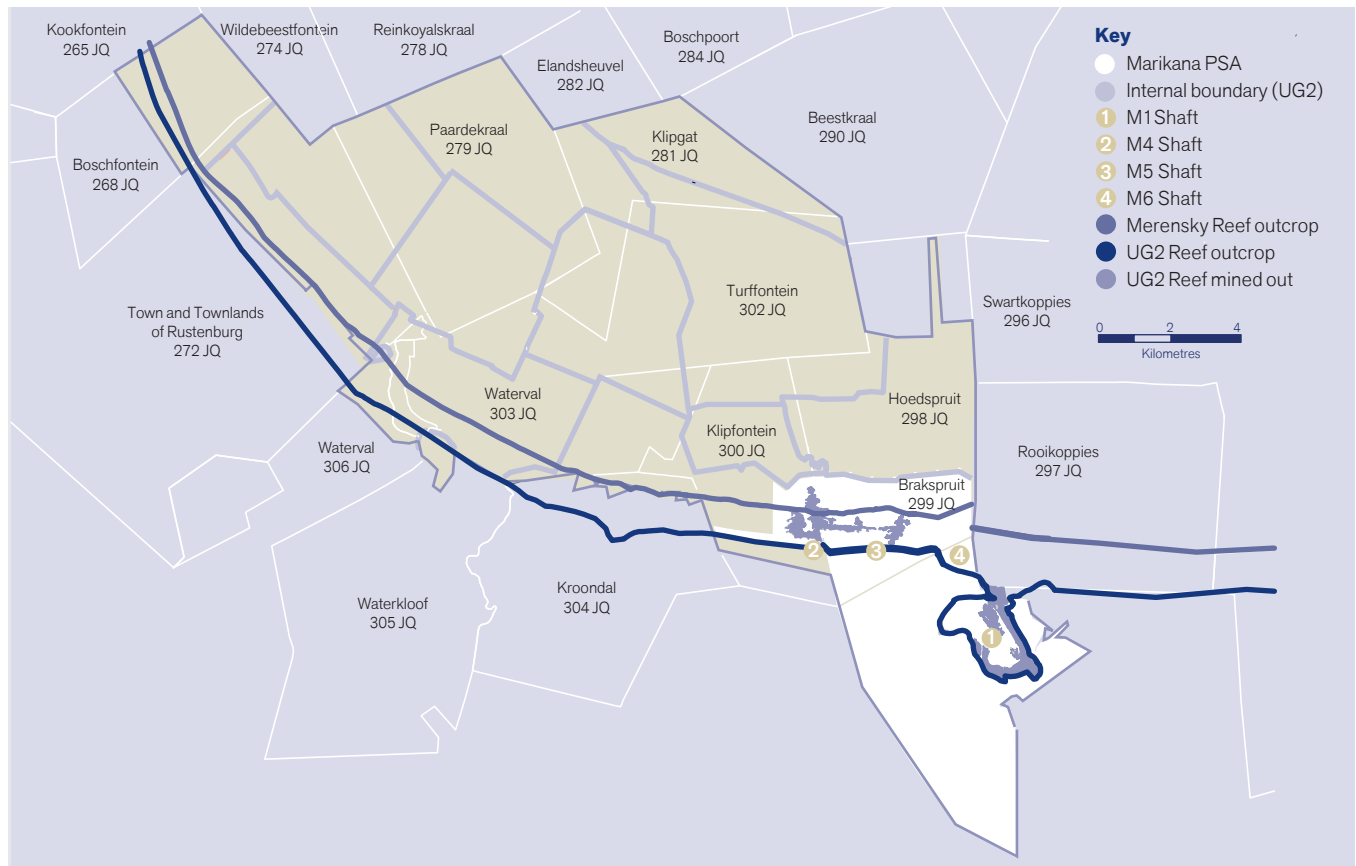
Amplats' attributable share of capital expenditure for the year totalled R285 million, which was 24% greater than expenditure in 2011. This rise can be attributed to, firstly, the continuation of the K6 Shaft project; and, secondly, the purchase of mechanised bolters required for the improvement in support standards.

The K6 decline shaft project aims to replace UG2 production across the Kroondal operation. At steady state, it will contribute approximately 87 kPt ounces per annum. Execution of the K6 decline shaft remains on track and is due to be completed in the second quarter of 2014.

## OUTLOOK

An increase in equivalent refined platinum ounce production is expected for 2013 following the implementation of a revised hanging-wall support regime.

# MARIKANA PLATINUM MINE (NON-MANAGED – 50% OWNED)



## EQUIVALENT REFINED PLATINUM PRODUCTION

(2011: 47.0 koz)

# 26.4 koz

For more information turn to page 108

## OPERATING CONTRIBUTION

(2011: R42m)

# -R110m

For more information turn to page 108

	2012	2011
<b>Safety</b>		
Fatalities	0	0
LTIFR	0.51	0.27
Refined platinum production (000 oz)	28.2	48.7
Operating contribution (Rm)	(110)	42
Gross profit margin (%)	(45.9)	2.3
Operating free cash flow (Rm)	(29.7)	(52.8)
Net cash flow (Rm)	(33.9)	(55.3)
Cash on-mine costs/tonne milled	R951	R736
<b>Mineral Resources inclusive of Ore Reserves</b>		
UG2	33.1 Mt ⇒ 5.4 4E Moz	
<b>JV partner</b>		
Aquarius Platinum SA	(50%)	

## MINE OVERVIEW

Marikana Platinum Mine is a 50:50 pooling-and-sharing agreement (PSA 2) between Aquarius Platinum (South Africa) Proprietary Limited (AQPSA) and Rustenburg Platinum Mines Limited. The mine is managed by AQPSA and is situated in the province of North West in South Africa, approximately 12 kilometres outside the town of Rustenburg. It forms part of the South-western Limb of the Bushveld Complex and operates under a mining right covering a total area of 33 square kilometres.

Mine infrastructure consisting of four decline shafts and a concentrator are on care and maintenance. The open pit was mined out and closed in 2011.

Marikana has a Mineral Resource (exclusive of Ore Reserves) of 1.8 million 4E ounces and an Ore Reserve of 3.1 million 4E ounces.

## KEY ACHIEVEMENTS

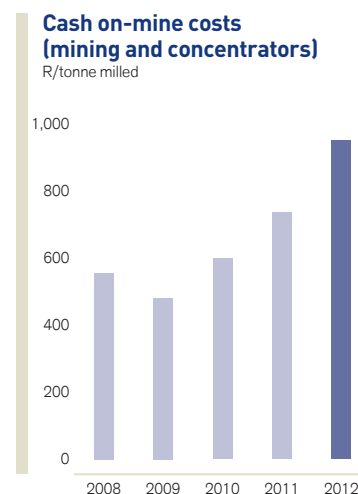
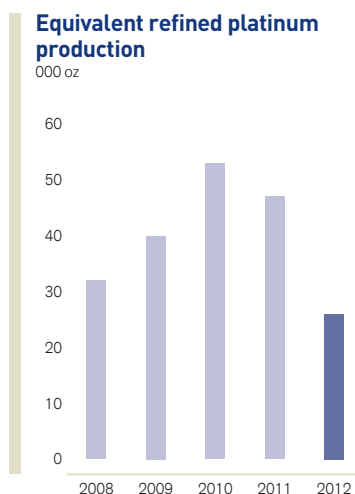
- Marikana achieved 1 million fatality-free shifts in January 2012.
- The Marikana 5 Shaft was placed on care and maintenance in April 2012; and the concentrator and the Marikana 4 Shaft were placed on care and maintenance in June 2012.
- Most employees (more than 90%) were successfully redeployed to other sites.

## OPERATIONAL REVIEW

There were no fatalities in 2012 (and none in 2011). The lost-time injury-frequency rate regressed, from 0.27 in 2011 to 0.51 in 2012.

Equivalent refined platinum ounces attributable to Amplats, which included 13.2 koz purchased from the joint-venture partner, decreased by 44% to 26.4 koz in 2012, compared with 47.0 koz in 2011.

**Marikana Mine was placed on care and maintenance in June 2012 owing to the current global economic conditions.**



Marikana Mine was placed on care and maintenance in June 2012 owing to the current global economic conditions. This decision was made in the interests of preserving the Ore Reserves until an improved economic climate merits extraction in future.

Amplats' share of on-mine costs (mining and concentrating) decreased by 47% to R249 million, compared with R473 million in 2011. Cash on-mine cost per tonne milled increased by 29% to R951; while cash operating costs (after allowing for off-mine smelting and refining activities) per equivalent refined platinum ounce increased by 22%, to R20,064.

## CAPITAL EXPENDITURE

Amplats' attributable share of capital expenditure for the year totalled R39 million, which was 44% lower than expenditure in 2011.

## OUTLOOK

No production is expected from Marikana Mine in 2013.

# BAFOKENG-RASIMONE PLATINUM MINE (BRPM)

(NON-MANAGED – 33% OWNED)

**EQUIVALENT REFINED PLATINUM PRODUCTION**

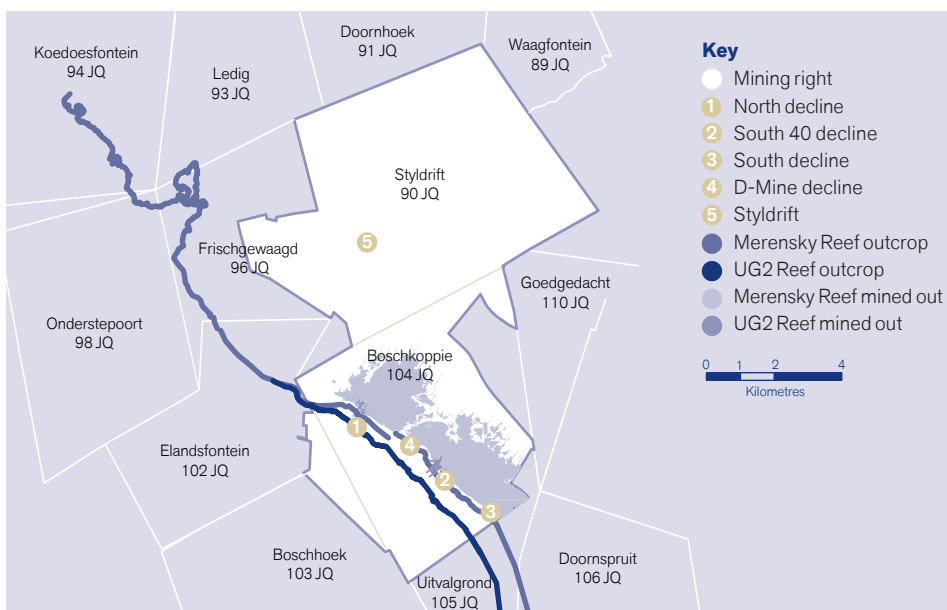
(2011: 180.0 koz)

**171.5** koz

**ATTRIBUTABLE PROFIT BEFORE TAX**

(2011: R220)

**R135m**



	2012	2011
<b>Safety</b>		
Fatalities	1	0
LTIFR	0.68	0.91
<b>Financial</b>		
Amplats attributable profit/(loss) before tax (Rm)	135	220
Net cash distributions/(cash calls) (Rm)	(186)	32
<b>Mineral Resources inclusive of Ore Reserves</b>		
Merensky	162.2 Mt ⇒ 38.4 4E Moz	
UG2	202.3 Mt ⇒ 34.0 4E Moz	
<b>JV partners</b>		
Royal Bafokeng Platinum Limited	(67%)	

## MINE OVERVIEW

Bafokeng-Rasimone Platinum Mine (BRPM) is a 67:33 joint venture between Royal Bafokeng Resources Proprietary Limited and Rustenburg Platinum Mines Limited. It is managed by Royal Bafokeng Platinum Management Services Proprietary Limited. The mine is situated in the province of North West in South Africa, approximately 25 kilometres north of the town of Rustenburg. It forms part of the Western Limb of the Bushveld Complex and operates under a mining right covering a total area of 87 square kilometres.

Current mine infrastructure consists of two decline shafts, namely North Shaft and South Shaft, and a concentrator. The Styldrift 1 Main and Service shafts are currently being sunk as an expansion project on the Merensky Reef. Both these shafts have intersected the reef at the 600-metre level. Most of the mining at BRPM occurs on this reef, although mining has also begun on the UG2 Reef at both the North and South shafts. The mining method at BRPM is conventional breast stoping with strike pillars. The operating depth for the current workings is between 50 metres and 500 metres below surface.

BRPM's life-of-mine plan consists of a Mineral Resource (exclusive of Ore Reserves) of 49.9 million 4E ounces and an Ore Reserve of 16.7 million 4E ounces.

## KEY ACHIEVEMENTS

- BRPM achieved 2 million fatality-free shifts on 1 February 2012.
- The Styldrift 1 Shaft intersected the Merensky Reef in 2012, and station development has begun.
- The push to increase immediately stopeable Ore Reserves resulted in a 50% increase in such reserves over the year. It will continue to drive improvements in team efficiency and productivity going forward.

**LTIFR improved by 26%, from 0.91 in 2011 to 0.68 in 2012.**

## OPERATIONAL REVIEW

Regrettably, a fatality occurred at BRPM on 6 February 2012. (There were no fatalities at the mine in 2011.) Mr Castigo Ndeve, a miner's assistant at North Shaft, was injured in a fall-of-ground incident and later died.

The lost-time injury-frequency rate (LTIFR) at the mine improved by 26%, from 0.91 in 2011 to 0.68 in 2012.

Amplats purchased 171.5 koz equivalent refined platinum ounces of BRPM production in 2012, a 5% decrease from 2011. The reduction can be attributed to safety-related production stoppages and also the volatile employee-relations environment in the second half of 2012 owing to the unrest in the Rustenburg area.

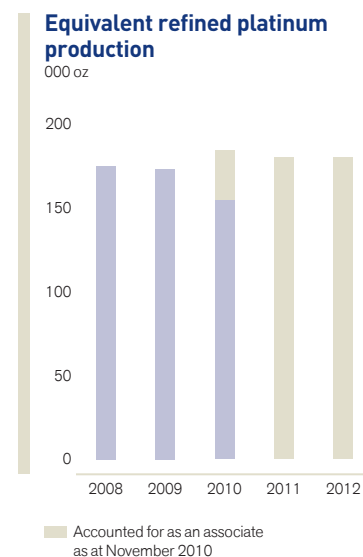
## FINANCIAL REVIEW

BRPM has been equity-accounted for at 33% since 8 November 2010. Amplats' attributable profit before taxation was R135 million for 2012 (2011 profit before taxation: R220 million). Net cash calls for 2012 totalled R186 million to BRPM, mainly as a result of the 33% of capital funding to the Styldrift project (2011 cash distributions from BRPM: R32 million).

## PROJECTS

### BRPM Phase 2 project

The Phase 2 project replaced depleted Merensky Reef production in the upper levels of the decline shafts at both the North and South shafts. Both decline shafts have been extended by an additional five levels, from level 6 to level 10. Project execution was completed on schedule and under budget, with ramp-up in progress. Steady-state production is expected to be achieved on target in 2014.



### BRPM Phase 3 project

The Phase 3 project is providing further replacement of Merensky production at the North Shaft complex, through the extension of the existing decline shaft by an additional five levels, from level 10 to level 15. At steady state, the project will contribute 70 k Pt ounces per annum. It continues to make steady progress and remains on track for completion in 2017.

### Styldrift 1 Shaft

The Styldrift 1 Shaft project will see the establishment of a new 250 ktpm Merensky Mine (230 ktpm reef and 20 ktpm waste) accessing the ore body via two vertical shafts. Both shafts have intersected the Merensky Reef horizon at the 600-metre level, where the station infrastructure for both shafts is being developed. At steady state, the Styldrift Shaft will contribute an additional 220 k Pt ounces per annum to the business of BRPM.

## OUTLOOK

Production in 2013 is expected to remain flat and the BRPM Phase 3 and Styldrift 1 projects will continue as scheduled.

# BOKONI PLATINUM MINE

(NON-MANAGED – 49% OWNED)

**EQUIVALENT REFINED PLATINUM PRODUCTION**

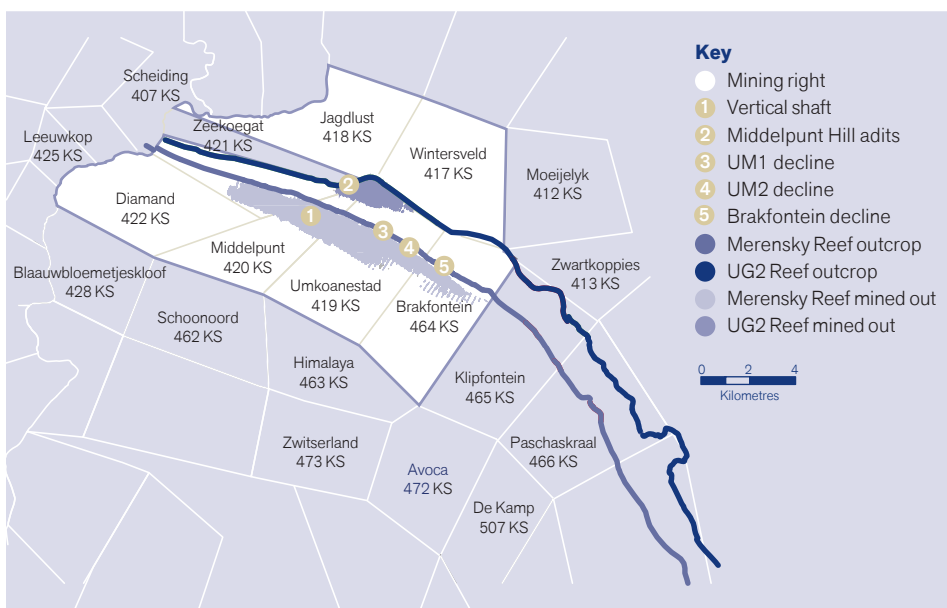
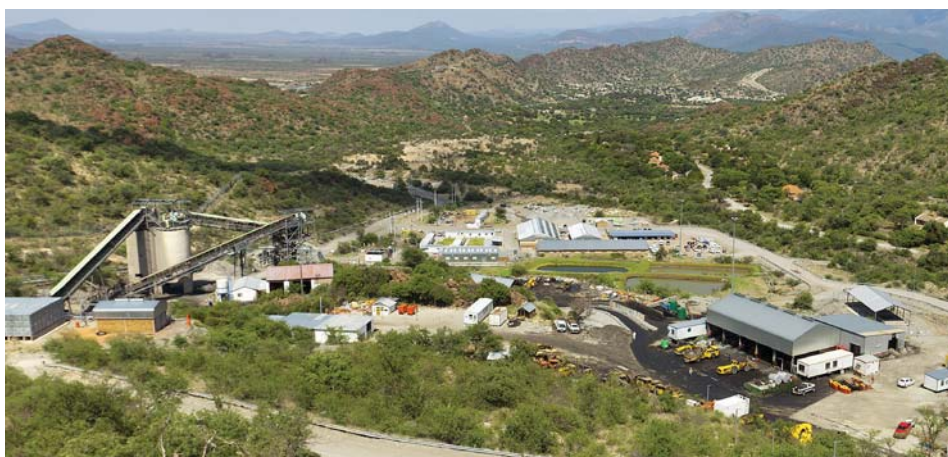
(2011: 59.6 koz)

**55.1** koz

**ATTRIBUTABLE LOSS BEFORE TAX**

(2011: -R552)

**-R674m**



	2012	2011
<b>Safety</b>		
Fatalities	1	1
LTIFR	1.49	1.87
<b>Financial</b>		
Amplats attributable profit/(loss) before tax (Rm)	(674)	(552)
Net cash distributions/(cash calls) (Rm)	(293)	(232)
<b>Mineral Resources inclusive of Ore Reserves</b>		
Merensky	225.1 Mt ⇒ 35.8 4E Moz	
UG2	368.2 Mt ⇒ 75.7 4E Moz	
<b>JV partners</b>		
Atlatsa Resources	(51%)	

## MINE OVERVIEW

Bokoni Platinum Holdings Proprietary Limited is a 51:49 joint venture between Atlatsa Resources Corporation (Atlatsa) and Rustenburg Platinum Mines. The mine is situated in the province of Limpopo in South Africa, approximately 80 kilometres south-east of the town of Polokwane. It forms part of the North-eastern Limb of the Bushveld Complex and operates under a mining right covering a total area of 147 square kilometres.

Current mining infrastructure consists of a vertical shaft (Vertical Shaft), three decline shafts (UM2, Middelpunt Hill and Brakfontein) and a concentrator. The older Vertical and UM2 shafts make use of conventional mining methods, while the Brakfontein and Middelpunt Hill shafts, which are in ramp-up phase, use hybrid mining methods. Merensky ore is produced from the Vertical, UM2 and Brakfontein shafts and UG2 ore from the Middelpunt Hill Shaft. The operating depth for the current workings is between surface and 500 metres below surface.

Bokoni's life-of-mine plan consists of a Mineral Resource (exclusive of Ore Reserves) of 99 million 4E ounces of ore and an Ore Reserve of 10.1 million 4E ounces.

## REFINANCING TRANSACTION

In 2012, Amplats and Atlatsa agreed in principle to the restructuring, recapitalisation and refinancing of Atlatsa and Bokoni Platinum Holdings Proprietary Limited. The implementation of the transactions is subject to the fulfilment of certain conditions precedent, including regulatory approval and Atlatsa shareholder approval. This transaction will be accounted for once agreements have been signed and these conditions have been fulfilled. Amplats and Atlatsa are collaborating on initiatives to

**LTIFR improved by 21%, from 1.87 in 2011 to 1.49 in 2012.**

optimise Bokoni Platinum Mine and Atlatsa's finances.

## KEY ACHIEVEMENTS

- The change in management during 2012 delivered the expected improvements in safety, production and cost performance, up until the strike on 1 October 2012.

## OPERATIONAL REVIEW

Regrettably, Mr Zimele Gwantsu was fatally injured in a fall-of-ground incident at Vertical Shaft on 14 February 2012. (There was also one fatality at the mine in 2011.)

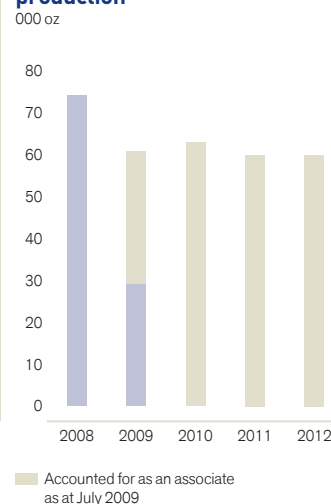
The lost-time injury-frequency rate (LTIFR) improved by 21%, from 1.87 in 2011 to 1.49 in 2012.

Amplats purchased 55.1 koz of equivalent refined platinum ounces of Bokoni production in 2012, an 8% decrease over the figure for 2011. Bokoni Mine achieved a significant improvement in production performance during the first nine months of 2012, when equivalent refined platinum ounce production increased by 21% to 53.9 koz compared with production in the first nine months of 2011. Unfortunately, an illegal workforce strike that began on 1 October 2012 and lasted 70 days resulted in equivalent refined platinum ounce production of only 1.2 koz in the fourth quarter of 2012.

## FINANCIAL REVIEW

Bokoni Holdco is equity accounted for at 49%. Amplats' attributable loss before taxation was R674 million for 2012 (2011 loss before taxation: R552 million). Net cash calls for 2012 totalled R293 million to Bokoni Holdco (2011 cash calls to Bokoni Holdco: R232 million).

## Equivalent refined platinum production



## PROJECTS

The Brakfontein project entails the extension of the existing decline shaft and development (including infrastructure) on two additional levels. This forms part of the production build-up to 100 ktpm of Merensky Reef ore. The project was planned to replace declining Merensky production at the Vertical and UM2 shafts.

The Middelpunt Hill Phase 3 project is currently in feasibility study. This project aims to increase Middelpunt Hill's UG2 production output from 28 ktpm to 60 ktpm.

## OUTLOOK

The mine is expected to ramp up production in 2013, with continued operational improvements and the introduction of opencast Merensky Reef mining at the Klipfontein farm.

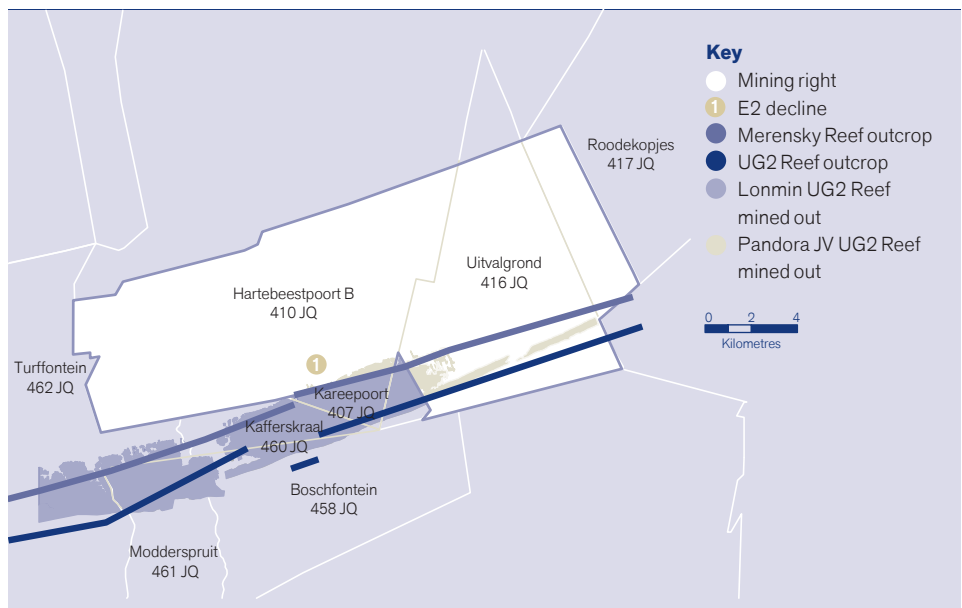
# PANDORA PLATINUM MINE

(NON-MANAGED – 42.5% owned)

**ATTRIBUTABLE PROFIT**  
(2011: R47)

**R20m**

 For more information  
turn to page 42



	2012	2011
<b>Safety</b>		
Fatalities	0	0
LTIFR	0.71	1.53
<b>Financial</b>		
Amplats attributable profit/(loss) before tax (Rm)	20	47
Net cash distributions/(cash calls) (Rm)	107	14
<b>Mineral Resources inclusive of Ore Reserves</b>		
UG2	189.8 Mt ⇒ 28.4 4E Moz	
<b>JV partners</b>		
Eastern Platinum Limited (a subsidiary of Lonmin plc)	(42.5%)	
Bapo-Ba-Mogale Mining Company	(7.5%)	
Mvelaphanda Resources	(7.5%)	

## MINE OVERVIEW

Rustenburg Platinum Mines Limited has a 42.5% interest in the Pandora Joint Venture. The other partners are Eastern Platinum Limited (42.5%), a subsidiary of Lonmin plc, the Bapo-Ba-Mogale Mining Company (7.5%) and Mvelaphanda Resources (7.5%). The mine is situated in the province of North West in South Africa, approximately 40 kilometres east of the town of Rustenburg in Lonmin's Marikana mining area. It forms part of the South-western Limb of the Bushveld Complex.

The current mine infrastructure, which belongs to Lonmin, consists primarily of one decline shaft system, namely the E3 decline, which mines UG2 ore exclusively. Pandora is a shallow, conventional underground mine with current workings between surface and 300 metres below surface.

The current life-of-mine (LoM) plan consists of a Mineral Resource (exclusive of Ore Reserves) of 24.9 million 4E ounces and an Ore Reserve of 2.3 million 4E ounces.

## KEY ACHIEVEMENTS

- Pandora achieved 2 million fatality-free shifts on 10 February 2012 (this was attained over four years of mining).
- The extension of the decline from 7 to 9 level was handed over to production crews in 2012.

## OPERATIONAL REVIEW

Pandora Joint Venture had no fatalities in 2012 (as in 2011). The lost-time injury-frequency rate (LTIFR) improved by 54%, from 1.53 in 2011 to 0.71 in 2012.

Production at Pandora was heavily impacted by the labour unrest at Lonmin's Marikana operations in the second half of 2012. The unrest subsided in early October 2012 and normal operations started ramping up later in the month after a safe start-up had been ensured.

**Platinum production amounted to 39.1 koz in 2012, an increase of 9% over production in 2011.**



There are no equivalent refined platinum ounces attributable to Amplats in the case of Pandora, as all the ore is sold to Western Platinum Limited (a subsidiary of Lonmin plc). Platinum production amounted to 39.1 koz in 2012, an increase of 9% over production in 2011.

## FINANCIAL REVIEW

Pandora is equity-accounted for at 42.5%. Amplats' attributable profit before taxation was R20 million for 2012 (2011 profit before taxation: R47 million). Net cash distributions for 2012 totalled R107 million from Pandora (2011 cash distributions from Pandora: R14 million).

## PROJECTS

The Plan 4 project to extend the decline from 7 to 10 level was undertaken to maintain the 60 ktpm production of UG2 ore at the existing E3 decline shaft. The project's execution remains on track, with completion expected in the second quarter of 2013.

Feasibility studies are under way to establish the optimal extraction for the deeper reserves in E3 shaft, as well as adjoining shallow and deep reserves.

## OUTLOOK

Production in 2013 is expected to increase as a result of the new level (9 level) coming into production.

# PROCESS OVERVIEW



July Ndlovu

## PLATINUM PRODUCTION

(2011: 2.5 Moz)

# 2.3 Moz

 For more information  
turn to page 42

## BASE METAL PRODUCTION

(2011: 24.4 kt)

# 20.3 kt

 For more information  
turn to page 42


01

Process operations have maintained their momentum of implementing the processing strategy from the previous years, which is in part driven by the mining strategy. Operating efficiencies in the treatment of UG2 and Platreef ore types remained an area of continued focus during the year and gained further significance as ore delivery was constrained as a result of the impact of the industrial action. A drive to improve the reliability of key process equipment, especially furnaces, has further contributed to the continued improvement in operating performance.

### Production

Refined production at 2,336,158 platinum ounces was a 6.7% reduction on 2011. This was largely the result of the industrial action experienced in the Rustenburg, Amandelbult and Union sections during the last quarter. Ore milled by own operations decreased by 6% year-on-year to 35.4 million tonnes, while the concentrator at Unki in Zimbabwe exceeded nameplate capacity. At the non-managed operations the year-on-year reduction of 12% in tonnes milled down to 3.2 million tonnes was largely owing to the Marikana plant being placed on care and maintenance.

Overall built-up head grade for managed operations reduced by 1%

to 3.14 g/t 4E year-on-year, because of the reduction in Merensky and UG2 ore streams received from mining operations following the industrial action. Built-up head grade performance was further eroded by an increase in the percentage of Platreef and Zimbabwean ore streams treated, though these ores have a strategic advantage of low-cost mining and can be expanded relatively quickly.

### Maximising the revenue generated per tonne of ore processed

Improvements in recovery achieved over 2008 to 2011 have been maintained in 2012, on the back of advanced control technologies and the optimisation of the stirred milling projects on both mainstream and intermediate concentrate regrinding. The chrome recovery plant in Rustenburg was successfully completed during 2012. Commissioning of the expansion of the Rustenburg Base Metal Refinery continued and it is expected to achieve steady-state capacity in 2014.

### Minimising the cost of processing per tonne of ore processed

#### Cash costs

During the year process operations underwent a divisional cost review that focused on applying best-in-

class activities across all operations. Through the entire value chain, potential savings were identified going forward, which included a 29% reduction in outsourced services coupled with a 47% reduction in rental of equipment costs. Labour structures were also reviewed across all operations and among the optimisation initiatives the planned reduction of labour hire is approximately 79%.

### Maximising capital efficiency

Amplat's recently announced production profile indicates excess smelting and refining capacity in the short to medium term. In order to exploit unused installed capacity, it is planned to continue the practice of treating recycled material. Platinum ounces from recycled feed almost doubled in 2012 from the prior year and further reliance will be placed on this input source going forward.

### Reducing bottlenecks

Construction on the Mogalakwena North plant to de-bottleneck, will realise significant capacity benefit within the next two years by increasing its capacity from the current 600 ktpm to 750 ktpm at minimal incremental capital cost. Ramp-up of the Mortimer Smelter to an interim 34 MW was successfully achieved as planned. The ACP operation was de-bottlenecked, achieving record throughputs in July and August of almost 5% above the previous best monthly performance. The BMR ramp-up is scheduled to reach steady-state performance during 2014. The PMR continues to de-bottleneck capacity-constrained areas. These efforts avoid future capital, but also improve installed asset utilisation.

**The ACP operation was de-bottlenecked, achieving record throughputs in July and August of almost 5% above the previous best monthly performance.**

## ANOTHER AMPLATS DEVELOPMENT IN ENERGY RECOVERY



01

Our business is an energy-intensive one, but we are committed to developing and investing in projects that optimise our energy use, benefit our operations and improve our environmental impact.

Over the years, Amplats has become a leader in saving and re-using energy. A more recent project joining the mix of successful initiatives in this area is our "thermal harvesting" project, which involves the Amplats Converting Process plant based at our Waterval Smelter complex in Rustenburg.

This time around, the Company has invested around R107 million in an independent power producer (IPP) that will be helping it to recover its waste heat energy. The introduction of private-sector power generation has multiple benefits, including job creation, reducing the financial burden on the state and improving supply and pricing. With funding from Investec Bank and development finance from the Department of Trade and Industry, this is a collaborative project that will provide long-term benefits for our business and the wider community.

The project focuses on extracting waste heat from the high-pressure water system used to cool the converter off-gas in the ACP, something that was previously carried out using air-based fin-fan coolers. However, by implementing an innovative, closed system, the

organic Rankine cycle technology will harvest the waste heat and feed electrical energy created by the IPP into the grid.

The high-pressure water exchanges heat with an organic medium converted to a vapour. The organic vapour is used to drive a turbine, converting heat energy to electrical energy. The cooler high-pressure water is returned to the converter and the organic vapour is condensed in the closed circuit and reused.

The plant will be commissioned in June 2014, and the length of the agreement signed by Amplats with the IPP is 15 years.

This new approach harvests 20 MW in thermal energy and returns approximately 3.75 MW in electrical energy to the electrical grid. As a result of this, the potential saving on carbon emissions is approximately 19 kt CO<sub>2</sub>e per year, resulting in reduced exposure to carbon tax of just under R27 million. The total cost of energy saved over the 15 years is expected to be R13.4 million.

This development is an example of how alternative funding models can be used effectively in our industry; and of how "thinking long-term" can deliver benefits that are in fact immediate.

Above  
01 Xolisile Mahlangu and Mbanza Sichone at the waste heat recovery project, ACP

# CONCENTRATORS



Richard Pilkington

**TONNES MILLED**  
at managed operations

**35.4 Mt**

For more information  
turn to page 42



01

	2012	2011
<b>Safety</b>		
Fatalities	1	0
LTIFR	0.5	0.24
Tonnes milled (managed) Mt	35.4	37.8
Concentrating cash costs/tonne milled (R)	135	121

**Attributable platinum contained in concentrate produced for the year totalled 1.7 million ounces.**

Amplats operates 14 individual concentrators in nine geographical locations around the Bushveld Complex and in Zimbabwe.

### SAFETY

Concentrator operations experienced a decline in safety performance, with a tragic loss of life at Klipfontein in May. In addition, 23 lost-time injuries occurred during the year. Concentrator management remains committed to a zero harm mindset and this goal ultimately underpins all decision-making and operational activities. Learnings from previous incidents and innovative safety campaigns show many excellent results, with the following plants achieving commendable safety landmarks:

- The Mototolo concentrator plant achieved 414 days without a lost-time injury.
- The Divisional Metallurgical Laboratory celebrated 18 years without a lost-time injury.
- The Union Concentrator Mortimer UG2 Plant achieved one year without a lost-time injury.

- The Rustenburg section Waterval Plant reached 832 days without a lost-time injury.
- The Mogalakwena section North Plant achieved 591 days without a lost-time injury at the close of 2012.

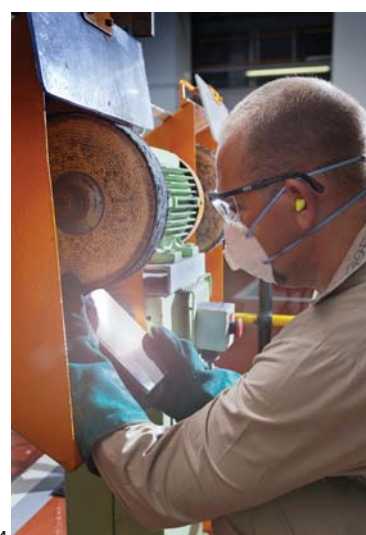
### PRODUCTION

Tonnes milled by own operations in 2012 decreased by 6% year-on-year, to 35.4 million tonnes. This was largely the result of the industrial action experienced in the Rustenburg, Amandelbult and Union sections during the latter part of the year. The concentrator at Unki in Zimbabwe continued with production ramp-up and showed an increase in tonnes treated against the previous year's total. Some improvement was also shown at the Mototolo Concentrator operations. The Union section concentrators started with the treatment of tailings tonnes through Ivan Concentrator, which assisted in the replacement of the depleted waste-rock ore-stream. The Marikana plant was decommissioned during the year, which was the largest contributing factor towards the year-on-year reduction of 12% in

02 Unki Concentrator, Zimbabwe

03 Routine Inspection of secondary crusher circuit at Mogalakwena North Concentrator

04 Frik Marais, polishing platinum bars at PMR



02

03

04

tonnes milled at non-managed operations, to 3.2 million tonnes. Together with reduced throughput at the managed concentrators, this resulted in a combined decrease in tonnes treated by total operations of 7% year-on-year.

Overall built-up head grade for managed operations reduced by 1% to 3.14 g/t 4E year-on-year, with an increased proportion of Platreef and Zimbabwean ore streams treated. Together with various asset optimisation projects targeted at recovery improvements, the continued operation and optimisation of IsaMill™ stirred milling technology remained a critical factor in mitigation of the reduction in recovery that would normally be associated with an increase in the treatment of materials with lower recovery potential. Consequently, the year-on-year recovery performance remained stable.

Attributable platinum contained in concentrate produced for the year totalled 1.7 million ounces.

### COSTS

Cash operating costs were 3% higher than in the previous year. This below-inflation increase can be

attributed to savings incurred during the industrial action and to various asset-optimisation initiatives aimed at promoting cost efficiency and effective cost containment. Among these initiatives was the move from outsourced to in-house maintenance with a view to improving operating efficiencies. Associated with this is the ongoing management of key commodity consumption indicators that contribute materially to the overall spend. The reduced throughput, however, resulted in the unit cost per tonne milled increasing by over 12% year-on-year, to R135 per tonne.

### CAPITAL EXPENDITURE

Capital expenditure decreased by 35% to R516 million, with R357 million spent on stay-in-business capital expenditure and the balance of R159 million spent on expansion projects. De-bottlenecking at the Mogalakwena North Concentrator contributed R63 million to the total project capital spend, while further project capital was spent on the construction of the IsaMill™ at the Union concentrator plant (R33 million); the remaining of the Waterval tailings dam as part of the Western Limb tailings

retreatment project (R36 million); and improvements on the Unki Concentrator (R11 million).

### CHROME-RECOVERY PLANT

The commissioning of the chrome-recovery plant (CRP) at the Waterval concentrator complex in the Rustenburg mining area was successfully completed during the year. Plant ramp-up and optimisation continue, and output is expected to reach design capacity in the early part of 2013.

### OUTLOOK

The retrofitting of the Merensky plant at the concentrators in the Amandelbult section area to treat UG2 ore, thereby increasing the available capacity while optimising recovery performance, will continue into 2013. Construction on the Mogalakwena North plant de-bottlenecking project continues, with significant capacity benefit to be realised within the next two years.

# SMELTERS



Bertus de Villiers

**CAPITAL EXPENDITURE – 2012**

**R760m**



01

**FURNACE MATTE PRODUCED**

(2011: 211.4 kt)

**185 kt**

	2012	2011
<b>Safety</b>		
Fatalities	0	0
LTIFR	0.58	0.62
Tonnes smelted (Mt)	1.15	1.22
Cash costs/tonne new concentrate smelted (R)	2,004	1,671

**Platinum ounces produced in the form of converter matte decreased by 4% to 2.39 million ounces owing to lower grades and mining production.**

Amplats operates three smelting complexes, namely the Mortimer, Waterval and Polokwane smelters. Concentrate received from the concentrators operated by the Company, joint-venture partners and third parties is smelted at the smelters, producing furnace matte. The matte is then treated using the Amplats Converting Process (ACP), which is carried out at the Waterval Smelter complex in Rustenburg. The converter matte tapped from the converter is then slow-cooled, crushed and despatched to Amplats' Rustenburg Base Metals Refiners for further processing.

During 2012, scheduled furnace maintenance was carried out on the Polokwane furnace and on the ACP. It is pleasing to report that the Polokwane Smelter's matte end-wall continues to show significantly reduced wear following the design modifications made in 2010, and inspection intervals have thus been increased to 18 months. The commissioning of the ACP after its extended annual shutdown was followed by a period of excessive accretion formation in the gas uptake of the converter, and this negatively impacted the converter's throughput for the first four months of the year.

Following this setback, a major effort to de-bottleneck the operation resulted in record throughputs being achieved in July and August and the production unit is now de-bottlenecked for sustainably higher continuous throughputs.

In 2012, the Mortimer Smelter's furnace and auxiliary equipment successfully achieved the planned interim ramp-up target of 34 MW operation, en route to ultimate 38 MW operation.

Operational stability at the ACP and the availability of the acid plant ensured that sulfur dioxide emissions from the Waterval Smelter complex remained within prescribed limits. Environmental compliance was also achieved at the Polokwane and the Mortimer smelters.

**SAFETY**

Overall in 2012, our smelting operations achieved a year-on-year reduction in total injuries of 29%. The total injury-frequency rate (TIFR) was 1.21 against an industry benchmark of 2.0, but the lost-time injury-frequency rate (LTIFR) was 0.58.

On the journey towards zero harm, the smelters have aligned all their

01 Slow cool isle, ACP

02 Stimpu Moloto at the furnace slag tapping, Polokwane Smelter

03 Sello Mdlahkomo and Tony Brown conducting a furnace inspection

04 Inspection walkways, Polokwane Smelter

operations with Anglo American plc's safety, health and environment strategy.

### PRODUCTION

Smelting operations smelted 6% lower concentrate tonnes than in the prior year, mainly because of the industrial action during the latter part of 2012.

The smelters continued to treat excess ACP converter slag stockpile through the slag mill plant, resulting in the substantial recovery of precious metals and a significant release of stock. This was performed to mitigate the effects of the ongoing deferment of slag-cleaning furnace No 2. On-going asset-optimisation initiatives improved furnace reliability and operating efficiency during the year.

Platinum ounces produced in the form of converter matte decreased by 4% to 2.39 million ounces owing to lower grades and mining production.

### COSTS

The smelter cash operating costs (including toll smelting costs) increased by 13%. Included in this increase is the additional spend of operating the Mortimer smelter at higher throughput rates associated with the capacity increase project. In addition, the substantial annual increase in power costs, which represents a primary cost within the smelters, has further impacted operating cash flows. Costs were, however, contained through internal cost management interventions which among others included the extension of equipment maintenance intervals. The unit cash cost per tonne of new concentrate smelted, however, increased by 20% year-on-year, as a result of a decrease in the tonnes received and treated. Accordingly, the unit cash cost per 4E ounce despatched increased by 11% to R356, also largely as a result of lower volumes treated.

### Capital expenditure

A total of R760 million was spent on capital for the year (against R823 million in 2011). Of this amount, R473 million was spent on project



02



03

capital, which included the slag-cleaning furnace No 2 expansion project at Waterval Smelter (R396 million).

Stay-in-business capital of R287 million was spent mainly on the replacement of the sidewalls and end walls of furnaces No 1 and No 2 at Waterval Smelter (R74.3 million); the increase in matte receiving and despatch capacity (R37.6 million); and future SO<sub>2</sub> abatement at the Polokwane and Mortimer smelters (R43 million).

### PROJECTS

#### Slag-cleaning furnace No 2

During 2012 this project was deferred indefinitely.

### OUTLOOK

Through asset-optimisation and continuous-improvement initiatives, the smelting operations are expected to further reduce unplanned furnace downtime, capital inefficiencies and



04

unit costs in 2013. In order to process higher matte fall concentrates, initiatives to prevent bottlenecks will be carried out at the matte-handling facility of the Polokwane furnace, the Waterval Smelter's slag-milling plant and the ACP facilities.

# RUSTENBURG BASE METAL REFINERS



Mark Gilmore



	2012	2011
<b>Safety</b>		
Fatalities	0	1
LTIFR	0.71	0.74
Base metal production (kt)	20.3	24.4
Cash costs/base metal tonne (R)	54,863	39,860

The main function of Rustenburg Base Metals Refiners (RBMR) is the separation of precious metals from base metals using milling and magnetic concentration (MC) at the MC plant. This magnetic fraction is upgraded further through a three-stage leaching plant, to produce a final concentrate of 60% PGMs that is then fed to our Precious Metals Refinery (PMR). The non-magnetic fraction is refined at our Base Metals Refinery (BMR), to produce the base metal products, namely nickel and copper cathode, cobalt sulphate and a sodium sulphate by-product.

## SAFETY PERFORMANCE

In the year under review RBMR had a slight reduction in its year-on-year lost-time injury-frequency rate (LTIFR), from 0.74 to 0.71. However, a marked 39% reduction in total injuries was achieved for 2012. The MC plant also significantly achieved two years without a lost-time injury.

Following a spate of injuries and incidents in the first half of the year, the "SAFELY TO 33,000" safety campaign was introduced, which aims to improve safety performance during the site ramp-up and optimisation to 33 ktpa nickel cathode capacity. The campaign is supported by continued focus on a zero harm mindset, implementation of mission-directed work teams and the practice of visible felt leadership. As a

result safety performance improved dramatically in the second half of the year.

## PRODUCTION

Platinum production decreased by 7.7% (192,000 ounces) to 2,312,184 ounces as a result of industrial action in our mines in the latter part of the year. Technical difficulties associated with the integration of certain new processes and equipment delayed the ramp-up of the expanded base metals refinery, resulting in a decrease of 17% in base metal production, to 20.3 kt. Toll treatment, initiated during the construction phase, continues to redress base metal production capacity shortfall during the commissioning.

## COSTS

Cash operating costs for 2012 increased by 14% or R139 million over the 2011 figure, to R1,114 million. Included in this increase are costs associated with the ramp-up of the BMR coupled with cost increases driven by higher-than-inflation price increases on key commodities. This, together with significant drop in volume, resulted in the cash cost per platinum ounce going up from R389 in 2011 to R482 in 2012.

The lower base metal production rate contributed significantly to the sharp increase in base metal unit costs. Cash cost per base metal tonne

(which includes PGM separation costs) increased by R15,003 to R54,863, which was 38% higher than the cost in 2011.

## CAPITAL EXPENDITURE

Capital expenditure was R194 million, of which R149 million was for stay-in-business expenditure and R45 million for expansion projects. All expansion capital was associated with the expansion of the Base Metals Refinery to a nameplate capacity of 33 ktpa nickel cathode.

## PROJECTS

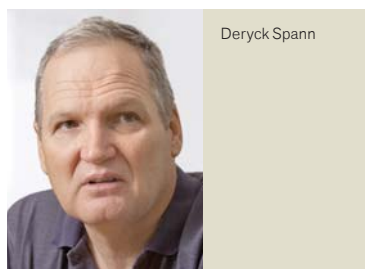
### Base Metals Refinery (BMR) expansion project

The objective of the BMR expansion project is to expand the refinery's nickel production capacity from 21.5 to 33 ktpa nickel cathode. The project makes allowance for the corresponding increase in copper cathode production as well as the concomitant increase in the production of cobalt sulphate and sodium sulphate. The expansion is being achieved through changes to the process technology, the reuse of existing assets and the installation of new equipment. The BMR expansion project ramp-up continued in 2012 and final completion will be contingent on available nickel input.

## OUTLOOK

Looking ahead, the RBMR mantra remains SAFELY TO 33,000. The key priority remains achieving design nameplate capacity safely. The drive to improve operating efficiencies in terms of safety, costs and recoveries remain central to the success of the business.

# PRECIOUS METALS REFINERS (PMR)



Deryck Spann



	2012	2011
<b>Safety</b>		
Fatalities	0	0
LTIFR	0.48	0.70
Platinum production (Moz)	2.3	2.5
Cash costs/Pt oz	242	211

Precious Metals Refiners (PMR) receives final concentrate from RBMR. The concentrate is refined into the respective PGMs and gold, to high degrees of purity. PMR's products are customised to meet market requirements.

## SAFETY PERFORMANCE

PMR has a sound safety record and has operated consistently for many years without any fatal accidents. In 2012, it had four lost-time injuries (compared with six in 2011). It continues to implement a comprehensive safety improvement plan focusing on procedures and risk assessments, and on a zero harm mindset. A safety reward and recognition system has also been implemented, to acknowledge exceptional safety actions and behaviour.

Platinum salt sensitivity (PSS) and rhodium salt sensitivity (RSS) are major health risks at PMR. To mitigate these risks, the operation continued to implement world-class occupational and environmental exposure control standards that allow for characterisation of the workplace for PSS and RSS and also to ensure that regular measurements are taken to monitor changes in the workplace and its people.

## PRODUCTION

PMR's 2012 refined production decreased by 6.7% or 168,391 ounces over production in 2011, to 2,336,158 platinum ounces. This was the result of reduced inputs into the PMR following industrial action in the latter part of the year. Emphasis was placed on de-bottlenecking and improving processing rates for palladium and ruthenium as part of asset-optimisation projects, and these aims were realised. Prominence was also given to the reduction of overall platinum inventory and increasing recovery. Pipeline optimisation led to some release of metal additional to that received in the year.

## PRODUCT QUALITY

PMR strives for customer satisfaction on precious metals sold, constantly achieving the required purity specifications of 99.99% platinum and 99.98% rhodium. This has been achieved by implementing quality checks at various points in the process.

## COSTS

As the result of above-inflation-related price increases on key input commodities and maintenance costs, PMR's cash operating costs for 2012 increased by 6.6% or R34.8 million to

R564 million when compared with those for 2011. Linked to this and reduced production volumes, the cash cost per refined platinum ounce increased by 14.3% to R242 year-on-year.

## CAPITAL EXPENDITURE

Total capital expenditure decreased by 11% to R47.2 million when compared with that for 2011. Expenditure was attributable partly to the required replacement or upgrade of "end-of-useful-life" equipment, as well as the de-bottlenecking of capacity.

## PROJECTS

### PMR effluent-treatment project

The PMR effluent-treatment plant, which involved the installation of a mixed salt crystalliser, a two-stage calcium removal circuit and conversion of a double-effect evaporator to a triple-effect crystalliser, is commissioned and operational, and has successfully undergone a series of performance tests during the year. The purpose of the plant in the long term is to reduce, and eventually eliminate, the requirement for effluent dams, ultimately leading to the early rehabilitation of dams. The plant was partly turned down in the middle of 2012, as part of a short-term cost-saving strategy.

## OUTLOOK

Given the high fixed-cost nature of the operation, coupled with the projected curtailed demand for metals into market going forward, cash containment will be a significant focus in order to manage the unit costs at acceptable levels.

## GROUP PERFORMANCE DATA

for the year ended 31 December 2012

### SALIENT FEATURES

		2012	2011	2010	2009	2008
<b>Average market prices achieved</b>						
Platinum	US\$/oz	<b>1,532</b>	1,707	1,611	1,199	1,570
Palladium	US\$/oz	<b>640</b>	735	507	257	355
Rhodium	US\$/oz	<b>1,264</b>	2,015	2,424	1,509	5,174
Gold	US\$/oz	<b>1,669</b>	1,556	1,259	1,002	885
Nickel	US\$/lb	<b>7.76</b>	10.50	9.70	6.54	9.79
Copper	US\$/lb	<b>3.58</b>	4.04	3.23	2.20	3.15
<b>US\$ basket price – Pt</b>						
<b>(net sales revenue per Pt oz sold)</b>	US\$/oz Pt sold	<b>2,406</b>	2,698	2,491	1,715	2,764
<b>US\$ basket price – PGM</b>						
<b>(net sales revenue per PGM oz sold)</b>	US\$/oz PGM sold	<b>1,316</b>	1,510	1,336	926	1,449
Platinum	R/oz	<b>12,596</b>	12,426	11,733	9,893	12,640
Palladium	R/oz	<b>5,266</b>	5,322	3,690	2,107	2,887
Rhodium	R/oz	<b>10,358</b>	14,642	17,731	12,462	42,145
Gold	R/oz	<b>13,872</b>	11,504	9,106	8,105	7,580
Nickel	R/lb	<b>63.12</b>	75.42	71.23	52.85	77.30
Copper	R/lb	<b>29.46</b>	29.02	23.62	17.76	25.85
<b>R basket price – Pt</b>						
<b>(net sales revenue per Pt oz sold)</b>	R/oz Pt sold	<b>19,764</b>	19,595	18,159	14,115	22,348
<b>R basket price – PGM</b>						
<b>(net sales revenue per PGM oz sold)</b>	R/oz PGM sold	<b>10,811</b>	10,968	9,740	7,621	11,716
<b>Exchange rates</b>						
Average exchange rate achieved on sales	ZAR/US\$	<b>8.2156</b>	7.2625	7.2890	8.2327	8.0850
Exchange rate at end of the year	ZAR/US\$	<b>8.4689</b>	8.1055	6.6031	7.3787	9.2999
<b>Unit cost performance</b>						
Cash operating cost per equivalent refined Pt ounce <sup>1</sup>	R	<b>16,364</b>	13,552	11,730	11,236	11,096
Cash operating cost per refined Pt ounce	R	<b>15,660</b>	12,869	11,336	11,261	11,448
Cost of sales per total Pt ounce sold <sup>2</sup>	R	<b>19,354</b>	16,306	14,986	13,359	14,922
Cost of sales per total Pt ounce sold (mining and retreatment activities)	R	<b>19,872</b>	15,909	14,765	13,427	13,286
<b>Productivity</b>						
m <sup>2</sup> per total operating employee per month <sup>3</sup>		<b>6.05</b>	6.32	7.06	6.33	5.73
Refined platinum ounces per employee <sup>4</sup>		<b>29.3</b>	32.5	32.7	27.3	23.9

<sup>1</sup> Cash operating cost per equivalent refined platinum ounce excludes ounces from purchased concentrate and associated costs.

<sup>2</sup> Total platinum ounces sold: refined platinum ounces sold plus platinum ounces sold in concentrate.

<sup>3</sup> Square metres mined per operating employee including processing, but excluding projects, opencast and Western Limb Tailings Retreatment employees.

<sup>4</sup> Refined platinum ounces per employee: mined refined platinum ounces divided by own and attributable Anglo American Platinum Limited joint-venture operational employees.

## REFINED PRODUCTION

		2012	2011	2010	2009	2008
<b>Total operations</b>						
<b>Refined production from mining operations</b>						
Platinum	000 oz	<b>1,773.3</b>	1,943.4	1,989.3	1,966.8	1,946.8
Palladium	000 oz	<b>1,080.5</b>	1,122.1	1,133.0	1,098.0	1,071.1
Rhodium	000 oz	<b>240.3</b>	257.9	252.7	278.1	243.4
Gold	000 oz	<b>86.4</b>	85.6	67.0	78.6	68.9
PGMs	000 oz	<b>3,513.9</b>	3,764.5	3,811.7	3,808.9	3,692.7
Nickel	000 tonnes	<b>14.9</b>	17.0	15.7	17.3	13.9
Copper	000 tonnes	<b>9.9</b>	11.0	9.4	10.1	7.9
<b>Refined production from purchases inclusive of returns</b>						
Platinum	000 oz	<b>605.3</b>	586.7	580.6	484.8	439.8
Palladium	000 oz	<b>315.4</b>	308.6	315.5	262.5	247.7
Rhodium	000 oz	<b>70.4</b>	79.7	76.2	71.8	55.9
Gold	000 oz	<b>18.8</b>	19.5	14.3	12.3	9.6
PGMs	000 oz	<b>1,126.7</b>	1,122.9	1,125.2	942.3	838.1
Nickel	000 tonnes	<b>2.8</b>	3.3	2.8	2.2	1.6
Copper	000 tonnes	<b>1.5</b>	1.8	1.5	1.1	0.9
<b>Total refined production</b>						
Platinum	000 oz	<b>2,378.6</b>	2,530.1	2,569.9	2,451.6	2,386.6
Palladium	000 oz	<b>1,395.9</b>	1,430.7	1,448.5	1,360.5	1,318.8
Rhodium	000 oz	<b>310.7</b>	337.6	328.9	349.9	299.3
Gold	000 oz	<b>105.2</b>	105.1	81.3	90.9	78.5
PGMs	000 oz	<b>4,640.6</b>	4,887.4	4,936.9	4,751.2	4,530.8
Nickel	000 tonnes	<b>17.7</b>	20.3	18.5	19.5	15.5
Copper	000 tonnes	<b>11.4</b>	12.8	10.9	11.2	8.8

**GROUP PERFORMANCE DATA**

for the year ended 31 December 2012

**PIPELINE CALCULATION**

	2012	2011	2010	2009	2008
<b>Total operations</b>					
<b>Equivalent refined platinum production<sup>1</sup></b> 000 oz	<b>2,219.1</b>	2,410.1	2,484.0	2,464.3	2,465.3
Bathopele Mine	108.7	112.5	138.7	131.8	120.1
Khomanani Mine	96.6	97.2	99.1	104.0	97.4
Thembelani Mine	81.2	101.2	95.6	78.3	75.8
Khuseleka Mine	125.3	126.5	129.0	154.8	184.3
Siphumelele Mine	78.3	96.0	94.2	109.1	127.8
Tumela Mine	217.1	264.0	295.3	294.4	310.8
Dishaba Mine	145.2	150.3	152.5	150.3	144.9
Union Mine	195.7	254.2	292.0	297.8	314.1
Union North Mine	63.7	91.5			
Union South Mine	132.0	162.7			
Mogalakwena Mine	300.2	306.3	260.3	237.3	188.1
Twickenham Platinum Mine	—	0.9	2.9	7.7	9.5
Unki Platinum Mine	62.1	51.6	—	—	—
Modikwa Platinum Mine	119.6	124.8	129.6	134.4	135.4
Kroondal Platinum Mine <sup>2</sup>	213.2	208.6	252.8	231.6	213.4
Marikana Platinum Mine (net of ounces sold) <sup>2</sup>	26.4	47.0	52.6	39.7	32.2
Mototolo Platinum Mine	118.8	109.4	108.0	108.8	87.2
Bafokeng-Rasimone Platinum Mine <sup>3</sup>	171.6	180.0	184.6	173.3	175.0
Bokoni Platinum Mine <sup>4</sup>	55.1	59.6	62.7	60.9	74.2
Western Limb Tailings Retreatment	47.6	40.9	41.8	34.2	43.4
Purchases from third parties	56.4	79.1	92.3	115.9	131.7
Pipeline stock adjustment	137.9	35.5	(34.0)	8.5	46.8
Refined platinum production (excl toll refined metal)	<b>(2,329.1)</b>	(2,530.1)	(2,569.9)	(2,451.6)	(2,386.6)
Mining	<b>(1,773.3)</b>	(1,943.4)	(1,989.3)	(1,966.8)	(1,946.8)
Purchases of concentrate	<b>(555.8)</b>	(586.7)	(580.6)	(484.8)	(439.8)
<b>Platinum pipeline movement</b>	<b>27.9</b>	(84.5)	(119.9)	21.2	125.5

<sup>1</sup> Mines' production and purchases of metal in concentrate, secondary metals and other metals converted to equivalent refined production using Anglo American Platinum Limited's (Amplats') standard smelting and refining recoveries.

<sup>2</sup> Production attributable to Amplats after accounting for metal concentrate sold to Impala Platinum in terms of an offtake agreement that was in place when the pooling-and-sharing agreements commenced. Metal concentrate surplus to the volumes stipulated in the offtake agreement is refined by Amplats.

<sup>3</sup> Associate with effect from 1 November 2010.

<sup>4</sup> Associate with effect from 1 July 2009.

## GROSS PROFIT ON METAL SALES FROM MINING AND PURCHASING ACTIVITIES

	Mined including chrome sales Rm	Purchased metals <sup>1</sup> Rm	Total Rm
<b>2012</b>			
<b>Gross sales revenue</b>	<b>33,778</b>	<b>9,370</b>	<b>43,148</b>
Commissions paid	(240)	(70)	(310)
<b>Net sales revenue</b>	<b>33,538</b>	<b>9,300</b>	<b>42,838</b>
<b>Cost of sales</b>	<b>(33,151)</b>	<b>(8,797)</b>	<b>(41,948)</b>
<b>On-mine</b>	<b>(27,607)</b>	<b>–</b>	<b>(27,607)</b>
Cash operating costs	(24,167)	–	(24,167)
Depreciation	(3,314)	–	(3,314)
Deferred waste stripping	(126)	–	(126)
<b>Purchase of metals and leasing activities</b>	<b>–</b>	<b>(8,959)</b>	<b>(8,959)</b>
<b>Smelting</b>	<b>(2,576)</b>	<b>(520)</b>	<b>(3,096)</b>
Cash operating costs	(1,922)	(388)	(2,310)
Depreciation	(654)	(132)	(786)
<b>Treatment and refining</b>	<b>(2,214)</b>	<b>(479)</b>	<b>(2,693)</b>
Cash operating costs	(1,681)	(365)	(2,046)
Depreciation	(533)	(114)	(647)
<b>Increase in metal inventories</b>	<b>1,961</b>	<b>1,183</b>	<b>3,144</b>
<b>Other costs</b>	<b>(2,715)</b>	<b>(22)</b>	<b>(2,737)</b>
<b>Gross profit on metal sales</b>	<b>387</b>	<b>503</b>	<b>890</b>
Gross profit margin (%)	1.2	5.4	2.1
Cost of sales per total Pt ounce sold (R)	19,872	17,623	19,354
<b>2011</b>			
<b>Gross sales revenue</b>	<b>40,090</b>	<b>11,394</b>	<b>51,484</b>
Commissions paid	(285)	(82)	(367)
<b>Net sales revenue</b>	<b>39,805</b>	<b>11,312</b>	<b>51,117</b>
<b>Cost of sales</b>	<b>(31,828)</b>	<b>(10,734)</b>	<b>(42,562)</b>
<b>On-mine</b>	<b>(25,237)</b>	<b>–</b>	<b>(25,237)</b>
Cash operating costs	(21,950)	–	(21,950)
Depreciation	(3,243)	–	(3,243)
Deferred waste stripping	(44)	–	(44)
<b>Purchase of metals and leasing activities</b>	<b>75</b>	<b>(9,268)</b>	<b>(9,193)</b>
<b>Smelting</b>	<b>(2,336)</b>	<b>(465)</b>	<b>(2,801)</b>
Cash operating costs	(1,705)	(340)	(2,045)
Depreciation	(631)	(125)	(756)
<b>Treatment and refining</b>	<b>(1,888)</b>	<b>(428)</b>	<b>(2,316)</b>
Cash operating costs	(1,459)	(329)	(1,788)
Depreciation	(429)	(99)	(528)
<b>Increase/(decrease) in metal inventories</b>	<b>351</b>	<b>(554)</b>	<b>(203)</b>
<b>Other costs</b>	<b>(2,793)</b>	<b>(19)</b>	<b>(2,812)</b>
<b>Gross profit on metal sales</b>	<b>7,977</b>	<b>578</b>	<b>8,555</b>
Gross profit margin (%)	20.0	5.1	16.7
Cost of sales per total Pt ounce sold (R)	15,909	17,609	16,306

<sup>1</sup> Consists of purchased metals in concentrate, secondary metals and other metals.

## GROUP PERFORMANCE DATA

for the year ended 31 December 2012

### MINING AND RETREATMENT

		2012	2011	2010	2009	2008
<b>Production performance</b>						
Total development	km	127.5	138.4	144.9	144.5	207.0
Immediately available ore reserves (managed mines)	months	22.2	21.5	21.7	18.6	16.1
Square metres	000	3,497	3,858	4,073	4,554	4,803
Tonnes mined from opencast mines	000	66,761	73,754	71,073	47,375	116,414
Tonnes from surface sources including WLTR	000	6,589	7,358	7,586	5,889	6,706
Tonnes broken from underground sources	000	23,913	26,201	27,748	30,554	31,216
<b>Tonnes milled</b>	000	38,677	41,507	42,242	43,114	42,611
Opencast mines	000	10,598	11,026	10,630	10,231	7,780
Surface sources including WLTR	000	6,574	7,411	7,476	5,818	6,769
Underground mines	000	21,505	23,070	24,136	27,065	28,062
UG2 tonnes milled to total Merensky and UG2	%	81.5	80.2	77.5	77.3	74.8
<b>Built-up head grade (gram/tonne milled)</b>	4E	3.20	3.24	3.23	3.31	3.36
Surface sources including WLTR	4E	1.20	1.21	1.22	1.15	1.22
Merensky Reef	4E	4.95	5.11	5.24	5.13	5.04
UG2 Reef	4E	3.81	3.80	3.78	3.64	3.67
Platreef (Mogalakwena Mine)	4E	2.81	2.91	2.60	2.71	2.78
MSZ Reef (Unki Platinum Mine)	4E	3.43	3.64	—	—	—
<b>Equivalent refined platinum ounces<sup>1</sup></b>	000 oz	2,219.1	2,410.1	2,484.0	2,464.3	2,465.3
Own mines	000 oz	1,458.0	1,601.6	1,601.4	1,628.3	1,690.4
JVs and associates – mined	000 oz	239.0	244.9	322.5	341.7	321.6
JVs and associates – purchased <sup>2</sup>	000 oz	465.7	484.5	467.8	378.4	321.6
Purchases from third parties	000 oz	56.4	79.1	92.3	115.9	131.7
<b>Refined platinum ounces (excl toll refined metal)</b>	000 oz	2,329.1	2,530.1	2,569.9	2,451.6	2,386.6
<b>Employees and productivity</b>						
<b>Own-enrolled employees (average in service)<sup>3</sup></b>	number	48,235	46,385	44,129	46,139	44,920
Underground mines	number	44,496	42,484	40,084	42,226	40,882
Mogalakwena Mine	number	1,163	1,195	1,210	1,048	1,065
Concentrating operations	number	2,576	2,706	2,835	2,865	2,973
<b>Contractors (average in service)<sup>3</sup></b>	number	6,875	8,035	8,389	14,528	24,595
Underground mines	number	6,138	7,302	7,560	12,984	21,686
Mogalakwena Mine	number	320	286	395	552	1,537
Concentrating operations	number	417	447	434	992	1,372
m <sup>2</sup> per total operating employee – overall average <sup>4</sup>	per month	6.05	6.32	7.06	6.33	5.73
m <sup>2</sup> per total operating employee – own mines <sup>4</sup>	per month	5.28	5.87	6.13	5.60	4.92
m <sup>2</sup> per total operating employee – JVs <sup>4</sup>	per month	9.75	8.85	10.24	9.19	8.80
<b>Unit cost performance</b>						
Cash on-mine cost/tonne milled	R/tonne	625	529	472	453	475
Cash operating cost per equivalent refined Pt oz	R/oz	16,364	13,552	11,730	11,236	11,096
<b>Operating income statement</b>						
Net sales revenue	Rm	33,538	39,805	36,179	29,971	39,901
Operating cost of sales <sup>5</sup>	Rm	(30,436)	(29,035)	(26,873)	(26,175)	(22,679)
<b>Operating contribution</b>	Rm	3,102	10,770	9,306	3,796	17,222
<b>Operating margin</b>	%	9.2	27.1	25.7	12.7	43.2

<sup>1</sup> Mines' production and purchases of metal in concentrate, secondary metals and other metals converted to equivalent refined production using Anglo American Platinum Limited's (Amplats') standard smelting and refining recoveries.

<sup>2</sup> Includes 100% of Bokoni Platinum Mine production with effect from 1 July 2009 and 100% of Bafokeng-Rasimone Platinum Mine with effect from 1 November 2010 when these two mines became associates.

<sup>3</sup> Employee numbers represent 100% of managed operations and Amplats' attributable employees for all joint-venture operations. Bokoni and BRPM employees are excluded from all comparative periods. Joint-venture employees are included at Amplats' attributable share.

<sup>4</sup> Square metres mined per operating employee including processing but excluding projects, opencast and Western Limb Tailings Retreatment employees.

<sup>5</sup> Operating cost of sales excludes other costs.

## BATHOPELE MINE

(100% owned)

		2012	2011	2010	2009	2008
<b>Refined production</b>						
Platinum	000 oz	115.7	118.3	141.6	133.6	112.6
Palladium	000 oz	66.3	65.8	81.8	73.9	62.7
Rhodium	000 oz	22.6	20.9	24.7	25.9	19.6
Gold	000 oz	1.3	1.3	1.4	1.5	1.2
PGMs	000 oz	244.8	243.2	292.8	278.0	228.9
Nickel	000 tonnes	0.2	0.3	0.3	0.3	0.2
Copper	000 tonnes	0.1	0.1	0.1	0.1	0.1
<b>Production statistics</b>						
Total development – UG2	km	3.1	2.4	–	–	–
Immediately available ore reserves	months	14.1	13.7	13.5	11.5	11.5
Square metres – UG2	000 m <sup>2</sup>	321	340	429	437	401
Tonnes – Surface sources to concentrators	000 tonnes	–	–	–	–	–
Tonnes broken – UG2	000 tonnes	2,614	2,642	3,293	3,309	2,925
<b>Tonnes milled</b>						
Surface sources	000 tonnes	–	–	–	–	–
Underground sources	000 tonnes	2,518	2,440	3,107	2,962	2,776
UG2 tonnes milled to total Merensky and UG2	%	100.0	100.0	100.0	100.0	100.0
<b>Built-up head grade (gram/tonne milled)</b>						
Surface sources	4E	–	–	–	–	–
UG2	4E	2.85	3.08	3.02	3.08	2.94
<b>Equivalent refined platinum ounces<sup>1</sup></b>						
	000 oz	108.7	112.5	138.7	131.8	120.1
<b>Employees and productivity</b>						
Own-enrolled employees (average in service)	number	1,838	1,826	1,547	1,092	944
Contractor employees (average in service)	number	337	395	629	1,213	1,363
m <sup>2</sup> per total operating employee <sup>2</sup>	per month	12.3	13.1	16.5	15.6	14.8
Refined Pt ounce per total operating employee	per annum	53.2	53.3	65.1	58.0	48.8
<b>Unit cost performance</b>						
Cash on-mine cost/tonne milled	R/tonne	623	558	436	428	413
Cash operating cost per equivalent refined Pt oz	R/oz	15,804	13,168	10,748	10,647	10,386
Cash operating cost per refined Pt oz	R/oz	14,848	12,522	10,528	10,504	11,708
<b>Operating income statement</b>						
Net sales revenue	Rm	2,059	2,284	2,526	1,950	2,346
Operating cost of sales <sup>3</sup>	Rm	(2,091)	(1,736)	(1,825)	(1,645)	(1,191)
<b>Operating contribution</b>						
	Rm	(32)	548	701	305	1,155
<b>Operating margin</b>						
	%	(1.6)	24.0	27.7	15.6	49.2
<b>Gross profit margin</b>						
	%	(9.6)	17.0	21.6	8.5	45.7
Operating free cash flow <sup>4</sup>	Rm	(104)	434	656	144	690
Net cash flow <sup>5</sup>	Rm	(262)	254	481	(149)	479

<sup>1</sup> Mine's production and purchases of metal in concentrate, secondary metals and other metals converted to equivalent refined production using Amplats' standard smelting and refining recoveries.

<sup>2</sup> Calculation based on a standard 23-shift month.

<sup>3</sup> Operating cost of sales excludes other costs.

<sup>4</sup> Operating free cash flow equals net sales revenue less direct cash operating costs, processing costs, allocated other costs, on-mine stay-in-business capital and allocated off-mine stay-in-business capital.

<sup>5</sup> Net cash flow equals operating free cash flow less on-mine project capital and allocated off-mine project capital.

## GROUP PERFORMANCE DATA

for the year ended 31 December 2012

### KHOMANANI MINE

(100% owned)

		2012	2011	2010	2009	2008
<b>Refined production</b>						
Platinum	000 oz	<b>102.8</b>	102.2	101.1	105.5	91.3
Palladium	000 oz	<b>49.3</b>	47.9	47.2	47.4	39.5
Rhodium	000 oz	<b>12.3</b>	10.8	9.7	11.1	7.8
Gold	000 oz	<b>4.2</b>	4.4	4.0	4.6	3.8
PGMs	000 oz	<b>187.1</b>	179.7	174.6	183.1	152.0
Nickel	000 tonnes	<b>0.6</b>	0.7	0.7	0.7	0.5
Copper	000 tonnes	<b>0.4</b>	0.4	0.4	0.5	0.4
<b>Production statistics</b>						
Total development – Merensky	km	<b>5.5</b>	6.0	7.1	7.9	9.8
Total development – UG2	km	<b>6.3</b>	6.0	2.7	–	1.1
Immediately available ore reserves	months	<b>18.2</b>	19.0	16.8	12.9	11.6
Square metres – Merensky	000 m <sup>2</sup>	<b>176</b>	199	202	198	213
Square metres – UG2	000 m <sup>2</sup>	<b>98</b>	88	80	101	56
Tonnes – Surface sources to concentrators	000 tonnes	<b>2</b>	10	13	–	–
Tonnes broken – Merensky	000 tonnes	<b>829</b>	900	922	914	962
Tonnes broken – UG2	000 tonnes	<b>676</b>	627	491	542	302
<b>Tonnes milled</b>	000 tonnes	<b>1,312</b>	1,334	1,317	1,274	1,144
Surface sources	000 tonnes	<b>2</b>	11	13	–	–
Underground sources	000 tonnes	<b>1,310</b>	1,323	1,305	1,274	1,144
UG2 tonnes milled to total Merensky and UG2	%	<b>45.9</b>	42.0	37.6	40.2	29.5
<b>Built-up head grade (gram/tonne milled)</b>	4E	<b>4.35</b>	4.31	4.38	4.92	4.79
Surface sources	4E	<b>0.70</b>	0.84	1.45	–	–
Merensky	4E	<b>5.00</b>	4.91	5.14	5.79	5.38
UG2	4E	<b>3.59</b>	3.53	3.22	3.61	3.40
<b>Equivalent refined platinum ounces<sup>1</sup></b>	000 oz	<b>96.6</b>	97.2	99.1	104.0	97.4
<b>Employees and productivity</b>						
Own-enrolled employees (average in service)	number	<b>4,226</b>	3,873	3,622	3,991	3,619
Contractor employees (average in service)	number	<b>301</b>	355	342	495	1,355
m <sup>2</sup> per total operating employee <sup>2</sup>	per month	<b>5.4</b>	5.8	6.0	5.5	4.6
Refined Pt ounce per total operating employee	per annum	<b>22.7</b>	24.2	25.5	23.5	18.4
<b>Unit cost performance</b>						
Cash on-mine cost/tonne milled	R/tonne	<b>1,215</b>	1,055	963	939	911
Cash operating cost per equivalent refined Pt oz	R/oz	<b>17,938</b>	15,698	13,911	12,659	11,622
Cash operating cost per refined Pt oz	R/oz	<b>16,856</b>	14,930	13,636	12,479	12,398
<b>Operating income statement</b>						
Net sales revenue	Rm	<b>1,824</b>	1,925	1,709	1,489	1,659
Operating cost of sales <sup>3</sup>	Rm	<b>(1,991)</b>	(1,691)	(1,580)	(1,475)	(1,110)
<b>Operating contribution</b>	Rm	<b>(167)</b>	234	129	14	549
<b>Operating margin</b>	%	<b>(9.2)</b>	12.2	7.5	0.9	33.1
<b>Gross profit margin</b>						
Operating free cash flow <sup>4</sup>	Rm	<b>(202)</b>	64	78	(109)	269
Net cash flow <sup>5</sup>	Rm	<b>(273)</b>	20	28	(201)	84

<sup>1</sup> Mine's production and purchases of metal in concentrate, secondary metals and other metals converted to equivalent refined production using Amplats' standard smelting and refining recoveries.

<sup>2</sup> Calculation based on a standard 23-shift month.

<sup>3</sup> Operating cost of sales excludes other costs.

<sup>4</sup> Operating free cash flow equals net sales revenue less direct cash operating costs, processing costs, allocated other costs, on-mine stay-in-business capital and allocated off-mine stay-in-business capital.

<sup>5</sup> Net cash flow equals operating free cash flow less on-mine project capital and allocated off-mine project capital.

## THEMBELANI MINE

(100% owned)

		2012	2011	2010	2009	2008
<b>Refined production</b>						
Platinum	000 oz	<b>86.5</b>	106.4	97.6	79.3	71.1
Palladium	000 oz	<b>45.6</b>	55.3	52.1	40.6	36.9
Rhodium	000 oz	<b>13.5</b>	15.5	14.1	13.0	11.1
Gold	000 oz	<b>2.3</b>	2.7	2.0	2.1	1.4
PGMs	000 oz	<b>170.5</b>	205.9	190.1	155.6	140.1
Nickel	000 tonnes	<b>0.5</b>	0.6	0.5	0.5	0.3
Copper	000 tonnes	<b>0.2</b>	0.3	0.2	0.2	0.1
<b>Production statistics</b>						
Total development – Merensky	km	<b>3.7</b>	5.4	5.0	3.9	5.1
Total development – UG2	km	<b>5.3</b>	6.5	6.9	7.8	9.1
Immediately available ore reserves	months	<b>29.2</b>	12.7	15.3	15.1	11.5
Square metres – Merensky	000 m <sup>2</sup>	<b>63</b>	70	60	55	42
Square metres – UG2	000 m <sup>2</sup>	<b>202</b>	265	244	217	237
Tonnes – Surface sources to concentrators	000 tonnes	–	–	–	–	–
Tonnes broken – Merensky	000 tonnes	<b>356</b>	459	399	332	344
Tonnes broken – UG2	000 tonnes	<b>1,071</b>	1,332	1,234	1,149	1,264
<b>Tonnes milled</b>	000 tonnes	<b>1,189</b>	1,476	1,447	1,174	1,245
Surface sources	000 tonnes	–	–	–	–	–
Underground sources	000 tonnes	<b>1,189</b>	1,476	1,447	1,174	1,245
UG2 tonnes milled to total Merensky and UG2	%	<b>75.7</b>	78.8	81.4	80.9	87.3
<b>Built-up head grade (gram/tonne milled)</b>	4E	<b>4.45</b>	4.36	4.23	4.46	4.06
Surface sources	4E	–	–	–	–	–
Merensky	4E	<b>5.47</b>	5.56	5.70	5.88	5.11
UG2	4E	<b>4.12</b>	4.03	3.89	4.12	3.91
<b>Equivalent refined platinum ounces<sup>1</sup></b>	000 oz	<b>81.2</b>	101.2	95.6	78.3	75.8
<b>Employees and productivity</b>						
Own-enrolled employees (average in service)	number	<b>4,556</b>	4,342	3,865	3,868	3,448
Contractor employees (average in service)	number	<b>355</b>	186	194	379	1,168
m <sup>2</sup> per total operating employee <sup>2</sup>	per month	<b>4.7</b>	6.3	6.4	5.4	5.0
Refined Pt ounce per total operating employee	per annum	<b>17.6</b>	23.5	24.0	18.7	15.4
<b>Unit cost performance</b>						
Cash on-mine cost/tonne milled	R/tonne	<b>1,256</b>	933	797	856	787
Cash operating cost per equivalent refined Pt oz	R/oz	<b>19,787</b>	14,776	13,126	13,972	13,839
Cash operating cost per refined Pt oz	R/oz	<b>18,575</b>	14,054	12,857	13,796	14,754
<b>Operating income statement</b>						
Net sales revenue	Rm	<b>1,556</b>	2,055	1,735	1,170	1,476
Operating cost of sales <sup>3</sup>	Rm	<b>(1,874)</b>	(1,659)	(1,443)	(1,198)	(1,013)
<b>Operating contribution</b>	Rm	<b>(318)</b>	396	292	(28)	463
<b>Operating margin</b>	%	<b>(20.4)</b>	19.3	16.8	(2.5)	31.4
<b>Gross profit margin</b>						
Operating free cash flow <sup>4</sup>	Rm	<b>(249)</b>	309	253	(128)	251
Net cash flow <sup>5</sup>	Rm	<b>(573)</b>	(162)	(327)	(729)	(330)

<sup>1</sup> Mine's production and purchases of metal in concentrate, secondary metals and other metals converted to equivalent refined production using Amplats' standard smelting and refining recoveries.

<sup>2</sup> Calculation based on a standard 23-shift month.

<sup>3</sup> Operating cost of sales excludes other costs.

<sup>4</sup> Operating free cash flow equals net sales revenue less direct cash operating costs, processing costs, allocated other costs, on-mine stay-in-business capital and allocated off-mine stay-in-business capital.

<sup>5</sup> Net cash flow equals operating free cash flow less on-mine project capital and allocated off-mine project capital.

## GROUP PERFORMANCE DATA

for the year ended 31 December 2012

### KHUSELEKA MINE

(100% owned)

		2012	2011	2010	2009	2008
<b>Refined production</b>						
Platinum	000 oz	133.4	133.0	131.7	157.0	172.8
Palladium	000 oz	67.0	65.6	65.0	76.0	82.7
Rhodium	000 oz	18.4	16.6	15.2	22.0	21.4
Gold	000 oz	4.5	4.6	4.2	5.2	5.1
PGMs	000 oz	253.2	245.5	239.1	293.0	315.6
Nickel	000 tonnes	0.8	0.8	0.9	1.0	1.1
Copper	000 tonnes	0.4	0.5	0.5	0.5	0.6
<b>Production statistics</b>						
Total development – Merensky	km	3.7	5.9	5.4	6.7	8.8
Total development – UG2	km	10.4	9.6	7.8	13.4	20.4
Immediately available ore reserves	months	32.5	34.2	22.4	29.0	25.6
Square metres – Merensky	000 m <sup>2</sup>	126	168	188	199	210
Square metres – UG2	000 m <sup>2</sup>	250	269	230	322	345
Tonnes – Surface sources to concentrators	000 tonnes	202	—	—	—	—
Tonnes broken – Merensky	000 tonnes	606	784	858	937	994
Tonnes broken – UG2	000 tonnes	1,492	1,510	1,302	1,846	1,999
<b>Tonnes milled</b>	000 tonnes	2,085	2,038	1,967	2,343	2,723
Surface sources	000 tonnes	194	—	—	—	—
Underground sources	000 tonnes	1,891	2,038	1,967	2,343	2,723
UG2 tonnes milled to total Merensky and UG2	%	56.0	57.1	56.1	63.6	62.3
<b>Built-up head grade (gram/tonne milled)</b>	4E	3.96	3.80	3.97	4.28	4.24
Surface sources	4E	3.97	—	—	—	—
Merensky	4E	4.15	4.06	4.73	5.01	4.91
UG2	4E	3.81	3.60	3.37	3.86	3.83
<b>Equivalent refined platinum ounces<sup>1</sup></b>	000 oz	125.3	126.5	129.0	154.8	184.3
<b>Employees and productivity</b>						
Own-enrolled employees (average in service)	number	6,403	6,198	5,621	6,158	5,780
Contractor employees (average in service)	number	226	131	96	1,922	4,699
m <sup>2</sup> per total operating employee <sup>2</sup>	per month	4.9	6.1	6.2	5.4	4.5
Refined Pt ounce per total operating employee	per annum	20.1	21.0	23.0	19.4	16.5
<b>Unit cost performance</b>						
Cash on-mine cost/tonne milled	R/tonne	1,010	916	812	791	737
Cash operating cost per equivalent refined Pt oz	R/oz	18,236	15,958	13,477	13,118	11,806
Cash operating cost per refined Pt oz	R/oz	17,129	15,178	13,201	12,934	12,592
<b>Operating income statement</b>						
Net sales revenue	Rm	2,388	2,538	2,275	2,273	3,383
Operating cost of sales <sup>3</sup>	Rm	(2,616)	(2,197)	(1,976)	(2,223)	(2,076)
<b>Operating contribution</b>	Rm	(228)	341	299	50	1,307
<b>Operating margin</b>	%	(9.5)	13.4	13.1	2.2	38.6
<b>Gross profit margin</b>						
Operating free cash flow <sup>4</sup>	Rm	(187)	204	255	(118)	838
Net cash flow <sup>5</sup>	Rm	(378)	(36)	(9)	(540)	462

<sup>1</sup> Mine's production and purchases of metal in concentrate, secondary metals and other metals converted to equivalent refined production using Amplats' standard smelting and refining recoveries.

<sup>2</sup> Calculation based on a standard 23-shift month.

<sup>3</sup> Operating cost of sales excludes other costs.

<sup>4</sup> Operating free cash flow equals net sales revenue less direct cash operating costs, processing costs, allocated other costs, on-mine stay-in-business capital and allocated off-mine stay-in-business capital.

<sup>5</sup> Net cash flow equals operating free cash flow less on-mine project capital and allocated off-mine project capital.

## SIPHUMELELE MINE

(100% owned)

		2012	2011	2010	2009	2008
<b>Refined production</b>						
Platinum	000 oz	<b>83.4</b>	100.9	96.2	110.6	119.8
Palladium	000 oz	<b>36.0</b>	43.3	42.0	51.2	57.9
Rhodium	000 oz	<b>6.8</b>	7.5	7.2	13.1	14.9
Gold	000 oz	<b>4.6</b>	5.8	4.6	4.3	3.4
PGMs	000 oz	<b>138.6</b>	163.9	156.8	197.2	219.6
Nickel	000 tonnes	<b>0.6</b>	0.8	0.7	0.7	0.6
Copper	000 tonnes	<b>0.4</b>	0.6	0.5	0.4	0.3
<b>Production statistics</b>						
Total development – Merensky	km	<b>6.6</b>	8.2	8.6	6.4	6.6
Total development – UG2	km	<b>0.9</b>	–	–	5.0	16.1
Immediately available ore reserves	months	<b>19.8</b>	18.4	21.5	12.4	14.9
Square metres – Merensky	000 m <sup>2</sup>	<b>169</b>	216	218	160	137
Square metres – UG2	000 m <sup>2</sup>	<b>–</b>	–	–	179	272
Tonnes – Surface sources to concentrators	000 tonnes	<b>363</b>	506	91	–	–
Tonnes broken – Merensky	000 tonnes	<b>730</b>	916	905	704	634
Tonnes broken – UG2	000 tonnes	<b>30</b>	–	–	1,003	1,759
<b>Tonnes milled</b>	000 tonnes	<b>1,127</b>	1,422	1,032	1,509	2,115
Surface sources	000 tonnes	<b>362</b>	507	85	–	–
Underground sources	000 tonnes	<b>765</b>	915	947	1,509	2,115
UG2 tonnes milled to total Merensky and UG2	%	<b>–</b>	–	5.3	55.5	72.8
<b>Built-up head grade (gram/tonne milled)</b>	4E	<b>3.93</b>	3.85	5.09	4.52	3.76
Surface sources	4E	<b>0.78</b>	0.74	0.63	–	–
Merensky	4E	<b>5.43</b>	5.58	5.59	5.87	5.73
UG2	4E	<b>–</b>	–	3.87	3.44	3.02
<b>Equivalent refined platinum ounces<sup>1</sup></b>	000 oz	<b>78.3</b>	96.0	94.2	109.1	127.8
<b>Employees and productivity</b>						
Own-enrolled employees (average in service)	number	<b>3,683</b>	3,883	3,940	5,653	5,578
Contractor employees (average in service)	number	<b>143</b>	123	81	986	3,294
m <sup>2</sup> per total operating employee <sup>2</sup>	per month	<b>3.9</b>	4.8	4.6	4.2	3.9
Refined Pt ounce per total operating employee	per annum	<b>21.8</b>	25.2	23.9	16.7	13.5
<b>Unit cost performance</b>						
Cash on-mine cost/tonne milled	R/tonne	<b>1,049</b>	827	1,053	879	845
Cash operating cost per equivalent refined Pt oz	R/oz	<b>16,603</b>	13,492	12,663	13,297	14,901
Cash operating cost per refined Pt oz	R/oz	<b>15,588</b>	12,837	12,400	13,117	15,896
<b>Operating income statement</b>						
Net sales revenue	Rm	<b>1,461</b>	1,865	1,590	1,566	2,338
Operating cost of sales <sup>3</sup>	Rm	<b>(1,517)</b>	(1,484)	(1,412)	(1,668)	(1,863)
<b>Operating contribution</b>	Rm	<b>(56)</b>	381	178	(102)	475
<b>Operating margin</b>	%	<b>(3.8)</b>	20.4	11.2	(6.5)	20.3
<b>Gross profit margin</b>						
Operating free cash flow <sup>4</sup>	Rm	<b>(34)</b>	257	167	(161)	48
Net cash flow <sup>5</sup>	Rm	<b>(133)</b>	190	119	(301)	(150)

<sup>1</sup> Mine's production and purchases of metal in concentrate, secondary metals and other metals converted to equivalent refined production using Amplats' standard smelting and refining recoveries.

<sup>2</sup> Calculation based on a standard 23-shift month.

<sup>3</sup> Operating cost of sales excludes other costs.

<sup>4</sup> Operating free cash flow equals net sales revenue less direct cash operating costs, processing costs, allocated other costs, on-mine stay-in-business capital and allocated off-mine stay-in-business capital.

<sup>5</sup> Net cash flow equals operating free cash flow less on-mine project capital and allocated off-mine project capital.

## GROUP PERFORMANCE DATA

for the year ended 31 December 2012

### TUMELA MINE

(100% owned)

		2012	2011	2010	2009	2008
<b>Refined production</b>						
Platinum	000 oz	<b>221.8</b>	284.4	303.0	293.8	314.5
Palladium	000 oz	<b>103.3</b>	129.7	140.8	133.6	149.2
Rhodium	000 oz	<b>38.5</b>	46.5	45.9	46.9	43.2
Gold	000 oz	<b>3.3</b>	4.4	4.5	5.9	6.3
PGMs	000 oz	<b>427.9</b>	543.0	566.0	549.7	585.2
Nickel	000 tonnes	<b>0.5</b>	0.8	1.0	1.1	1.2
Copper	000 tonnes	<b>0.3</b>	0.4	0.5	0.5	0.6
<b>Production statistics</b>						
Total development – Merensky	km	<b>0.5</b>	1.1	3.0	6.2	11.4
Total development – UG2	km	<b>16.7</b>	18.4	14.9	17.5	16.5
Immediately available ore reserves	months	<b>26.1</b>	28.3	23.7	21.4	21.0
Square metres – Merensky	000 m <sup>2</sup>	<b>36</b>	70	106	166	196
Square metres – UG2	000 m <sup>2</sup>	<b>403</b>	471	440	480	431
Tonnes – Surface sources to concentrators	000 tonnes	<b>114</b>	470	651	8	–
Tonnes broken – Merensky	000 tonnes	<b>190</b>	374	594	953	1,101
Tonnes broken – UG2	000 tonnes	<b>3,145</b>	3,735	3,441	3,791	3,287
<b>Tonnes milled</b>	000 tonnes	<b>3,292</b>	4,192	4,488	4,202	4,053
Surface sources	000 tonnes	<b>105</b>	471	611	–	–
Underground sources	000 tonnes	<b>3,187</b>	3,721	3,877	4,202	4,053
UG2 tonnes milled to total Merensky and UG2	%	<b>91.9</b>	89.2	82.3	77.8	75.1
<b>Built-up head grade (gram/tonne milled)</b>	4E	<b>4.12</b>	3.91	4.02	4.51	4.85
Surface sources	4E	<b>0.95</b>	0.69	0.56	–	–
Merensky	4E	<b>5.20</b>	4.79	5.07	4.63	5.03
UG2	4E	<b>4.14</b>	4.26	4.46	4.48	4.79
<b>Equivalent refined platinum ounces<sup>1</sup></b>	000 oz	<b>217.1</b>	264.0	295.3	294.4	310.8
<b>Employees and productivity</b>						
Own-enrolled employees (average in service)	number	<b>8,365</b>	8,297	7,728	8,212	8,745
Contractor employees (average in service)	number	<b>253</b>	487	581	1,045	1,606
m <sup>2</sup> per total operating employee <sup>2</sup>	per month	<b>4.2</b>	5.2	5.7	6.1	5.1
Refined Pt ounce per total operating employee	per annum	<b>25.7</b>	32.4	36.5	31.7	30.4
<b>Unit cost performance</b>						
Cash on-mine cost/tonne milled	R/tonne	<b>958</b>	708	582	586	599
Cash operating cost per equivalent refined Pt oz	R/oz	<b>15,778</b>	12,308	9,870	9,245	8,743
Cash operating cost per refined Pt oz	R/oz	<b>15,444</b>	11,425	9,619	9,264	8,640
<b>Operating income statement</b>						
Net sales revenue	Rm	<b>3,731</b>	5,285	5,162	4,173	6,212
Operating cost of sales <sup>3</sup>	Rm	<b>(3,513)</b>	(3,804)	(3,331)	(3,002)	(2,646)
<b>Operating contribution</b>	Rm	<b>218</b>	1,481	1,831	1,171	3,566
<b>Operating margin</b>	%	<b>5.8</b>	28.0	35.5	28.1	57.4
<b>Gross profit margin</b>						
Operating free cash flow <sup>4</sup>	Rm	<b>(261)</b>	1,365	1,636	759	2,587
Net cash flow <sup>5</sup>	Rm	<b>(369)</b>	1,264	1,576	(103)	1,092

<sup>1</sup> Mine's production and purchases of metal in concentrate, secondary metals and other metals converted to equivalent refined production using Amplats' standard smelting and refining recoveries.

<sup>2</sup> Calculation based on a standard 23-shift month.

<sup>3</sup> Operating cost of sales excludes other costs.

<sup>4</sup> Operating free cash flow equals net sales revenue less direct cash operating costs, processing costs, allocated other costs, on-mine stay-in-business capital and allocated off-mine stay-in-business capital.

<sup>5</sup> Net cash flow equals operating free cash flow less on-mine project capital and allocated off-mine project capital.

## DISHABA MINE

(100% owned)

		2012	2011	2010	2009	2008
<b>Refined production</b>						
Platinum	000 oz	148.4	161.9	156.4	150.1	146.7
Palladium	000 oz	68.6	72.6	71.8	67.3	68.1
Rhodium	000 oz	21.0	20.8	19.3	19.1	13.9
Gold	000 oz	4.1	4.8	3.7	4.9	5.3
PGMs	000 oz	272.4	291.1	278.0	267.3	252.9
Nickel	000 tonnes	0.6	0.8	0.8	0.9	1.0
Copper	000 tonnes	0.4	0.4	0.4	0.5	0.5
<b>Production statistics</b>						
Total development – Merensky	km	8.7	10.0	11.0	10.6	15.1
Total development – UG2	km	5.8	6.5	6.8	6.5	7.4
Immediately available ore reserves	months	17.5	19.1	21.8	15.6	11.9
Square metres – Merensky	000 m <sup>2</sup>	170	178	175	181	240
Square metres – UG2	000 m <sup>2</sup>	141	140	136	118	55
Tonnes – Surface sources to concentrators	000 tonnes	69	—	2	—	—
Tonnes broken – Merensky	000 tonnes	1,056	1,158	1,144	1,093	1,460
Tonnes broken – UG2	000 tonnes	979	1,028	1,096	936	557
<b>Tonnes milled</b>	000 tonnes	1,857	1,865	1,908	1,866	1,716
Surface sources	000 tonnes	69	—	2	—	—
Underground sources	000 tonnes	1,788	1,865	1,906	1,866	1,716
UG2 tonnes milled to total Merensky and UG2	%	47.2	50.5	51.1	47.1	28.8
<b>Built-up head grade (gram/tonne milled)</b>	4E	4.82	4.78	4.79	4.95	5.01
Surface sources	4E	0.81	—	0.62	—	—
Merensky	4E	5.45	5.41	5.54	5.37	5.37
UG2	4E	4.44	4.16	4.08	4.50	4.11
<b>Equivalent refined platinum ounces<sup>1</sup></b>	000 oz	145.2	150.3	152.5	150.3	144.9
<b>Employees and productivity</b>						
Own-enrolled employees (average in service)	number	5,258	5,228	5,174	5,207	4,746
Contractor employees (average in service)	number	140	175	362	547	1,035
m <sup>2</sup> per total operating employee <sup>2</sup>	per month	4.7	4.8	4.7	4.4	4.2
Refined Pt ounce per total operating employee	per annum	27.5	30.0	28.3	26.1	25.4
<b>Unit cost performance</b>						
Cash on-mine cost/tonne milled	R/tonne	1,040	966	851	752	729
Cash operating cost per equivalent refined Pt oz	R/oz	14,606	13,125	11,717	10,291	9,644
Cash operating cost per refined Pt oz	R/oz	14,291	12,185	11,425	10,305	9,526
<b>Operating income statement</b>						
Net sales revenue	Rm	2,518	2,995	2,634	2,126	2,772
Operating cost of sales <sup>3</sup>	Rm	(2,167)	(2,294)	(2,025)	(1,675)	(1,354)
<b>Operating contribution</b>	Rm	351	701	609	451	1,418
<b>Operating margin</b>	%	13.9	23.4	23.1	21.2	51.2
<b>Gross profit margin</b>						
Operating free cash flow <sup>4</sup>	Rm	47	655	571	203	916
Net cash flow <sup>5</sup>	Rm	18	592	452	1	607

<sup>1</sup> Mine's production and purchases of metal in concentrate, secondary metals and other metals converted to equivalent refined production using Amplats' standard smelting and refining recoveries.

<sup>2</sup> Calculation based on a standard 23-shift month.

<sup>3</sup> Operating cost of sales excludes other costs.

<sup>4</sup> Operating free cash flow equals net sales revenue less direct cash operating costs, processing costs, allocated other costs, on-mine stay-in-business capital and allocated off-mine stay-in-business capital.

<sup>5</sup> Net cash flow equals operating free cash flow less on-mine project capital and allocated off-mine project capital.

## GROUP PERFORMANCE DATA

for the year ended 31 December 2012

### UNION MINE

(85% owned)\*

		2012	2011	2010	2009	2008
<b>Refined production</b>						
Platinum	000 oz	<b>213.0</b>	273.1	304.0	291.9	309.0
Palladium	000 oz	<b>94.7</b>	116.7	134.5	127.3	139.7
Rhodium	000 oz	<b>39.1</b>	47.2	46.6	49.4	47.1
Gold	000 oz	<b>1.8</b>	3.4	3.5	4.5	4.6
PGMs	000 oz	<b>417.3</b>	515.4	566.0	550.7	576.3
Nickel	000 tonnes	<b>0.3</b>	0.6	0.8	0.9	1.0
Copper	000 tonnes	<b>0.1</b>	0.3	0.3	0.4	0.4
<b>Production statistics</b>						
Total development – Merensky	km	<b>0.3</b>	0.3	0.5	0.6	1.2
Total development – UG2	km	<b>21.9</b>	22.2	22.1	20.0	23.8
Immediately available ore reserves	months	<b>18.6</b>	18.8	19.6	19.7	18.2
Square metres – Merensky	000 m <sup>2</sup>	<b>12</b>	38	73	80	104
Square metres – UG2	000 m <sup>2</sup>	<b>322</b>	367	416	414	416
Tonnes – Surface sources to concentrators	000 tonnes	<b>956</b>	1,390	1,742	1,586	1,434
Tonnes broken – Merensky	000 tonnes	<b>65</b>	195	381	421	563
Tonnes broken – UG2	000 tonnes	<b>2,898</b>	3,231	3,589	3,589	3,811
<b>Tonnes milled</b>						
	000 tonnes	<b>3,919</b>	4,786	5,543	5,517	5,570
Surface sources	000 tonnes	<b>959</b>	1,384	1,735	1,522	1,496
Underground sources	000 tonnes	<b>2,960</b>	3,402	3,808	3,995	4,074
UG2 tonnes milled to total Merensky and UG2	%	<b>97.7</b>	94.0	89.7	88.4	86.5
<b>Built-up head grade (gram/tonne milled)</b>						
	4E	<b>3.37</b>	3.39	3.37	3.50	3.63
Surface sources	4E	<b>1.21</b>	1.41	1.43	1.39	1.57
Merensky	4E	<b>6.55</b>	6.29	6.09	5.87	6.06
UG2	4E	<b>4.01</b>	4.11	4.05	4.07	4.13
<b>Equivalent refined platinum ounces<sup>1</sup></b>						
	000 oz	<b>195.7</b>	254.2	292.0	297.8	314.1
<b>Employees and productivity</b>						
Own-enrolled employees (average in service)	number	<b>7,395</b>	7,413	7,707	7,218	6,976
Contractor employees (average in service)	number	<b>285</b>	368	904	2,093	3,149
m <sup>2</sup> per total operating employee <sup>2</sup>	per month	<b>3.7</b>	4.3	4.7	4.5	4.2
Refined Pt ounce per total operating employee	per annum	<b>27.7</b>	35.1	35.3	31.4	30.5
<b>Unit cost performance</b>						
Cash on-mine cost/tonne milled	R/tonne	<b>770</b>	628	516	479	462
Cash operating cost per equivalent refined Pt oz	R/oz	<b>17,061</b>	13,263	11,179	10,268	9,379
Cash operating cost per refined Pt oz	R/oz	<b>15,665</b>	12,381	10,739	10,477	9,532
<b>Operating income statement</b>						
Net sales revenue	Rm	<b>3,575</b>	5,126	5,099	4,135	6,171
Operating cost of sales <sup>3</sup>	Rm	<b>(3,780)</b>	(4,064)	(3,768)	(3,319)	(3,108)
<b>Operating contribution</b>						
	Rm	<b>(205)</b>	1,062	1,331	816	3,063
<b>Operating margin</b>						
	%	<b>(5.7)</b>	20.7	26.1	19.7	49.6
<b>Gross profit margin</b>						
	%	<b>(13.8)</b>	13.6	21.6	13.6	45.2
Operating free cash flow <sup>4</sup>	Rm	<b>(295)</b>	1,051	1,232	398	2,435
Net cash flow <sup>5</sup>	Rm	<b>(528)</b>	702	989	67	1,967

\* The Bakgatla-Ba-Kgafela traditional community acquired 15% minority interest in Union Mine from 1 December 2006. The above statistics are 100% of Union Mine.

<sup>1</sup> Mine's production and purchases of metal in concentrate, secondary metals and other metals converted to equivalent refined production using Amplats' standard smelting and refining recoveries.<sup>2</sup> Calculation based on a standard 23-shift month.<sup>3</sup> Operating cost of sales excludes other costs.<sup>4</sup> Operating free cash flow equals net sales revenue less direct cash operating costs, processing costs, allocated other costs, on-mine stay-in-business capital and allocated off-mine stay-in-business capital.<sup>5</sup> Net cash flow equals operating free cash flow less on-mine project capital and allocated off-mine project capital.

## UNION NORTH MINE

(85% owned)\*

		2012	2011
<b>Refined production</b>			
Platinum	000 oz	69.3	98.3
Palladium	000 oz	31.1	42.0
Rhodium	000 oz	12.1	16.6
Gold	000 oz	0.8	1.3
PGMs	000 oz	134.7	184.8
Nickel	000 tonnes	0.1	0.2
Copper	000 tonnes	–	0.1
<b>Production statistics</b>			
Total development – Merensky	km	0.1	0.1
Total development – UG2	km	5.3	5.9
Immediately available ore reserves	months	18.8	13.6
Square metres – Merensky	000 m <sup>2</sup>	7	18
Square metres – UG2	000 m <sup>2</sup>	83	97
Tonnes – Surface sources to concentrators	000 tonnes	956	1,390
Tonnes broken – Merensky	000 tonnes	36	93
Tonnes broken – UG2	000 tonnes	718	836
<b>Tonnes milled</b>	000 tonnes	1,731	2,338
Surface sources	000 tonnes	959	1,384
Underground sources	000 tonnes	772	954
UG2 tonnes milled to total Merensky and UG2	%	91.6	80.7
<b>Built-up head grade (gram/tonne milled)</b>	4E	2.70	2.50
Surface sources	4E	1.20	1.06
Merensky	4E	7.97	7.12
UG2	4E	4.38	4.32
<b>Equivalent refined platinum ounces<sup>1</sup></b>	000 oz	63.7	91.5
<b>Employees and productivity</b>			
Own-enrolled employees (average in service)	number	2,651	2,813
Contractor employees (average in service)	number	160	154
m <sup>2</sup> per total operating employee <sup>2</sup>	per month	2.6	3.2
Refined Pt ounce per total operating employee	per annum	24.7	33.1
<b>Unit cost performance</b>			
Cash on-mine cost/tonne milled	R/tonne	625	483
Cash operating cost per equivalent refined Pt oz	R/oz	18,627	13,795
Cash operating cost per refined Pt oz	R/oz	17,122	12,841
<b>Operating income statement</b>			
Net sales revenue	Rm	1,159	1,844
Operating cost of sales <sup>3</sup>	Rm	(1,324)	(1,506)
<b>Operating contribution</b>	Rm	(165)	338
<b>Operating margin</b>	%	(14.2)	18.3
<b>Gross profit margin</b>			
Operating free cash flow <sup>4</sup>	Rm	(209)	339
Net cash flow <sup>5</sup>	Rm	(240)	264

\* The Bakgatla-Ba-Kgafela traditional community acquired 15% minority interest in Union Mine from 1 December 2006. The above statistics are 100% of Union North Mine.

<sup>1</sup> Mine's production and purchases of metal in concentrate, secondary metals and other metals converted to equivalent refined production using Amplats' standard smelting and refining recoveries.

<sup>2</sup> Calculation based on a standard 23-shift month.

<sup>3</sup> Operating cost of sales excludes other costs.

<sup>4</sup> Operating free cash flow equals net sales revenue less direct cash operating costs, processing costs, allocated other costs, on-mine stay-in-business capital and allocated off-mine stay-in-business capital.

<sup>5</sup> Net cash flow equals operating free cash flow less on-mine project capital and allocated off-mine project capital.

## GROUP PERFORMANCE DATA

for the year ended 31 December 2012

### UNION SOUTH MINE

(85% owned)\*

		2012	2011
<b>Refined production</b>			
Platinum	000 oz	143.7	174.8
Palladium	000 oz	63.6	74.7
Rhodium	000 oz	27.0	30.5
Gold	000 oz	1.0	2.1
PGMs	000 oz	282.6	330.7
Nickel	000 tonnes	0.2	0.4
Copper	000 tonnes	0.1	0.2
<b>Production statistics</b>			
Total development – Merensky	km	0.2	0.2
Total development – UG2	km	16.6	16.3
Immediately available ore reserves	months	18.6	21.1
Square metres – Merensky	000 m <sup>2</sup>	5	19
Square metres – UG2	000 m <sup>2</sup>	239	270
Tonnes – Surface sources to concentrators	000 tonnes	—	—
Tonnes broken – Merensky	000 tonnes	29	102
Tonnes broken – UG2	000 tonnes	2,180	2,395
<b>Tonnes milled</b>	000 tonnes	2,188	2,448
Surface sources	000 tonnes	—	—
Underground sources	000 tonnes	2,188	2,448
UG2 tonnes milled to total Merensky and UG2	%	97.0	91.9
<b>Built-up head grade (gram/tonne milled)</b>	4E	3.90	4.23
Surface sources	4E	—	—
Merensky	4E	3.88	6.18
UG2	4E	3.91	4.14
<b>Equivalent refined platinum ounces<sup>1</sup></b>	000 oz	132.0	162.7
<b>Employees and productivity</b>			
Own-enrolled employees (average in service)	number	4,744	4,600
Contractor employees (average in service)	number	125	214
m <sup>2</sup> per total operating employee <sup>2</sup>	per month	4.3	4.9
Refined Pt ounce per total operating employee	per annum	29.5	36.3
<b>Unit cost performance</b>			
Cash on-mine cost/tonne milled	R/tonne	884	765
Cash operating cost per equivalent refined Pt oz	R/oz	16,305	12,963
Cash operating cost per refined Pt oz	R/oz	14,977	12,066
<b>Operating income statement</b>			
Net sales revenue	Rm	2,416	3,282
Operating cost of sales <sup>3</sup>	Rm	(2,456)	(2,558)
<b>Operating contribution</b>	Rm	(40)	724
<b>Operating margin</b>	%	(1.7)	22.1
<b>Gross profit margin</b>			
Operating free cash flow <sup>4</sup>	Rm	(87)	712
Net cash flow <sup>5</sup>	Rm	(288)	438

\* The Bakgatla-Ba-Kgafela traditional community acquired 15% minority interest in Union Mine from 1 December 2006. The above statistics are 100% of Union South Mine.

<sup>1</sup> Mine's production and purchases of metal in concentrate, secondary metals and other metals converted to equivalent refined production using Amplats' standard smelting and refining recoveries.<sup>2</sup> Calculation based on a standard 23-shift month.<sup>3</sup> Operating cost of sales excludes other costs.<sup>4</sup> Operating free cash flow equals net sales revenue less direct cash operating costs, processing costs, allocated other costs, on-mine stay-in-business capital and allocated off-mine stay-in-business capital.<sup>5</sup> Net cash flow equals operating free cash flow less on-mine project capital and allocated off-mine project capital.

## MOGALAKWENA MINE

(100% owned)

		2012	2011	2010	2009	2008
<b>Refined production</b>						
Platinum	000 oz	<b>304.8</b>	312.8	272.3	233.3	177.4
Palladium	000 oz	<b>327.3</b>	320.6	283.2	249.9	184.5
Rhodium	000 oz	<b>19.9</b>	20.7	16.5	17.4	11.2
Gold	000 oz	<b>44.5</b>	41.4	29.0	31.0	21.0
PGMs	000 oz	<b>676.0</b>	676.4	589.1	520.2	384.5
Nickel	000 tonnes	<b>9.0</b>	10.1	8.5	9.1	5.6
Copper	000 tonnes	<b>5.8</b>	6.6	5.6	5.8	3.5
<b>Production statistics</b>						
Tonnes mined	000 tonnes	<b>64,384</b>	71,719	66,034	32,989	101,786
Tonnes milled	000 tonnes	<b>10,480</b>	10,835	10,380	9,722	7,180
Stripping ratio		<b>3.4</b>	3.0	4.5	4.0	11.0
In-pit ore reserves	months	<b>71.0</b>	39.7	22.6	8.0	6.0
<b>Built-up head grade (gram/tonne milled)</b>	4E	<b>2.81</b>	2.91	2.60	2.71	2.78
<b>Equivalent refined platinum ounces<sup>1</sup></b>	000 oz	<b>300.2</b>	306.3	260.3	237.3	188.1
<b>Employees and productivity</b>						
Own-enrolled employees (average in service)	number	<b>1,783</b>	1,824	1,819	1,663	1,754
Contractor employees (average in service)	number	<b>336</b>	286	395	747	1,620
Tonnes moved per total employee	per month	<b>2,809</b>	3,271	2,903	1,460	2,796
Refined Pt ounce per total operating employee	per annum	<b>143.8</b>	148.2	123.0	96.8	52.6
<b>Unit cost performance</b>						
Cash on-mine cost/tonne milled	R/tonne	<b>315</b>	254	231	196	288
Cash operating cost per equivalent refined Pt oz	R/oz	<b>15,464</b>	12,662	12,426	11,710	14,234
Cash operating cost per refined Pt oz	R/oz	<b>15,231</b>	12,450	11,880	11,909	15,064
<b>Operating income statement</b>						
Net sales revenue	Rm	<b>7,649</b>	8,403	6,187	4,540	3,755
Operating cost of sales <sup>2</sup>	Rm	<b>(5,448)</b>	(4,990)	(4,260)	(4,112)	(2,685)
<b>Operating contribution</b>	Rm	<b>2,201</b>	3,413	1,927	428	1,070
<b>Operating margin</b>	%	<b>28.8</b>	40.6	31.1	9.4	28.5
<b>Gross profit margin</b>						
Operating free cash flow <sup>3</sup>	Rm	<b>1,198</b>	2,679	1,808	476	(1,387)
Net cash flow <sup>4</sup>	Rm	<b>802</b>	2,334	893	(485)	(2,671)

<sup>1</sup> Mine's production and purchases of metal in concentrate, secondary metals and other metals converted to equivalent refined production using Amplats' standard smelting and refining recoveries.

<sup>2</sup> Operating cost of sales excludes other costs.

<sup>3</sup> Operating free cash flow equals net sales revenue less direct cash operating costs, processing costs, allocated other costs, on-mine stay-in-business capital and allocated off-mine stay-in-business capital.

<sup>4</sup> Net cash flow equals operating free cash flow less on-mine project capital and allocated off-mine project capital.

## GROUP PERFORMANCE DATA

for the year ended 31 December 2012

### UNKI PLATINUM MINES

(100% owned) (Zimbabwe)

		2012	2011
<b>Refined production</b>			
Platinum	000 oz	64.6	50.8
Palladium	000 oz	44.5	33.9
Rhodium	000 oz	5.2	2.9
Gold	000 oz	7.3	4.9
PGMs	000 oz	121.1	90.1
Nickel	000 tonnes	1.0	0.8
Copper	000 tonnes	1.3	0.9
<b>Production statistics</b>			
Total development – MSZ	km	1.2	0.4
Immediately available ore reserves	months	14.2	14.2
Square metres – MSZ	000 m <sup>2</sup>	207	147
Tonnes – Surface sources to concentrators	000 tonnes	–	–
Tonnes broken – MSZ	000 tonnes	1,529	1,054
<b>Tonnes milled</b>			
	000 tonnes	1,535	1,284
Surface sources	000 tonnes	–	–
Underground sources	000 tonnes	1,535	1,284
<b>Built-up head grade (gram/tonne milled)</b>			
	4E	3.43	3.64
Surface sources	4E	–	–
MSZ	4E	3.43	3.64
<b>Equivalent refined platinum ounces<sup>1</sup></b>			
	000 oz	62.1	51.6
<b>Employees and productivity</b>			
Own-enrolled employees (average in service)	number	980	803
Contractor employees (average in service)	number	170	149
m <sup>2</sup> per total operating employee <sup>2</sup>	per month	12.6	10.8
Refined Pt ounce per total operating employee	per annum	56.2	53.4
<b>Unit cost performance</b>			
Cash on-mine cost/tonne milled	R/tonne	622	509
Cash operating cost per equivalent refined Pt oz	R/oz	18,819	15,087
Cash operating cost per refined Pt oz	R/oz	18,111	15,359
<b>Operating income statement</b>			
Net sales revenue	Rm	1,345	946
Operating cost of sales <sup>3</sup>	Rm	(1,169)	(659)
<b>Operating contribution</b>			
	Rm	176	287
<b>Operating margin</b>			
	%	13.1	30.4
<b>Gross profit margin</b>			
	%	5.3	23.2
Operating free cash flow <sup>4</sup>	Rm	54	135
Net cash flow <sup>5</sup>	Rm	(245)	(195)

<sup>1</sup> Mine's production and purchases of metal in concentrate, secondary metals and other metals converted to equivalent refined production using Amplats' standard smelting and refining recoveries.

<sup>2</sup> Calculation based on a standard 23-shift month.

<sup>3</sup> Operating cost of sales excludes other costs.

<sup>4</sup> Operating free cash flow equals net sales revenue less direct cash operating costs, processing costs, allocated other costs, on-mine stay-in-business capital and allocated off-mine stay-in-business capital.

<sup>5</sup> Net cash flow equals operating free cash flow less on-mine project capital and allocated off-mine project capital.

## TWICKENHAM PLATINUM MINE

(100% owned) (Project)

		2012	2011	2010	2009	2008
<b>Refined production</b>						
Platinum	000 oz	—	0.9	3.6	7.5	9.9
Palladium	000 oz	—	0.7	3.2	7.2	10.1
Rhodium	000 oz	—	0.3	0.6	1.6	1.7
Gold	000 oz	—	—	0.1	0.2	0.3
PGMs	000 oz	—	2.6	8.5	19.0	24.1
Nickel	000 tonnes	—	—	—	—	—
Copper	000 tonnes	—	—	—	—	—
<b>Production statistics</b>						
Total development – UG2	km	—	1.2	3.9	2.2	0.8
Immediately available ore reserves	months	—	—	26.2	11.9	19.4
Square metres – UG2	000 m <sup>2</sup>	—	3	17	28	39
Tonnes – Surface sources to concentrators	000 tonnes	—	—	—	—	—
Tonnes broken – UG2	000 tonnes	—	88	436	524	179
<b>Tonnes milled</b>						
Surface sources	000 tonnes	—	—	—	—	—
Underground sources	000 tonnes	—	25	58	130	164
UG2 tonnes milled to total Merensky and UG2	%	100.0	100.0	100.0	100.0	100.0
<b>Built-up head grade (gram/tonne milled)</b>						
Surface sources	4E	—	3.47	4.20	4.62	4.76
UG2	4E	—	3.47	4.20	4.62	4.76
<b>Equivalent refined platinum ounces<sup>1</sup></b>						
	000 oz	—	0.9	2.9	7.7	9.5
<b>Employees and productivity</b>						
Own-enrolled employees (average in service)	number	—	—	372	455	549
Contractor employees (average in service)	number	—	—	26	42	60
m <sup>2</sup> per total operating employee <sup>2</sup>	per month	—	—	3.5	4.8	5.3
Refined Pt ounce per total operating employee	per annum	—	—	9.0	15.1	16.3
<b>Unit cost performance</b>						
Cash on-mine cost/tonne milled	R/tonne	—	109	2,951	1,200	1,203
Cash operating cost per equivalent refined Pt oz	R/oz	—	4,506	60,773	21,662	21,724
Cash operating cost per refined Pt oz	R/oz	—	4,721	48,968	22,153	20,967
<b>Operating income statement</b>						
Net sales revenue	Rm	—	36	70	127	220
Operating cost of sales <sup>3</sup>	Rm	—	(20)	(225)	(238)	(312)
<b>Operating contribution</b>						
	Rm	—	16	(155)	(111)	(92)
<b>Operating margin</b>						
	%	100.0	44.4	(222.2)	(87.4)	(41.8)
<b>Gross profit margin</b>						
Operating free cash flow <sup>4</sup>	Rm	(1)	18	(110)	(64)	(4)
Net cash flow <sup>5</sup>	Rm	(1,137)	(729)	(595)	(478)	(522)

<sup>1</sup> Mine's production and purchases of metal in concentrate, secondary metals and other metals converted to equivalent refined production using Amplats' standard smelting and refining recoveries.

<sup>2</sup> Calculation based on a standard 23-shift month.

<sup>3</sup> Operating cost of sales excludes other costs.

<sup>4</sup> Operating free cash flow equals net sales revenue less direct cash operating costs, processing costs, allocated other costs, on-mine stay-in-business capital and allocated off-mine stay-in-business capital.

<sup>5</sup> Net cash flow equals operating free cash flow less on-mine project capital and allocated off-mine project capital.

**GROUP PERFORMANCE DATA**

for the year ended 31 December 2012

**WESTERN LIMB TAILINGS RETREATMENT**

(100% owned)

		2012	2011	2010	2009	2008
<b>Refined production</b>						
Platinum	000 oz	<b>46.2</b>	43.0	43.3	32.4	41.8
Palladium	000 oz	<b>16.8</b>	13.2	13.9	10.4	13.6
Rhodium	000 oz	<b>2.7</b>	2.1	1.9	1.8	2.2
Gold	000 oz	<b>4.5</b>	4.3	3.6	3.8	4.4
PGMs	000 oz	<b>73.6</b>	65.5	65.3	50.9	66.0
Nickel	000 tonnes	<b>0.3</b>	0.2	0.3	0.2	0.2
Copper	000 tonnes	<b>0.2</b>	0.2	0.2	0.2	0.2
<b>Production statistics</b>						
Tonnes milled	000 tonnes	<b>4,883</b>	4,982	5,087	4,295	5,272
<b>Built-up head grade (gram/tonne milled)</b>	4E	<b>1.24</b>	1.23	1.18	1.06	1.12
<b>Equivalent refined platinum ounces<sup>1</sup></b>	000 oz	<b>47.6</b>	40.9	41.8	34.2	43.4
<b>Employees and productivity</b>						
Own-enrolled employees (average in service)	number	<b>122</b>	116	113	98	87
Contractor employees (average in service)	number	<b>148</b>	148	139	175	214
Tonnes milled per total employee	per month	<b>1,507</b>	1,573	1,682	1,311	1,460
Refined Pt ounce per total operating employee	per annum	<b>171.1</b>	162.9	171.8	118.7	138.9
<b>Unit cost performance</b>						
Cash on-mine cost/tonne milled	R/tonne	<b>70</b>	65	57	60	50
Cash operating cost per equivalent refined Pt oz	R/oz	<b>10,230</b>	10,251	9,110	9,621	8,331
Cash operating cost per refined Pt oz	R/oz	<b>10,536</b>	9,780	8,788	10,178	8,653
<b>Operating income statement</b>						
Net sales revenue	Rm	<b>768</b>	753	672	452	725
Operating cost of sales <sup>2</sup>	Rm	<b>(503)</b>	(513)	(493)	(368)	(412)
<b>Operating contribution</b>	Rm	<b>265</b>	240	179	84	313
<b>Operating margin</b>	%	<b>34.5</b>	31.9	26.6	18.6	43.2
<b>Gross profit margin</b>						
Operating free cash flow <sup>3</sup>	Rm	<b>179</b>	246	221	57	278
Net cash flow <sup>4</sup>	Rm	<b>118</b>	216	191	11	200

<sup>1</sup> Mine's production and purchases of metal in concentrate, secondary metals and other metals converted to equivalent refined production using Amplats' standard smelting and refining recoveries.

<sup>2</sup> Operating cost of sales excludes other costs.

<sup>3</sup> Operating free cash flow equals net sales revenue less direct cash operating costs, processing costs, allocated other costs, on-mine stay-in-business capital and allocated off-mine stay-in-business capital.

<sup>4</sup> Net cash flow equals operating free cash flow less on-mine project capital and allocated off-mine project capital.

## MODIKWA PLATINUM MINE

(50:50 joint venture with ARM Mining Consortium Limited)

		2012	2011	2010	2009	2008
<b>Refined production (mined and purchased)</b>						
Platinum	000 oz	130.1	129.8	134.9	135.3	131.2
Palladium	000 oz	120.3	117.5	127.1	128.0	124.9
Rhodium	000 oz	20.8	25.0	24.1	27.2	24.0
Gold	000 oz	3.6	3.5	2.9	3.7	3.7
PGMs	000 oz	306.7	311.8	328.0	331.8	320.5
Nickel	000 tonnes	0.4	0.5	0.5	0.6	0.6
Copper	000 tonnes	0.3	0.4	0.3	0.3	0.4
<b>Production statistics (AAPL mined share)</b>						
Total development – Merensky	km	–	–	–	–	0.3
Total development – UG2	km	9.4	7.8	8.1	9.2	8.4
Square metres – Merensky	000 m <sup>2</sup>	–	–	–	–	9
Square metres – UG2	000 m <sup>2</sup>	205	200	222	252	254
Tonnes broken – Opencast	000 tonnes	2,377	1,991	151	–	–
Tonnes broken – Merensky	000 tonnes	–	–	–	5	97
Tonnes broken – UG2	000 tonnes	1,060	1,215	1,287	1,470	1,427
<b>Tonnes milled</b>	000 tonnes	1,112	1,142	1,144	1,190	1,257
Surface sources including opencast	000 tonnes	118	164	58	–	–
Underground sources	000 tonnes	994	978	1,086	1,190	1,257
UG2 tonnes milled to total Merensky and UG2	%	98.1	100.0	100.0	100.0	96.6
<b>Built-up head grade (gram/tonne milled)</b>	4E	4.51	4.56	4.73	4.64	4.43
Surface sources excluding opencast	4E	–	–	–	–	–
Merensky	4E	2.15	–	–	2.54	2.30
UG2	4E	4.56	4.56	4.73	4.66	4.58
<b>Equivalent refined platinum ounces<sup>1</sup></b>	000 oz	119.6	124.8	129.6	134.4	135.4
Mined	000 oz	59.8	62.4	64.8	67.2	67.7
Purchased	000 oz	59.8	62.4	64.8	67.2	67.7
<b>Employees and productivity (AAPL share)</b>						
Own-enrolled employees (average in service)	number	1,896	1,864	1,864	1,893	2,084
Contractor employees (average in service)	number	684	553	472	591	899
m <sup>2</sup> per total operating employee <sup>2</sup>	per month	7.2	6.7	8.2	10.2	7.1
Refined Pt ounce per total operating employee	per annum	25.2	26.9	28.9	27.3	22.0
<b>Unit cost performance</b>						
Cash on-mine cost/tonne milled	R/tonne	878	737	691	684	673
Cash operating cost per equivalent refined Pt oz	R/oz	18,131	14,881	13,569	13,740	13,859
Cash operating cost per refined Pt oz	R/oz	16,665	14,311	13,032	13,644	14,302
<b>Operating income statement</b>						
Net sales revenue	Rm	1,185	1,415	1,304	1,054	1,530
Operating cost of sales <sup>3</sup>	Rm	(1,044)	(1,103)	(1,034)	(1,163)	(1,079)
<b>Operating contribution</b>	Rm	141	312	270	(109)	451
<b>Operating margin</b>	%	11.9	22.0	20.7	(10.3)	29.5
<b>Gross profit margin</b>						
Operating free cash flow <sup>4</sup>	Rm	(107.4)	287.7	278.8	(27.4)	378.9
Net cash flow <sup>5</sup>	Rm	(205.7)	184.4	237.0	(76.8)	240.5

<sup>1</sup> Mine's production and purchases of metal in concentrate, secondary metals and other metals converted to equivalent refined production using Amplats' standard smelting and refining recoveries.

<sup>2</sup> Calculation based on a standard 23-shift month.

<sup>3</sup> Operating cost of sales excludes other costs.

<sup>4</sup> Operating free cash flow equals net sales revenue less direct cash operating costs, processing costs, allocated other costs, on-mine stay-in-business capital and allocated off-mine stay-in-business capital.

<sup>5</sup> Net cash flow equals operating free cash flow less on-mine project capital and allocated off-mine project capital.

## GROUP PERFORMANCE DATA

for the year ended 31 December 2012

### MOTOTOLO PLATINUM MINE

(50:50 joint venture with XK Platinum Partnership)

		2012	2011	2010	2009	2008
<b>Refined production (mined and purchased)</b>						
Platinum	000 oz	<b>123.8</b>	115.1	110.5	106.3	83.9
Palladium	000 oz	<b>74.5</b>	66.8	65.0	61.5	48.9
Rhodium	000 oz	<b>18.3</b>	17.8	18.7	17.2	13.5
Gold	000 oz	<b>2.1</b>	1.8	1.5	1.6	1.1
PGMs	000 oz	<b>252.6</b>	234.9	231.9	214.9	175.3
Nickel	000 tonnes	<b>0.3</b>	0.3	0.3	0.3	0.2
Copper	000 tonnes	<b>0.1</b>	0.1	0.1	0.1	0.1
<b>Production statistics (AAPL mined share)</b>						
Total development – UG2	km	<b>0.7</b>	1.0	0.9	1.4	0.9
Square metres – UG2	000 m <sup>2</sup>	<b>151</b>	142	132	149	121
Tonnes broken – Opencast	000 tonnes	–	–	–	–	–
Tonnes broken – UG2	000 tonnes	<b>1,187</b>	1,188	1,110	1,247	976
<b>Tonnes milled</b>	000 tonnes	<b>1,233</b>	1,151	1,131	1,120	911
Surface sources including opencast	000 tonnes	–	–	–	–	–
Underground sources	000 tonnes	<b>1,233</b>	1,151	1,131	1,120	911
UG2 tonnes milled to total Merensky and UG2	%	<b>100.0</b>	100.0	100.0	100.0	100.0
<b>Built-up head grade (gram/tonne milled)</b>	4E	<b>3.33</b>	3.27	3.33	3.42	3.37
Surface sources excluding opencast	4E	–	–	–	–	–
UG2	4E	<b>3.33</b>	3.27	3.33	3.42	3.37
<b>Equivalent refined platinum ounces<sup>1</sup></b>	000 oz	<b>118.8</b>	109.4	108.0	108.8	87.2
Mined	000 oz	<b>59.4</b>	54.7	54.0	54.4	43.6
Purchased	000 oz	<b>59.4</b>	54.7	54.0	54.4	43.6
<b>Employees and productivity (AAPL share)</b>						
Own-enrolled employees (average in service)	number	<b>722</b>	698	670	600	586
Contractor employees (average in service)	number	<b>151</b>	228	328	283	86
m <sup>2</sup> per total operating employee <sup>2</sup>	per month	<b>16.3</b>	14.2	13.2	15.8	16.8
Refined Pt ounce per total operating employee	per annum	<b>70.9</b>	62.1	55.4	60.2	62.4
<b>Unit cost performance</b>						
Cash on-mine cost/tonne milled	R/tonne	<b>533</b>	494	438	384	368
Cash operating cost per equivalent refined Pt oz	R/oz	<b>12,726</b>	11,800	10,392	9,132	8,648
Cash operating cost per refined Pt oz	R/oz	<b>12,209</b>	11,214	10,155	9,360	8,992
<b>Operating income statement</b>						
Net sales revenue	Rm	<b>1,006</b>	1,066	983	727	873
Operating cost of sales <sup>3</sup>	Rm	<b>(732)</b>	(737)	(658)	(545)	(410)
<b>Operating contribution</b>	Rm	<b>274</b>	329	325	182	463
<b>Operating margin</b>	%	<b>27.2</b>	30.9	33.1	25.0	53.0
<b>Gross profit margin</b>						
Operating free cash flow <sup>4</sup>	Rm	<b>80.7</b>	237.2	286.5	96.5	430.8
Net cash flow <sup>5</sup>	Rm	<b>72.9</b>	198.3	262.7	66.0	386.0

<sup>1</sup> Mine's production and purchases of metal in concentrate, secondary metals and other metals converted to equivalent refined production using Amplats' standard smelting and refining recoveries.

<sup>2</sup> Calculation based on a standard 23-shift month.

<sup>3</sup> Operating costs of sales excludes other costs.

<sup>4</sup> Operating free cash flow equals net sales revenue less direct cash operating costs, processing costs, allocated other costs, on-mine stay-in-business capital and allocated off-mine stay-in-business capital.

<sup>5</sup> Net cash flow equals operating free cash flow less on-mine project capital and allocated off-mine project capital.

## KROONDAL PLATINUM MINE

(50:50 pooling-and-sharing agreement with Aquarius Platinum (South Africa))

		2012	2011	2010	2009	2008
<b>Refined production (mined and purchased)</b>						
Platinum	000 oz	223.4	217.6	266.7	230.7	196.3
Palladium	000 oz	113.8	106.4	132.4	110.8	94.0
Rhodium	000 oz	34.8	41.2	43.1	40.5	30.4
Gold	000 oz	1.9	1.7	1.9	2.0	1.3
PGMs	000 oz	436.6	445.9	522.7	458.7	371.8
Nickel	000 tonnes	0.3	0.3	0.4	0.4	0.3
Copper	000 tonnes	0.1	0.1	0.1	0.1	0.1
<b>Production statistics (AAPL mined share)</b>						
Total development – UG2	km	10.8	11.3	11.6	–	8.0
Square metres – UG2	000 m <sup>2</sup>	388	374	449	397	407
Tonnes broken – Opencast	000 tonnes	–	–	–	–	217
Tonnes broken – UG2	000 tonnes	2,959	2,859	3,497	3,374	3,072
<b>Tonnes milled<sup>4</sup></b>						
Surface sources including opencast	000 tonnes	–	–	–	–	10
Underground sources	000 tonnes	1,872	1,891	2,154	2,070	2,013
UG2 tonnes milled to total Merensky and UG2	%	100.0	100.0	100.0	100.0	100.0
<b>Built-up head grade (gram/tonne milled)<sup>5</sup></b>						
Surface sources excluding opencast	4E	–	–	–	–	–
UG2	4E	3.63	3.75	3.80	2.58	2.59
<b>Equivalent refined platinum ounces<sup>1</sup></b>						
Mined	000 oz	106.6	104.3	126.4	115.8	114.4
Purchased	000 oz	106.6	104.3	126.4	115.8	106.7
Sold	000 oz	–	–	–	–	(7.7)
<b>Employees and productivity (AAPL share)</b>						
Own-enrolled employees (average in service)	number	1,005	15	12	20	17
Contractor employees (average in service)	number	2,331	3,332	2,775	2,855	2,718
m <sup>2</sup> per total operating employee <sup>2</sup>	per month	10.0	9.1	13.8	12.7	14.5
Refined Pt ounce per total operating employee	per annum	33.5	32.5	47.8	40.1	35.9
<b>Unit cost performance</b>						
Cash on-mine cost/tonne milled <sup>4</sup>	R/tonne	877	726	595	533	499
Cash operating cost per equivalent refined Pt oz	R/oz	16,480	14,093	11,031	10,437	9,441
Cash operating cost per refined Pt oz	R/oz	15,726	13,510	10,455	10,455	10,306
<b>Operating income statement</b>						
Net sales revenue	Rm	1,717	2,095	2,202	1,564	2,191
Operating cost of sales <sup>3</sup>	Rm	(1,496)	(1,559)	(1,472)	(1,263)	(914)
<b>Operating contribution</b>	Rm	221	536	730	301	1,277
<b>Operating margin</b>	%	12.9	25.6	33.2	19.2	58.3
<b>Gross profit margin</b>						
Operating free cash flow <sup>6</sup>	Rm	(384.6)	314.5	550.4	111.1	828.8
Net cash flow <sup>7</sup>	Rm	(484.0)	211.2	528.9	88.3	802.6

<sup>1</sup> Mine's production and purchases of metal in concentrate, secondary metals and other metals converted to equivalent refined production using Amplats' standard smelting and refining recoveries.

<sup>2</sup> Calculation based on a standard 23-shift month.

<sup>3</sup> Operating cost of sales excludes other costs.

<sup>4</sup> Tonnes milled restated for previous years from DMS feed tonnes to mill feed tonnes.

<sup>5</sup> 4E built-up head grade previously reflected the DMS feed grade, changed to mill feed grade in 2010.

<sup>6</sup> Operating free cash flow equals net sales revenue less direct cash operating costs, processing costs, allocated other costs, on-mine stay-in-business capital and allocated off-mine stay-in-business capital.

<sup>7</sup> Net cash flow equals operating free cash flow less on-mine project capital and allocated off-mine project capital.

## GROUP PERFORMANCE DATA

for the year ended 31 December 2012

### MARIKANA PLATINUM MINE

(50:50 pooling-and-sharing agreement with Aquarius Platinum (South Africa))

		2012	2011	2010	2009	2008
<b>Refined production (mined and purchased)</b>						
Platinum	000 oz	28.2	48.7	53.3	38.2	32.8
Palladium	000 oz	13.5	22.8	25.1	16.7	14.2
Rhodium	000 oz	6.9	8.1	7.7	6.6	4.6
Gold	000 oz	0.3	0.5	0.4	0.4	0.3
PGMs	000 oz	67.0	92.1	104.9	71.3	60.1
Nickel	000 tonnes	—	0.1	0.1	0.1	0.1
Copper	000 tonnes	—	0.0	0.1	0.0	0.0
<b>Production statistics (AAPL mined share)</b>						
Total development – UG2	km	6.0	8.3	9.7	—	4.0
Square metres – UG2	000 m <sup>2</sup>	57	114	104	78.90	78.34
Tonnes broken – Opencast	000 tonnes	—	44	5,038	14,386	14,411
Tonnes broken – UG2	000 tonnes	441	905	845	600	666
<b>Tonnes milled<sup>4</sup></b>	000 tonnes	262	643	814	1,005	1,004
Surface sources including opencast	000 tonnes	—	27	191	513	522
Underground sources	000 tonnes	262	616	623	492	482
UG2 tonnes milled to total Merensky and UG2	%	100.0	100.0	100.0	100.0	100.0
<b>Built-up head grade (gram/tonne milled)<sup>5</sup></b>	4E	3.41	3.06	3.26	2.68	2.81
Surface sources excluding opencast	4E	—	—	—	—	—
UG2	4E	3.41	3.06	3.26	2.68	2.81
<b>Equivalent refined platinum ounces<sup>1</sup></b>	000 oz	26.4	47.0	52.6	39.7	32.2
Mined	000 oz	13.2	30.2	37.5	45.4	42.5
Purchased	000 oz	13.2	23.5	26.3	19.8	16.1
Sold	000 oz	0.0	(6.7)	(11.2)	(25.5)	(26.4)
<b>Employees and productivity (AAPL share)</b>						
Own-enrolled employees (average in service)	number	4	5	6	10	7
Contractor employees (average in service)	number	1,014	1,119	1,067	1,049	1,205
m <sup>2</sup> per total operating employee <sup>2</sup>	per month	7.2	8.3	9.1	6.2	6.3
Refined Pt ounce per total operating employee	per annum	13.9	21.7	24.8	18.0	13.5
<b>Unit cost performance</b>						
Cash on-mine cost/tonne milled <sup>4</sup>	R/tonne	951	736	599	481	556
Cash operating cost per equivalent refined Pt oz	R/oz	20,064	16,384	13,633	11,037	13,405
Cash operating cost per refined Pt oz	R/oz	18,794	16,002	13,726	11,856	13,580
<b>Operating income statement</b>						
Net sales revenue	Rm	291	544	636	637	678
Operating cost of sales <sup>3</sup>	Rm	(401)	(502)	(508)	(515)	(595)
<b>Operating contribution</b>	Rm	(110)	42	128	122	83
<b>Operating margin</b>	%	(37.8)	7.7	20.1	19.2	12.2
<b>Gross profit margin</b>	%	(45.9)	2.3	17.1	16.6	10.4
Operating free cash flow <sup>6</sup>	Rm	(29.7)	(52.8)	25.1	74.7	31.3
Net cash flow <sup>7</sup>	Rm	(33.9)	(55.3)	5.1	65.6	19.1

<sup>1</sup> Mine's production and purchases of metal in concentrate, secondary metals and other metals converted to equivalent refined production using Amplats' standard smelting and refining recoveries.

<sup>2</sup> Calculation based on a standard 23-shift month.

<sup>3</sup> Operating cost of sales excludes other costs.

<sup>4</sup> Tonnes milled restated for previous years from DMS feed tonnes to mill feed tonnes.

<sup>5</sup> 4E built-up head grade previously reflected the feed grade, changed to mill feed grade in 2010.

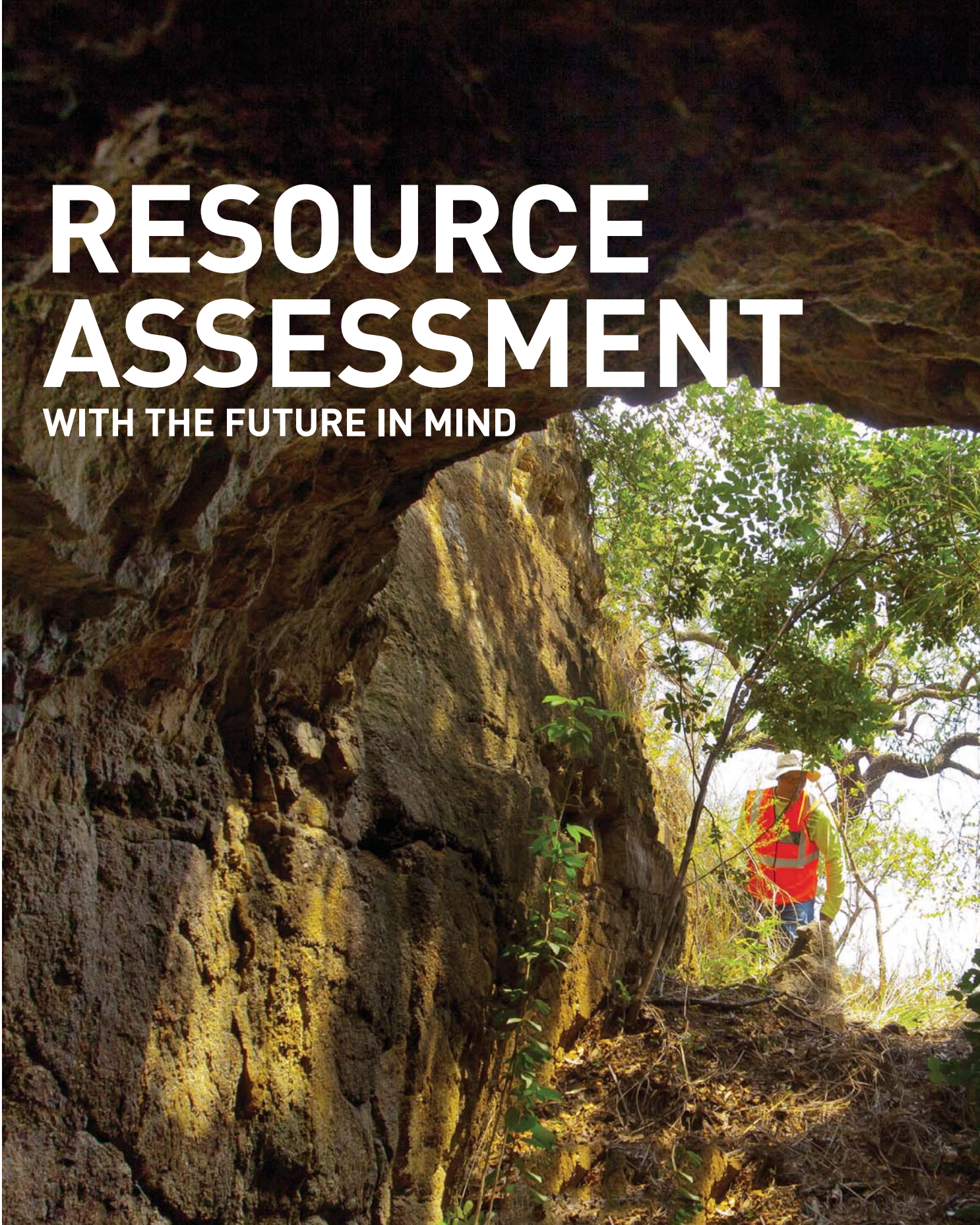
<sup>6</sup> Operating free cash flow equals net sales revenue less direct cash operating costs, processing costs, allocated other costs, on-mine stay-in-business capital and allocated off-mine stay-in-business capital.

<sup>7</sup> Net cash flow equals operating free cash flow less on-mine project capital and allocated off-mine project capital.

## ANALYSIS OF GROUP CAPITAL EXPENDITURE

R millions	2012				2011			
	Stay-in-business	Waste stripping	Projects	Total	Stay-in-business	Waste stripping	Projects	Total
Bathopele Mine	263	—	141	404	193	—	153	346
Khomanani Mine	132	—	55	187	185	—	20	205
Thembelani Mine	62	—	310	372	86	—	447	533
Khuseleka Mine	80	—	171	251	127	—	210	337
Siphumelele Mine	63	—	86	149	144	—	43	187
Tumela Mine	230	—	73	303	256	—	37	293
Dishaba Mine	125	—	5	130	132	—	26	158
Union North Mine	73	—	15	88	92	—	37	129
Union South Mine	126	—	167	293	190	—	209	399
Mogalakwena Mine	561	399	211	1,171	596	563	92	1,251
Twickenham Platinum Mine	2	—	1,136	1,138	14	—	863	877
Unki Platinum Mine	183	—	270	453	45	—	301	346
Modikwa Platinum Mine	97	—	90	187	106	—	72	178
Kroondal Platinum Mine	198	—	87	285	154	—	76	230
Marikana Platinum Mine	36	—	3	39	68	—	2	70
Mototolo Platinum Mine	76	—	(6)	70	100	—	21	121
Western Limb Tailings Retreatment	18	—	34	52	16	—	—	16
<b>Mining and retreatment</b>	<b>2,325</b>	<b>399</b>	<b>2,848</b>	<b>5,572</b>	<b>2,504</b>	<b>563</b>	<b>2,609</b>	<b>5,676</b>
Polokwane Smelter	39	—	6	45	24	—	17	41
Waterval Smelter	202	—	444	646	205	—	81	286
Mortimer Smelter	46	—	23	69	74	—	421	495
Rustenburg Base Metal Refiners	149	—	45	194	134	—	254	388
Precious Metals Refiners	47	—	—	47	53	—	—	53
<b>Total smelting and refining</b>	<b>483</b>	<b>—</b>	<b>518</b>	<b>1,001</b>	<b>490</b>	<b>—</b>	<b>773</b>	<b>1,263</b>
Other	202	—	10	212	288	—	(86)	202
<b>Total capital expenditure</b>	<b>3,010</b>	<b>399</b>	<b>3,376</b>	<b>6,785</b>	<b>3,282</b>	<b>563</b>	<b>3,296</b>	<b>7,141</b>
Capitalised interest	—	—	—	416	—	—	—	363
<b>Total capitalised costs</b>	<b>3,010</b>	<b>399</b>	<b>3,376</b>	<b>7,201</b>	<b>3,282</b>	<b>563</b>	<b>3,296</b>	<b>7,504</b>

 **STRATEGIC ELEMENT:** LEVERAGING OUR RESOURCE BASE



# RESOURCE ASSESSMENT

WITH THE FUTURE IN MIND



Exploration drilling within Amplats' mineral rights in South Africa and Zimbabwe has resulted in substantial overall growth of the Company's Mineral Resources inclusive of Ore Reserves.

**ORE RESERVES AND MINERAL RESOURCES**

The combined Mineral Resources inclusive of Ore Reserves increased from 857.8 (4E) Moz to 878.8 (4E) Moz. The increase can be attributed mostly to the inclusion of various Zimbabwean projects, following external audits of exploration drilling and resource modelling.

**85%**  
OF THE WORLD'S KNOWN PLATINUM IS IN SOUTH AFRICA AND ZIMBABWE



**"The resource estimates have been conducted in a robust manner and the confidences reflected in the resource classification are appropriate."**  
**Snowden**

**"Exploration activities continued on all Amplats properties, with the focus on supplying geological information and mitigating risk in support of the Company's business plan."**  
**Gordon Smith**  
Head: Mineral Resource Management

**172 km**  
OF SURFACE DIAMOND DRILLING IN 2012

**249 (4E) Moz**  
TOTAL ESTIMATED PGM RESOURCES IN THE GREAT DYKE - ZIMBABWE

# RESERVES AND RESOURCES FOR THE GROUP

The combined South African and Zimbabwean Ore Reserves decreased from 180.8 (4E) Moz to 177.2 (4E) Moz. This was the result primarily of the reallocation of previously reported Ore Reserves back to Mineral Resources owing to economic assumptions, mainly at the Tumela and Twickenham mines. On the positive side, additional Mineral Resources were converted to Ore Reserves at Mogalakwena North.

The Mineral Resource and Ore Reserve tables reflect estimates prior to the strategic announcement in January 2013. Changes associated with the strategic review will most probably result in a reallocation of the affected reported Ore Reserves to Mineral Resources in the Rustenburg and Union areas and will only be reflected in 2013.

## ORE RESERVES (4E)

# 177.2 Moz

 For more information  
turn to page 120

## PLATREEF MINERAL RESOURCES INCLUSIVE OF ORE RESERVES (4E)

# 264.9 Moz

 For more information  
turn to page 133

## MINERAL RESOURCES

The PGM Mineral Resources of Amplats occur almost exclusively within southern Africa, and are hosted by two distinct but unique ultramafic layered intrusions: the Bushveld Complex in South Africa and the Great Dyke in Zimbabwe.

Total PGM Resources present within these two geological features account for approximately 85% of the world's known platinum and 55% of the world's known palladium.

## THE BUSHVELD COMPLEX

The Bushveld Complex is geologically unique owing to its size, uniform layering and mineral content. Formed over two billion years ago from multiple injections of molten magma into the earth's crust many kilometres below the earth's surface, the resultant saucer-shaped intrusion is over 350 kilometres wide, 250 kilometres long and up to 12 kilometres thick. Over many millions of years the rim of the intrusion has been exposed by erosion, revealing three separate segments known as the Western, Eastern and Northern limbs respectively. The exposed segments exhibit layering of different rock types (such as pyroxenites, norites, gabbros and chromitites) and this layering occurs across the entire extent of the complex. Within the layers, mineralisation is found within specific horizons containing economic minerals that host chromite, titanium, vanadium, nickel, copper and, more importantly for Amplats, the platinum group metals or PGMs.

Economic concentrations of PGMs occur mainly within three distinct reefs within the Bushveld Complex: the Merensky Reef, the Upper Group 2 (UG2) Chromitite and the Platreef. The Merensky Reef and the UG2 Reef occur around the Eastern and Western limbs of the complex, while the Platreef is found only along the eastern edge of the Northern Limb.

## The Merensky Reef and the UG2 Reef

The Merensky and UG2 reefs are narrow tabular orebodies that extend laterally over hundreds of square kilometres, resulting in extensive Mineral Resources. Their continuity, established over years of exploration and mining, allows for the long-range extrapolation of data. The Merensky Reef has been the principal source of PGMs since it was first mined in 1925. However, with the depletion of shallow Merensky Resources the UG2 Reef, which is found at a vertical distance of between 16 and 400 metres below the Merensky Reef depending on the location, has grown steadily in importance to the point where it now accounts for more than 50% of all the platinum-bearing ore processed in South Africa.

## The Platreef

On the Northern Limb of the Bushveld, the Merensky and UG2 reefs are not developed on Amplats' properties. However, the Platreef, which is substantially thicker than either the Merensky Reef or the UG2 Reef, is well developed. The Platreef was mined briefly in the 1920s, but has been exploited on a large scale only since 1993. It is gradually becoming a significant contributor of PGMs for Amplats.

The term 'Platreef' describes zones of mineralisation occurring in a variety of rocks that range from normal pyroxenites to calcsilicates that have arisen through the contamination of Bushveld magma by sediments from the underlying Transvaal Supergroup. In general, the economic thickness of the Platreef is such that it can support open-pit mining operations to depths far exceeding 400 metres at current prices and mining costs.

## Base metal mineralisation

The Merensky Reef and the Platreef yield meaningful quantities of nickel and copper as by-products of PGMs, whereas the UG2 Reef is relatively devoid of these metals. Although

The Platreef is such that it can support open-pit mining operations to depths far exceeding 400 metres at current prices and mining costs.

chromitite contained in the UG2 has potential for economic gain and in some areas is being exploited as a by-product, Amplats has not considered this when measuring the reef's contained monetary values for Ore Reserve purposes. However, nickel and copper have been considered, and their value has been accounted for in the relevant economic evaluations.

### THE GREAT DYKE

The Great Dyke is located in Zimbabwe and occurs as a major intrusion, over 500 kilometres in length, that trends in a north-easterly direction. It comprises mafic and ultramafic rocks that cut across the dominantly Achaean rocks of the Zimbabwe Craton, consisting mostly of granite and greenstone belt rocks. PGM and associated base metal mineralisation is developed within a mafic/ultramafic horizon and covers over 720 square kilometres of the Great Dyke.

Amplats' major interest lies in the Shurugwi Complex and, more specifically, the Unki Prospect, where the Main Sulphide Zone (MSZ) occurs. The total estimated PGM Resources of the Great Dyke are estimated at 249 (4E) Moz (Oliver Barker-Platinum map of southern Africa – 4th edition 2011). Although the mineralised zone is characterised by the absence of identifiable markers, this risk has been successfully negated through the application of hand-held XRF (X-ray fluorescence) technology.

Extensive drilling, airborne surveys and geological interpretation have enabled mineral deposits to be upgraded to Resources on the Paarl, Unki South and Helena prospects. These additional Resources were subjected to a detailed external audit in 2012. Because of its structure, shallow depth and disseminated grade contacts, the MSZ has the capacity to support narrow vein conventional and trackless mining and, possibly in some areas, opencast operations. Owing to the dependency on economic factors, Resources outside current mining

## CHANGES IN THE ORE RESERVES AND MINERAL RESOURCES FOR 2012

### ORE RESERVE AND MINERAL RESOURCE ESTIMATION SUMMARY

Category	2012		2011	
	Million tonnes (Mt)	4E million troy ounces (4E Moz)	Million tonnes (Mt)	4E million troy ounces (4E Moz)
Ore Reserves – South Africa	1,609.6	170.8	1,479.1	176.1
Ore Reserves – Zimbabwe (Unki Platinum Mine (Unki))	53.7	6.5	38.7	4.7
<b>Ore Reserves<sup>1</sup> – South Africa and Zimbabwe</b>	<b>1,663.3</b>	<b>177.2</b>	<b>1,517.7</b>	<b>180.8</b>
Mineral Resources exclusive of Ore Reserves – South Africa	5,275.4	644.1	5,399.1	639.2
Mineral Resources exclusive of Ore Reserves – Zimbabwe (Unki)	186.2	26.0	79.5	10.5
<b>Mineral Resources exclusive of Ore Reserves<sup>2</sup> – South Africa and Zimbabwe</b>	<b>5,461.6</b>	<b>670.2</b>	<b>5,478.6</b>	<b>649.7</b>
Mineral Resources inclusive of Ore Reserves – South Africa	6,957.1	844.8	6,881.5	841.2
Mineral Resources inclusive of Ore Reserves – Zimbabwe (Unki)	246.1	34.0	123.4	16.6
<b>Mineral Resources inclusive of Ore Reserves<sup>2</sup> – South Africa and Zimbabwe</b>	<b>7,203.1</b>	<b>878.8</b>	<b>7,004.9</b>	<b>857.8</b>
Ore Reserves – South Africa tailings	15.9	0.5	18.9	0.5
Mineral Resources – South Africa tailings	102.7	3.6	105.5	3.7

Note: The above Mineral Resources exclude the Boikgantsho and Sheba's Ridge projects in South Africa and the Pedra Branca project in Brazil. These projects reflect a 3E grade which is the sum of platinum, palladium and gold grades, whereas the other mines and projects reflect a 4E grade. For these projects see tabulation below:

Category	2012		2011	
	Million tonnes (Mt)	3E million troy ounces (3E Moz)	Million tonnes (Mt)	3E million troy ounces (3E Moz)
Mineral Resources inclusive of Ore Reserves – South Africa (Sheba's Ridge Project)	211.9	6.4	211.9	6.4
Mineral Resources inclusive of Ore Reserves – South Africa (Boikgantsho Project)	38.8	1.6	38.8	1.6
Mineral Resources inclusive of Ore Reserves – Brazil (Pedra Branca Project)	6.6	0.5	6.6	0.5
<b>Mineral Resources inclusive of Ore Reserves<sup>2</sup> – South Africa and Americas</b>	<b>257.3</b>	<b>8.5</b>	<b>257.3</b>	<b>8.5</b>

<sup>1</sup> The Ore Reserves reflect the total of Proved and Probable Ore Reserves.

<sup>2</sup> The Mineral Resources reflect the total of Measured, Indicated and Inferred Mineral Resources. The Mineral Resources are quoted after geological losses.

and advanced project areas have been quantified over a conventional Mining Resource width of 120 cm. This will be reviewed when mining-optimisation studies have been completed.

## EXPLORATION AND MINE GEOLOGY

Exploration activities continued on all Amplats properties, with the focus on supplying geological information and mitigating risk in support of the Company's business plan and prospecting works-programme compliance. Excluding the joint ventures, 457 surface boreholes were drilled in 2012, equating to 172,242 metres of surface diamond drilling. In addition to this, underground exploration drilling of 38,350 metres was conducted.

Exploration activities in 2012 were conducted well within the safety targets (LTIFR 0.15) and no significant incidents were recorded. During the year, Amplats had 51 diamond drilling rigs operating on surface and 47 drill rigs engaged in underground exploration activities. Drilling remains one of the primary tools in determining and evaluating our Mineral Resources, and the extensive and structured drilling programmes reflect this systematic approach to generating value and sustainability for the organisation. Diamond drilling, using primarily BQ diameter coring, is used for most of the boreholes drilled. Reef intersections with 100% core recovery are sampled and in turn used in constructing Mineral Resource models.

A comprehensive set of quality-assurance and quality-control (QA/QC) processes are in place to validate exploration and analytical data. Additional deflections are also drilled on all reef intersections in order to increase confidence in the geostatistical parameters. A total number of 3,022 underground sample sections were collected during 2012 and were processed according to our Geology Department's defined systems and QA/QC requirements.

Three-dimensional seismic surveys have been exploited fully by the

**Exploration on prospecting permits is progressing in line with the work-programme schedules and the environmental management programmes submitted to the Government's Department of Mineral Resources.**

exploration team over the past decade. The interpretation of the Union Deeps survey was concluded during 2012 and has provided exceptional definition of the structural deformation of the ore bodies in the Union Deeps area. The survey has clearly defined the extractable portion of the ore body, and also those geological structures that will need to be avoided during mine planning. Seismic surveys of this sort are especially helpful in ensuring the correct placement of high-cost shafts and other critical mining infrastructure, particularly where ore bodies are situated at depths of between 500 and 2,000 metres. Amplats plans systematically to reinterpret seismic surveys that were acquired over the past decade, in light of the latest geological data collected.

Where mine planning has reached an advanced stage, underground mapping, together with a variety of additional borehole and surface to near-surface imaging tools, is employed to determine the structure and competency of the ground targeted for development. The geophysical logging of surface and underground boreholes forms an integral part of the risk-mitigation process and over recent years has proved to be highly beneficial in terms of cost.

Exploration on prospecting permits is progressing in line with the work-programme schedules and the environmental management programmes submitted to the Government's Department of Mineral Resources. Most of these programmes are now going into the first year of a three-year extension that was applied for during 2012.

Foreign exploration continued on a limited basis in 2012, with the objective of finding and defining projects of value to the Group. This included projects in Brazil and Zimbabwe, with watching briefs in a number of other promising geological provinces. Options to dispose of the Company's interests in Russia are still under investigation. Greenfield exploration in Brazil is ongoing, and 2012 saw the commencement of an updated resource model and metallurgical test

work intended to further improve our geological understanding of this ore body. Extensive exploration continues on the Great Dyke in Zimbabwe in order to obtain information on Mineral Resources, specifically in support of the mine extraction strategy for the Unki project.

## MINERAL RESOURCES

The Mineral Resource models for all underground operations are updated annually. The basic principles relating to the determining of Mineral Resource estimates during 2012 have remained unchanged. The Mineral Resource evaluation and classification are reviewed and signed off by a team of competent persons. The minimum Mineral Resource widths were aligned with changes in stope-support methodology and mining equipment in 2012; as a result, minimum Resource widths increased from 90 cm to 110 cm, with associated minor increases in tonnage and declines in grade.

The Mineral Resource model used to report the 2012 Platreef Resources for northern Mogalakwena has remained unchanged from 2011. An updated model is in progress, which incorporates exploration drilling undertaken in 2012 in order to resolve the area of possible down-dip flattening that lies beyond the current pit shell. Indications are that steeply dipping strike faulting has resulted in the apparent flattening, but that the geological loss applied to the 2011 Resource model appears to cover adequately the expected fault loss in this Inferred Mineral Resource area.

A virgin rock temperature of 75 °C is currently considered to be the limit to mining (given anticipated technology, metal prices and energy costs), and continues to form the limit of declared Inferred Mineral Resources within the mining rights of the Tumela Mine, the Twickenham Platinum Mine and the Ga-Phasha project. Amplats will continue to review the deposits down-dip of this limit, based on changing geological information, mining technology and metal prices.



01 Seismic survey, Union Mine 2011

02 Geological core logging Eastern Limb of the Bushveld Complex



01

02

**Only current operations, approved projects in execution and projects in feasibility study featured in the business plan are included as Reserves.**

operation results in a portion of the scheduled Resource not being converted into Reserve. This portion, known as the "uneconomic tail", reverts to Mineral Resources, to be considered in subsequent planning processes. Its exclusion results in a Scheduled Reserve that is equivalent to the operation's business plan (life-of-mine).

The Scheduled Reserves are peer-reviewed and signed off by the competent person(s).

#### Platreef (open-pit) operations

The geological model is converted to a mining model suitable for use in a pit optimiser (e.g. the NPV scheduler) by adding mining-cost adjustment factors to the model. Note that the model includes Measured, Indicated and Inferred Resource confidence levels. For the purposes of Reserve conversion, only Measured and Indicated Resource categories are used.

The mining model is then subject to economic, geotechnical and geographic modifying factors used to determine a mathematical representation of the optimal pit to extract from within the Resource, to the best economic and geotechnical advantage. At this stage, however, the pit still lacks ramps and a detailed design.

On completion of a practical pit design, the Mineable Reserve is determined. The Mineable Reserve comprises all the payable material that lies within the final pit shell.

Scheduling within the economic pit shell according to the relevant mines' production requirements defines the Scheduled Reserves. The Scheduled Reserves are peer-reviewed and signed off by the competent person(s).

#### Rock dumps/slimes dams (surface sources)

The tailings dams at Amandelbult have been explored with a sonic drilling programme and the Mineral Resource evaluation results will be completed and declared in 2013.

As part of its ongoing management process, the Mineral Resource Management (MRM) Department at Amplats has developed the Basic Resource Equation to establish a consistent and auditable process for tracking and reconciling movements in Mineral Resources and Mineral Inventories. This equation encompasses processes from all the MRM disciplines, in order to ensure that the publication of Mineral Resource and Ore Reserve data is aligned with the Company's business plan, and with technical and economic considerations.

#### CONVERTING MINERAL RESOURCES TO ORE RESERVES

The process of defining the Ore Reserves from the Mineral Resource has undergone further refinement and has been reviewed and approved within the Group. It adheres to approved Amplats policy and procedures encompassing the following: Merensky and UG2 underground operations; Platreef (open-pit) operations; and rock dumps/slimes dams (surface sources).

#### Merensky and UG2 underground operations

Only current operations, approved projects in execution and projects in feasibility study featured in the business plan are included as Reserves. To derive a Mineable Resource, appropriate mine

design and layouts are applied to the Resource areas as dictated by current mining methods. Note: the Mineable Resource excludes material contained in regional or bracket pillars that comprise part of the overall mine design. In developing a Scheduled Resource, the Mineable Resource is scheduled according to the relevant mine's production requirements.

The application of modifying (technical; mining; geotechnical; processing and recovery; legal; market; and social/governmental) factors is implemented in three distinct phases:

1. Mine design and scheduling. Applied to the criteria included in establishing the mine design and scheduling are modifying factors that have an impact on dilution of the Resource (i.e. stope width versus Resource width, tertiary development and other waste mining done on the reef horizon, etc) and modifying factors that define mining losses (i.e. non-mineable pillars and RIH/RIF mining inefficiencies, etc).
2. Processing. Those modifying factors that influence the efficiency of processing and recovery are applied to the Scheduled Resource. The result is a Mineable Reserve.
3. The economic phase. The subsequent application of modifying factors that influence the economic aspects of the mining

Bulk samples taken on historical surface rock dumps have demonstrated the intermittent presence of low-grade reef material. This stems from historical haulage development on PGM-bearing markers such as the Pseudo Reef 1, and from suboptimal ore-handling processes used in the past.

Owing to the difficulty of effectively evaluating large-scale rock dumps, surface rock dumps across operations are not reported under the Ore Reserve and Mineral Resource estimates. Instead, they are considered to be Mineral Deposits.

However, where concentrator capacity is available, rock dumps that have indicated potential are further sampled and evaluated on a localised basis for processing as a part of surface sources material.

### COMPETENCE AND RESPONSIBILITY

In accordance with the Listings Requirements of the JSE, Amplats prepared its Mineral Resource and Ore Reserve statements for all operations with reference to the 2007 guidelines and definitions of the South African Mineral Resource Committee (SAMREC). Competent persons have been appointed and assume responsibility for the Mineral Resource and Ore Reserve statements for all our operations and projects, as required.

A register of all competent persons has been lodged with the Company secretary. The Head of Mineral Resource Management confirms that the Mineral Resources and Ore Reserves information in this report is published in the form and context in which it was intended.

### INTERNAL CONTROLS

In compliance with internal review-and-audit schedules and continuous improvement initiatives, Amplats has implemented the following processes and reviews over the past four years:

#### Methodology

- Formal sign-off of the geological structure, borehole and sample

**Competent persons have been appointed and assume responsibility for the Mineral Resource and Ore Reserve statements for all our operations and projects.**

database and the Mineral Resource classification.

- Mineral Resource classification scorecard for consistent resource classification statements.
- Various multiple and single disciplinary reviews and sign-off for Mineral Resources and Ore Reserves.
- Mine design and scheduling for consistent Reserve reporting, considers the Company's business plan and tail management.
- The Basic Resource Equation is an internal reconciliation of the Mineral Resources that are segregated into the various business plans and investment centres.

#### External independent audits

- Process audit to ensure that Company standards and procedures are aligned with world best practice and are being applied.
- Number audit to track data transfers from source to Reserve statement.
- Risk assessments and best practice recommendations are included in this audit.

#### Information communication

- Mineral Resource and Ore Reserve waterfall charts.
- Prill and base metal grade distribution of the Mineral Resources inclusive of Ore Reserves.
- Spatial distribution of the Mineral Resource classification of the major mines are now reported.
- Reporting of Mineral Resources inclusive of Ore Reserves.
- Statement of Mineral Deposits.

#### Resource and Reserve management database

- Platinum Resource and Reserve reporting system (PR3).
- Web-based data-capturing of all relevant Mineral Resource and Ore Reserve information.
- System is in line with Anglo American plc's Group Resource and Reserve Reporting management application.
- System has been audited and been approved.

### EXTERNAL REVIEWS

In compliance with an internal three-year external review-and-audit schedule, Snowden Mining Industry Consultants (Snowden) was contracted to conduct the following:

- A detailed 2012 numerical audit of the Mineral Resource and Ore Reserve evaluations at the Mogalakwena, Dishaba and Unki mines.
- An assessment of the remedial actions put in place as a consequence of the 2011 numerical audit findings at the Tumela, Mogalakwena and Union (North and South) mines.

Snowden states in its evaluation summary: "In Snowden's opinion AAPL has estimated Resources and Reserves for the Mogalakwena, Dishaba and Unki operations in accordance with the definitions and guidelines contained in the SAMREC Code. The processes employed by Amplats for Mineral Resource and Mineral Reserve estimation are well aligned with industry practice. Snowden did not identify any material errors during the numbers audit of the Union, Tumela and Mogalakwena operations."

The 2012 Resource models (120 cm and 180 cm) for the MSZ for all the Southridge Prospects were subjected to a technical review by Snowden. Their conclusions were that "The resource estimates have been conducted in a robust manner and the confidences reflected in the resource classification are appropriate".

*Gordon Smith*

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1 February 2013

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29 January 2013

Dr Gordon Smith  
Head of Mineral Resource Management  
Anglo American Platinum Limited  
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JOHANNESBURG SOUTH AFRICA

Dear Sir

### 2012 ANGLO AMERICAN PLATINUM MINERAL RESOURCE AND MINERAL RESERVE NUMBERS AUDIT

Snowden Mining Industry Consultants (Snowden) has reviewed, for Anglo American Platinum Limited's (AAPL) Unki, Dishaba and Mogalakwena Mine operations, the processes that underpin the annual re-assessment, classification and reporting of the company's 2012 Mineral Resource estimates (resource) and Mineral Reserve estimates (reserve). Snowden has audited the numbers for these operations to attempt to verify that the resource and reserve processes have been followed and that the estimates reported by AAPL are robust. Snowden also undertook a follow-up of the Union and Tumela operations, which were audited in 2011, and found that all critical and necessary issues had been addressed or were in the process of being addressed.

With respect to resources, it is Snowden's opinion that AAPL has estimated robust resources for the Unki, Dishaba and Mogalakwena Mine operations in accordance with the definitions and guidelines contained in the SAMREC Code. The processes employed by AAPL for resource estimation are well aligned with industry best practice.

For the Unki, Dishaba and Mogalakwena Mine Operations, Snowden has tested and replicated the reserve estimates using alternative methods and found no material errors. In Snowden's opinion the reserves for the Unki, Dishaba and Mogalakwena Mine operations have been estimated and reported in accordance with the definitions and guidelines contained in the SAMREC Code.

This review was completed by Mr Ivor Jones (Group General Manager – Geosciences) and Mr Allan Earl (General Manager - Australia) of Snowden. Both Mr Jones and Mr Earl have the relevant experience and skills to be considered Competent Persons with respect to the SAMREC Code. Mr Jones has a total of 25 years' relevant experience and is a Chartered Professional and Fellow of the Australasian Institute of Mining and Metallurgy (member number 111429). Mr Earl has over 30 years' relevant experience and is a Fellow of the Australasian Institute of Mining and Metallurgy (member number 110247). Neither Snowden nor those involved in the preparation of this report have any material interest in AAPL or in the operations considered in this report. Snowden is remunerated for the report by way of professional fees determined according to a standard schedule of rates which is not contingent on the outcome of this report.

Yours sincerely



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## ORE RESERVES AND MINERAL RESOURCES DEFINITIONS

The Ore Reserves and Mineral Resources of the Group are classified, verified and reported on in accordance with statutory, stock-exchange and industry/professional guidelines. The classifications are based on the South African Code for the reporting of exploration results, Mineral Resources and Mineral Reserves (SAMREC, 2007) and on the code of the Joint Ore Reserves Committee (JORC) of the Australian Institute of Mining and Metallurgy.

Reporting is by professionals with appropriate experience in the estimation, economic evaluation, exploitation and reporting of Ore Reserves and Mineral Resources relevant to the various styles of mineralisation under consideration. The Group's experience with the various orebodies it is engaged in evaluating and mining spans decades, resulting in a thorough understanding of the factors relevant to assessing their economic potential.

Where Ore Reserves and Mineral Resources have been quoted for the same property, Resources are reported both inclusive and exclusive of the material converted to Reserves, i.e. one table reports Resources that exclude those Resources converted to Reserves while the other includes the converted Resources.

Attention is drawn to the fact that Resources are reported over a minimum practical mining width (SAMREC, clause 21), because the widths of the Merensky and the UG2 reefs are generally less than 70 centimetres. In the case of the UG2 Reef, however, there are many areas where additional hanging-wall dilution is also included owing to geotechnical considerations; this additional low-grade material usually has a width of less than 30 centimetres,

but this may increase locally to as much as one metre. The UG2 Reef, particularly in the Eastern Limb, may also contain pyroxenite lenses of internal waste and these are included as dilutants in the Resource declaration. The Mineral Resources are estimated over a practical minimum mining width suitable for the deposit known as the "Resource Cut". The minimum mining width over which Mineral Resources are declared is 110 centimetres. The Resource Cut width takes cognisance of the mining method and geotechnical aspects in the hanging wall or footwall of the reef. The conversion of the Resource Cut to an appropriate Reserve width would include additional dilution incurred as the result of mining considerations.

All Mineral Resources are reported after appropriate known and unknown geological losses have been excluded.

The study on the density assay technique has been completed and improved technology will be implemented to reduce the observed pycnometer bias.

### Mineral Resources

"A Mineral Resource is a concentration or occurrence of material of economic interest in or on the earth's crust, in such form and quantity that there are reasonable and realistic prospects for eventual economic extraction. The location, quantity, grade, continuity and other geological characteristics of a Mineral Resource are known or estimated from specific geological evidence, sampling and knowledge interpreted from an appropriately constrained and portrayed geological model. Mineral Resources are subdivided in order of increasing confidence in respect of geoscientific evidence into 'Inferred', 'Indicated' and 'Measured' categories, and must be so reported." (SAMREC, clause 21)

It should be noted that the continuity of the Bushveld Complex orebodies, coupled with the expectation of a robust demand for platinum group elements (PGEs) and associated metals well into the future, allows the PGE industry to classify large volumes of the three mineralised layers as "Resources" under the different categories defined in the SAMREC code and described below. Anglo American Platinum Limited takes cognisance of cut-off grades (derived from information on pay limits in the mining operations) and of "reasonable and realistic prospects for eventual economic extraction" over a period of 30 to 50 years.

The Resources classification process is underpinned by a sign-off procedure by a team of competent persons. The team considers a spatial scorecard of geological, historical-mining, quality-control and geostatistical aspects that are appropriately weighted for each particular orebody when assigning the classification.

**Inferred Mineral Resources:** "An Inferred Mineral Resource is that part of a Mineral Resource for which volume and/or tonnage, grade and mineral content can be estimated with a low level of confidence. It is inferred and assumed from geological evidence and sampling, but not verified geologically and/or through an analysis of grade continuity. Inferred Mineral Resources are based on information gathered through appropriate techniques from locations such as outcrops, trenches, pits, workings and drill-holes that may be limited in scope or of uncertain quality and reliability." (SAMREC, 2007)

**Indicated Mineral Resources:** "An Indicated Mineral Resource is that part of a Mineral Resource for which volume and/or tonnage, densities, shape, physical characteristics, grade and mineral content can be estimated with

a reasonable level of confidence. It is based on exploration, sampling and testing information gathered through appropriate techniques from locations such as outcrops, trenches, pits, workings and drill-holes. The locations are too widely or inappropriately spaced to confirm geological and/or grade continuity, but are spaced closely enough for continuity to be assumed." (SAMREC, 2007)

**Measured Mineral Resources:**

"A Measured Mineral Resource is that part of a Mineral Resource for which tonnage, densities, shape, physical characteristics, grade and mineral content can be estimated with a high level of confidence. It is based on detailed and reliable exploration, sampling and testing information gathered through appropriate techniques from locations such as outcrops, trenches, pits, workings and drill-holes. The locations are spaced closely enough to confirm geological and grade continuity." (SAMREC, 2007)

**Ore Reserves**

"An Ore Reserve is the economically mineable material derived from a Measured and/or an Indicated Mineral Resource. It includes diluting materials and allows for losses that are expected to occur when the material is mined. Appropriate assessments to a minimum of a pre-feasibility study for a project, or of a life-of-mine plan for an operation, must have been carried out, including consideration of, and modification by, realistically assumed mining, metallurgical, economic, marketing, legal, environmental, social and governmental factors (the modifying factors)." (SAMREC, 2007) These assessments demonstrate, at the time of reporting, that extraction is justifiable. Ore Reserves are subdivided, in order of increasing confidence, into Probable Ore Reserves and Proved Ore Reserves.

**Probable Ore Reserves:** "A Probable Ore Reserve is the economically mineable material derived from a Measured and/or Indicated Mineral Resource. It is estimated with a lower level of confidence than a Proved Mineral Reserve. It includes diluting materials and contaminating materials, and allows for losses that are expected to occur when the material is mined. Appropriate assessments to a minimum of a pre-feasibility study for a project, or of a life-of-mine plan for an operation, must have been carried out, including consideration of, and modification by, realistically assumed mining, metallurgical, economic, marketing, legal, environmental, social and governmental factors." (SAMREC, 2007) These assessments demonstrate, at the time of reporting, that extraction is reasonably justified.

**Proved Ore Reserves:** "A Proved Ore Reserve is the economically mineable material derived from a Measured Mineral Resource. It is estimated with a high level of confidence. It includes diluting and contaminating materials, and allows for losses that are expected to occur when the material is mined. Appropriate assessments to a minimum of a pre-feasibility study for a project, or of a life-of-mine plan for an operation, must have been carried out, including consideration of, and modification by, realistically assumed mining, metallurgical, economic, marketing, legal, environmental, social and governmental factors." (SAMREC, 2007) These assessments demonstrate, at the time of reporting, that extraction is justified.



01



02

# ORE RESERVE AND MINERAL RESOURCE ESTIMATES

as at 31 December 2012

## ORE RESERVES

### By reef (4E)

The figures in the table below represent Anglo American Platinum Limited's (Amplats) attributable interests:

Reef	Category	Reserves million tonnes		Grade 4E g/t		Contained 4E tonnes		Contained 4E million troy ounces	
		2012	2011	2012	2011	2012	2011	2012	2011
<b>SOUTH AFRICA</b>									
Merensky Reef	Proved	59.8	63.9	4.79	5.05	286.5	322.7	9.2	10.4
	Probable	22.5	49.1	4.49	5.16	100.9	253.4	3.2	8.1
	<b>Total</b>	<b>82.3</b>	<b>113.0</b>	<b>4.71</b>	<b>5.10</b>	<b>387.4</b>	<b>576.2</b>	<b>12.5</b>	<b>18.5</b>
UG2 Reef	Proved	389.8	390.7	4.05	4.10	1,578.7	1,600.7	50.8	51.5
	Probable	128.6	250.0	4.46	4.78	573.6	1,194.1	18.4	38.4
	<b>Total</b>	<b>518.4</b>	<b>640.7</b>	<b>4.15</b>	<b>4.36</b>	<b>2,152.3</b>	<b>2,794.8</b>	<b>69.2</b>	<b>89.9</b>
Platreef	Proved	587.5	538.8	2.75	2.84	1,617.3	1,532.3	52.0	49.3
	Proved primary ore stockpiles	26.7	20.0	1.72	1.71	46.0	34.3	1.5	1.1
	Probable	394.6	166.5	2.81	3.24	1,108.2	539.9	35.6	17.4
	<b>Total</b>	<b>1,008.9</b>	<b>725.4</b>	<b>2.75</b>	<b>2.90</b>	<b>2,771.5</b>	<b>2,106.6</b>	<b>89.1</b>	<b>67.7</b>
All reefs	Proved	1,063.9	1,013.4	3.32	3.44	3,528.5	3,490.1	113.4	112.2
	Probable	545.7	465.7	3.27	4.27	1,782.7	1,987.4	57.3	63.9
	<b>Total</b>	<b>1,609.6</b>	<b>1,479.1</b>	<b>3.30</b>	<b>3.70</b>	<b>5,311.2</b>	<b>5,477.5</b>	<b>170.8</b>	<b>176.1</b>
<b>ZIMBABWE</b>									
Main Sulphide Zone (MSZ)	Proved	13.9	15.0	3.85	3.68	53.4	55.2	1.7	1.8
	Probable	39.8	23.7	3.73	3.85	148.5	91.2	4.8	2.9
	<b>Total</b>	<b>53.7</b>	<b>38.7</b>	<b>3.76</b>	<b>3.79</b>	<b>201.9</b>	<b>146.5</b>	<b>6.5</b>	<b>4.7</b>
<b>SOUTH AFRICA AND ZIMBABWE</b>									
All reefs (including MSZ)	Proved	1,077.8	1,028.4	3.32	3.45	3,581.8	3,545.3	115.2	114.0
	Probable	585.6	489.3	3.30	4.25	1,931.2	2,078.7	62.1	66.8
	<b>Total</b>	<b>1,663.3</b>	<b>1,517.7</b>	<b>3.31</b>	<b>3.71</b>	<b>5,513.1</b>	<b>5,624.0</b>	<b>177.2</b>	<b>180.8</b>
<b>SOUTH AFRICA – TAILINGS</b>									
Tailings	Proved								
	Probable	15.9	18.9	1.02	0.86	16.1	16.2	0.5	0.5
	<b>Total</b>	<b>15.9</b>	<b>18.9</b>	<b>1.02</b>	<b>0.86</b>	<b>16.1</b>	<b>16.2</b>	<b>0.5</b>	<b>0.5</b>

## ORE RESERVE FOOTNOTES

### General

The Mineral Resource and Ore Reserve tables reflect estimates prior to the strategic announcement in January 2013. Changes associated with the strategic review will most probably result in a reallocation of the affected reported Ore Reserves to Mineral Resources in the Rustenburg and Union areas and will only be reflected in 2013.

Rounding of figures may result in computational discrepancies.

### Explanation of abbreviations

4E grade reported: Sum of platinum, palladium, rhodium and gold grades in grammes per tonne (g/t). The reported grades are as delivered for treatment.

Mt: Million tonnes

Moz: 4E million troy ounces

### Concentrator recoveries

Concentrator recoveries for Merensky Reef range from 84% to 89%, UG2 Reef from 82% to 87%, Platreef from 64% to 74% and Main Sulphide Zone from 70% to 78%.

### Ore Reserve pay limit

The pay limits built into the basic mining equation are directly linked to the 2013 business plan, prior to the strategic review announcement in January 2013. The pay limit is based on Cost 4 which consists of 'Direct Cash Cost' (on- and off-mine), 'Other Indirect Costs' and 'Stay-in-Business Capital' (on- and off-mine). The range is a function of various factors including depth of the ore body, geological complexity, infrastructure and economic parameters. The Merensky and UG2 Reef Ore Reserve pay limit varies across all operations between 2.0 g/t and 5.6 g/t. The pay limits for the Platreef varies between 1.0 and 1.7 g/t 4E.

### South Africa

The Ore Reserve tonnage increased by 8.8% to 1,609.6 Mt (2011: 1,479.1 Mt), but the 4E content decreased by 3.0% to 170.8 4E Moz (2011: 176.1 4E Moz), mainly owing to:

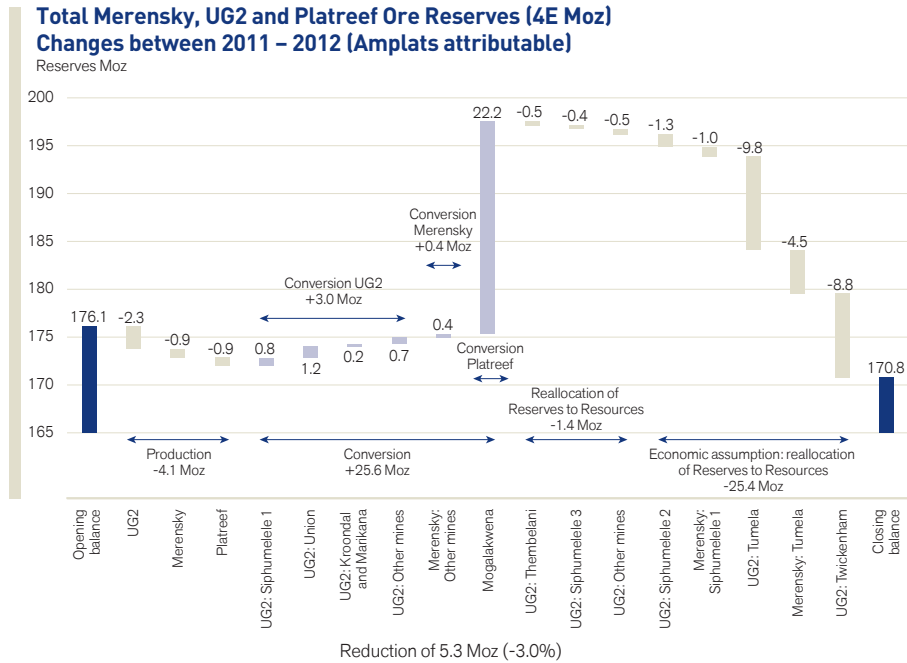
- Platreef Mogalakwena Mine: The Ore Reserves have increased significantly owing to the Pit Optimisation resulting in the conversion of additional Mineral Resources to Ore Reserves (Cut 14): +292.5 Mt ⇒ +22.2 Moz.

**ORE RESERVE FOOTNOTES** continued

**South Africa**

The increase in the Ore Reserves from Mogalakwena is partly offset by reallocation of previously reported Ore Reserves back to Mineral Resources owing to the current economic climate (economic assumptions) mainly at:

- Tumela Mine: Replanning of the 4-shaft area UG2 Reef (-61.1 Mt ⇒ -9.8 4E Moz) and Merensky Reef (-24.5 Mt ⇒ -4.5 4E Moz).
- Twickenham Mine: In 2011 Ore Reserves were reported to 7 Level, but only the conversion of reserves up to 3 Level are feasible under anticipated capital constraints: -50.9 Mt ⇒ -8.8 4E Moz, and at
- Siphumelele 1 and 2 mines Merensky and UG2 Reef: -16.0 Mt ⇒ -2.3 4E Moz.



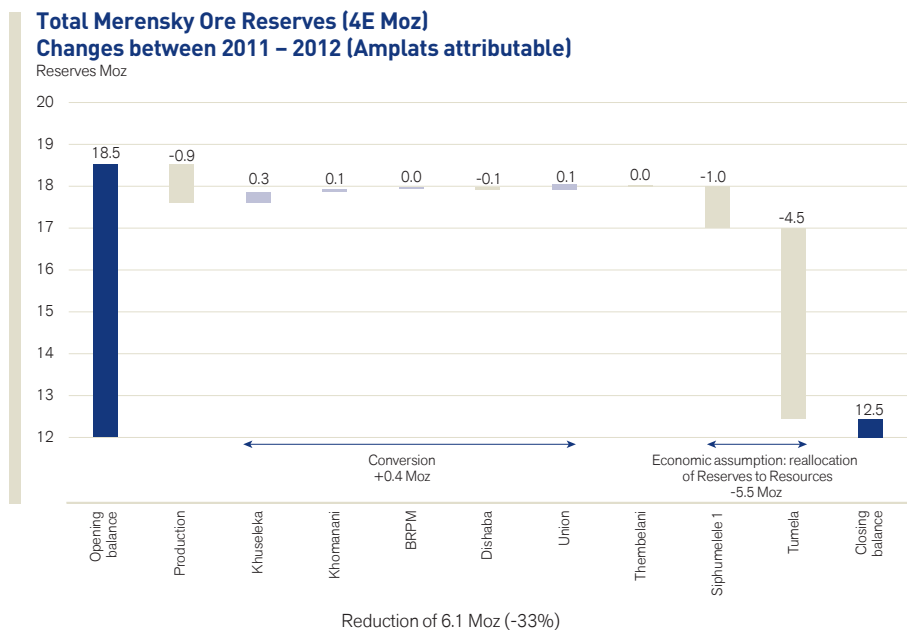
The definitions for the waterfall charts are on page 143.

**BY REEF**  
**Merensky Reef**

The global Ore Reserve tonnage decreased by 27% to 82.3 Mt (2011: 113.0 Mt) and the 4E ounce content decreased by 33% to 12.5 Moz (2011: 18.5 Moz), mainly owing to the following:

- Tumela Mine: Replanning of the 4-shaft area resulted in the reallocation of previously reported Ore Reserves back to Mineral Resources: -24.5 Mt ⇒ -4.5 Moz.
- Siphumelele 1 Mine: Conversion reallocation of previously reported Ore Reserves back to Mineral Resources owing to economic assumptions: -3.9 Mt ⇒ -1.0 Moz.
- Production depletion -5.6 Mt ⇒ -0.9 Moz.

It must be noted that the global Ore Reserve grade decreased by 0.39 g/t from 5.10 g/t to 4.71 g/t mainly owing to the increase in the minimum Resource Cut from 90 cm to 110 cm owing to the introduction of an improved support system in order to reduce rock-related accidents. For more information refer to page 127.



## ORE RESERVE AND MINERAL RESOURCE ESTIMATES

as at 31 December 2012

### ORE RESERVE FOOTNOTES continued

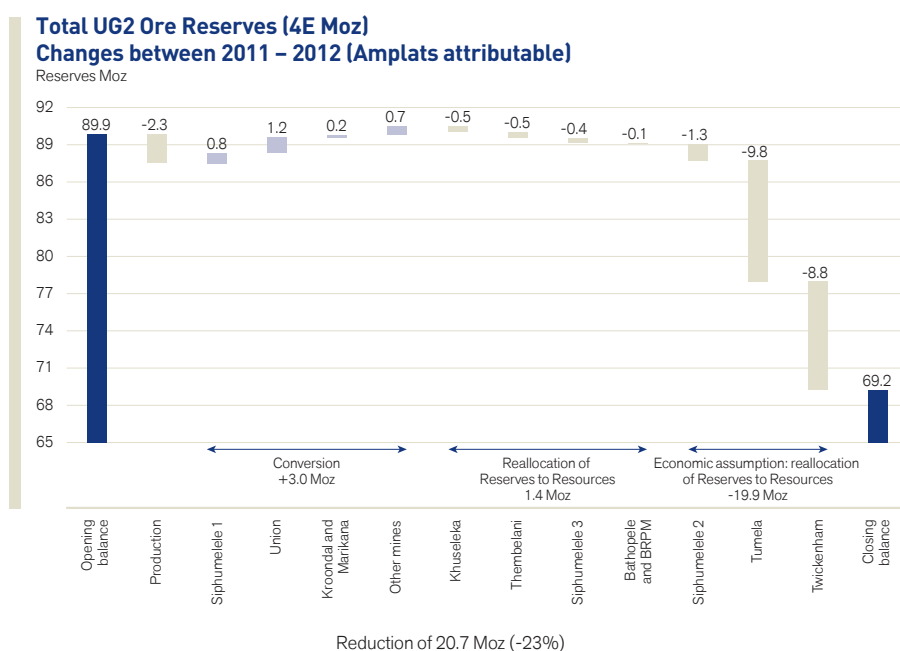
#### UG2 Reef

The global Ore Reserve tonnage decreased by 19% to 518.4 Mt (2011: 640.7 Mt) and the 4E ounce content decreased by 23% to 69.2 Moz (2011: 89.9 Moz) mainly owing to the following:

- Tumela Mine: Replanning of the 4-shaft area resulted in the reallocation of previously reported Ore Reserves back to Mineral Resources: -61.1 Mt ⇒ -9.8 Moz.
- Twickenham Mine: Conversion reallocation of previously reported Ore Reserves back to Mineral Resources owing to economic assumptions: -50.9 Mt ⇒ -8.8 Moz. In 2011 Ore Reserves were reported to 7 Level, but only the conversion of reserves up to 3 Level are feasible under anticipated capital constraints.
- Siphumelele 2 Mine (School of Mines): Conversion reallocation of previously reported Ore Reserves back to Mineral Resources owing to economic assumptions: -12.1 Mt ⇒ -1.3 Moz.
- Conversion reallocation of previously reported Ore Reserves back to Mineral Resources owing to changes in mine design and modifying factors mainly at Thembelani Mine, Siphumelele 3 Mine and Khuseleka Mine: -9.3 Mt ⇒ -1.4 Moz.
- Production depletion -20.2 Mt ⇒ -2.3 Moz.

These decreases were partially offset by the increase in Ore Reserves mainly from Union South Mine, Siphumelele 1 Mine, Kroondal Mine, Marikana Mine and Modikwa Mine where additional Mineral Resources have been converted to Ore Reserves: +31.4 Mt ⇒ +3.0 Moz.

It must be noted that the global Ore Reserve grade decreased by 0.21 g/t from 4.36 g/t to 4.15 g/t mainly owing to the increase in the minimum Resource Cut from 90 cm to 110 cm.



#### Platreef

For Mogalakwena North, Central and South the 4E pay limit is 1.0 g/t. For Sandsloot and Zwartfontein South the pay limit is unchanged at 1.7 g/t. The higher pay limit of 1.7 g/t is owing to the lack of dumping space for very low-grade material.

The Ore Reserves tonnage (inclusive of Proved primary ore stockpiles) increased by 39% to 1,008.9 Mt (2011: 725.4 Mt) and the 4E ounce content increased by 32% to 89.1 Moz (2011: 67.7 Moz) extending the life-of-mine significantly.

Mogalakwena mining studies have been completed to identify the optimal pit design (Cut 14), which resulted in the conversion of additional Mineral Resources to Ore Reserves: +292.5 Mt ⇒ +22.2 Moz. A geotechnical study will commence in 2013 to endorse the optimum pit design which may result in changes in the reserve modifying factors.

Production depletion accounts for 9 Mt ⇒ 0.9 Moz.

The Ore Reserve stockpiles do not include oxidised and calcisilicate material; this material is included in the Mineral Resource statement.

#### Proved primary ore stockpiles

Mined ore retained for future treatment. These are reported separately as Proved Ore Reserves and aggregated into the summation tabulations.

#### Main Sulphide Zone (MSZ)

MSZ is the ore body mined at Unki Platinum Mine. As of 2010, Amplats currently owns an effective 100% interest in Unki Mine subject to the finalisation of the Zimbabwean indigenisation agreement.

The Ore Reserves for the MSZ relate to the Unki East Mine only.

The Ore Reserve tonnage increased by 39% to 53.7 Mt (2011: 38.7 Mt) and the 4E ounce content increased by 38% to 6.5 Moz (2011: 4.7 Moz) mainly owing to conversion of Mineral Resources to Ore Reserves: Additional new information resulted in higher resource classification confidence and as a result these resources could then be converted to reserves.

#### Tailings

Operating tailings dams are not evaluated and therefore not reported as part of the Ore Reserves. At Rustenburg and Union mines dormant dams have been evaluated and are separately reported as tailings Ore Reserves.

## ORE RESERVES

### By mine/project (4E)

The figures in the table below represent Anglo American Platinum Limited's (Amplats) attributable interests:

Mine/project (AAPL interest)	Category	Merensky			UG2			Platreef			Tailings		
		Reserves million tonnes	Grade 4E g/t	4E million troy ounces	Reserves million tonnes	Grade 4E g/t	4E million troy ounces	Reserves million tonnes	Grade 4E g/t	4E million troy ounces	Reserves million tonnes	Grade 4E g/t	4E million troy ounces
<b>SOUTH AFRICA</b>													
Rustenburg mines <sup>1</sup> (100%)	Proved	25.8	5.04	4.2	150.6	3.58	17.3						
	Probable	1.2	4.60	0.2	15.2	3.97	1.9				13.7	1.02	0.4
	<b>Total</b>	27.0	5.02	4.4	165.8	3.62	19.3				13.7	1.02	0.4
Bathopele Mine (100%)	Proved				39.3	2.96	3.7						
	Probable				0.2	2.98	0.0						
	<b>Total</b>				39.5	2.96	3.8						
Khomani Mine (100%)	Proved	7.7	5.11	1.3	15.2	3.75	1.8						
	Probable	0.4	4.14	0.1	3.5	3.92	0.4						
	<b>Total</b>	8.1	5.07	1.3	18.6	3.78	2.3						
Thembelani Mine (100%)	Proved	3.7	4.77	0.6	30.2	4.11	4.0						
	Probable				2.6	4.05	0.3						
	<b>Total</b>	3.7	4.77	0.6	32.8	4.11	4.3						
Khuseleka Mine (100%)	Proved	5.2	5.13	0.9	48.2	3.66	5.7						
	Probable	0.5	5.35	0.1	3.0	3.58	0.3						
	<b>Total</b>	5.7	5.15	0.9	51.2	3.65	6.0						
Siphumelele Mine (100%)	Proved	9.1	5.04	1.5	17.7	3.73	2.1						
	Probable	0.3	3.98	0.0	5.9	4.19	0.8						
	<b>Total</b>	9.4	5.01	1.5	23.6	3.84	2.9						
Amandelbult mines <sup>2</sup> (100%)	Proved	7.7	5.60	1.4	124.6	4.60	18.4						
	Probable	9.1	5.18	1.5	21.4	4.65	3.2						
	<b>Total</b>	16.8	5.37	2.9	145.9	4.61	21.6						
Tumela Mine (100%)	Proved	0.5	7.11	0.1	61.8	4.56	9.1						
	Probable	0.9	5.19	0.2	0.1	4.26	0.0						
	<b>Total</b>	1.4	5.83	0.3	61.9	4.56	9.1						
Dishaba Mine (100%)	Proved	7.2	5.50	1.3	62.8	4.65	9.4						
	Probable	8.2	5.17	1.4	21.2	4.65	3.2						
	<b>Total</b>	15.4	5.32	2.6	84.0	4.65	12.6						
Union mines <sup>3</sup> (85%)	Proved	0.7	4.76	0.1	40.1	4.47	5.8						
	Probable	0.1	6.07	0.0	18.5	3.92	2.3				2.2	1.00	0.1
	<b>Total</b>	0.8	4.89	0.1	58.6	4.29	8.1				2.2	1.00	0.1
Mogalakwena Mine (100%)	Proved <sup>4</sup>							587.5	2.75	52.0			
	Proved primary ore stockpiles <sup>4</sup>							26.7	1.72	1.5			
	Probable <sup>4</sup>							394.6	2.81	35.6			
<b>Total</b>							1,008.9	2.75	89.1				
Twickenham Platinum Mine (100%)	Proved				5.7	5.26	1.0						
	Probable				21.2	5.48	3.7						
	<b>Total</b>				26.9	5.43	4.7						
Modikwa Platinum Mine (50%)	Proved				8.4	4.66	1.3						
	Probable				20.8	4.62	3.1						
	<b>Total</b>				29.2	4.63	4.3						
Kroondal Platinum Mine (50%)	Proved <sup>4</sup>				0.1	5.54	0.0						
	Proved <sup>5</sup>				21.1	2.85	1.9						
	Probable <sup>4</sup>				0.0	5.33	0.0						
	Probable <sup>5</sup>				4.4	3.00	0.4						
	<b>Total</b>				25.5	2.89	2.4						

# ORE RESERVE AND MINERAL RESOURCE ESTIMATES

as at 31 December 2012

## ORE RESERVES

### By mine/project (4E)

The figures in the table below represent Anglo American Platinum Limited's (Amplats) attributable interests:

Mine/project (AAPL interest)	Category	Merensky			UG2			Platreef			Tailings		
		Reserves million tonnes	Grade 4E g/t	4E million troy ounces	Reserves million tonnes	Grade 4E g/t	4E million troy ounces	Reserves million tonnes	Grade 4E g/t	4E million troy ounces	Reserves million tonnes	Grade 4E g/t	4E million troy ounces
<b>SOUTH AFRICA</b>													
Marikana Platinum Mine (50%)	Proved <sup>4</sup>				0.5	4.96	0.1						
	Proved <sup>5</sup>				10.3	3.07	1.0						
	Probable <sup>4</sup>				0.3	5.42	0.1						
	Probable <sup>5</sup>				4.6	2.93	0.4						
	<b>Total</b>				15.6	3.14	1.6						
Mototolo Platinum Mine (50%)	Proved				6.5	3.65	0.8						
	Probable				0.3	3.66	0.0						
	<b>Total</b>				6.8	3.65	0.8						
Bafokeng-Rasimone Platinum Mine (33%)	Proved	15.5	4.42	2.2	13.3	3.88	1.7						
	Probable	8.1	4.09	1.1	4.7	3.74	0.6						
	<b>Total</b>	23.6	4.31	3.3	18.0	3.84	2.2						
Bokoni Platinum Mine (49%)	Proved	10.1	4.09	1.3	8.2	5.51	1.5						
	Probable	3.9	3.67	0.5	10.2	5.26	1.7						
	<b>Total</b>	14.0	3.98	1.8	18.4	5.38	3.2						
Pandora (42.5%)	Proved				0.6	4.30	0.1						
	Probable				7.1	4.00	0.9						
	<b>Total</b>				7.7	4.02	1.0						

### ORE RESERVE FOOTNOTES BY MINE/PROJECT

#### General

<sup>1</sup> For reconciliation purposes the total Ore Reserves from the individual mines Khuseleka, Thembelani, Khomanani, Siphumelele (includes Siphumelele 1, 2 and 3) and Bathopele have been tabulated to enable a comparison with the previously reported Rustenburg Mine.

<sup>2</sup> For reconciliation purposes the total Ore Reserves from the individual mines Tumela and Dishaba have been tabulated to enable a comparison with the previously reported Amandelbult Mine.

<sup>3</sup> During 2011, Union Mine was split into two mines: Union North and Union South. For this annual report the combined mine information is presented.

<sup>4</sup> Opencast.

<sup>5</sup> Underground.

Rounding of figures may result in computational discrepancies. 4E grade reported: sum of platinum, palladium, rhodium and gold grades.

#### Rustenburg mines

Rustenburg consists of five mines and owing to benefits of time/extraction, internal boundaries change year-on-year. However, for reconciliation purposes the entire Rustenburg area will be compared.

##### Merensky Reef

The total Ore Reserve tonnage decreased by 18% to 27.0 Mt (2011: 32.9 Mt) and the 4E ounce content decreased by 23% to 4.4 Moz (2011: 5.6 Moz). This was mainly owing to the following:

- Siphumelele 1 Mine – conversion reallocation of previously reported Ore Reserves back to Mineral Resources owing to economic assumptions: -3.9 Mt ⇒ -1.0 Moz.
- Production depletion: -3.3 Mt ⇒ -0.5 Moz.

##### UG2 Reef

The total Ore Reserve tonnage decreased by 11% to 165.8 Mt (2011: 186.9 Mt) and the 4E ounce content decreased by 12% to 19.3 Moz (2011: 21.8 Moz). This was mainly owing to conversion reallocation of Ore Reserves back to Mineral Resources at the following mines:

- Siphumelele 2 (School of Mines) owing to economic assumptions: -12.1 Mt ⇒ -1.3 Moz.
- Thembelani Mine: -4.5 Mt ⇒ -0.5 Moz.
- Siphumelele 3 owing to a change in mine design: -2.9 Mt ⇒ -0.4 Moz and
- Production: -6.8 Mt ⇒ -0.7 Moz.

The decrease in tonnage and content is offset by the additional conversion of Mineral Resources to Ore Reserves at Siphumelele 1 mainly owing to an internal mine boundary transfer with Siphumelele 2: +5.7 Mt ⇒ +0.8 Moz.

#### Tumela Mine

Owing to the replanning of the 4-shaft area (economic assumptions), previously reported Ore Reserves have been reallocated back to Mineral Resources. This resulted in a significant decrease of the Ore Reserves.

##### Merensky Reef

The Ore Reserve tonnage decreased by 95% to 1.4 Mt (2011: 26.2 Mt) and the 4E ounce content decreased by 95% to 0.3 Moz (2011: 4.9 Moz).

##### UG2 Reef

The Ore Reserve tonnage decreased by 51% to 61.9 Mt (2011: 126.6 Mt) and the 4E ounce content decreased by 53% to 9.1 Moz (2011: 19.4 Moz). Production depletion is equivalent to: -3.6 Mt ⇒ -0.5 Moz.

## ORE RESERVE FOOTNOTES BY MINE/PROJECT continued

<b>Dishaba Mine</b>	<p><b>Merensky Reef</b> The Ore Reserve tonnage decreased by 0.7% to 15.4 Mt (2011: 15.5 Mt) and the 4E ounce content decreased by 8.6% to 2.6 Moz (2011: 2.9 Moz) mainly owing to new information and conversion reallocation of reserves back to resources. The Ore Reserve grade decreased by 0.46 g/t from 5.79 g/t to 5.32 g/t as a result of an increase in the Resource Cut.</p> <p><b>UG2 Reef</b> The Ore Reserve tonnage increased marginally by 0.2%, and the 4E ounce content decreased by 2.7% mainly owing to new information.</p>
<b>Union mines</b>	<p>Amplats' attributable interest is 85%. The figures quoted are for the attributable interest only.</p> <p><b>Merensky Reef</b> The Ore Reserve tonnage increased substantially to 0.8 Mt (2011: 0.03 Mt) and the 4E ounce content increased substantially to 0.1 Moz (2011: 0.01 Moz) as a result of additional converted Ore Reserves at Union South Mine (Spud Shaft). It must be noted that in the 2011 Annual Report it was stated that the Merensky Reef mining will be completed during 2012; owing to changed circumstances mining will continue.</p> <p><b>UG2 Reef</b> The Ore Reserve tonnage increased by 14% to 58.6 Mt (2011: 51.6 Mt) and the 4E ounce content increased by 12% to 8.1 Moz (2011: 7.3 Moz) as a result of additional converted Ore Reserves. The additional areas are from the Union South Mine (Spud Shaft), where levels 23 to 27 have been converted. The increase in Ore Reserves is offset by production depletion: -2.9 Mt ⇨ -0.4 Moz.</p>
<b>Twickenham Platinum Mine</b>	<p><b>UG2 Reef</b> Owing to economic assumptions the Ore Reserve tonnage decreased significantly by 65% to 26.9 Mt (2011: 77.8 Mt) and the 4E ounce content decreased significantly by 65% to 4.7 Moz (2011: 13.5 Moz). These previously reported Ore Reserves have been reallocated back to Mineral Resources. In 2011 Ore Reserves were reported to 7 Level, but only the reserves up to 3 Level are feasible under anticipated capital constraints.</p>
<b>Modikwa Platinum Mine</b>	<p>Amplats' attributable interest is 50%. The figures quoted are as at end of December 2012 and reflect the attributable interest only. UG2 Reef figures reported are as per Modikwa Platinum JV management.</p> <p><b>UG2 Reef</b> The Ore Reserve tonnage increased by 5.3% to 29.2 Mt (2011: 27.7 Mt) and the 4E ounce content increased by 3.5% to 4.3 Moz (2011: 4.2 Moz) mainly owing to additional conversion from Mineral Resources to Ore Reserves.</p>
<b>Kroondal Platinum Mine</b>	<p>Amplats' attributable interest is 50%. The figures quoted are as at end of June 2012 and reflect the attributable interest only. UG2 Reef figures are as per the Kroondal PSA, managed by Aquarius Platinum South Africa. The Ore Reserve tonnage increased by 7.6% to 25.5 Mt (2011: 23.7 Mt), but the 4E ounce content is unchanged at 2.4 Moz owing to conversion of Mineral Resources to Ore Reserves. The overall reserve grade decreased from 3.11 g/t to 2.89 g/t.</p>
<b>Marikana Platinum Mine</b>	<p>Amplats' attributable interest is 50%. The figures quoted are as at end of June 2012 and reflect the attributable interest only. UG2 Reef figures are as per the Marikana PSA, managed by Aquarius Platinum South Africa. The Ore Reserve tonnage increased by 19% to 15.6 Mt (2011: 13.1 Mt) and the 4E ounce content increased by 9.1% to 1.6 Moz (2011: 1.4 Moz) owing to changed modifying factors. The overall reserve grade decreased from 3.43 g/t to 3.14 g/t.</p>
<b>Mototolo Platinum Mine</b>	<p>Amplats' attributable interest is 50%. The figures quoted are as at end of December 2012 and reflect the attributable interest only. UG2 Reef figures are provided by Xstrata Alloys. The Ore Reserve tonnage increased by 3.6% to 6.8 Mt (2011: 6.5 Mt) and the 4E ounce content increased by 7.9% to 0.8 Moz (2011: 0.7 Moz) owing to additional conversion of Mineral Resources to Ore Reserves. The overall reserve grade increased from 3.50 g/t to 3.65 g/t owing to new information.</p>
<b>Bafokeng-Rasimone Platinum Mine</b>	<p>Amplats' attributable interest is 33%. The figures quoted are as at end of December 2012 and reflect the attributable interest only. Reserve figures are as per BRPM, managed by Royal Bafokeng Platinum.</p> <p><b>Merensky Reef</b> The Ore Reserve tonnage and the 4E ounce content decreased marginally to 23.6 Mt (2011: 24.0 Mt) and the 4E ounce content to 3.3 Moz (2011: 3.3 Moz) mainly owing to production depletion. As in previous years no Mineral Resources were converted to Ore Reserves for portions of Frischgewaagd 96 JQ.</p> <p><b>UG2 Reef</b> The Ore Reserve tonnage and the 4E ounce content decreased marginally to 18.0 Mt (2011: 18.2 Mt) and the 4E ounce content to 2.2 Moz (2011: 2.3 Moz) mainly owing to production depletion.</p>
<b>Bokoni Platinum Mine</b>	<p>Amplats' attributable interest is 49%. The figures quoted are as at end of December 2012 and reflect the attributable interest only. Figures provided by Atlatsa Resources. The 2012 Reserve declaration is based on the 2011 model adjusted for the 2012 depletion owing to the delay in the completion of the Life-of-Mine Plan as a result of the refinancing transaction being finalised between Amplats and Atlatsa and to the disruption caused by the three-month illegal industrial action.</p>
<b>Pandora</b>	<p>Amplats' attributable interest is 42.5%. The figures quoted are as at end of September 2012 and reflect the attributable interest only. UG2 Reef figures provided by Lonmin plc.</p> <p><b>UG2 Reef</b> The Ore Reserve tonnage increased by 25% to 7.7 Mt (2011: 6.2 Mt) and the 4E ounce content increased by 21% to 1.0 Moz (2011: 0.8 Moz) mainly owing to additional conversion of Mineral Resources to Ore Reserves (changed reserve footprint and lower geological losses).</p>

## ORE RESERVE AND MINERAL RESOURCE ESTIMATES

as at 31 December 2012

### MINERAL RESOURCES

#### By reef exclusive of Ore Reserves (4E)

The figures in the table below represent Anglo American Platinum Limited's (Amplats) attributable interests:

Reef	Category	Resources million tonnes		Grade 4E g/t		Contained 4E tonnes		Contained 4E million troy ounces	
		2012	2011	2012	2011	2012	2011	2012	2011
<b>SOUTH AFRICA</b>									
Merensky Reef	Measured	189.3	162.1	5.63	5.57	1,065.1	903.7	34.2	29.1
	Indicated	290.6	273.5	5.51	5.54	1,600.1	1,515.4	51.4	48.7
	<b>Measured and Indicated</b>	<b>479.9</b>	<b>435.6</b>	<b>5.55</b>	<b>5.55</b>	<b>2,665.2</b>	<b>2,419.1</b>	<b>85.7</b>	<b>77.8</b>
	Inferred (in LOMP) <sup>1</sup>	9.8	22.7	6.33	8.05	62.1	182.7	2.0	5.9
	Inferred (ex LOMP) <sup>1</sup>	563.8	547.1	5.11	5.08	2,879.5	2,778.8	92.6	89.3
	<b>Inferred</b>	<b>573.6</b>	<b>569.8</b>	<b>5.13</b>	<b>5.20</b>	<b>2,941.6</b>	<b>2,961.5</b>	<b>94.6</b>	<b>95.2</b>
	<b>Total</b>	<b>1,053.5</b>	<b>1,005.4</b>	<b>5.32</b>	<b>5.35</b>	<b>5,606.8</b>	<b>5,380.6</b>	<b>180.3</b>	<b>173.0</b>
UG2 Reef	Measured	475.2	391.9	5.14	5.33	2,441.0	2,090.5	78.5	67.2
	Indicated	656.4	547.2	5.13	5.21	3,367.8	2,849.6	108.3	91.6
	<b>Measured and Indicated</b>	<b>1,131.6</b>	<b>939.1</b>	<b>5.13</b>	<b>5.26</b>	<b>5,808.8</b>	<b>4,940.1</b>	<b>186.8</b>	<b>158.8</b>
	Inferred (in LOMP) <sup>1</sup>	7.3	9.0	5.23	4.97	38.3	44.9	1.2	1.4
	Inferred (ex LOMP) <sup>1</sup>	604.8	660.1	5.36	5.23	3,239.5	3,449.4	104.2	110.9
	<b>Inferred</b>	<b>612.1</b>	<b>669.1</b>	<b>5.35</b>	<b>5.22</b>	<b>3,277.8</b>	<b>3,494.3</b>	<b>105.4</b>	<b>112.3</b>
	<b>Total</b>	<b>1,743.7</b>	<b>1,608.2</b>	<b>5.21</b>	<b>5.24</b>	<b>9,086.6</b>	<b>8,434.4</b>	<b>292.1</b>	<b>271.2</b>
Platreef 1.0 g/t cut-off	Measured	151.2	219.1	2.59	2.38	391.3	522.0	12.6	16.8
	Indicated	740.7	980.9	2.11	2.20	1,560.9	2,158.3	50.2	69.4
	<b>Measured and Indicated</b>	<b>891.8</b>	<b>1,199.9</b>	<b>2.19</b>	<b>2.23</b>	<b>1,952.2</b>	<b>2,680.3</b>	<b>62.8</b>	<b>86.2</b>
	Inferred (in LOMP) <sup>1</sup>	25.8	10.0	4.05	4.15	104.5	41.3	3.4	1.3
	Inferred (ex LOMP) <sup>1</sup>	1,560.5	1,575.5	2.10	2.12	3,284.1	3,344.8	105.6	107.5
	<b>Inferred</b>	<b>1,586.3</b>	<b>1,585.5</b>	<b>2.14</b>	<b>2.14</b>	<b>3,388.6</b>	<b>3,386.0</b>	<b>108.9</b>	<b>108.9</b>
	<b>Total</b>	<b>2,478.2</b>	<b>2,785.4</b>	<b>2.16</b>	<b>2.18</b>	<b>5,340.8</b>	<b>6,066.4</b>	<b>171.7</b>	<b>195.0</b>
All reefs	Measured	815.7	773.1	4.78	4.55	3,897.4	3,516.2	125.3	113.0
	Indicated	1,687.7	1,801.5	3.87	3.62	6,528.8	6,523.3	209.9	209.7
	<b>Measured and Indicated</b>	<b>2,503.4</b>	<b>2,574.7</b>	<b>4.16</b>	<b>3.90</b>	<b>10,426.2</b>	<b>10,039.5</b>	<b>335.2</b>	<b>322.8</b>
	Inferred (in LOMP) <sup>1</sup>	43.0	41.7	4.77	6.45	205.0	268.9	6.6	8.6
	Inferred (ex LOMP) <sup>1</sup>	2,729.1	2,782.7	3.45	3.44	9,403.0	9,572.9	302.3	307.8
	<b>Inferred</b>	<b>2,772.1</b>	<b>2,824.4</b>	<b>3.47</b>	<b>3.48</b>	<b>9,608.0</b>	<b>9,841.8</b>	<b>308.9</b>	<b>316.4</b>
	<b>Total</b>	<b>5,275.4</b>	<b>5,399.1</b>	<b>3.80</b>	<b>3.68</b>	<b>20,034.2</b>	<b>19,881.3</b>	<b>644.1</b>	<b>639.2</b>
<b>ZIMBABWE</b>									
Main Sulphide Zone (MSZ)	Measured	9.5	8.7	4.04	4.15	38.5	36.0	1.2	1.2
	Indicated	104.1	21.2	4.23	4.13	439.7	87.5	14.1	2.8
	<b>Measured and Indicated</b>	<b>113.6</b>	<b>29.8</b>	<b>4.21</b>	<b>4.14</b>	<b>478.2</b>	<b>123.5</b>	<b>15.4</b>	<b>4.0</b>
	Inferred (in LOMP) <sup>1</sup>	0.3	14.2	3.32	4.19	1.0	59.5	0.0	1.9
	Inferred (ex LOMP) <sup>1</sup>	72.3	35.5	4.58	4.09	330.8	144.9	10.6	4.7
	<b>Inferred</b>	<b>72.6</b>	<b>49.6</b>	<b>4.57</b>	<b>4.12</b>	<b>331.8</b>	<b>204.4</b>	<b>10.7</b>	<b>6.6</b>
	<b>Total</b>	<b>186.2</b>	<b>79.5</b>	<b>4.35</b>	<b>4.13</b>	<b>810.0</b>	<b>327.9</b>	<b>26.0</b>	<b>10.5</b>
<b>SOUTH AFRICA AND ZIMBABWE</b>									
All reefs (including MSZ)	Measured	825.3	781.8	4.77	4.54	3,936.0	3,552.2	126.5	114.2
	Indicated	1,791.7	1,822.7	3.89	3.63	6,968.5	6,610.8	224.0	212.5
	<b>Measured and Indicated</b>	<b>2,617.0</b>	<b>2,604.5</b>	<b>4.17</b>	<b>3.90</b>	<b>10,904.4</b>	<b>10,163.0</b>	<b>350.6</b>	<b>326.7</b>
	Inferred (in LOMP) <sup>1</sup>	43.3	55.9	4.76	5.87	205.9	328.4	6.6	10.6
	Inferred (ex LOMP) <sup>1</sup>	2,801.4	2,818.2	3.47	3.45	9,733.9	9,717.8	313.0	312.4
	<b>Inferred</b>	<b>2,844.6</b>	<b>2,874.1</b>	<b>3.49</b>	<b>3.50</b>	<b>9,939.8</b>	<b>10,046.2</b>	<b>319.6</b>	<b>323.0</b>
	<b>Total</b>	<b>5,461.6</b>	<b>5,478.6</b>	<b>3.82</b>	<b>3.69</b>	<b>20,844.2</b>	<b>20,209.2</b>	<b>670.2</b>	<b>649.7</b>

Reef	Category	Resources million tonnes		Grade 4E g/t		Contained 4E tonnes		Contained 4E million troy ounces	
		2012	2011	2012	2011	2012	2011	2012	2011
<b>SOUTH AFRICA – TAILINGS</b>									
Tailings	Measured	87.6	87.6	1.08	1.08	94.3	94.3	3.0	3.0
	Indicated	15.1	17.9	1.13	1.13	17.0	20.2	0.5	0.6
	<b>Measured and Indicated</b>	<b>102.7</b>	105.5	<b>1.08</b>	1.09	<b>111.3</b>	114.5	<b>3.6</b>	3.7
	<b>Inferred</b>								
	<b>Total</b>	<b>102.7</b>	105.5	<b>1.08</b>	1.09	<b>111.3</b>	114.5	<b>3.6</b>	3.7

Owing to the uncertainty that may be attached to some Inferred Mineral Resources, it cannot be assumed that all or part of an Inferred Mineral Resource will necessarily be upgraded to an Indicated or Measured Resource after continued exploration.

#### <sup>1</sup> Inferred in LOMP and Inferred ex LOMP

Inferred Mineral Resources within the Life-of-Mine Plan (LOMP) are described as 'Inferred (in LOMP)'. The portion of Inferred Resources with reasonable prospects for eventual economic extraction not considered in the Life-of-Mine Plan are reported as Inferred (ex LOMP).

#### MINERAL RESOURCES EXCLUSIVE OF ORE RESERVE FOOTNOTES

##### General

The Mineral Resource and Ore Reserve tables reflect estimates prior to the strategic announcement in January 2013. Changes associated with the strategic review will most probably result in a reallocation of the affected reported Ore Reserves to Mineral Resources in the Rustenburg and Union areas and will only be reflected in 2013.

Rounding of figures may result in computational discrepancies. 4E grade reported: sum of platinum, palladium, rhodium and gold grades. The Mineral Resource tabulations are quoted exclusive of Ore Reserves and after geological losses.

For the Boikgantsho, Sheba's Ridge and Pedra Branca Project see page 142.

It must be noted that the Mineral Resources are quoted over the entire Mining Right and Prospecting Right areas except for Mogalakwena, where the Mineral Resources are only quoted down to potential future surface mining depths and UG2 and Merensky reefs (Tumela Mine, Twickenham Mine and Ga-Phasha project) where a virgin rock temperature of 75 °C is currently considered to be the limit to mining given anticipated technology, metal prices and energy costs.

##### Joint ventures

No changes.

##### Cut-off grade

Amplats takes cognisance of cut-off grades (derived from information on pay limits at the mining operations) and of 'reasonable and realistic prospects for eventual economic extraction' over a period of 30 to 50 years. The delineation of the Resources that meet the requirements of reasonable expectation of eventual economic extraction has been defined using the modifying factors as defined in the SAMREC Code. These include, but are not limited to, mineability, geological complexity, processability and economic factors relevant to Amplats. The minimum Resource grades per reef and per operation are in all instances greater than the Cost 4 pay limit. Cut-off grades are only applicable to the Platreef.

##### Resource Cut

Merensky and UG2 Reef: The Mineral Resources are estimated over a practical minimum mining width suitable for the deposit known as the 'Resource Cut'.

- For 2011 annual reporting: The minimum mining width over which Mineral Resources were declared was 90 cm.
- For 2012 annual reporting: The minimum Resource Cut increased from 90 cm to 110 cm owing to the introduction of an improved support system in order to improve safety. The new support system consists of in-stope tendons and netting and the dimension of the installation equipment and support units necessitated an increase in the Resource Cut. This applies mainly to the Anglo Platinum mines. Owing to the increased minimum Resource Cut the overall Merensky Reef and UG2 Reef tonnage increased and the overall grade decreased.

The 'Resource Cut' width takes cognisance of the mining method and geotechnical aspects in the hanging wall or footwall of the reef.

##### South Africa

The Mineral Resources exclusive of Ore Reserves tonnage decreased by 2.3% to 5,275.1 Mt (2011: 5,399.1 Mt), but the 4E content increased by 0.8% to 644.1 4E Moz (2011: 639.2 4E Moz), mainly owing to:

- Platreef Mogalakwena Mine: In 2011 the elevated Platreef in localised areas to the west and below the original 2011 pit shell was reported. It was highlighted that conceptual pit shell evaluations had indicated that the pit could extend to the west and deeper to exploit some of these resources. During 2012 pit design test work has confirmed that these resources are open pitable. An additional 307.5 Mt equivalent to 23.4 Moz of Mineral Resources were converted to Ore Reserves (Cut 14).
- Tumela, Twickenham and Siphumelele Merensky and UG2 Reef: Conversion reallocation of previously reported Ore Reserve back to Mineral Resources owing to economic assumptions together with an increase in the minimum Resource Cut (change in mine layout) and new information resulted in a significant increase of the resources: +173.6 Mt ⇒ +31.2 4E Moz.

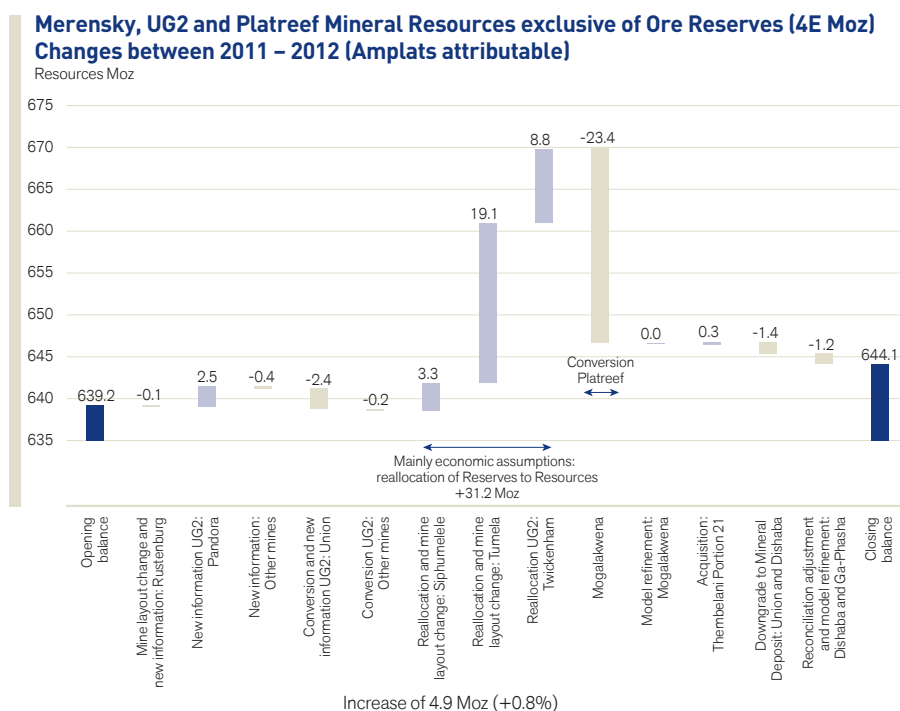
# ORE RESERVE AND MINERAL RESOURCE ESTIMATES

as at 31 December 2012

## MINERAL RESOURCES EXCLUSIVE OF ORE RESERVES FOOTNOTES continued

### South Africa

The waterfall chart is based on the total of Measured, Indicated and Inferred Mineral Resources.



### BY REEF

#### Merensky Reef

The Merensky Mineral Resource tonnage increased by 4.8% to 1,053.5 Mt (2011: 1,005.4 Mt) and the 4E ounce content increased by 4.2% to 180.3 Moz (2011: 173.0 Moz) mainly as a result of the following:

- Tumela and Siphumelele mines: Reallocation of previously reported Ore Reserves back to Mineral Resources primarily owing to economic assumptions and secondly owing to the increase in the minimum Resource Cut (change in mine layout) and new information: +44.2 Mt ⇒ +8.8 4E Moz.

#### UG2 Reef

The UG2 Mineral Resource tonnage increased by 8.4% to 1,743.7 Mt (2011: 1,608.2 Mt) and the 4E ounce content increased by 7.7% to 292.1 Moz (2011: 271.2 Moz) mainly as a result of the following:

- Tumela, Twickenham and Siphumelele mines: Reallocation of previously reported Ore Reserves back to Mineral Resources primarily owing to economic assumptions and secondly owing to the increase in the minimum Resource Cut (change in mine layout) and new information: +129.3 Mt ⇒ +22.4 4E Moz.
- Pandora Mine: New information resulted in a decrease of the geological loss, which resulted in an increase of the Mineral Resources: +11.5 Mt ⇒ +2.5 4E Moz.

The increase in tonnage and content is mainly offset by the decrease of Mineral Resources from Union South Mine (Spud Shaft) where additional Mineral Resources were converted to Ore Reserves between Levels 23 and 27: -12.8 Mt ⇒ -2.4 Moz.

#### Platreef

The 1.0 g/t 4E cut-off grade that has been used is unchanged from previous reporting.

Owing to additional conversion the Mineral Resources tonnage decreased by 11% to 2,478.2 Mt (2011: 2,785.4 Mt) and the 4E ounce content decreased by 12% to 171.7 Moz (2011: 195.0 Moz).

For the Mogalakwena Mine resource footnotes see additional comments on page 127.

The Resource statement includes stockpiled material from the opencast operation that consists of calcilicite and oxidised material with a cut-off grade of +3 g/t 4E. That material is included in the resource statement (5.5 Mt ⇒ 0.6 Moz).

#### Main Sulphide Zone (MSZ)

MSZ is the ore body mined at Unki Platinum Mine. As of 2010, Amplats currently owns an effective 100% interest in Southridge Limited subject to the finalisation of the indigenisation agreement.

During 2011, a new Resource evaluation was completed covering Unki South, Helvetia, Paarl, KV and SR projects (contained within the special mining lease held by Southridge Limited). An independent external review of these Mineral Resources was completed during the first quarter of 2012.

Note: The 2011 annual report disclosed the Mineral Resources of the Unki East and West mines. For the 2012 annual report all projects are now incorporated in the Mineral Resources. As a consequence the Mineral Resource tonnage exclusive of Ore Reserves increased significantly by 134% to 186.2 Mt (2011: 79.5 Mt) and the 4E ounce content increased significantly by 147% to 26.0 Moz (2011: 10.5 Moz). The Mineral Resource breakdown of the additional individual projects is as follows: Paarl: +63.6 Mt ⇒ +9.2 Moz, Unki South: +27.6 Mt ⇒ +3.9 Moz, Helvetia: +23.5 Mt ⇒ +3.6 Moz, KV-block: +8.1 Mt ⇒ +1.3 Moz, SR-block: +1.0 Mt ⇒ +0.2 Moz.

The KV and SR-block are located approximately 65 km to the south of Helvetia.

Until the completion of mining studies the individual additional projects are evaluated on a 120 cm Resource Cut. Unki East and West are evaluated on a 180 cm Resource Cut as mining studies have either been completed or are well advanced to support trackless mining.

The higher MSZ grades are due to the contribution of resources over a higher grade 120 cm Resource Cut.

The increase in tonnage and content is offset by the decrease of Mineral Resource owing to additional conversion of Mineral Resources to Ore Reserves at the Unki East Mine. See appropriate footnotes in the MSZ reserve section on page 122. Oxidised material is not considered.

#### Tailings

Operating tailings dams are not evaluated and therefore not reported as part of the Mineral Resources. At Rustenburg and Union mines dormant dams have been evaluated and are separately reported as tailings Mineral Resources. A dormant tailings dam at Amandelbult has been evaluated in 2012, but will only be declared as Mineral Resources in 2013 after the completion of the modelling report.

## MINERAL RESOURCES

### By mine/project exclusive of Ore Reserves (4E)

The figures in the table below represent Anglo American Platinum Limited's (Amplats) attributable interests:

Mine/project (AAPL interest)	Category	Merensky			UG2			Platreef			Tailings		
		Resources million tonnes	Grade 4E g/t	4E million troy ounces	Resources million tonnes	Grade 4E g/t	4E million troy ounces	Resources million tonnes	Grade 4E g/t	4E million troy ounces	Resources million tonnes	Grade 4E g/t	4E million troy ounces
<b>SOUTH AFRICA</b>													
Rustenburg mines <sup>1</sup> (100%)	Measured	41.6	6.00	8.0	166.9	4.65	25.0				87.6	1.08	3.0
	Indicated	43.3	5.56	7.7	76.3	4.84	11.9				0.4	0.89	0.0
	Inferred	13.7	5.89	2.6	5.1	5.26	0.9						
	<b>Total</b>	<b>98.6</b>	<b>5.79</b>	<b>18.4</b>	<b>248.3</b>	<b>4.72</b>	<b>37.7</b>				<b>88.1</b>	<b>1.08</b>	<b>3.0</b>
Bathopele Mine (100%)	Measured				4.9	2.91	0.5						
	Indicated	2.1	3.63	0.2	0.0	4.59	0.0						
	Inferred												
<b>Total</b>	<b>2.1</b>	<b>3.63</b>	<b>0.2</b>	<b>4.9</b>	<b>2.91</b>	<b>0.5</b>							
Khomani Mine (100%)	Measured	1.8	6.63	0.4	23.8	4.62	3.5						
	Indicated	0.0	4.72	0.0	9.9	4.69	1.5						
	Inferred												
<b>Total</b>	<b>1.8</b>	<b>6.61</b>	<b>0.4</b>	<b>33.8</b>	<b>4.64</b>	<b>5.0</b>							
Thembelani Mine (100%)	Measured	21.6	5.64	3.9	60.7	4.63	9.0						
	Indicated	9.7	5.80	1.8	7.1	4.75	1.1						
	Inferred	1.7	6.64	0.4									
<b>Total</b>	<b>33.1</b>	<b>5.74</b>	<b>6.1</b>	<b>67.8</b>	<b>4.64</b>	<b>10.1</b>							
Khuseleka Mine (100%)	Measured	2.1	4.99	0.3	9.3	4.81	1.4						
	Indicated	0.7	5.42	0.1	0.2	4.81	0.0						
	Inferred												
<b>Total</b>	<b>2.8</b>	<b>5.10</b>	<b>0.5</b>	<b>9.6</b>	<b>4.81</b>	<b>1.5</b>							
Siphumelele Mine (100%)	Measured	13.0	6.82	2.8	56.3	4.81	8.7						
	Indicated	3.9	5.95	0.7	38.1	4.82	5.9						
	Inferred	4.0	6.37	0.8	4.3	5.30	0.7						
<b>Total</b>	<b>20.9</b>	<b>6.57</b>	<b>4.4</b>	<b>98.6</b>	<b>4.84</b>	<b>15.3</b>							
Rustenburg non-mine projects (100%)	Measured	3.0	5.46	0.5	11.9	4.67	1.8						
	Indicated	26.9	5.58	4.8	20.9	4.98	3.4						
	Inferred	8.0	5.49	1.4	0.8	5.03	0.1						
<b>Total</b>	<b>37.9</b>	<b>5.55</b>	<b>6.8</b>	<b>33.7</b>	<b>4.88</b>	<b>5.3</b>							
Amandelbult mines <sup>2</sup> (100%)	Measured	22.4	7.36	5.3	114.7	5.56	20.5						
	Indicated	53.0	7.83	13.3	84.1	5.68	15.4						
	Inferred	102.6	7.62	25.1	93.6	5.68	17.1						
	<b>Total</b>	<b>178.0</b>	<b>7.65</b>	<b>43.8</b>	<b>292.4</b>	<b>5.63</b>	<b>53.0</b>						
Tumela Mine (100%)	Measured	19.9	7.32	4.7	109.2	5.56	19.5						
	Indicated	45.3	7.99	11.6	60.5	5.58	10.9						
	Inferred	83.7	7.78	20.9	79.5	5.75	14.7						
<b>Total</b>	<b>148.8</b>	<b>7.78</b>	<b>37.2</b>	<b>249.2</b>	<b>5.63</b>	<b>45.1</b>							
Dishaba Mine (100%)	Measured	2.5	7.69	0.6	5.5	5.68	1.0						
	Indicated	7.8	6.89	1.7	23.6	5.92	4.5						
	Inferred	18.9	6.90	4.2	14.1	5.27	2.4						
<b>Total</b>	<b>29.2</b>	<b>6.97</b>	<b>6.5</b>	<b>43.2</b>	<b>5.68</b>	<b>7.9</b>							
Union mines <sup>3</sup> (85%)	Measured	23.3	6.45	4.8	11.9	5.50	2.1				14.6	1.14	0.5
	Indicated	31.8	6.17	6.3	31.7	5.87	6.0						
	Inferred	15.9	6.02	3.1	33.2	5.66	6.0						
<b>Total</b>	<b>71.0</b>	<b>6.23</b>	<b>14.2</b>	<b>76.8</b>	<b>5.72</b>	<b>14.1</b>				<b>14.6</b>	<b>1.14</b>	<b>0.5</b>	
Mogalakwena Mine (100%)	Measured							151.2	2.59	12.6			
	Indicated							740.7	2.11	50.2			
	Inferred							1,586.3	2.14	108.9			
<b>Total</b>							<b>2,478.2</b>	<b>2.16</b>	<b>171.7</b>				

# ORE RESERVE AND MINERAL RESOURCE ESTIMATES

as at 31 December 2012

## MINERAL RESOURCES

### By mine/project exclusive of Ore Reserves (4E)

The figures in the table below represent Anglo American Platinum Limited's (Amplats) attributable interests:

Mine/project (AAPL interest)	Category	Merensky			UG2			Platreef			Tailings		
		Resources million tonnes	Grade 4E g/t	4E million troy ounces	Resources million tonnes	Grade 4E g/t	4E million troy ounces	Resources million tonnes	Grade 4E g/t	4E million troy ounces	Resources million tonnes	Grade 4E g/t	4E million troy ounces
<b>SOUTH AFRICA</b>													
Twickenham Platinum Mine (100%)	Measured	23.6	4.72	3.6	9.1	6.29	1.8						
	Indicated	31.8	4.79	4.9	65.6	6.20	13.1						
	Inferred	107.6	4.61	15.9	108.9	5.65	19.8						
	<b>Total</b>	<b>163.0</b>	<b>4.66</b>	<b>24.4</b>	<b>183.6</b>	<b>5.88</b>	<b>34.7</b>						
Modikwa Platinum Mine (50%)	Measured	9.0	2.94	0.8	25.3	5.90	4.8						
	Indicated	27.0	2.73	2.4	45.6	5.88	8.6						
	Inferred	68.4	2.65	5.8	38.3	6.19	7.6						
	<b>Total</b>	<b>104.4</b>	<b>2.70</b>	<b>9.1</b>	<b>109.2</b>	<b>6.00</b>	<b>21.0</b>						
Kroondal Platinum Mine (50%)	Measured				0.8	5.63	0.1						
	Indicated				0.1	5.88	0.0						
	Inferred				0.2	6.39	0.0						
	<b>Total</b>				<b>1.1</b>	<b>5.81</b>	<b>0.2</b>						
Marikana Platinum Mine (50%)	Measured				2.1	4.17	0.3						
	Indicated				2.8	4.43	0.4						
	Inferred				1.8	3.42	0.2						
	<b>Total</b>				<b>6.7</b>	<b>4.08</b>	<b>0.9</b>						
Mototolo Platinum Mine (50%)	Measured				6.2	4.45	0.9						
	Indicated				4.1	4.43	0.6						
	Inferred				1.8	4.53	0.3						
	<b>Total</b>				<b>12.1</b>	<b>4.46</b>	<b>1.7</b>						
Bafokeng-Rasimone Platinum Mine (33%)	Measured	10.2	8.06	2.7	12.2	5.21	2.0						
	Indicated	12.8	7.10	2.9	23.7	5.18	4.0						
	Inferred	10.3	7.80	2.6	13.8	5.25	2.3						
	<b>Total</b>	<b>33.3</b>	<b>7.61</b>	<b>8.1</b>	<b>49.7</b>	<b>5.21</b>	<b>8.3</b>						
Bokoni Platinum Mine (49%)	Measured	11.9	5.17	2.0	38.2	6.49	8.0						
	Indicated	22.7	4.94	3.6	49.9	6.31	10.1						
	Inferred	63.1	4.89	9.9	72.3	6.40	14.9						
	<b>Total</b>	<b>97.7</b>	<b>4.93</b>	<b>15.5</b>	<b>160.4</b>	<b>6.40</b>	<b>33.0</b>						
Der Brochen Project (100%)	Measured	37.4	4.63	5.6	60.9	4.09	8.0						
	Indicated	45.5	4.43	6.5	177.7	4.00	22.9						
	Inferred	97.7	4.25	13.3	159.3	3.99	20.4						
	<b>Total</b>	<b>180.7</b>	<b>4.37</b>	<b>25.4</b>	<b>397.9</b>	<b>4.01</b>	<b>51.3</b>						
Ga-Phasha PGM Project (49%)	Measured	9.8	4.52	1.4	19.8	6.00	3.8						
	Indicated	18.5	4.97	3.0	29.8	5.84	5.6						
	Inferred	87.1	5.32	14.9	60.3	6.26	12.1						
	<b>Total</b>	<b>115.4</b>	<b>5.20</b>	<b>19.3</b>	<b>109.9</b>	<b>6.10</b>	<b>21.5</b>						
Pandora (42.5%)	Measured				6.5	4.83	1.0						
	Indicated				54.5	4.61	8.1						
	Inferred				9.7	4.73	1.5						
	<b>Total</b>				<b>70.8</b>	<b>4.65</b>	<b>10.6</b>						
Magazynskraal Project (20%)	Measured				0.5	5.52	0.1						
	Indicated	1.8	5.44	0.3	3.5	4.49	0.5						
	Inferred	5.4	5.51	1.0	9.2	4.69	1.4						
	<b>Total</b>	<b>7.2</b>	<b>5.49</b>	<b>1.3</b>	<b>13.2</b>	<b>4.67</b>	<b>2.0</b>						
Other exploration projects (variable %)	Measured	0.1	6.12	0.0	0.1	4.67	0.0						
	Indicated	2.5	6.68	0.5	7.0	5.40	1.2						
	Inferred	1.7	5.08	0.3	4.5	5.60	0.8						
	<b>Total</b>	<b>4.3</b>	<b>6.04</b>	<b>0.8</b>	<b>11.6</b>	<b>5.47</b>	<b>2.0</b>						

## MINERAL RESOURCES EXCLUSIVE OF ORE RESERVES FOOTNOTES BY MINE/PROJECT

### General

<sup>1</sup> For reconciliation purposes the Mineral Resources from the individual mines Khuseleka, Thembelani, Khomanani, Siphumelele (includes Siphumelele 1, 2 and 3) and Bathopele have been tabulated to enable a comparison with the previously reported Rustenburg Mine. Additional Mineral Resources outside the five mines and within the original Rustenburg mine lease area are included under 'Rustenburg non-mine projects'. The total of the five mines and the 'Rustenburg non-mine project' is equivalent to the total Rustenburg area. In several instances the 2012 mine boundaries do not correspond with the previous year. During 2012, some significant individual mine boundaries changes occurred.

<sup>2</sup> For reconciliation purposes the Mineral Resources from the individual mines Tumela and Dishaba have been tabulated to enable a comparison with the previously reported Amandelbult Mine.

<sup>3</sup> During 2011, Union Mine was split into two mines: Union North and Union South. For this annual report only the combined mine information is presented.

Rounding of figures may result in computational discrepancies. 4E grade reported: sum of platinum, palladium, rhodium and gold grades.

The Mineral Resources are quoted exclusive of Ore Reserves and after geological losses.

For the Boikgantsho, Sheba's Ridge and Pedra Branca Project see page 142.

### Rustenburg mines

#### Merensky Reef

The Mineral Resource tonnage increased by 26% to 98.6 Mt (2011: 78.1 Mt) and the 4E ounce content increased by 12% to 18.4 Moz (2011: 16.5 Moz) mainly owing to the following:

- Reallocation of previously reported Ore Reserves back to Mineral Resources owing to economic assumptions at Siphumelele 1 Mine, and an increase in the minimum Resource Cut owing to the introduction of an improved support system in order to reduce rock-related accidents. As a result of the increase in the minimum Resource Cut, the grade decreased from 6.55 g/t to 5.79 g/t.

#### UG2 Reef

The Mineral Resource tonnage increased by 17% to 248.3 Mt (2011: 212.0 Mt) and the 4E ounce content increased by 4.5% to 37.7 Moz (2011: 36.1 Moz) mainly owing to the following reasons:

- Reallocation of previously reported Ore Reserves back to Mineral Resources owing to economic assumptions at Siphumelele 2 Mine (School of Mines) and an increase in the minimum Resource Cut (see Merensky Reef statement). As a result of the increase in minimum Resource Cut the grade decreased from 5.29 g/t to 4.72 g/t.

### Tumela Mine

Owing to the replanning of the 4-shaft area (economic assumptions), previously reported Ore Reserves have been reallocated back to Mineral Resources. This resulted in a significant increase of the Mineral Resources.

#### Merensky Reef

The Mineral Resource tonnage increased by 32% to 148.8 Mt (2011: 113.0 Mt) and the 4E ounce content increased by 24% to 37.2 Moz (2011: 30.0 Moz) mainly owing to economic assumptions and secondly owing to the increase in minimum Resource Cut. As a result of the increase in minimum Resource Cut the grade decreased from 8.26 g/t to 7.78 g/t.

#### UG2 Reef

The Mineral Resource tonnage increased by 36% to 249.2 Mt (2011: 182.9 Mt) and the 4E ounce content increased by 36% to 45.1 Moz (2011: 33.2 Moz) mainly owing to economic assumptions and secondly owing to a decrease of the geological loss.

### Dishaba Mine

#### Merensky Reef

The Mineral Resource tonnage decreased by 11% to 29.2 Mt (2011: 32.7 Mt) and the 4E ounce content decreased by 17% to 6.5 Moz (2011: 7.8 Moz) mainly owing to the following:

- Removing of Mineral Resources in structurally complex areas: -2.1 Mt  $\Rightarrow$  -0.5 Moz. These resources have been downgraded to Mineral Deposit.
- Reconciliation adjustment of -0.9 Mt  $\Rightarrow$  -0.4 Moz owing to a previous reporting inconsistency in the resource footprint.

#### UG2 Reef

The Mineral Resource tonnage decreased by 9.3% to 43.2 Mt (2011: 47.6 Mt) and the 4E ounce content decreased by 9.1% to 7.9 Moz (2011: 8.7 Moz) mainly owing to a reconciliation adjustment of -5.6 Mt  $\Rightarrow$  -1.0 Moz owing to a previous reporting inconsistency in the resource footprint.

### Union mines

Amplats' attributable interest is 85%. The figures quoted are for the attributable interest only.

#### Merensky Reef

The Mineral Resource tonnage decreased marginally by 0.4% to 71.0 Mt (2011: 71.3 Mt) and the 4E ounce content decreased marginally by 0.1% to 14.2 Moz (2011: 14.2 Moz).

#### UG2 Reef

The Mineral Resource tonnage decreased by 17% to 76.8 Mt (2011: 92.1 Mt) and the 4E ounce content decreased by 17% to 14.1 Moz (2011: 17.0 Moz) mainly as a result of conversion of Mineral Resources to Ore Reserves (Spud shaft) and some downgrading of Mineral Resources to Mineral Deposit. The conversion accounts for: -12.8 Mt  $\Rightarrow$  -2.4 Moz and the downgrading accounts for: -2.5 Mt  $\Rightarrow$  -0.5 Moz.

### Twickenham Platinum Mine

#### Merensky Reef

The Mineral Resources are unchanged from 2011.

#### UG2 Reef

Owing to economic assumptions the Ore Reserve tonnage decreased significantly and as a consequence previously reported reserves have been reallocated back to resources. The Mineral Resource tonnage increased by 31% to 183.6 Mt (2011: 139.8 Mt) and the 4E ounce content increased by 34% to 34.7 Moz (2011: 25.9 Moz).

## ORE RESERVE AND MINERAL RESOURCE ESTIMATES

as at 31 December 2012

### MINERAL RESOURCES EXCLUSIVE OF ORE RESERVES FOOTNOTES BY MINE/PROJECT continued

<b>Modikwa Platinum Mine</b>	<p>Amplats' attributable interest is 50%. The figures quoted are as at end of December 2012 and reflect the attributable interest only.</p> <p><b>Merensky Reef</b> The Mineral Resources are unchanged from 2011.</p> <p><b>UG2 Reef</b> The Mineral Resource tonnage decreased marginally by 0.5% to 109.2 Mt (2011: 109.8 Mt) and the 4E ounce content decreased marginally by 0.6% to 21.2 Moz (2011: 21.0 Moz) mainly as a result of lower geological losses.</p>
<b>Kroondal Platinum Mine</b>	<p>Amplats' attributable interest is 50%. The figures quoted are as at end of June 2012 and reflect the attributable interest only. UG2 Reef figures are as per the Kroondal PSA, managed by Aquarius Platinum South Africa.</p> <p><b>UG2 Reef</b> The Mineral Resource tonnage decreased by 47% to 1.1 Mt (2011: 2.1 Mt) and the 4E ounce content decreased by 30% to 0.2 Moz (2011: 0.3 Moz) owing to additional conversion of Mineral Resources to Ore Reserves.</p>
<b>Marikana Platinum Mine</b>	<p>Amplats' attributable interest is 50%. The figures quoted are as at end of June 2012 and reflect the attributable interest only. UG2 Reef figures are as per the Marikana PSA, managed by Aquarius Platinum South Africa.</p> <p><b>UG2 Reef</b> The Mineral Resource tonnage increased by 3.5% to 6.7 Mt (2011: 6.5 Mt) and the 4E ounce content increased by 5.2% to 0.9 Moz (2011: 0.8 Moz).</p>
<b>Mototolo Platinum Mine</b>	<p>Amplats' attributable interest is 50%. The figures quoted are as at end of December 2012 and reflect the attributable interest only. UG2 Reef figures are provided by Xstrata Alloys.</p> <p><b>UG2 Reef</b> The Mineral Resource tonnage decreased by 5.0% to 12.1 Mt (2011: 12.7 Mt) and the 4E ounce content decreased by 2.9% to 1.7 Moz (2011: 1.8 Moz) mainly owing to conversion of Mineral Resources to Ore Reserves.</p>
<b>Bafokeng-Rasimone Platinum Mine</b>	<p>Amplats' attributable interest is 33%. The figures quoted are as at end of December 2012 and reflect the attributable interest only.</p> <p><b>Merensky Reef</b> The Mineral Resource tonnage decreased by 13% to 33.3 Mt (2011: 38.4 Mt) and the 4E ounce content decreased by 5.8% to 8.1 Moz (2011: 8.7 Moz) mainly owing to new information which resulted in a reinterpretation of the geological facies boundaries and in a global decrease in the Resource Cut. The grade increased by 0.60 g/t from 7.01 g/t to 7.61 g/t.</p> <p><b>UG2 Reef</b> The Mineral Resource tonnage increased by 2.8% to 49.7 Mt (2011: 48.3 Mt) and the 4E ounce content increased by 0.7% to 8.3 Moz (2011: 8.3 Moz) owing to new information.</p>
<b>Bokoni Platinum Mine</b>	<p>Amplats' attributable interest is 49%. The figures quoted are as at end of December 2012 and reflect the attributable interest only. Figures provided by Atlatsa Resources.</p> <p>The 2012 Resource declaration is based on the 2011 model adjusted for the 2012 depletion due to the delay in the completion of the Life-of-Mine plan as a result of the refinancing transaction being finalised between Amplats and Atlatsa and the disruption caused by the three-month illegal industrial action.</p>
<b>Der Brochen Project</b>	<p><b>Merensky Reef</b> The Mineral Resources are unchanged from 2011.</p> <p><b>UG2 Reef</b> Reinterpretation of the split reef area and reassessment of the geological structure has driven minor changes in the Resource declaration: The Mineral Resource tonnage decreased by 0.7% to 397.7 Mt (2011: 400.9 Mt) and the 4E ounce content decreased by 0.1% to 51.3 Moz (2011: 51.4 Moz).</p>
<b>Ga-Phasha PGM Project</b>	<p>Amplats' attributable interest is 49%. The figures quoted are as at end of December 2012 and reflect the attributable interest only.</p> <p>The Mineral Resources for both reefs are derived from the 2011 resource model.</p> <p>As a requirement of the pending transaction between Atlatsa and Amplats, Technical Reports (Competent Persons Report and NI 43-101) were filed in July 2012 with the JSE and TSX-V that contained the latest Resource Estimates (2011) at the time. An update of the Ga-Phasha Resources is currently being undertaken and will only be completed with the accompanying technical reports early in 2013.</p>
<b>Pandora</b>	<p>Amplats' attributable interest is 42.5%. The figures quoted are as at end of September 2012 and reflect the attributable interest only. UG2 Reef figures provided by Lonmin plc.</p> <p>Extensive exploration together with other information resulted in a significant decrease of the geological losses. As a result the Mineral Resource tonnage increased by 19% to 70.8 Mt (2011: 59.3 Mt) and the 4E ounce content increased by 30% to 10.6 Moz (2011: 8.1 Moz). The grade increased from 4.25 g/t to 4.65 g/t.</p> <p>Additionally, the resource confidence increased significantly, reducing the Inferred Mineral Resources from 42.1 Mt to 9.7 Mt. As a result, the Indicated Mineral Resource increased from 14.1 Mt to 54.5 Mt.</p>
<b>Magazynskraal</b>	<p>Amplats' attributable interest is 20%. The figures quoted are as at end of December 2012 and reflect the attributable interest only. Reef figures are provided by Pallinghurst.</p> <p>The Mineral Resources of both reefs are unchanged from 2011.</p>
<b>Other exploration projects</b>	<p>Amplats' attributable interest for portion of Driekop 253 KT (UG2 Reef) is 50% and for different portions of Hoedspruit 298 JQ it varies between 37.5% and 100%. The figures quoted are for the attributable interest only.</p>

## MINERAL RESOURCES

### By reef inclusive of Ore Reserves (4E)

The figures in the table below represent Anglo American Platinum Limited's (Amplats) attributable interests:

Reef	Category	Resources million tonnes		Grade 4E g/t		Contained 4E tonnes		Contained 4E million troy ounces	
		2012	2011	2012	2011	2012	2011	2012	2011
<b>SOUTH AFRICA</b>									
Merensky Reef	Measured	249.8	230.4	5.84	5.98	1,459.5	1,378.5	46.9	44.3
	Indicated	311.2	303.5	5.56	5.72	1,729.8	1,734.3	55.6	55.8
	<b>Measured and Indicated</b>	<b>561.0</b>	<b>533.9</b>	<b>5.69</b>	<b>5.83</b>	<b>3,189.4</b>	<b>3,112.8</b>	<b>102.5</b>	<b>100.1</b>
	<b>Inferred</b>	<b>573.6</b>	<b>569.8</b>	<b>5.13</b>	<b>5.20</b>	<b>2,941.6</b>	<b>2,961.5</b>	<b>94.6</b>	<b>95.2</b>
	<b>Total</b>	<b>1,134.6</b>	<b>1,103.7</b>	<b>5.40</b>	<b>5.50</b>	<b>6,131.0</b>	<b>6,074.3</b>	<b>197.1</b>	<b>195.3</b>
UG2 Reef	Measured	925.5	861.7	5.13	5.32	4,744.1	4,586.3	152.5	147.5
	Indicated	751.5	702.8	5.17	5.32	3,883.8	3,739.3	124.9	120.2
	<b>Measured and Indicated</b>	<b>1,677.0</b>	<b>1,564.6</b>	<b>5.14</b>	<b>5.32</b>	<b>8,628.0</b>	<b>8,325.6</b>	<b>277.4</b>	<b>267.7</b>
	<b>Inferred</b>	<b>612.1</b>	<b>669.1</b>	<b>5.35</b>	<b>5.22</b>	<b>3,277.8</b>	<b>3,494.9</b>	<b>105.4</b>	<b>112.4</b>
	<b>Total</b>	<b>2,289.1</b>	<b>2,233.7</b>	<b>5.20</b>	<b>5.29</b>	<b>11,905.8</b>	<b>11,820.4</b>	<b>382.8</b>	<b>380.0</b>
Platreef 1.0 g/t cut-off	Measured	793.1	803.3	2.69	2.69	2,130.8	2,160.9	68.5	69.5
	Indicated	1,153.9	1,155.3	2.36	2.36	2,721.3	2,723.7	87.5	87.6
	<b>Measured and Indicated</b>	<b>1,947.0</b>	<b>1,958.6</b>	<b>2.49</b>	<b>2.49</b>	<b>4,852.1</b>	<b>4,884.5</b>	<b>156.0</b>	<b>157.0</b>
	<b>Inferred</b>	<b>1,586.3</b>	<b>1,585.5</b>	<b>2.14</b>	<b>2.14</b>	<b>3,388.6</b>	<b>3,386.0</b>	<b>108.9</b>	<b>108.9</b>
	<b>Total</b>	<b>3,533.3</b>	<b>3,544.1</b>	<b>2.33</b>	<b>2.33</b>	<b>8,240.7</b>	<b>8,270.6</b>	<b>264.9</b>	<b>265.9</b>
All reefs	Measured	1,968.4	1,895.5	4.23	4.29	8,334.5	8,125.7	268.0	261.2
	Indicated	2,216.6	2,161.6	3.76	3.79	8,335.0	8,197.2	268.0	263.5
	<b>Measured and Indicated</b>	<b>4,185.0</b>	<b>4,057.0</b>	<b>3.98</b>	<b>4.02</b>	<b>16,669.5</b>	<b>16,323.0</b>	<b>535.9</b>	<b>524.8</b>
	<b>Inferred</b>	<b>2,772.1</b>	<b>2,824.4</b>	<b>3.47</b>	<b>3.48</b>	<b>9,607.9</b>	<b>9,842.4</b>	<b>308.9</b>	<b>316.4</b>
	<b>Total</b>	<b>6,957.1</b>	<b>6,881.5</b>	<b>3.78</b>	<b>3.80</b>	<b>26,277.4</b>	<b>26,165.3</b>	<b>844.8</b>	<b>841.2</b>
<b>ZIMBABWE</b>									
Main Sulphide Zone (MSZ)	Measured	26.8	23.5	4.17	4.22	111.5	99.1	3.6	3.2
	Indicated	146.7	50.2	4.19	4.21	614.1	211.3	19.7	6.8
	<b>Measured and Indicated</b>	<b>173.5</b>	<b>73.7</b>	<b>4.18</b>	<b>4.21</b>	<b>725.6</b>	<b>310.4</b>	<b>23.3</b>	<b>10.0</b>
	<b>Inferred</b>	<b>72.6</b>	<b>49.7</b>	<b>4.57</b>	<b>4.12</b>	<b>331.8</b>	<b>204.5</b>	<b>10.7</b>	<b>6.6</b>
	<b>Total</b>	<b>246.1</b>	<b>123.4</b>	<b>4.30</b>	<b>4.17</b>	<b>1,057.4</b>	<b>514.9</b>	<b>34.0</b>	<b>16.6</b>
<b>SOUTH AFRICA AND ZIMBABWE</b>									
All reefs (including MSZ)	Measured	1,995.2	1,919.0	4.23	4.29	8,445.9	8,224.8	271.5	264.4
	Indicated	2,363.3	2,211.8	3.79	3.80	8,949.2	8,408.5	287.7	270.3
	<b>Measured and Indicated</b>	<b>4,358.5</b>	<b>4,130.8</b>	<b>3.99</b>	<b>4.03</b>	<b>17,395.1</b>	<b>16,633.4</b>	<b>559.3</b>	<b>534.8</b>
	<b>Inferred</b>	<b>2,844.7</b>	<b>2,874.1</b>	<b>3.49</b>	<b>3.50</b>	<b>9,939.7</b>	<b>10,046.8</b>	<b>319.6</b>	<b>323.0</b>
	<b>Total</b>	<b>7,203.1</b>	<b>7,004.9</b>	<b>3.79</b>	<b>3.81</b>	<b>27,334.8</b>	<b>26,680.2</b>	<b>878.8</b>	<b>857.8</b>

## ORE RESERVE AND MINERAL RESOURCE ESTIMATES

as at 31 December 2012

### MINERAL RESOURCES INCLUSIVE OF ORE RESERVES

#### General

Rounding of figures may result in computational discrepancies. 4E grade reported: sum of platinum, palladium, rhodium and gold grades.

The Mineral Resource tabulations are quoted inclusive of Ore Reserves and after geological losses.

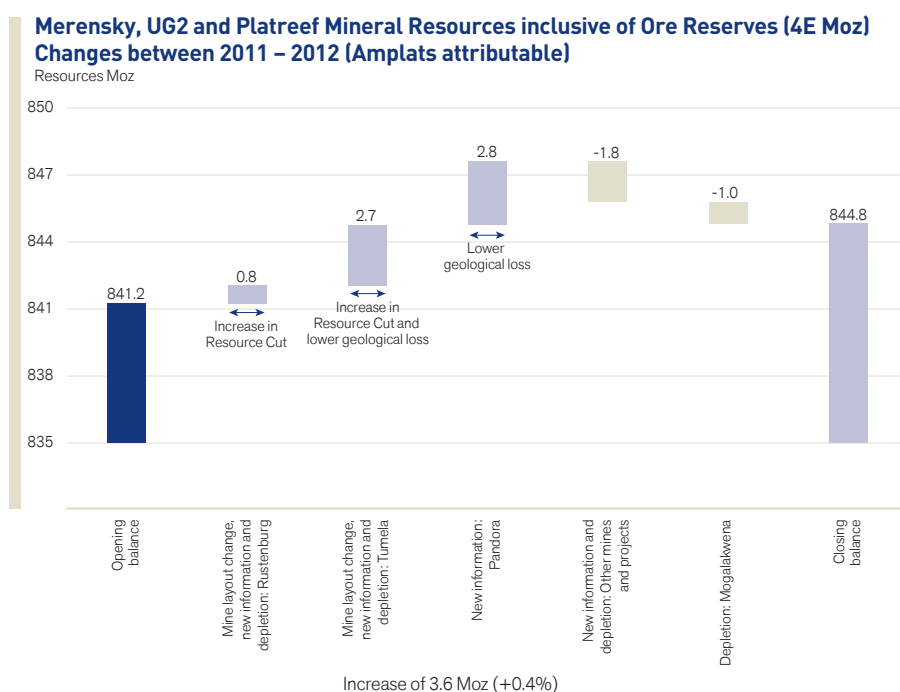
#### South Africa

The Mineral Resources inclusive of Ore Reserves tonnage increased marginally by 1.1% to 6,957.1 Mt (2011: 6881.5 Mt) and the 4E content increased marginally by 0.4% to 844.8 4E Moz (2011: 841.2 4E Moz), mainly owing to:

- Rustenburg mines: The minimum Resource Cut increased from 90 cm to 110 cm owing to the introduction of an improved support system in order to reduce rock-related accidents. As a result of the increased minimum Resource Cut the overall Merensky Reef and UG2 Reef tonnage increased and the overall grade decreased. Owing to the nature of the ore bodies within the Bushveld Complex, this change in the mine layout had mainly an impact on the Rustenburg operations. Despite production depletion, the overall increase is: +61.1 Mt => +0.8 4E Moz.
- Tumela Mine: The change of the minimum Resource Cut together with a global decrease of the geological loss resulted in an increase of the Mineral Resource by: +19.0 Mt => +2.7 4E Moz.
- Pandora Mine: Extensive exploration together with other information resulted in a significant decrease of the geological losses. As a result the Mineral Resources increased by: +13.9 Mt => +2.8 4E Moz.

These increases were in part offset by the decrease in Mineral Resources mainly from the following:

- Other mines and projects owing to new information and/or depletion: -7.7 Mt => -1.8 4E Moz.
- Mogalakwena Platreef depletion: -10.8 Mt => -1.0 4E Moz.



#### Zimbabwe

##### Main Sulphide Zone (MSZ)

MSZ is the ore body mined at Unki Platinum Mine. As of 2010, Amplats owns an effective 100% interest in Southridge Limited, but it is subject to the finalisation of the indigenisation agreement.

During 2011, a new Resource evaluation was completed covering Unki South, Helvetia, Paarl, KV and SR projects (contained within the special mining lease held by Southridge Limited). An independent external review of these Mineral Resources was completed during the first quarter of 2012.

Note: The 2011 annual report disclosed the Mineral Resources of the Unki East and West mines. For the 2012 annual report all projects are now incorporated in the Mineral Resources. As a consequence the Mineral Resource tonnage inclusive of Ore Reserves increased significantly by 99% to 246.1 Mt (2011: 123.4 Mt) and the 4E ounce content increased significantly by 105% to 34.0 Moz (2011: 16.6 Moz). For more information refer to page 128.

## MINERAL RESOURCES

### By mine/project inclusive of Ore Reserves (4E)

The figures in the table below represent Anglo American Platinum Limited's (Amplats) attributable interests:

Mine/project (AAPL interest)	Category	Merensky			UG2			Platreef			Tailings		
		Resources million tonnes	Grade 4E g/t	4E million troy ounces	Resources million tonnes	Grade 4E g/t	4E million troy ounces	Resources million tonnes	Grade 4E g/t	4E million troy ounces	Resources million tonnes	Grade 4E g/t	4E million troy ounces
<b>SOUTH AFRICA</b>													
Rustenburg mines (100%)	Measured	68.6	6.16	13.6	329.5	4.55	48.2				87.6	1.08	3.0
	Indicated	44.6	5.57	8.0	92.8	4.86	14.5				0.4	0.89	0.0
	Inferred	13.7	5.89	2.6	5.1	5.26	0.9						
	<b>Total</b>	126.9	5.92	24.2	427.3	4.62	63.5				88.1	1.08	3.0
Bathopele Mine (100%)	Measured				47.1	3.47	5.2						
	Indicated	2.1	3.63	0.2	0.3	4.59	0.0						
	<b>Total</b>	2.1	3.63	0.2	47.3	3.47	5.3						
Khomanani Mine (100%)	Measured	10.1	6.28	2.0	39.4	4.73	6.0						
	Indicated	0.4	4.98	0.1	14.3	4.79	2.2						
	<b>Total</b>	10.5	6.23	2.1	53.7	4.75	8.2						
Thembelani Mine (100%)	Measured	25.4	5.63	4.6	93.9	4.65	14.0						
	Indicated	9.7	5.80	1.8	10.3	4.73	1.6						
	<b>Total</b>	36.8	5.72	6.8	104.1	4.65	15.6						
Khuseleka Mine (100%)	Measured	8.8	5.99	1.7	63.4	4.76	9.7						
	Indicated	1.4	5.72	0.3	3.4	4.60	0.5						
	<b>Total</b>	10.2	5.95	2.0	66.8	4.75	10.2						
Siphumelele Mine (100%)	Measured	21.2	6.90	4.7	73.8	4.82	11.4						
	Indicated	4.2	5.98	0.8	43.6	4.87	6.8						
	<b>Total</b>	29.4	6.70	6.3	121.7	4.85	19.0						
Rustenburg non-mine projects (100%)	Measured	3.0	5.46	0.5	11.9	4.67	1.8						
	Indicated	26.9	5.58	4.8	20.9	4.98	3.4						
	<b>Total</b>	37.9	5.55	6.8	33.7	4.88	5.3						
Amandelbult mines (100%)	Measured	32.8	7.36	7.8	255.2	5.47	44.9						
	Indicated	62.0	7.67	15.3	106.2	5.62	19.2						
	Inferred	102.6	7.62	25.1	93.6	5.68	17.1						
	<b>Total</b>	197.5	7.59	48.2	455.0	5.55	81.1						
Tumela Mine (100%)	Measured	21.3	7.39	5.1	175.7	5.48	30.9						
	Indicated	46.2	7.96	11.8	60.7	5.58	10.9						
	<b>Total</b>	151.2	7.78	37.8	315.9	5.57	56.5						
Dishaba Mine (100%)	Measured	11.6	7.30	2.7	79.5	5.44	13.9						
	Indicated	15.8	6.82	3.5	45.4	5.67	8.3						
	<b>Total</b>	46.3	6.97	10.4	139.1	5.50	24.6						
Union mines (85%)	Measured	23.6	6.45	4.9	65.6	5.35	11.3				14.6	1.14	0.5
	Indicated	31.8	6.17	6.3	49.0	5.59	8.8						
	<b>Total</b>	71.3	6.23	14.3	147.7	5.50	26.1				14.6	1.14	0.5
Mogalakwena Mine (100%)	Measured							793.1	2.69	68.5			
	Indicated							1,153.9	2.36	87.5			
	<b>Total</b>							1,586.3	2.14	108.9			
								3533.3	2.33	264.9			

# ORE RESERVE AND MINERAL RESOURCE ESTIMATES

as at 31 December 2012

## MINERAL RESOURCES

### By mine/project inclusive of Ore Reserves (4E)

The figures in the table below represent Anglo American Platinum Limited's (Amplats) attributable interests:

Mine/project (AAPL interest)	Category	Merensky			UG2			Platreef			Tailings		
		Resources million tonnes	Grade 4E g/t	4E million troy ounces	Resources million tonnes	Grade 4E g/t	4E million troy ounces	Resources million tonnes	Grade 4E g/t	4E million troy ounces	Resources million tonnes	Grade 4E g/t	4E million troy ounces
<b>SOUTH AFRICA</b>													
Twickenham Platinum Mine (100%)	Measured	23.6	4.72	3.6	26.4	6.32	5.4						
	Indicated	31.8	4.79	4.9	72.9	6.23	14.6						
	Inferred	107.6	4.61	15.9	108.9	5.65	19.8						
	<b>Total</b>	163.0	4.66	24.4	208.2	5.94	39.8						
Modikwa Platinum Mine (50%)	Measured	9.0	2.94	0.8	47.4	5.93	9.0						
	Indicated	27.0	2.73	2.4	51.9	5.89	9.8						
	Inferred	68.4	2.65	5.8	38.3	6.19	7.6						
	<b>Total</b>	104.4	2.70	9.1	137.6	5.99	26.5						
Kroondal Platinum Mine (50%)	Measured				13.5	5.88	2.5						
	Indicated				2.5	6.21	0.5						
	Inferred				0.2	6.39	0.0						
	<b>Total</b>				16.2	5.94	3.1						
Marikana Platinum Mine (50%)	Measured				8.9	5.37	1.5						
	Indicated				5.9	5.03	0.9						
	Inferred				1.8	3.42	0.2						
	<b>Total</b>				16.5	5.03	2.7						
Mototolo Platinum Mine (50%)	Measured				13.8	4.18	1.8						
	Indicated				4.5	4.38	0.6						
	Inferred				1.8	4.53	0.3						
	<b>Total</b>				20.1	4.25	2.7						
Bafokeng-Rasimone Platinum Mine (33%)	Measured	23.9	7.49	5.8	25.4	5.31	4.3						
	Indicated	19.4	6.98	4.3	27.6	5.14	4.6						
	Inferred	10.3	7.80	2.6	13.8	5.25	2.3						
	<b>Total</b>	53.5	7.37	12.7	66.8	5.23	11.2						
Bokoni Platinum Mine (49%)	Measured	21.0	5.16	3.5	47.2	6.50	9.9						
	Indicated	26.3	4.88	4.1	60.9	6.30	12.3						
	Inferred	63.1	4.89	9.9	72.3	6.40	14.9						
	<b>Total</b>	110.3	4.94	17.5	180.4	6.39	37.1						
Der Brochen Project (100%)	Measured	37.4	4.63	5.6	60.9	4.09	8.0						
	Indicated	45.5	4.43	6.5	177.7	4.00	22.9						
	Inferred	97.7	4.25	13.3	159.3	3.99	20.4						
	<b>Total</b>	180.7	4.37	25.4	397.9	4.01	51.3						
Ga-Phasha PGM Project (49%)	Measured	9.8	4.52	1.4	19.8	6.00	3.8						
	Indicated	18.5	4.97	3.0	29.8	5.84	5.6						
	Inferred	87.1	5.32	14.9	60.3	6.26	12.1						
	<b>Total</b>	115.4	5.20	19.3	109.9	6.10	21.5						
Pandora (42.5%)	Measured				11.3	4.80	1.8						
	Indicated				59.6	4.61	8.8						
	Inferred				9.7	4.73	1.5						
	<b>Total</b>				80.7	4.65	12.1						
Magazynskraal Project (20%)	Measured				0.5	5.52	0.1						
	Indicated	1.8	5.44	0.3	3.5	4.49	0.5						
	Inferred	5.4	5.51	1.0	9.2	4.69	1.4						
	<b>Total</b>	7.2	5.49	1.3	13.2	4.67	2.0						
Other exploration projects (variable %)	Measured	0.1	6.12	0.0	0.1	4.67	0.0						
	Indicated	2.5	6.68	0.5	7.0	5.40	1.2						
	Inferred	1.7	5.08	0.3	4.5	5.60	0.8						
	<b>Total</b>	4.3	6.04	0.8	11.6	5.47	2.0						

**General**

Rounding of figures may result in computational discrepancies. 4E grade reported: sum of platinum, palladium, rhodium and gold grades.

**Prill and base metal estimates**

The prill % distribution (platinum, palladium, rhodium and gold %) and the base metal grades (copper, nickel) are based on the modelled and evaluated information and are quoted over the Resource Cut.

	Prill % distribution				Base metal grades	
	Pt %	Pd %	Rh %	Au %	Cu %	Ni %
<b>Merensky Reef – West Bushveld</b>						
Khomanani Mine	64.4	27.2	4.0	4.4	0.10	0.23
Thembelani Mine	64.5	26.5	4.0	5.0	0.09	0.23
Khuseleka Mine	64.7	26.5	4.6	4.1	0.09	0.20
Siphumelele Mine	63.4	28.0	3.8	4.8	0.11	0.24
Rustenburg non-mine projects	63.1	28.0	3.8	5.1	0.09	0.20
Tumela Mine	61.7	29.5	5.3	3.5	0.09	0.26
Dishaba Mine	62.4	29.1	4.6	3.8	0.09	0.22
Union Mine	62.3	29.2	5.1	3.1	0.07	0.25
Bafokeng-Rasimone Platinum Mine	64.6	26.8	4.3	4.2	0.13	0.23
<b>Merensky Reef – East Bushveld</b>						
Twickenham Platinum Mine	58.1	31.2	2.7	8.0	0.11	0.28
Modikwa Platinum Mine	60.4	30.0	3.2	6.4	0.05	0.14
Bokoni Platinum Mine	61.6	28.9	3.5	6.0	0.09	0.21
Der Brochen Project	59.4	30.0	2.5	8.0	0.12	0.26
Ga-Phasha Project	61.0	29.9	3.4	5.8	0.08	0.22
<b>UG2 Reef – West Bushveld</b>						
Bathopele Mine	55.0	33.8	10.5	0.7	0.01	0.10
Khomanani Mine	54.8	34.4	10.1	0.7	0.01	0.10
Thembelani Mine	54.2	34.7	10.3	0.7	0.01	0.10
Khuseleka Mine	55.5	33.7	10.1	0.7	0.01	0.10
Siphumelele Mine	55.0	34.4	9.9	0.7	0.01	0.10
Rustenburg non-mine projects	52.9	36.0	10.4	0.7	0.01	0.10
Tumela Mine	59.3	28.5	11.6	0.7	0.01	0.12
Dishaba Mine	60.8	27.2	11.4	0.6	0.01	0.12
Union Mine	58.9	29.5	11.1	0.5	0.01	0.12
Bafokeng-Rasimone Platinum Mine	58.9	29.6	11.0	0.6	0.01	0.10
<b>UG2 Reef – East Bushveld</b>						
Twickenham Platinum Mine	43.0	47.3	8.2	1.5	0.02	0.14
Modikwa Platinum Mine	45.3	44.5	9.0	1.2	0.03	0.13
Bokoni Platinum Mine	41.1	48.8	8.2	1.8	0.06	0.17
Der Brochen Project	53.4	36.8	8.5	1.3	0.01	0.09
Ga-Phasha Project	41.9	47.9	8.6	1.6	0.04	0.15
<b>Platreef</b>						
Mogalakwena Mine	41.9	49.5	3.2	5.4	0.10	0.18
<b>MSZ: Main Sulphide Zone – Zimbabwe</b>						
Unki Platinum Mine	48.4	40.1	4.3	7.2	0.14	0.21

**Chromite estimates**

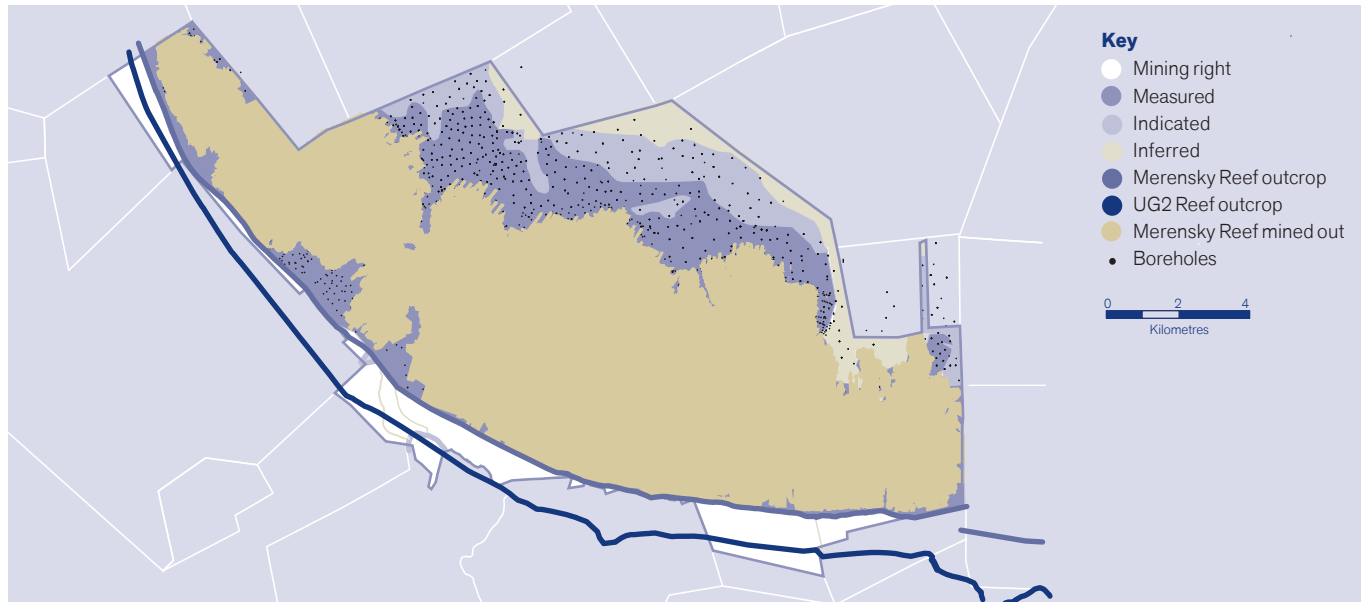
Where economically viable chromite is produced as a by-product from mining of the UG2 horizon. Two chrome recovery plants are in operation: at Union South Mine and in Rustenburg at the Waterfall concentrator complex. Typically yields are 9% to 12% by mass feed resulting in roughly a 70/30 split between metallurgical and chemical grade concentrate.

# ORE RESERVE AND MINERAL RESOURCE ESTIMATES

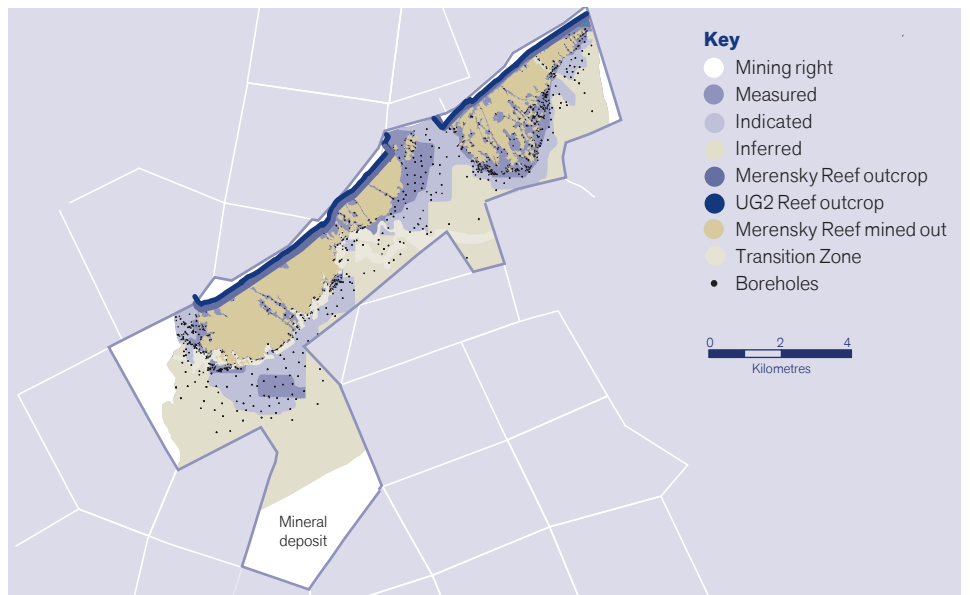
as at 31 December 2012

## MINERAL RESOURCE CLASSIFICATIONS

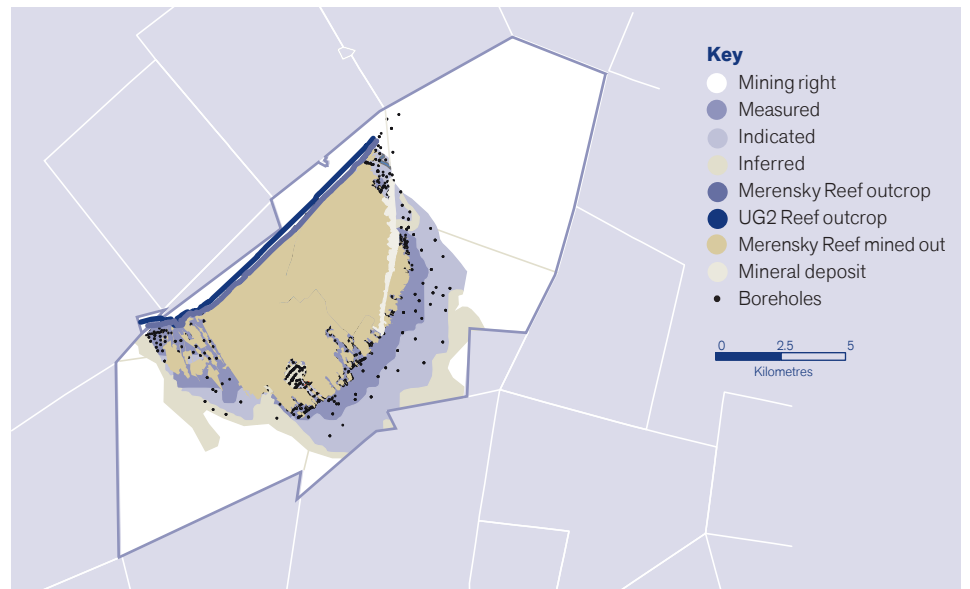
### Rustenburg Merensky



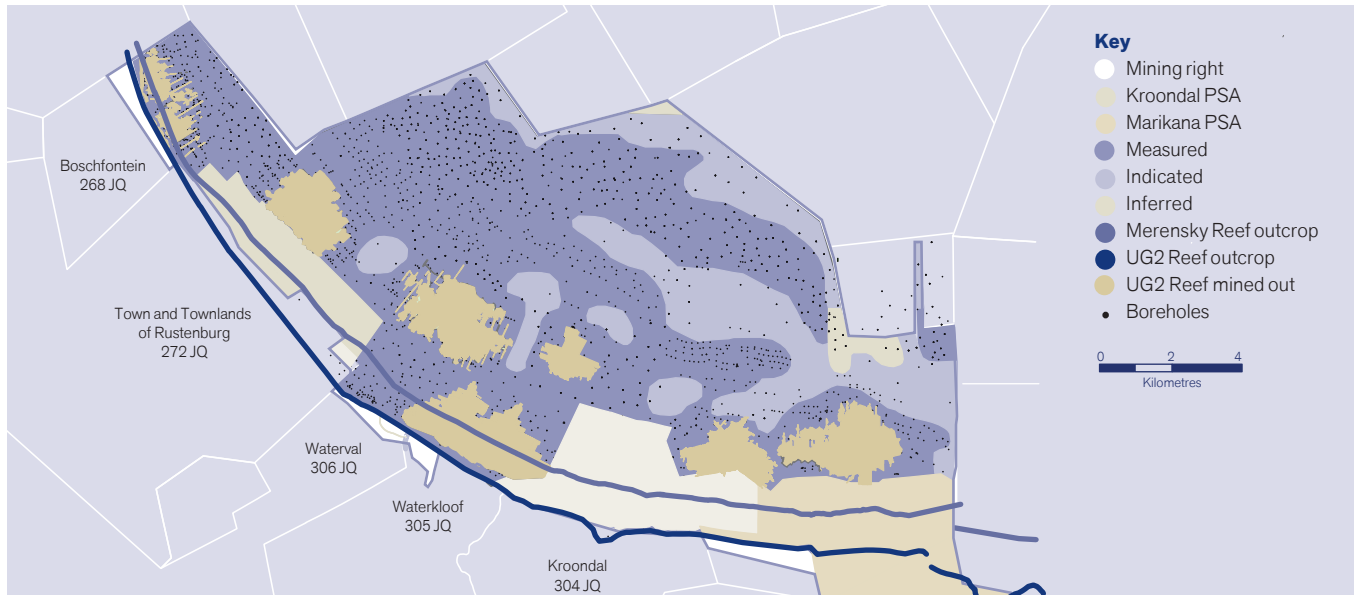
### Amandelbult Merensky



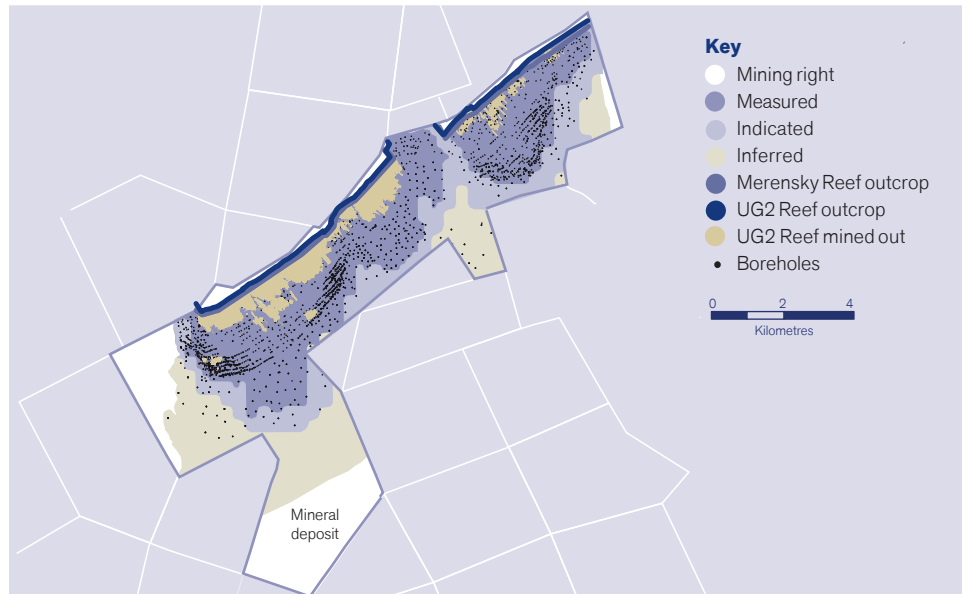
### Union Merensky



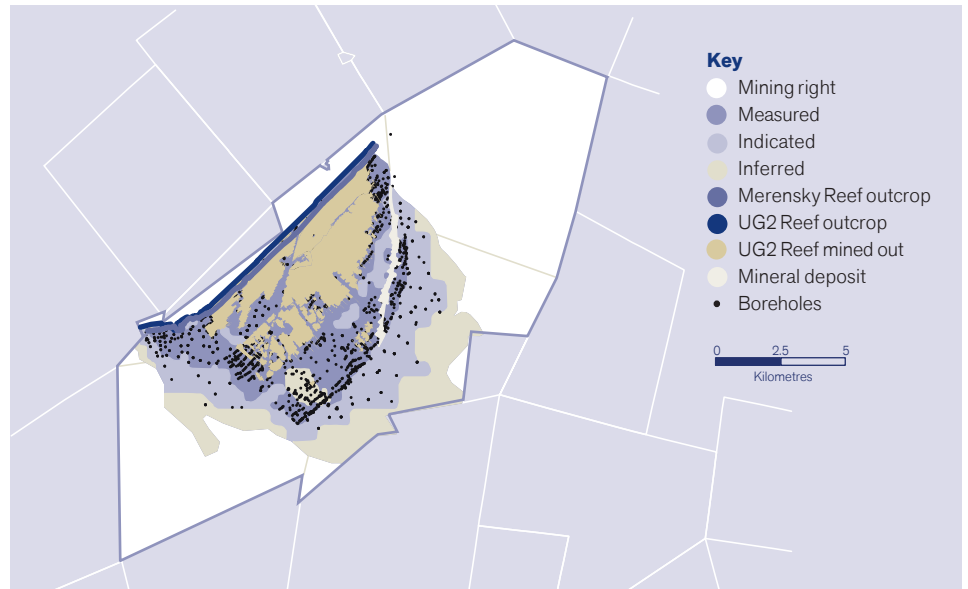
**Rustenburg UG2**



**Amandelbult UG2**



**Union UG2**

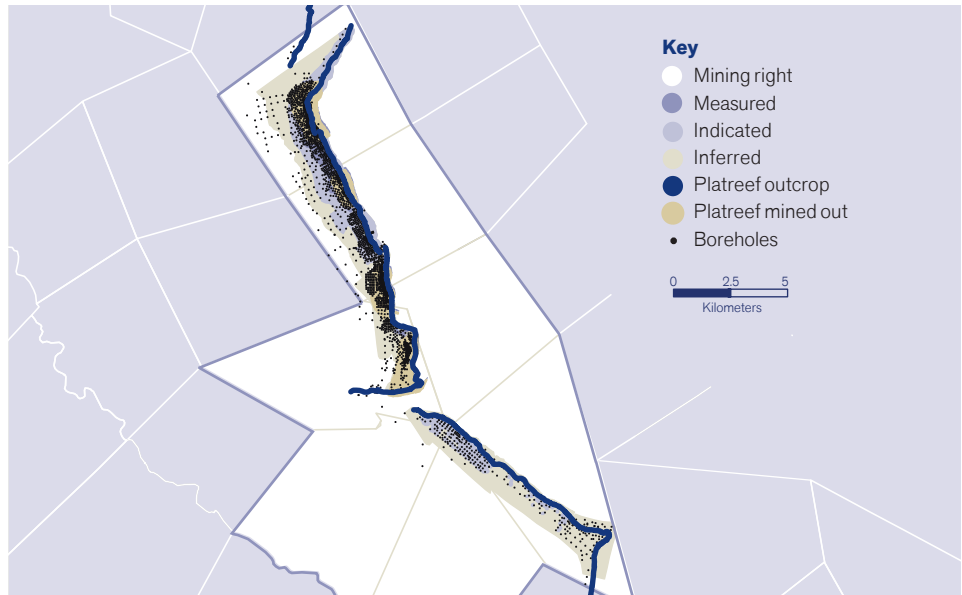


# ORE RESERVE AND MINERAL RESOURCE ESTIMATES

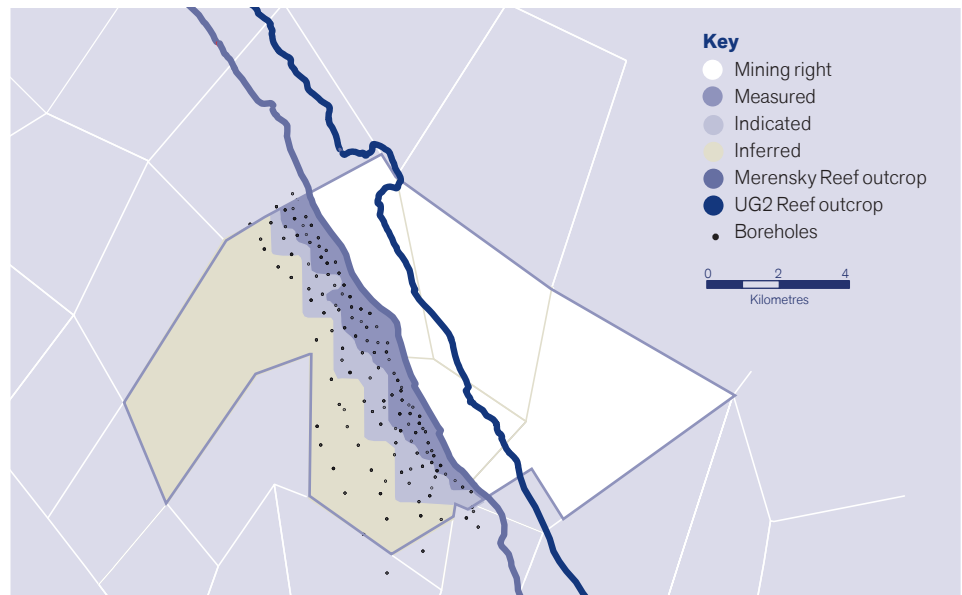
as at 31 December 2012

## MINERAL RESOURCE CLASSIFICATIONS

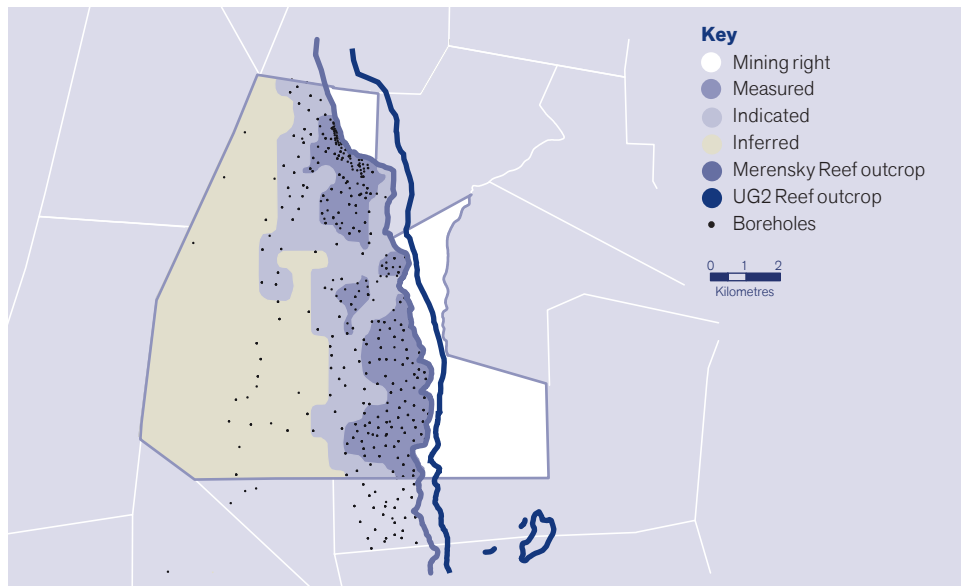
### Mogalakwena Platreef



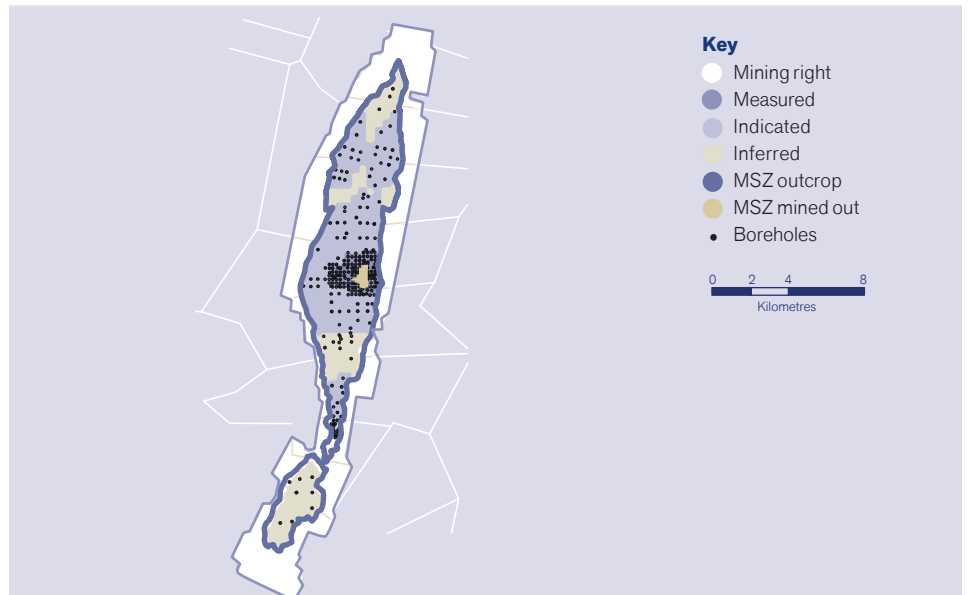
### Twickenham Merensky



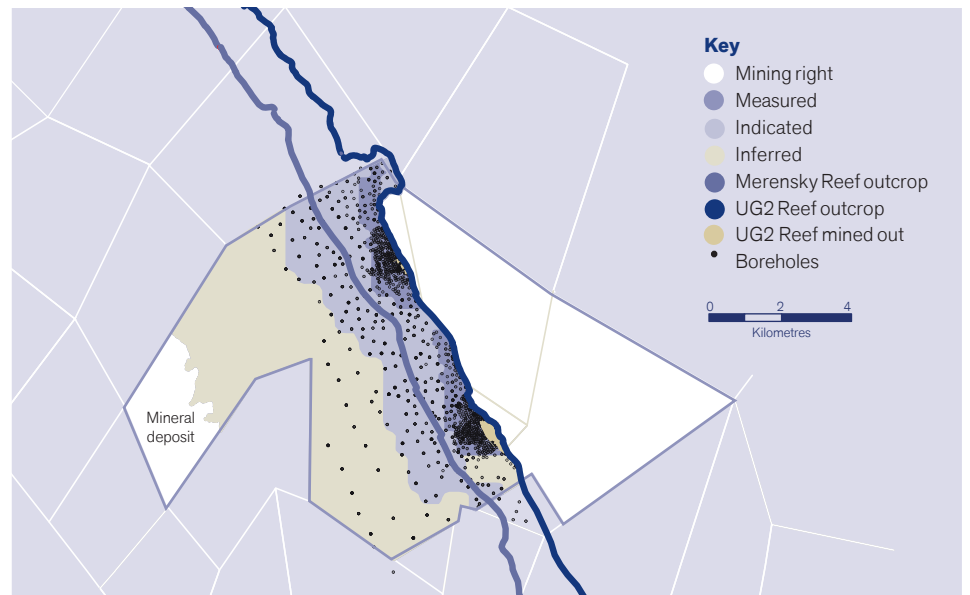
### Der Brochen Merensky



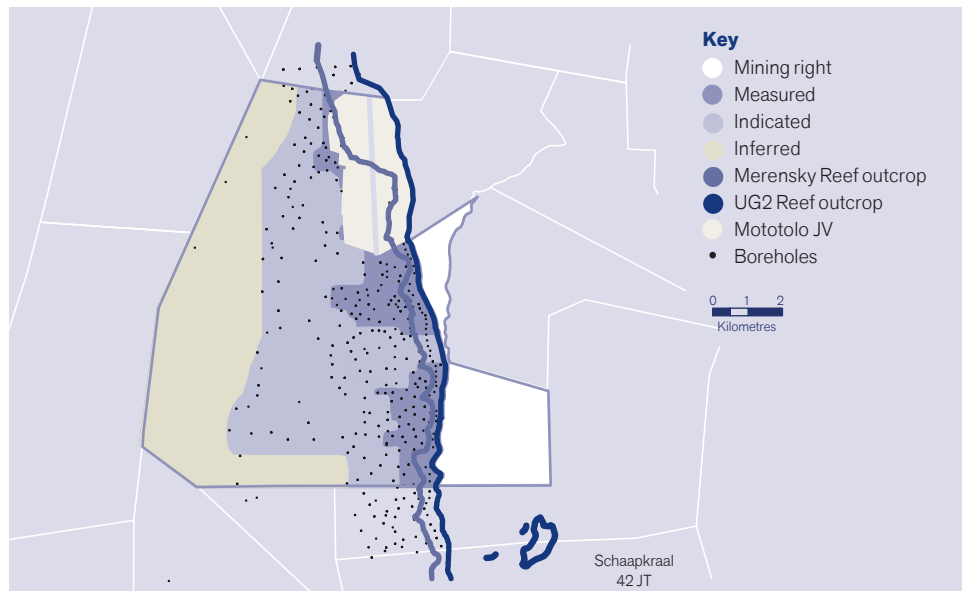
Unki Mines and projects (MSZ)



Twickenham UG2



Der Brochen UG2



## ORE RESERVE AND MINERAL RESOURCE ESTIMATES

as at 31 December 2012

### MINERAL RESOURCES

#### By project inclusive of Ore Reserves (3E)

The figures in the table below represent Anglo American Platinum Limited's (Amplats) attributable interests:

Project (AAPL interest)		Resources million tonnes	Grade 3E g/t	Grade % Cu	Grade % Ni	Contained 3E tonnes	Contained 3E million troy ounces
<b>SOUTH AFRICA</b>							
Boikgantsho Project (49%)*	Measured						
	Indicated	37.0	1.30	0.07	0.11	47.9	1.5
	<b>Measured and Indicated</b>	37.0	1.30	0.07	0.11	47.9	1.5
	<b>Inferred</b>	1.8	1.14	0.04	0.08	2.1	0.1
	<b>Total</b>	38.8	1.29	0.07	0.10	49.9	1.6
Sheba's Ridge Project (35%)*	Measured	28.0	0.88	0.07	0.20	24.6	0.8
	Indicated	34.0	0.85	0.07	0.18	29.1	0.9
	<b>Measured and Indicated</b>	62.0	0.87	0.07	0.19	53.6	1.7
	<b>Inferred</b>	149.9	0.96	0.08	0.19	144.5	4.6
	<b>Total</b>	211.9	0.94	0.08	0.19	198.2	6.4
<b>AMERICAS</b>							
Pedra Branca – Brazil (51%)*	<b>Inferred</b>	6.6	2.27	0.03	0.23	15.0	0.5
	<b>Total</b>	6.6	2.27	0.03	0.23	15.0	0.5

\* Not included in regional Mineral Resources.

Rounding of figures may result in computational discrepancies. Figures not included in the global Mineral Resource summary. 3E grade reported: sum of platinum, palladium and gold grades.

<b>Boikgantsho</b>	Amplats and Atlatsa Resources hold a 49% and 51% interest in Boikgantsho respectively. The figures quoted are for the attributable interest. The Mineral Resources are unchanged from 2011. A cut-off grade of 1 g/t (3E) was applied as used at Mogalakwena (1 g/t 4E).
<b>Sheba's Ridge</b>	Amplats, Industrial Development Corporation (IDC) and Aquarius South Africa hold a 35%, 26% and 39% interest in Sheba's Ridge respectively. The figures quoted are for the attributable interest. The Mineral Resources are unchanged from 2011. A cut-off grade of 0.5 g/t (3E) was applied.
<b>Pedra Branca</b>	Amplats and Solitario hold a 51% and 49% interest in Pedra Branca respectively. The figure quoted is for the attributable interest. The Mineral Resources are unchanged from 2011. A cut-off grade of 0.7 g/t (3E) was applied; estimate provided by Jon Hill, 2005. During 2012, a new Resource evaluation has been undertaken, but the modelling report will only be available in the first quarter of 2013.

## MINERAL DEPOSITS

<b>General</b>	In addition to the evaluated and reported Ore Reserves and Mineral Resources, Amplats holds various Mineral Deposits that are not publicly reported. Different types of Mineral Deposits exist, either stockpiled material on surface or still in situ underground. This material requires studies to determine the potential economic value (reasonable and realistic prospects for eventual economic extraction).
<b>Surface material</b>	Surface material is subdivided into tailings dams, stockpiles or rock dumps. <b>Tailings dams</b> Tailings dams Ore Reserves and Mineral Resources, where evaluated, are already reported in the relevant Ore Reserve and Mineral Resource statement. <ul style="list-style-type: none"> <li>• Tailings dams Mineral Deposit: Operating (active) tailings dams for current mining operations are not evaluated and therefore are not reported as part of the Mineral Resources. They contain residual amounts of PGE and base metals and are registered internally in Amplats' asset books. Currently significant Mineral Deposits are available at the following operations: <ul style="list-style-type: none"> <li>– Rustenburg mines, Amandelbult mines, Mogalakwena Mine, Union mines and BRPM, and in the East Bushveld at Modikwa, Mototolo and Bokoni mines.</li> </ul> </li> </ul> <b>Stockpiles</b> Stockpiles are mined ore being held for future treatment. Currently only Mogalakwena reports Ore Reserve and Mineral Resource stockpiles. These Ore Reserves and Mineral Resources are already reported in the relevant Ore Reserve and Mineral Resource statement. <b>Rock dumps</b> Rock dumps are not evaluated and are currently not reported under the Ore Reserve and Mineral Resource statement. Exploitation of several rock dumps at Rustenburg mines have been contracted to external private companies who are removing/depleting the rock dumps in an effort to rehabilitate the land or for crushing or building purposes. Evaluation of low-grade rock dumps not contracted to external companies is ongoing. They contain various amounts of PGE and base metals and are recorded internally. Currently Mineral Deposits have been identified at Rustenburg, Amandelbult and Union mines. However, minor rock dumps also exist on other operations.
<b>Underground in situ material</b>	It must be noted that the Mineral Resources are quoted over the entire Mining Right and Prospecting Right areas except for: <ul style="list-style-type: none"> <li>• Mogalakwena Mine, where the Mineral Resources are only quoted down to potential future surface mining depths, and for</li> <li>• Tumela Mine, Twickenham Mine, Ga-Phasha Project where a virgin rock temperature of 75 °C is currently considered to be the limit to mining given present technology, metal prices and energy costs. Areas higher than the 75 °C are currently classified as Mineral Deposits.</li> </ul>

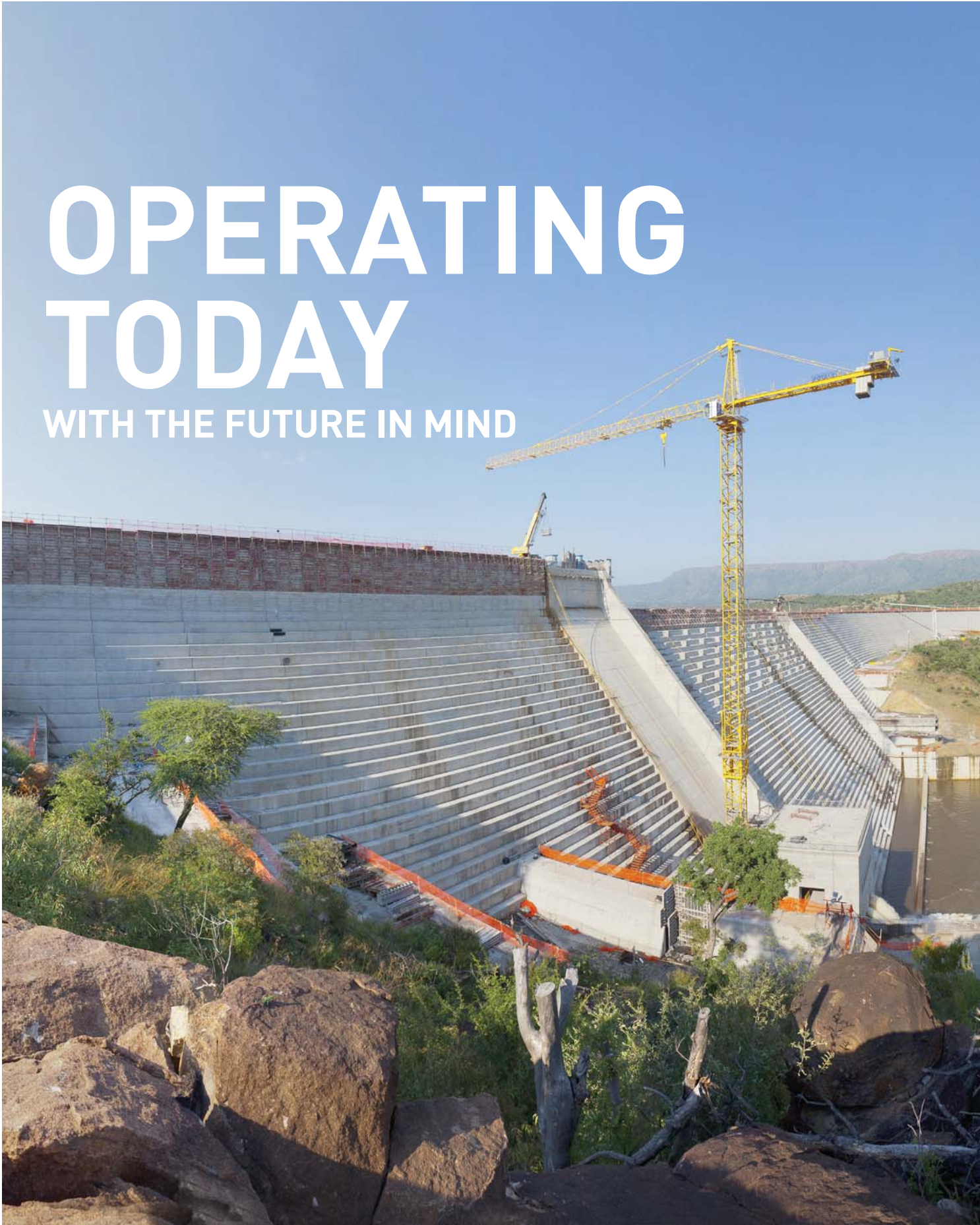
## DEFINITION FOR WATERFALL CHARTS

<b>Opening balance</b>	As at 31 December 2011.
<b>Production</b>	The quantity of the commodity delivered for beneficiation from underground or open-pit including material from stockpiles (mine depletion during the financial year).
<b>Depletion</b>	The amount of resource material removed during the reporting period.
<b>Conversion</b>	Process of converting Mineral Resources to Ore Reserves.
<b>Conversion reallocation</b>	Process of 'down-grading' of Ore Reserves to Mineral Resources.
<b>Economic assumptions</b>	Any assumption based on the current or future price of a commodity and associated exchange rates which has a direct impact on the Mineral Resources or Ore Reserves.
<b>Mine layout change (change in mining layout and design)</b>	The minimum Resource Cut increased from 90 cm to 110 cm owing to the introduction of an improved support system in order to reduce rock-related accidents. The new support system consists of in-stope tendons and netting and the dimension of the installation equipment and support units necessitated an increase in the Resource Cut.
<b>Acquisition</b>	Additional Ore Reserves/Mineral Resources owing to acquisitions of assets or additional attributable interests owing to joint-venture agreements (property transactions).
<b>New information</b>	The effect of additional resource definition information, which initiates an update to the geological models (facies, structural, grade, geotechnical) and results in a new (reclassified) resource model.
<b>Model refinement</b>	No additional resource definition drilling has been undertaken, but the interpretation (geometry) of the orebody has been refined or internal mine/lease boundaries have changed. Changes to in-situ tonnages may be as a result of new geological losses being applied or a change to the definition of the boundary of the Mineral Resources owing to an updated 'economically mineable cut' being applied.
<b>Reconciliation adjustment</b>	Changes which cannot be allocated to a specific category or an adjustment that may be necessary to mitigate inaccurate production/depletion estimates of the previous year.
<b>Closing balance</b>	As at 31 December 2012.
<b>4E Moz</b>	4E million troy ounces.

**S** **STRATEGIC ELEMENT:** RESPONSIBLE MINING

# OPERATING TODAY

WITH THE FUTURE IN MIND





The board affirms its commitment to sound governance and ensures that the business is operated in line with good governance principles.

**KEY GOVERNANCE ELEMENTS**

The chairman, Cynthia Carroll, is responsible for leading the board and its effectiveness. Valli Moosa, the deputy chairman and lead independent non-executive director, is available to shareholders, acts as a sounding board and confidant of the chairman and is available as an intermediary for the other directors, if necessary. Following the resignation of Neville Nicolau on 19 July 2012, Christopher Griffith was appointed as chief executive on 1 September 2012. The chief executive is responsible for the execution of strategy and the day-to-day business of the Company, supported by the Executive Committee (Exco) and the Operations Committee (Opsco), both of which he chairs.

**R276m**  
**SPENT ON COMMUNITY PROJECTS IN 2012**



02

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04

**“Good corporate governance is about ‘intellectual honesty’ and not just sticking to rules and regulations, capital flowed towards companies that practised this type of good governance.”**

**Mervyn King**  
 Chairman: King Report



**“It is imperative for a mining company to have both the right to mine from a legal perspective and the social licence to operate.”**

**Mary-Jane Morifi**  
 Executive head: Corporate affairs

**12.7%**  
**OF OUR WORKFORCE ARE WOMEN**

**11,000**  
**PIECES OF MINING EQUIPMENT HAVE SILENCERS TO REDUCE NOISE TO BELOW 110 dB**

- 01 De Hoop Dam construction, Steelport River Valley
- 02 Isolation Hospital, Gweru, upgraded by Unki Mine
- 03 Community borehole installed by Unki Mine
- 04 Teaching aids sponsored by Amplats in use in a community school

# SUSTAINABILITY

## WITH THE FUTURE IN MIND

The Company's most material sustainability issues, and the methodology used to define materiality, is discussed on page 14. This section of the Integrated Annual Report provides an overview of key aspects of the Company's safety, health, environment and community performance for 2012.

To ensure that the Company is sustainable and that it retains its societal licence to operate we must ensure that we conduct our business in accordance with the strict ethical and good governance standards detailed in our business principles; perform our activities in accordance with our safety, health, environment and community policies to ensure a safe and healthy work environment and to minimise adverse impacts on the natural environment for the benefit of our shareholders, our employees and the communities surrounding our operations; actively promote workplace equality and seek to eliminate all forms of unfair discrimination; support the fundamental human rights of employees, contractors and the communities in which we operate; promote efficiency and innovation in our use of resources so that our footprint is reduced; engage with communities and local government to facilitate and participate in socio-economic development to ensure sustainable communities and economies after our mines have stopped operating; provide advice on the responsible use of our products; and publicly report our performance in accordance with applicable Global Reporting Initiative guidelines.

### **EMPLOYEE SAFETY – OUR JOURNEY TOWARDS ZERO HARM**

#### **Overview of performance**

At Amplats we remain committed to our objective of "zero harm". Our first value continues to be "We put safety first". We believe that by remaining

focused on it and "living" it on a daily basis we can achieve our goal of seeing every employee return home unharmed every day.

We observed a steady decline in the number of fatalities over the past few years: from 25 in 2007, to 7 in 2012. Despite our attention and commitment to safety, 7 people lost their lives while working at Amplats in 2012. We are acutely aware of the immense impacts of these tragic fatalities at our operations, and extend our sincere condolences to the families and colleagues of the people who died.

One of the fatalities was caused by a fall of ground, three were the result of moving machinery, one owing to transport-related incidents, one occurred owing to heat exhaustion and another owing to a falling object.

Our system of independent investigations by specialist teams provides detailed reports on the underlying cause(s) of every fatal incident and is used to identify any circumstance likely to result in a disaster. Comprehensive action plans, structured around a hierarchy of controls, are developed to eliminate these underlying causes and pre-empt harmful situations. New technology is regularly investigated in order to find innovative solutions to any challenges identified. We remain optimistic that our efforts to stop fatalities and achieve zero harm will yield further results in 2013.

The lost-time injury-frequency rate (LTIFR) in 2012 declined to 1.15 from 1.27, a 9% reduction. There is a continued focus on reducing hand and

slip-and-fall injuries as these make up a large percentage of lost-time injuries.

### Strategy

The Company's safety, health and environment (SHE) strategy has largely remained unchanged since 2008, although subjected to regular review and updates as new information becomes available and more lessons are learnt.

The strategy is based on four components:

- Management systems
- Engineering and technological solutions
- People and safety behaviour
- Wellness in the workplace

### Management systems

Amplats' safety-management system creates a systematic framework for managing hazards and their associated risks, and complies with the requirements of the international OHSAS 18001:2007 standard.

The primary goal of the management systems remains to manage our major risks. Several software tools have been developed over time to make best use of the vast amounts of data and information available. In line with our realisation that line managers are ultimately responsible for the successful implementation of the strategy, these software tools have been used to generate information that assists line managers direct their attention and resources towards the most significant risks. In 2012, there was alignment of the software tools used in safety so that the supply of information is both easier to deal with and more consistent.

Our drive to enhance risk-management skills in the organisation was maintained in 2012. We remain committed to building capacity in this area and recognise fully the sustainable benefits to be gained from such skills. Our systematic approach to our major risks such as FOG is starting to pay off as is

**A Company-wide Safety Day was held on 26 November 2012. The focus was on safe shut-down and start-up, visible felt leadership, confined spaces and transport.**

evident in the reduction of FOG-related injuries and fatalities.

### Engineering and technological solutions

The second component of our safety strategy is engineering and technological solutions, which is intended to eliminate or reduce the risks associated with mining equipment. Because Amplats needs to ensure that all its systems are aligned with fast-moving enhancements in technology, and despite trying economic circumstances and the burden placed on the organisation's change management by the implementation of these technical solutions, large investments were made in innovation and technology during the year under review.

### Locomotives

Leading-edge technology has been developed to eliminate collisions between locomotives operating underground. This is done by placing, at all potentially high-risk areas, beacons that slow the vehicles down automatically when they begin to come close to each other. Should the drivers not respond to slow-down warnings, the system brings the locomotives to a complete standstill before they can collide.

### Silencing of equipment

In line with the 2013 industry milestones, the elimination of noise-induced hearing loss remains a priority for the Company. During 2012, further progress was made in silencing all equipment emitting noise levels greater than 110 dBA. This programme over the past few years has resulted in more than 11,000 pieces of equipment being fitted with appropriate silencing apparatus or being redesigned. There are only 26 pieces of equipment left emitting more than the 110 dBA.

### People and safety behaviour

The results of the Group-wide value and culture survey which was completed towards the end of 2011 were shared in early 2012 with the senior leadership in the Company and unions. An encouraging message from the survey was that the majority of Amplats employees believe that the Company is truly putting safety first.

A Company-wide Safety Day was held on 26 November 2012. The focus was on safe shut-down and start-up, visible felt leadership, confined spaces and transport. Operational senior management, Company executives and corporate teams discussed relevant topics with employees at their workplaces in the specific operations. The global theme for the day was "Real safety begins with me".

The Zero Harm in Action project was launched and sets out to incorporate Zero Harm in the way we do business.

### Wellness in the workplace

A key undertaking in 2012 was to make all employees aware of injuries and how to avoid them, including the prevention of harm before any work starts. Should any team or individual feel unable to deal with a potentially dangerous situation, they must move away from it and escalate the situation to the appropriate level. This was best demonstrated through the application of the A-B-S-P risk-response plan, in which teams are trained in situations when it is mandatory to ask for help from managers and/or technical advisers. Our employees need to know that we do not expect them to work in unsafe conditions; and that they have the right to withdraw their labour if they believe they are being placed at risk.

### Safety focus in 2013

The SHE strategy will remain consistent to ensure maintained focus and a holistic approach. It is important, however, that every employee should understand his or her role in effectively implementing the strategy. To this end, its main aspects

will be reviewed to ensure that it is both practical and easy to understand at all levels in the organisation. Recommendations from the review on mechanised mining will be acted on to ensure that we conform to best practice. "Zero Harm in Action" will continue to be a key focus area of safety in 2013, so as to encourage compliance and foster employees' sense of ownership regarding safety issues.

## EMPLOYEE HEALTH

### Noise-induced hearing loss (NIHL)

Noise exposure remains the Company's most significant occupational health risk. In 2012, 46 new cases of NIHL were reported. The Company has an extensive programme to silence equipment that causes NIHL, with 9% of all equipment now emitting less than 110 dB having been silenced already.

### HIV and AIDS

Approximately 20% of Amplats' workforce is HIV positive. The Company has an extensive HIV and AIDS programme in place, which includes preventative, curative, and rehabilitative and palliative care. In 2012, 42,267 (82%) employees received voluntary counselling for HIV. There were 6,830 employees enrolled in the Company's HIV/AIDS wellness programme, of whom 4,443 were receiving antiretroviral therapy.

### Infectious tuberculosis – TB

Amplats screens employees for TB and provides comprehensive treatment to those infected. In 2012, 635 employees were newly diagnosed as infected with TB and treated. During the year, 61 employees died from TB. Of these deaths, 58 were related to HIV and AIDS.

The Company has advanced environmental-control measures in place in all areas where there is a high density of people, especially TB wards in the Company's hospitals and clinics.

**"Zero Harm in Action" will continue to be a key focus area of safety in 2013.**

This greatly reduces the risk of contracting TB among healthcare personnel and other workers.

## ACCESS TO RESOURCES

### Energy

In 2012, Amplats' total energy consumption decreased by 3%, to 24.39 PJ, of which 18.3 PJ is attributable to electricity usage. In conjunction with Anglo American plc, the Company is engaging with both Eskom and the Ministry of Energy regarding its long-term requirements and the possibility of future energy restrictions. This dialogue with the Government will continue, to enable the Company to safeguard reliable, long-term and competitively priced energy sources.

### Water

Amplats used 34.9 million m<sup>3</sup> of new water for primary and non-primary use in 2012, 4% less than in 2011. The Company has a comprehensive water strategy in place. This relies on, among other things, a partnership approach with the other industry players in the areas in which we operate and with the Government. Through this collaborative approach the Company has successfully secured access to the required water resources. It remains committed to minimising water use and to reusing and recycling the water it does use.

### Land

The Company currently has access to 91,827 hectares of land for its operations. Land stewardship programmes have been instituted to reduce Amplats' impact on land and the Company has provided R723 million for land rehabilitation and restoration.

## COMMUNITY DEVELOPMENT

Amplats spent R276 million on community-development projects in 2012, details of which are included in the Sustainable Development Report. Progress has been made with Alchemy in 2012. The Lefa La Rona Trust has been established and received public benefit status from the South African Revenue Service in 2012. The four development trusts are in the process of being set up to benefit the host communities within an approximate radius of 15 km from the Amandelbult, Rustenburg, Twickenham and Mogalakwena mines and a non-profit company incorporated for the benefit of the labour-sending areas.

The development trusts and the non-profit company will benefit from the following cash flows: annual dividend receipts; a guaranteed minimum dividend flow of R20 million per annum to provide an annual cash amount to the development trusts and the non-profit company, after taking into consideration the annual dividends received; rechannelled CSI spend of R30 million to the extent that the development trusts secure approval for development projects within the host communities; health and safety cash-flow benefits for the development trusts if key performance indicators relating to on-and-off-mine health and safety targets are achieved; proceeds from the potential increase in the Amplats share price after settling of the notional vendor funding, to the extent that the shares are disposed of by the development trusts and the non-profit company at the expiry of the term of the transaction.

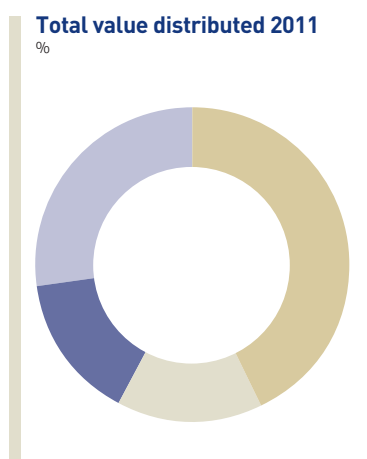
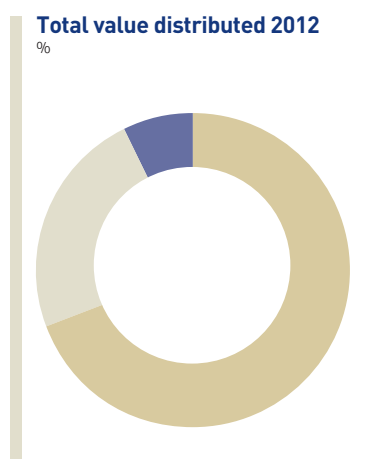
The Company's ultimate ambition in this transaction is to make a meaningful and sustainable contribution to the ability of those communities to thrive well beyond the life of its mining operations.

Selected sustainability indicators have been assured by PwC. These can be found in the Sustainable Development Report.

# VALUE ADDED STATEMENT

for the year ended 31 December 2012

	2012	%	2011	%	2010	%
<b>Value added</b>						
<b>Net sales revenue</b>	<b>42,838</b>		51,117		46,025	
Less: Purchase of goods and services needed to operate the mines and produce refined metal including market development and promotional expenditure	(20,111)		(25,007)		(23,652)	
Other net (expenditure)/income	(7,360)		(781)		4,439	
Value added by operations	<b>15,367</b>	<b>103</b>	25,329	101	26,812	101
Losses from investments net of interest received	(439)	(3)	(263)	(1)	(164)	(1)
	<b>14,928</b>	<b>100</b>	25,066	100	26,648	100
<b>Value distributed</b>						
<b>Salaries, wages and other benefits</b>	<b>11,511</b>	<b>77</b>	10,651	43	9,649	36
<b>Tax charges</b>	<b>3,831</b>	<b>26</b>	3,742	15	1,985	7
Taxes borne and collected	3,574		3,615		1,554	
Payment to Anglo American Group companies for utilisation of tax losses	257		127		431	
<b>Providers of capital</b>	<b>1,250</b>	<b>8</b>	3,821	15	966	4
Interest paid	660		530		966	
Dividends	590		3,291		—	
<b>Total value distributed</b>	<b>16,592</b>		18,214		12,600	
<b>Reinvested in the Group</b>	<b>(1,664)</b>	<b>(11)</b>	6,852	27	14,048	53
Amortisation and depreciation	4,921		4,761		4,444	
Accumulated (losses)/profits	(6,585)		2,091		9,604	
	<b>14,928</b>	<b>100</b>	25,066	100	26,648	100



For a schematic representation of the value-add to the South African economy see the inside flap of the front cover of this report.

# HUMAN RESOURCES

Anglo American Platinum Limited (Amplats) currently employs 51,945 full-time employees and 4,434 contract workers. Productivity decreased in 2012, from 6.32 m<sup>2</sup> to 6.05 m<sup>2</sup> per total operating employee per month, primarily as the result of safety-related work stoppages and the two illegal strikes in the second half of the year.

**The Company's code of ethics and business principles declares that "we promote workplace equality and seek to eliminate all forms of unfair discrimination".**

The average attrition rate for critical and scarce roles in the Company in 2012 was 12.09%, excluding voluntary separation (VS). The turnover rate for the year in all other roles was 5.16% (5.58% including people taking voluntary severance packages), compared with 5.73% in 2011 (7.03% including voluntary severance).

Given current market conditions and the likely impacts of Amplats' recently announced portfolio review, there will be a reorganisation of human resources in the Company in 2013.

## EMPLOYEE RIGHTS

South Africa is a signatory to the Universal Declaration of Human Rights, which is in turn reflected in South Africa's Constitution. The Company has incorporated human rights principles into its code of ethics and business principles. These apply to all our operations, including our operations in Zimbabwe. We recognise the right of our employees to freedom of association and to collective bargaining. All Company employees have the right to freedom of association under the South African Constitution and the Labour Relations Act, 1995. This right is also entrenched in the Company's code of ethics, business principles and employee-relations policy. The Company recognises trade unions with significant representation among its employees, and these in turn participate in collective bargaining forums with management. Some 80% of the Group's employees are

represented by trade unions and associations.

Our remuneration practices are determined according to local market conditions and we strive to ensure that we pay wages that are, as a minimum, adequate to satisfy the basic needs of our employees and their families. We promote diversity and do not tolerate unfair discrimination or the inhumane treatment of employees including through any form of forced labour, physical punishment or other abuse. Our workforce has the right to work in an environment free from harassment or intimidation. Our extensive training initiatives support the entrenchment of these employee rights.

## Non-discrimination

The Company's code of ethics and business principles declares that "we promote workplace equality and seek to eliminate all forms of unfair discrimination". This principle is consistent with the Employment Equity Act, No 55 of 1998. All forms of unfair discrimination and harassment are dealt with in terms of the Company's behavioural and/or grievance procedures. Furthermore, the Company has subscribed to all Government and industry agreements and also subscribes to Government agreements to ensure non-discrimination against foreign labour. The Company has amended its policies and procedures to ensure non-discrimination against foreign migrant labour.

## EMPLOYEE RELATIONS

The relationship between the recognised unions and Amplats has been regulated by a collective agreement, the Employee Relations Recognition Agreement (ERRA). In 2011, Amplats concluded its employee relations values charter with the recognised unions. The charter embraces the current Company values and is used as a guide when the Company and the unions engage each other on any employee-related issue. The application of the charter's behavioural and grievance procedures in relation to affected employees has a fundamental influence on the determination of case outcomes.

The four trade unions currently recognised through the ERRA have been the National Union of Metalworkers of South Africa (NUMSA), the National Union of Mineworkers (NUM), the United Association of South Africa (UASA) and the Togetherness Amalgamated Workers' Union of South Africa (TAWUSA). Together, these unions have represented some 80% of Amplats' workforce.

The parties to the ERRA committed themselves to working together to gain employees' understanding of and support for the Company's vision, values and strategies. The ERRA offers five partnership structures for dialogue and consultation, to ensure that issues or disputes are dealt with speedily and sound relations maintained between Amplats and the recognised unions' representatives. There is also a current wage agreement in place between the recognised unions and the Company, which regulates the wages of employees and other terms and conditions of employment until 30 June 2013.

Amplats renegotiated a two-year wage agreement with the unions in 2011. In terms of this agreement, employees in the A and B bands of employment received a 10% increase in 2011 and qualified for a 9% increase in 2012. Employees in the C to D1 bands

**The total number of employees directly involved in the unprotected strike was 30,568.**

## COMMUNICATION POLICY AND STRUCTURES

In 2012, the Company implemented an employee communication policy, with the following objectives:

- To promote the empowerment of line management, the emphasis being on line managers' responsibility as the Company's primary communicators with employees.
- To provide a common approach to communication within the Company.
- To ensure an understanding of the communication roles and responsibilities of all parties in the Company.

- To provide a framework of support resources for line managers, making it easier for them to achieve sustainable success in their communication with employees.
- To monitor and audit the effectiveness of employee communication, thereby ensuring an understanding of how to improve on its weaknesses.

The policy also details the structures of communication at various levels of the organisation (one example is supervisors having face-to-face meetings with their teams to discuss production and safety issues).

received an 8.5% increase in 2011 and qualified for an 8% increase in 2012. (If the 12-month average year-on-year consumer price index reached 8% in 2012, then the wage increase would be 8% plus 2% for the C and D1 bands, and 9% plus 2% for the A and B bands.)

The minimum wage increased to R4,500 and R5,000 for surface and underground employees respectively. The living-out allowance and the minimum homeowner's allowance for permanent enrolled employees increased by 5% to R1,654 per month and R2,500 per month respectively.

Despite the existence of the ERRA and the currency of the wage agreement, in 2012 Amplats faced unprecedented demands for wage increases and changes to other terms and conditions of employment outside the recognised structures. These demands were formulated by "strike" or "workers" committees that operated outside the recognised union structures. They were accompanied by an unprotected strike action lasting eight weeks between September and November 2012, and also by sporadic work stoppages at different operations.

The committees demanded that salaries be increased to between R12,500 and R16,000.

The unprotected strike affected the mining and processing operations in the areas around Rustenburg and north of Pilanesberg. It was resolved only approximately nine weeks after the start of the unrest. Altogether 12,000 employees were dismissed as a result of the unprotected strike. They were later reinstated.

The total number of employees directly involved in the unprotected strike was 30,568. The strike lasted 66 days, which amounted to a total of 4.6 million man-hours lost in production, and a loss of R185 million in wages.

Characterised by violence and intimidation, the strike had a huge impact on the business. Operations reopened on 16 November 2012, following the signing of a return-to-work agreement between the parties on 15 November.

The strike or workers' committees disclosed their allegiance to the new Association of Mineworkers and Construction Union (AMCU).

**01** Mogalakwena Mine's Groenfontein community farming project

**02** Community glass beading project, Rustenburg

**03** Leke Seloana, Nhkhanla Mboweni and Virginia Legong, instrument technicians



01

After the signing of the return-to-work agreement, a number of operations continued to experience disruptions in the form of work stoppages and other demands.

Following an in-depth review of the global financial market and various aspects of its business in 2012, Amplats has decided to propose a restructuring of its operations. This restructuring exercise may result in the retrenchment of approximately 14,000 employees. Details are included on page 12 of this report.

Amplats will commence with the normal cycle of wage negotiations in 2013.

**PEOPLE DEVELOPMENT**

Amplats uses an integrated and holistic human resources development strategy that enables it to identify individual potential and to develop each employee. All employees are provided with the opportunity to obtain skills and competencies in order to advance along a predetermined career path, based on opportunity and suitability. The following enabling measures are in place to ensure sustainability:

- Unambiguous, up-to-date career paths for all disciplines and job categories.

- Current learning continuums linked to the career path for each discipline and job family.
- Assessment methodologies appropriate for developmental purposes.
- Suitable associated documents and templates used to record information regarding assessment, performance and development.

Progress has been achieved by implementing systems and processes that:

- apply the appropriate assessment methodology to determine employee potential
- translate assessment results into an Individual Development Charter (IDC) for each employee
- prioritise the developmental and training needs of employees according to career-path requirements
- ensure that there is a training plan for employees in line with their respective development needs
- action the training plan for employees in the lower-level categories

During 2012, a total of 3,856 employees were assessed for potential and 2,326 new IDCs were developed.

To date, 13,010 A to D1 employees have an IDC in place based on identified developmental needs. A further 1,976 employees were promoted as part of our skills development plan in 2012. Amplats runs several ongoing training initiatives for employees. The two main aims of the training are, firstly, to support and build employees' competence in their current roles at Amplats; and, secondly, to prepare them for potential future roles within the Company. Included among the training on offer are the following:

- Leadership and management development programmes
- Fast-tracking programmes in engineering and mining
- Operational skills development
- Conventional training in mining
- Conventional training in engineering
- Training in mechanised mining
- Adult basic education and training programmes
- Training in dealing with corruption

The Company's Human Resources People Development Way was launched during June 2012. The team designed supporting documentation to explain the 70:20:10 elements of the Anglo American learning delivery system. (70% of learning should take place on the job, 20% should be derived from peers and 10% should result from formal learning such as a course.) Further details on human resource development are included in the Company's annual Sustainable Development Report.

**TRANSFORMATION**

On its journey of transformation the Company is required to consider the legislative requirements set out in the revised (2010) Mining Charter and the Employment Equity Act (No 55 of 1998), both of which ask that employers show progress in ensuring that their workforce profiles become mirrors of the economically active population (EAP) of the country. The Mining Charter specifies that the representation of historically disadvantaged South Africans (HDSAs)

in large companies ought to have reached a minimum of 40% by 2014.

Amplats continues successfully to implement the transformation aspects of employment equity. At the end of 2012, its proportion of HDSAs in management positions reached 58.3%, while its proportion of women in mining stood at 12.7%. As required by the Employment Equity Act and its amendment regulations, Amplats submitted a consolidated employment equity report to the Department of Labour for the 2012 reporting period ending 31 May. A summary of this information is shown in the employment equity table provided on page 154.

Overall, the Company's employment equity status shows satisfactory progress towards achieving equitable representation of designated groups across all occupational levels and categories of the workforce. When compared with the previous report (31 May 2011), the 2012 report showed improvements in designated employee categories as follows: from 37% to 39% in the senior management category; 53% to 56% in the professionally qualified, experienced specialist and mid-management categories; and 69% to 70% in the skilled technical and academically qualified worker, junior management, supervisor, foreman and superintendent categories.

### Women in mining

In the Mining Charter, the representation of women in the country's mining companies by 2014 is stipulated based on a minimum demographic representation of 40% of HDSAs at the top, senior, middle and junior management levels; and on figures for economically active women in the country.

In the third quarter of 2012 the economically active population (EAP) profile for women was as follows: African women: 33.9%; coloured women: 5.0%; Indian women: 1.1%; and white women: 5.3%. When based on the 40% for HDSAs, the targets for women in all four levels of



02



03

management become 14.2% for African women, 2.2% for coloured women, 0.6% for Indian women and 2.3% for white women.

The percentage of women in management positions within the Company at the end of 2012 was as follows: 13% in top management; 11% in senior management; 22% in middle management; and 20% in junior management.

The number of women employed by the Company increased from 5.1% to 12.7% of all employees between 2005 and 2012; while the number of those in core skills grew from a very small 405 to 4,674 (10% of the total number of employees in those skills).

Progress has been made possible by the introduction of fast-tracking programmes, targeted recruitment and improvements in the working environment. Changes to the working environment include the supply of sufficient and suitable change houses, the provision of appropriate personal protective equipment, and the formation of women's forums at all operations. A women-in-mining portfolio was created in 2006, and

charged with attracting, developing and retaining female employees.

These interventions have contributed to our winning the award for the top gender-empowered company in the resources category for the past three years (2010, 2011 and 2012).

The employment of African women remains a key challenge and efforts have been in place to increase their participation. Between 2011 and 2012 there were no changes in the number of women in senior management or junior management, but the numbers employed in middle management increased from 9.5% to 10.5% when assessed against the Mining Charter's 2014 minimum target of 14.2% cited above.

## SOCIAL AND HUMAN CAPITAL INDICATORS

for the year ended 31 December 2012

### SOCIAL INDICATORS

Employment statistics					
	2012	2011	2010	2009	2008
<b>Breakdown of South African workforce, numbers<sup>1,2,3</sup></b>					
Gauteng	532	559	488	557	736
Limpopo	24,645	24,654	23,416	23,235	28,002
North West	25,555	143	24,463	26,744	29,233
Mpumalanga	141	25,913	142	145	132
<b>Total own employees</b>	<b>50,873</b>	51,269	48,509	50,681	58,103
<b>Contracting staff<sup>2</sup></b>					
Labour hire	610	516	400	941	3,779
Contractors	3,635	5,721	5,113	13,073	23,444
<b>Total contracting staff</b>	<b>4,245</b>	6,237	5,513	14,014	27,223
<b>Employment creation in provinces, numbers</b>					
Gauteng	(27)	71	(69)	(161)	107
Limpopo	(9)	1,238	181	(4,767)	2,655
North West	(358)	1,450	(2,281)	(2,489)	3,928
Mpumalanga	(2)	1	(3)	13	12
<b>Total own employees</b>	<b>(396)</b>	2,760	(2,172)	(7,404)	6,699
Labour turnover in South Africa, percentage (including voluntary separation packages)					
Gauteng	0.12	6.12	11.99	14.88	8.5
Limpopo	2.39	6.70	9.17	8.84	9.4
North West	0.02	7.13	8.96	12.06	2.4
Mpumalanga	3.05	1.86	9.68	3.35	6.7
<b>Company turnover</b>	<b>5.58</b>	7.03	9.1	9.78	6.7

<sup>1</sup>Workforce numbers based as at 31 December 2012.<sup>2</sup>Workforce breakdown numbers reviewed against published Group statistics.<sup>3</sup>A further 1,072 employees are employed at our Unki operations in Zimbabwe.

### Breakdown of employment equity per occupational level at Anglo American Platinum

(as submitted to the Department of Labour in May 2012)

Occupational levels	Male				Female				Foreign nationals		TOTAL
	African	Coloured	Indian	White	African	Coloured	Indian	White	Male	Female	
Top management	1	0	1	2	2	0	0	0	3	0	9
Senior management	78	5	20	187	14	0	6	17	23	1	351
Professionally qualified and experienced specialists and mid-management	710	25	21	902	21	12	28	194	52	6	2,171
Skilled technical and academically qualified workers, junior management, supervisors, foremen and superintendents	3,664	46	10	1,734	804	11	17	387	338	6	7,017
Semi-skilled and discretionary decision-making	27,711	44	3	256	2,696	10	3	89	5,520	3	36,335
Unskilled and defined decision-making	2,931	6	0	37	1,249	0	0	1	150	3	4,377
<b>Total permanent employees</b>	<b>35,095</b>	<b>126</b>	<b>55</b>	<b>3,118</b>	<b>4,986</b>	<b>33</b>	<b>54</b>	<b>688</b>	<b>6,086</b>	<b>19</b>	<b>50,260</b>

Note: All numbers are for the period March 2011 to February 2012.

## HUMAN CAPITAL INDICATOR

### Safety statistics

Operations	Number of fatalities			Fatal-injury-frequency rate (FIFR)			Lost-time injury-frequency rate (LTIFR)			TRCFR		
	2012	2011	2010	2012	2011	2010	2012	2011	2010	2012	2010	
Bathopele Mine	0	2	0	0	0.084	0	0.79	0.84	1.09	3.12	2.90	2.26
Khomanani Mine	1	2	0	0.028	0.050	0	1.32	1.49	1.35	2.13	5.04	1.73
Thembelani Mine	0	2	0	0	0.044	0	2.41	2.04	1.53	3.13	3.89	2.17
Khuseleka Mine <sup>2</sup>	2	0	0	0.040	0	0	2.02	1.65	1.43	3.52	15,163	2.08
Siphumelele Mine	0	0	2	0	0	0.05	2.49	2.61	2.02	3.05	5.91	3.10
Central Services <sup>1</sup>	0	0	0	0	0	0	0.40	0.44	0.39	0.82	1.05	0.87
Tumela Mine	0	1	2	0	0.010	0.02	1.56	1.60	1.77	1.85	2.09	2.64
Dishaba Mine	0	1	2	0	0.017	0.03	0.90	1.94	2.03	1.73	2.24	2.83
Union Mine	2	2	1	0.030	0.029	0.01	1.12	1.31	1.16	2.09	5.82	1.91
Mogalakwena Mine	1	0	0	0.061	0	0	0.67	0.49	0.40	2.33	2.25	3.08
Unki Platinum Mine	0	1	—	0	0.091	—	0.09	0.18	—	1.04	2.28	—
Rustenburg Concentrators	1	0	1	0.163	0	0.13	0.16	0.00	0.26	1.30	1.03	0.78
Amandelbult Concentrators	0	0	0	0	0	0	1.57	0.10	0.26	2.69	1.30	1.49
Union Concentrators	0	0	0	0	0	0	0.55	0.34	0.12	0.69	0.90	0.47
Mogalakwena Concentrators	0	0	0	0	0	0	0.13	0.17	0.43	1.01	1.71	2.39
Unki Concentrator	0	0	0	0	0	0	0.38	0.00	0	1.88	1.79	—
Mototolo Concentrator	0	0	0	0	0	0	0	0.66	0.61	0.37	2.30	1.22
Polokwane Smelter	0	0	0	0	0	0	0.37	0.64	1.08	1.30	1.37	2.34
Waterval Smelter	0	0	0	0	0	0	0.57	0.57	0.57	1.14	1.72	1.76
Mortimer Smelter	0	0	0	0	0	0	0.80	0.00	—	1.19	0.58	0.59
Rustenburg Base Metal Refiners	0	1	0	0	0	0.058	0.71	0.74	0.50	1.20	2.31	2.04
Precious Metals Refiners	0	0	0	0	0	0	0.48	0.70	0.22	1.58	3.02	1.66
Western Limb Tailings Retreatment	0	0	0	0	0	0	0.27	0.86	0.67	1.07	1.14	1.66
Greenfield projects	0	0	0	0	0	0	0.48	0.56	0.44	3.20	1.53	1.61
<b>Total/aggregate</b>	<b>7</b>	<b>12</b>	<b>8</b>	<b>0.011</b>	<b>0.018</b>	<b>0.012</b>	<b>1.15</b>	<b>1.27</b>	<b>1.17</b>	<b>2.13</b>	<b>4.09</b>	<b>2.08</b>

<sup>1</sup> Central Services for 2010 includes all services departments. Previous years' data is only Rustenburg Services; all other data is included with the mine.

<sup>2</sup> Khuseleka Mine's TRCFR includes 786 MTCs owing to smoke inhalation during an underground fire.

### Membership of recognised unions and associations

as at 31 December 2012

	2012	2011	2010	2009	2008
National Union of Mineworkers (NUM)	30,043	29,937	28,538	28,173	30,233
United Association of South Africa (UASA)	7,230	6,905	5,098	4,806	5,036
National Union of Metalworkers of South Africa (NUMSA)	777	247	859	1,172	1,258
<b>Total</b>	<b>38,050</b>	<b>39,100</b>	<b>34,495</b>	<b>34,151</b>	<b>36,527</b>
Total percentage of workforce represented, excluding management	81	79	76	73.8	73

Note: A formal verification process to determine current union representation is under way. Results of this process will be made available during 2013.

# THE BOARD

## EXECUTIVE DIRECTORS

### Christopher Ivan Griffith (48)

BEng (Mining) Hons, Pr Eng

Chief executive

Appointed a director and chief executive on 1 September 2012.

Chris was appointed chief executive of Anglo American Platinum Limited (Amplats) on 1 September 2012. Immediately before this, he served on the board of Kumba Iron Ore Limited as the chief executive, from 1 July 2008. Chris was formerly the executive head of joint ventures for Amplats and continues to serve as a director of Anglo American South Africa Limited. Chris has over 19 years of mine management experience, during which he was general manager of Amplats' Amandelbult Platinum Mine and Bafokeng-Rasimone Platinum Mine.

### Bongani Nqwababa (46)

BAcc (Honours), CA(Z), MBA

Finance director

Appointed a director in January 2009.

Bongani joined Anglo American Platinum Limited as finance director in January 2009. He is the former finance director of Eskom Holdings Limited. Prior to joining Eskom, he served as treasurer and chief financial officer of Shell Southern Africa. Bongani is currently chairman of the Audit Committee of the South African Revenue Service and is a non-executive director of Old Mutual plc. He also serves on the Nomination, Audit and Remuneration committees of Old Mutual plc. He trained as an accountant with PricewaterhouseCoopers.

## INDEPENDENT NON-EXECUTIVE DIRECTORS

### Mohammed Valli Moosa (55)

BSc (Mathematics and Physics)

Deputy chairman and lead independent

Appointed a director in January 2008.

Valli is a non-executive director of Sanlam Limited, Sappi Limited, Imperial Holdings Limited, Real Africa Holdings Limited and Sun International Limited. He is an executive director of Lereko

Investment Holdings Proprietary Limited and a member of the Auditor-General's Advisory Committee. Valli was a cabinet minister from 1994 to 2004. He was chairman of the United Nations Commission on Sustainable Development during 2002 and 2003.

### Richard Matthew Wingfield Dunne (64) (British) CA(SA)

Appointed a director in July 2006.

Richard is a non-executive director and serves on the audit committees of Standard Bank Group Limited, Tiger Brands Limited and AECI Limited. Previously Richard was with Deloitte for 42 years until he retired in 2006 when he was the chief operating officer.

### Bongani Augustine Khumalo (59)

DAdmin (hc), MA, MBA, Diploma in Management, AEP

Appointed a director in September 2002.

Professor Khumalo is the chief executive of Gidani Proprietary Limited and Chairman of Bongani Rainmaker Logistics and Gravitas Group. He is a patron of the South African Business Coalition on HIV/AIDS (SABCOHA) and Professor Extraordinaire and Chairman of the Africa Centre for HIV/AIDS Management (University of Stellenbosch). He is also a member of the Board of Afrika Tikkun and a scholar in economic and management sciences.

### Wendy Elizabeth Lucas-Bull (59)

BSc

Appointed a director in March 2009.

Wendy is a non-executive director of the Development Bank of Southern Africa. She is a founding director of Peotona Group Holdings. Previously Wendy was chief executive of FirstRand Retail, which included First National Bank, WesBank, Outsurance and Firstlink. Former non-executive directorships include those at Alexander Forbes, Eskom, Nedbank, Telkom, Aveng (as deputy chairman), Lafarge Industries (as chairman), the South African Financial Markets Advisory Board, Discovery Holdings, Dimension Data plc, RMB Holdings and the Momentum Group.



Cynthia Carroll



Chris Griffith



Bongani Nqwababa



Valli Moosa



Brian Beamish



Richard Dunne



Bongani Khumalo



Khanyisile Kweyama



Wendy Lucas-Bull



René Médori



Sonja Sebotsa



John Vice

**Sonja Emilia Ncumisa Sebotsa (41)**

MA (Economic Policy Management),  
LLB (Honours) (International Law)

Appointed a director in January 2008.

Sonja is a founder and principal partner of Identity Partners, an investment, financing and advisory firm. She was previously an executive director of WDB Investment Holdings Proprietary Limited. She was vice-president of Investment Banking, Deutsche Bank, from 1997 to 2002. Sonja is a non-executive director of a number of companies listed on the JSE Limited, including Discovery Holdings Limited and Mr Price Group Limited. She is a member of the Association of Black Securities and Investment Professionals.

Subsequent to year end Sonja resigned from the board with effect from 1 February 2013.

**John Meadway Vice (60)**

BCom, CA(SA)

Appointed a director in November 2012.

John is a senior partner in KPMG and will be retiring from the practice in February 2013. His previous roles in KPMG include the Head of Audit, on the South Africa and African boards and executive committees, and chairman of KPMG's International IT Audit. He is a non-executive director of Zurich Insurance Company SA Limited.

**NON-EXECUTIVE DIRECTORS****Cynthia Blum Carroll (56)** (American)

BSc (Geology), MSc (Geology), MBA

Non-executive chairman

Appointed a director in 2007 and chairman in 2010.

Cynthia is chief executive of Anglo American plc. Before joining Anglo American in January 2007 she was president and chief executive of Alcan's Primary Metal Group located in Montreal, Canada. Prior to assuming that position in January 2002 she was for three years the president of Bauxite, Alumina and Speciality Chemicals. She is also chairman of De Beers Société Anonyme (De Beers) and a non-executive director of BP plc. Cynthia will be stepping down from the board at the Company's annual general meeting on 26 April 2013 and will leave Anglo American at the end of that month.

**Brian Richard Beamish (56)**

BSc (Mechanical Engineering)

Appointed a director in May 2010.

Brian was appointed group director: mining and technology of Anglo American plc in October 2009. He is a member of the Anglo American Safety & Sustainable Development Committee and of the Investment, Group Management and Executive committees and is also a non-executive director of De Beers. He has more than 30 years of mining-industry experience in multiple commodities and geographies. Brian spent over 20 years at Anglo American Platinum Limited. He was its operations director between 1996 and 1999 and was chief executive of Anglo Base Metals between 2007 and 2009.

**Khanyisile Thandiwe Kweyama (48)**

BS (Administration), MM (Human Resources)

Appointed a director in October 2012.

Khanyisile joined the Group as head of human resources for Anglo American Platinum Limited (Amplats) in 2011, and served on Amplats' Executive Committee. She was appointed executive director of Anglo American South Africa Limited in September 2012 and was also appointed to the Executive Committee of Anglo American plc. She has held executive roles at Barloworld, Altech and BMW South Africa. Khanyisile is an accomplished businesswoman who set up her own consulting company, Nokusa Communications and Promotions, which serviced both the private sector and Government; and a human resources consultancy, KTK HR Solutions. She is also a director of Kumba Iron Ore Limited and an independent non-executive director of Telkom SOA Proprietary Limited and previously served as a non-executive director on the board of Sovereign Foods Limited. Khanyisile is also a trustee of the Walter Sisulu University Foundation.

**René Médori (55)** (French)

Doctorate in Economics

René is the finance director of Anglo American plc (AA plc) and chairman of the Investment Committee of AA plc's board. He is a former finance director of BOC Group plc and previously was a non-executive director of Scottish and Southern Energy plc. He joined the board of Petrofac in January 2012. René is also a director of De Beers and DB Investments SA.

**Peter Graeme Whitcutt (47)**

BCom (Honours), CA(SA), MBA

Alternate director to René Médori

Appointed an alternate director in May 2007.

Peter played a key role in the development of Group strategy and the key transactions associated with Anglo American's evolution from diversified South African conglomerate to focused global miner, including the merger of Minorco, the listing of Anglo American in 1999 and the subsequent unwinding of crossholding with De Beers. He has held various finance roles and is currently group director: strategy and business development for Anglo American plc.

**BOARD CHANGES****Thomas Alexander Wixley (71)**

BCom, CA(SA)

Retired as an independent non-executive director on 30 March 2012.

**Neville Francis Nicolau (53)**

BTech (Mining Engineering), MBA

Departed as a director and chief executive on 19 July 2012.

**Albertinah Kekana (39)**

BCom, Postgraduate Diploma in Accounting, CA(SA), MDP

Resigned as an independent non-executive director on 25 September 2012.

**Godfrey Gregory Gomwe (57)**

(Zimbabwean)

BAcc (Honours), CA(Z), MBL

Resigned as a non-executive director on 15 October 2012.

# EXECUTIVE COMMITTEE

## Chris Griffith (48)

BEng (Mining) Hons, Pr Eng

Chief executive

Appointed a director and chief executive on 1 September 2012.

See page 156 for biography.

## Bongani Nqwababa (46)

BAcc (Honours), CA(Z), MBA

Finance director

Appointed a director in January 2009.

See page 156 for biography.

## Andrew Hinkly (48)

BSc (Engineering), MBA

Executive head: Marketing

Appointed as executive head of marketing on 1 January 2012.

Andrew joined Anglo American plc in 2008 as group head: procurement and supply chain after working for the Ford Motor Company for 20 years, during which time he obtained extensive global experience in finance, purchasing, strategy and new market development. He is currently executive head: commercial and a director of subsidiaries of the Anglo American Platinum Group.

## Pieter Louw (53)

BSc (Mining Engineering)

Executive head: Mines

Pieter was appointed executive head: mining at Anglo American Platinum Limited on 1 September 2007. He is an experienced engineer, manager and director in the mining field, having served in various capacities in the gold, iron ore, coal and base metals industries. He has worked in both surface and underground mining operations in South Africa, Zambia and South America.

## Bennetor (Ben) Magara (45)

BSc (Engineering) (Honours), ADP

Executive head: Engineering and projects

Ben was appointed executive head: engineering and projects on 16 November 2009. He has also been a non-executive director of Anglo American South Africa since 2006 and is the former CEO of Anglo Coal South Africa. Ben has more than 20 years' experience in the mining, energy and logistics industries. He is the former chairman of Richards Bay Coal Terminal and the Eskom 2008 Coal Working Group. He is also on the board of trustees of the UNISA Foundation.

## Lorato Mogaki (44)

BA (Law), Masters Dip (Human Resources Management), MBA

Acting executive head: Human resources

Lorato joined Anglo American Platinum Limited in 2005 as Group manager: people development and was later appointed as head of human resources development and transformation. Prior to that Lorato was a training and development general manager in the post and telecommunication sector. She also sits on the board of the Mining Qualifications Authority.

## Mary-Jane Morifi (51)

BSoc Sci (Honours) (UCT)

Executive head: Corporate affairs

Mary-Jane Morifi was appointed executive head: corporate affairs at Anglo American Platinum Limited and a member of the Anglo American Platinum Management Services Proprietary Limited board on 1 November 2007. She joined the Company from BP International in London, where she was director of audit, marketing (group internal audit) from 2003.



Chris Griffith



Bongani Nqwababa



Andrew Hinkly



Pieter Louw



Ben Magara



Lorato Mogaki



Mary-Jane Morifi



July Ndlovu



Vishnu Pillay



Dean Pelser

### **July Ndlovu (47)**

BSc (Honours), MBL, CSEP, BLP

Executive head: Process

July was previously employed by Anglo American subsidiaries in Zimbabwe, where he held senior managerial positions in metallurgical operations and technical services. In 2001, he transferred to Anglo American Platinum Limited, where he was first appointed business manager of the Polokwane Smelter, then head: process technology. He became executive head: process in September 2007.

### **Vishnu Pillay (55)**

BSc, MSc

Executive head: Joint ventures

Vishnu joined Anglo American Platinum Limited (Amplats) in January 2011 as executive head of the Company's joint-venture operations. Before joining Amplats he was executive vice-president: South African Operations for Gold Fields Limited and, prior to that, was vice-president and head of operations at Driefontein Gold Mine. His 25 years at Gold Fields were interrupted by a brief period with the Council for Scientific and Industrial Research, where he was director of mining technology and group executive for institutional planning and operations.

### **Dean Pelser (44)**

BSc (Mining Engineering) Hons

Executive head: Safety, health & environment

Appointed 1 February 2013.

Dean has an extensive background in the Mining Industry spanning some 26 years in the gold, coal and PGM mining industry. He joined Amplats in 1999 and was appointed as a director of RPM shortly thereafter. His experience in Amplats includes operational and strategic management having held roles of general manager at Mogalakwena Mine, divisional

director: Eastern Limb, general programme manager: Eastern Limb development and most recently head of infrastructure and SD.

His knowledge of management, strategic planning and large-scale project delivery will continue to add value to the Company. He is also the chairman of Lebalale Water User Association, Joint Water Forum and serves on the board of Lepelle Northern Water.

## **RESIGNATIONS**

### **Khanyisile Kweyama (48)**

BS (Administration), MM (Human Resources)

Executive head: Human resources

Khanyisile resigned as executive head: human resources on 25 October 2012, when she was appointed as executive director of Anglo American South Africa.

### **Sarita Martin (40)**

BProc, LLB, MBA

Company secretary

Sarita resigned as company secretary effective 30 June 2012.

## **COMPANY SECRETARY**

### **Kevin Lester (46)**

BA, LLB

Acting company secretary

Kevin is the head of Legal: South Africa for Anglo American and has served in this capacity since 2010. In September 2012 he was appointed acting company secretary for Anglo American Platinum Limited and Anglo American South Africa Limited. Kevin holds BA and LLB degrees from the University of Cape Town and is an admitted attorney of the High Court of South Africa (on the non-practising roll). He was previously a director of the South African legal services firm, DLA Cliffe Dekker Hofmeyr, and was a founder and director of South Africa's leading BEE and transformation consultancy, Transcend Corporate Advisors.

# MANAGEMENT

As at 31 December 2012

## **Chris Griffith**

Chief executive

## **MINES – MANAGED**

### **Pieter Louw**

Executive head: Own mines

### **Frik Fourie**

Head: Mining

### **Gordon Smith**

Head: Mineral resource management

### **Simon Kruger**

Head: Finance and performance management: Own mines

### **Vincent Matlala**

Head: HR mining

### **Paul Krause**

Head: Business improvement

### **Clint Smit**

Acting head: SHE

### **Matthews Nzimande**

General manager: Central services

### **CJ Labuschagne**

Head: Engineering (Mining)

### **Dawie van Aswegen**

General manager: Bathopele Mine

### **Daan Breet**

General manager: Khomanani Mine

### **Chris Moller**

General manager: Thembelani Mine

### **Zweli Ndese**

General manager: Khuseleka Mine

### **Patrick Morutlwa**

General manager: Siphumelele 1

### **Ken Hanekom**

General manager: Siphumelele 2

### **Tom van den Berg**

General manager: Tumela Mine

### **JJ Joubert**

General manager: Dishaba Mine

### **Adam Tendaupenyu**

General manager: Union North Mine

### **Philip Schoeman**

General manager: Union South Mine

### **James Morotoba**

General manager: Mogalakwena Mine

### **Alan Cawood**

General manager: CDS

### **Walter Nemasasi**

General manager: Unki Platinum Mine

## **MINES – JOINT VENTURES**

### **Vishnu Pillay**

Executive head: Joint ventures

### **Phillip Tobias**

Consulting mining engineer

### **Brian Grobbelaar**

Senior principal mining engineer

### **Presley Reddi**

Mineral resource manager

### **Avischen Moodley**

Senior manager: Finance and performance management: Joint ventures

### **Shela Ledwaba**

Senior manager: Human resources

## **ENGINEERING AND PROJECTS**

### **Ben Magara**

Executive head: Engineering and projects

### **Dean Pelser**

General manager: Infrastructure and sustainable development

### **Mitch Hill**

Head: Projects execution excellence

### **Keith Blanchard**

General manager: Mining projects

### **Suren Rajaruthnam**

General manager: Special projects

### **Etienne Espag**

General manager: Process projects

### **Anton Valente**

Projects support office manager

### **Christoff Lombard**

Acting head: Finance and performance management: Engineering and projects

### **Bongani Mthembu**

Senior manager: Human resources

### **Devan Moodyly**

Head: Review and assurance

### **Frans Marais**

Senior manager: SHE

## **PROCESS**

### **July Ndlovu**

Executive head: Processing

### **Richard Pilkington**

General manager: Concentrators

### **Chris Rule**

Head: Concentrator technology

### **Lloyd Nelson**

Head: Smelting and refining technology

**Bertus de Villiers**

General manager: Smelting operations

**Mark Gilmore**

General manager: RBMR

**Deryck Spann**

General manager: PMR

**Ndaba Ndlovu**

Head: Protection services

**Marie Humphries**

Head: Metallurgical services

**Gary Humphries**

Head: Process control

**Bruce Forbes**

Head: Engineering

**Matome Leseilane**

Senior manager: Human resources

**Neville Plint**

Head: Research and development

**Imraan Osman**

Head: Finance and performance management: Process

**HUMAN RESOURCES****Lorato Mogaki**

Acting executive head: Human resources

**Henry Zondi**

Head: Employee relations

**Willem Verwey**

Head: Remuneration and benefits

**Rahab Serepong**

Acting head: Human resources development and transformation

**Papillon Motswenyane**

Senior manager: Housing

**Viloshini Pillay**

HR manager: Corporate

**Lettie la Grange**

Head: Medical services

**Chris Kern**

Senior manager: HR projects

**FINANCE****Bongani Nqwababa**

Finance director

**Archie Myezwa**

Head: Strategy and business optimisation

**Kenny Mokoka**

Head: Business development

**Clive Govender**

Head: Supply chain

**Martin Poggiolini**

Head: Finance and performance management

**Werner Grundling**

Programme manager: Finance

**Shawn Fisher**

Head: Information management

**MARKETING****Andrew Hinkly**

Executive head: Commercial

**Trevor Raymond**

Head: Market relations, APM

**Hilton Ingram**

Head: Marketing

**Jill Wolfe**

Head: Marketing manager, Base Metals

**CORPORATE AFFAIRS****Mary-Jane Morifi**

Executive head: Corporate affairs

**Stephen Bullock**

Head: SD and reporting

**Thabisile Phumo**

Head: Corporate communications and branding

**Mpumi Sithole**

Head: Media relations

**Keneiloe Mohafa**

Senior CED manager

**Pravashini Govender**

Manager stakeholder engagement

**COMPANY SECRETARY****Kevin Lester**

Acting

**Sarita Martin**

(Resigned 30 June 2012)

# CORPORATE GOVERNANCE



Corporate governance encompasses the concept of sound business practice, which is inextricably linked to the Group's management systems, structures, policies and culture of governance, and ensures that the Group acts towards all stakeholders in a responsible and transparent manner from an economic, social and environmental perspective.

## PRINCIPLES OF CORPORATE GOVERNANCE AND STRUCTURES

The board reaffirms its commitment to sound governance. It ensures that the Group's business is conducted in accordance with the highest standards of corporate governance, using risk management and control in accordance with local and internationally accepted corporate practice. These standards are well embedded in the Group's system of internal controls, which have been implemented to comply with King III recommendations and the governance requirements of the Companies Act, 2008.

## BOARD STRUCTURES

The board meets at least quarterly and is responsible to shareholders for setting direction through strategic objectives and key policies, and monitoring implementation through structured reporting systems.

The Company has a unitary board structure, comprising two executive directors and 10 non-executive directors (six of whom are independent non-executives as defined by King III).

The non-executive directors are drawn from diverse backgrounds and bring a wide range of experience, insight and professional skills to the board to ensure effective leadership of the Company. Generally non-executive directors have no fixed term of

appointment but, in terms of the memorandum of incorporation, retire by rotation every three years and, if available, are considered for reappointment at the annual general meeting. Directors appointed to fill a vacancy on the board during the year, retire at the next annual general meeting of the Company, enabling shareholders the opportunity to confirm their appointment.

The board follows a formal and transparent process when appointing new directors. The Nominations Committee considers director succession planning and makes appropriate recommendations to the board. It evaluates skills, knowledge and experience required to implement Group strategy.

During the year under review, Cynthia Carroll served as chairman of the board as well as chief executive of Anglo American plc. The board is cognisant of the preference stated by King III for the chairman to be independent. However, the board is aware that the Code contemplates the appointment of a non-independent chairman, requiring that, in those circumstances, a lead independent non-executive director should be nominated. In the case of Amplats, Valli Moosa serves as independent deputy chairman and lead independent non-executive director, supported by five other independent non-executive directors, which provide a robust board structure to ensure good

governance. Mrs Carroll subsequently announced in October 2012 that she will be stepping down from Anglo American plc as well as director and chairman of Amplats with effect from 26 April 2013.

The role of the chairman and CEO are separate. To ensure further clarity of roles, the board has adopted a Statement of Division of Responsibilities among the chairman, the lead independent non-executive director and the chief executive, which clearly sets out the responsibilities of each individual's role. This is available on the Company's website. This allows for a clear balance of power and authority at board of directors' level to ensure that no one director has unfettered powers of decision-making.

The chairman is responsible for leading the board and its effectiveness. The deputy chairman and lead independent non-executive director, is available to shareholders, acts as a sounding board and confidant of the chairman and is available as an intermediary for the other directors, if necessary. The chief executive is responsible for the execution of strategy and the day-to-day business of the Company, supported by the Executive Committee (Exco) and the Operations Committee (Opsco), both of which he chairs. The functions and membership of the Exco and Opsco are set out on page 165.

If a director becomes aware that he or she has a direct or indirect interest which may be construed as being in conflict with the business of the Company he or she should notify the board at the next board meeting or submit a written declaration of interests. Directors have a continuing obligation to update their declarations of interests and recuse themselves from any discussion or decisions taken by the board should they be in conflict.

The board has a charter setting out its mission, role, duties and responsibilities, and, in particular, the following:

- Directors' fiduciary responsibilities
- Leadership of the board
- Induction of new directors
- Evaluation of directors
- Matters reserved for the board
- Relationship between staff and external advisers
- Unrestricted access to Company records
- Board meetings and procedures
- Executive succession planning

The board and management continually review and enhance the systems of control and governance to ensure that the Group's business is managed ethically and within prudent risk parameters, in line with internationally accepted standards of best practice. The Governance Committee, from time to time, monitors and deliberates on changes to the legislative and statutory environment, new business policies and matters of compliance. This ensures that the board is kept apprised of new developments, and monitors and supports governance and sound business practice in the organisation.

The following changes to the board occurred during the year under review: the resignations of Godfrey Gomwe, Albertinah Kekana as independent non-executive director and the leaving

of Neville Nicolau as chief executive of the Company, and the appointments of Christopher Griffith as chief executive on 1 September 2012, Kharyisile Kweyama as non-executive director on 15 October 2012 and John Vice as an additional independent non-executive director on 30 November 2012.

The board charter terms of reference of the board committees, the roles and responsibilities of the directors, as well as the Company's Business Integrity Policy for directors and employees, are detailed and updated as necessary and are available on the Company's website.

Evaluation of the performance of all board members and members of subcommittees is formally conducted annually. This evaluation process was conducted internally during 2012, and it assessed the board of directors and subcommittees based on a self-evaluation process and specific questions and criteria. Each director is encouraged to focus on his or her personal perception of the board as a whole, and the performance of board committees, the chief executive and the finance director.

A comprehensive report and feedback on board and committee effectiveness are delivered on the results of the assessments to assist them in becoming more effective.

A formal induction process for directors is in place. Upon appointment directors are provided with recent board and committee documentation, information on legal and governance obligations, the Company's memorandum of incorporation and recent reports. Guidance is provided on dealing in shares, the King III Code and the Companies Act, 2008. Directors are entitled to seek independent legal advice at the cost of the Company. Educational visits are arranged to underground and opencast mines, the processing operations, projects and joint ventures. Meetings are arranged between new

directors and members of Exco to explain their areas of responsibility and to develop a full understanding of the complex business and operations which constitute Amplats.

Except for the chairman, who receives a single inclusive fee, the board and board subcommittee chairmen and members are paid a flat fee per annum, as recommended by Exco, noted by the Remuneration Committee and recommended by the board of directors to shareholders for approval. This fee encompasses the responsibility of ensuring that each committee attains its core objectives in line with each committee's terms of reference. Company executives are evaluated – and remunerated and rewarded – based on targets, key performance indicators and corporate objective weightings that include safety and sustainable development criteria. See page 172 for the detailed remuneration report.

### KING III

Amplats applied the King III principles (the Code) for the period under review. In order to determine the extent of compliance with the Code, management commissioned an independent review in the third quarter 2012, which was undertaken by PricewaterhouseCoopers. The results of the review indicated substantial compliance with the Code, however, the appointment of a compliance officer and the formulation of risk appetite and tolerance levels were areas that required attention. Management continues to make firm progress in resolving these items and the intention is to finalise these issues before the second quarter of 2013.

**THE BOARD**

The board is responsible to shareholders for setting economic, social and environmental direction through strategic objectives and key policies, and monitors implementation through structured reporting systems. From 1 January 2012 to the date of this report on 1 February 2013, the board comprised:

Cynthia Carroll (Chairman) <sup>Ⓜ</sup>	Bongani Khumalo <sup>°</sup>
Valli Moosa (Deputy chairman and lead independent) <sup>°</sup>	Wendy Lucas-Bull <sup>°</sup>
Neville Nicolau <sup>1</sup>	René Médori <sup>Ⓜ</sup> Alternate: Peter Whitcutt
Christopher Griffith <sup>Ⓜ,2</sup>	Bongani Nqwababa <sup>°</sup>
Brian Beamish <sup>Ⓜ</sup>	Sonja Sebotsa <sup>°,8</sup>
Richard Dunne <sup>°</sup>	Tom Wixley <sup>°,5</sup>
Godfrey Gomwe <sup>3</sup>	Albertinah Kekana <sup>6</sup>
Khanyisile Kweyama <sup>Ⓜ,4</sup>	John Vice <sup>°,7</sup>

<sup>Ⓜ</sup>Executive

<sup>Ⓜ</sup>Non-executive

<sup>°</sup>Independent non-executive

<sup>1</sup> Left 19 July 2012.

<sup>2</sup> Appointed 1 September 2012.

<sup>3</sup> Resigned 15 October 2012.

<sup>4</sup> Appointed 15 October 2012.

<sup>5</sup> Retired 30 March 2012.

<sup>6</sup> Resigned 25 September 2012.

<sup>7</sup> Appointed 30 November 2012.

<sup>8</sup> Resigned 1 February 2013.

**COMMITTEES OF THE BOARD**

The board has established a number of standing committees, which are ultimately accountable to it. These committees assist the board by focusing on specialist areas. The board committees meet independently and provide feedback to the main board through their chairman. The roles and representation of these subcommittees are listed in the table on page 165.

**Directors' attendance at board and committee meetings in 2012**

	Board	Special board	Audit Committee	Governance Committee	Nominations Committee	Remuneration Committee	S&SD Committee	Social, Ethics & Transformation Committee
<b>Number of meetings held during the year</b>	4	5	4	4	3	7	4	3
Cynthia Carroll (Chairman)	4	5			3			
Valli Moosa (Deputy chairman)	4	5	2/2	4*	3		4	
Neville Nicolau (Chief executive)	3		3/3*	2/2*		4/5*	3/3	1/1
Christopher Griffith	1/1	5	1/1*	1/1		2/2*	1/1	1/1
Brian Beamish	4	5				3/3	4	
Richard Dunne	3	4	4	4	3	7	4	3
Godfrey Gomwe	3/3	3/3		3/3				2/2
Albertinah Kekana	2/3	1/3	3/3	3/3				
Bongani Khumalo	4	3		2			3	2
Wendy Lucas-Bull	4	2		3		7	4	3
René Médori	4	5						
Bongani Nqwababa	4	5	4*	4*				1/1*
Sonja Sebotsa	4	4	4	4				2
Tom Wixley	1/1		1/1	1/1		2/2		
Khanyisile Kweyama	1/1		2/2	1/1				1/1

\* By invitation.

In addition to the abovementioned committees of the board, several operating committees function within the Group. The Executive Committee (Exco) comprises directors of wholly owned subsidiary company Anglo Platinum Management Services Proprietary Limited, the provider of the major portion of financial, technical and administrative advisory services to the Company. Members of the Exco are detailed on pages 158 to 159 of this report and Exco usually meets on a weekly basis. The Operations Committee (Opsco) is chaired by the CEO and is constituted of the heads of all departments. Opsco meets on a monthly basis to review the operating performance of the Company.

Board committees		
	Role	Members
<b>Executive Committee</b>	Recommends policies and strategies; monitors implementation; deals with all executive management business; responsible for all strategic matters not expressly reserved for the board.	Chris Griffith*, Neville Nicolau <sup>5</sup> , Pieter Louw, Ben Magara Mary-Jane Morifi, July Ndlovu, Bongani Nqwababa Vishnu Pillay, Khanyisile Kweyama <sup>1</sup> , Andrew Hinkly
<b>Operations Committee</b>	Responsible for all operational matters; co-ordinates, manages and monitors resources; regularly reviews risk to achieve the Group's aims.	Chris Griffith*, Neville Nicolau <sup>5</sup> , Pieter Louw, Ben Magara Kenny Mokoka, Mary-Jane Morifi, July Ndlovu, Bongani Nqwababa Dean Pelser, Vishnu Pillay, Barrie van der Merwe <sup>10</sup> , Clive Govender Simon Kruger, Ted Muhajir <sup>7</sup> , Archie Myezwa, Gordon Smith Kgapu Mphahlele, Andrew Hinkly, Martin Poggiolini <sup>13</sup>
<b>Audit Committee</b>	Monitors adequacy of financial controls and reporting; reviews audit plans and adherence to these by external and internal auditors; ascertains the reliability of the audit; ensures financial reporting complies with IFRS and the Companies Act; reviews and makes recommendations on all financial matters; recommends auditors to the board; monitors the Company's appetite for risk and concomitant controls.	Richard Dunne*, Sonja Sebotsa <sup>12</sup> , Valli Moosa, John Vice <sup>9</sup> Albertinah Kekana <sup>2</sup>
<b>Governance Committee</b>	Reviews quality of corporate governance and makes recommendations to the board; advises directors and management on the Companies Act, JSE Listings Requirements, King III Code and other governing legislation.	Valli Moosa*, Richard Dunne, Godfrey Gomwe <sup>1</sup> , Bongani Khumalo Wendy Lucas-Bull, Albertinah Kekana <sup>2</sup> , Khanyisile Kweyama <sup>4</sup> Sonja Sebotsa <sup>12</sup> , Tom Wixley <sup>3</sup>
<b>Nomination Committee</b>	Considers suitable nominations for appointments to the board and succession planning, and makes appropriate recommendations based on qualifications and experience.	Cynthia Carroll <sup>8</sup> , Richard Dunne, Valli Moosa, Tom Wixley <sup>3</sup>
<b>Remuneration Committee</b>	Establishes the overall principles of remuneration and determines the remuneration of executive directors and executive heads; considers, reviews and approves Group policy on executive remuneration and communicates this to the stakeholders in the annual report.	Wendy Lucas-Bull*, Tom Wixley <sup>3</sup> , Richard Dunne, Brian Beamish <sup>8</sup>
<b>Safety &amp; Sustainable Development Committee</b>	Develops framework, policies and guidelines for S&SD management, and ensures implementation; monitors Group compliance with relevant legislation. Evaluates material sustainable development impacts in light of the precautionary principle and advises the board accordingly. It has a reporting line into the SE&T and Audit committees and directly into the board.	Dorian Emmett*, Brian Beamish, Richard Dunne, Bongani Khumalo Lorato Mogaki <sup>11</sup> , Pieter Louw, Wendy Lucas-Bull, Ben Magara Valli Moosa, Mary-Jane Morifi, July Ndlovu, Neville Nicolau <sup>5</sup> Chris Griffith <sup>5</sup> , Vishnu Pillay
<b>Social, Ethics &amp; Transformation Committee</b>	Monitors and develops the Company's compliance with the Companies Act, 2008, and goals with respect to the 10 principles set out in the UN Global Compact Principles as well as the OECD recommendations on corruption, the Employment Equity Act, the Broad-based Black Economic Empowerment Act, good corporate citizenship, labour and employment.	Wendy Lucas-Bull*, Richard Dunne, Dorian Emmett Khanyisile Kweyama, Bongani Khumalo, Lorato Mogaki <sup>14</sup> Valli Moosa, Sonja Sebotsa <sup>12</sup>
* Chairman	<sup>1</sup> Resigned 15 October 2012.	<sup>6</sup> Appointed 1 September 2012.
° Acting	<sup>2</sup> Resigned 25 September 2012.	<sup>7</sup> Resigned 10 December 2012.
	<sup>3</sup> Retired 30 March 2012.	<sup>8</sup> Appointed 25 April 2012.
	<sup>4</sup> Appointed 15 October 2012.	<sup>9</sup> Appointed 30 November 2012.
	<sup>5</sup> Left 19 July 2012.	<sup>10</sup> Resigned 31 December 2012.
		<sup>11</sup> Appointed 29 October 2012.
		<sup>12</sup> Resigned 1 February 2013.
		<sup>13</sup> Appointed 1 January 2013.
		<sup>14</sup> Appointed 30 October 2012.

**Key governance policies**

A number of governance policies are enforced within Amplats and its subsidiary companies. These comprise, but are not confined to, the declaration of business interests, the declaration of gifts, gratuities and hospitality, anti-insider trading, confidentiality, anti-competitive behaviour, authority limits and various other general operational policies and procedures.

**Business principles and business integrity code**

Ethics are practised at Amplats by promoting leadership and inculcating a culture of integrity; by the observance of directors' fiduciary duties and responsibilities; by avoiding conflicts of interest and acting in the best interests of the organisation; by encouraging whistle-blowing; and by promoting the values and principles set out in our codes of conduct.

During 2012, Group-wide training was continued to ensure that employees and suppliers were made aware of the requirements of the business integrity code and how they are expected to conduct themselves.

**Authority policy manual**

Amplats has a detailed Authority Policy Manual in place, which is updated on a regular basis. Its objectives are to delegate transactional and contractual authority from the board to Amplats staff and officials at various levels. This provides effective and practical directives and guidelines for minimising or eliminating the Company's possible exposure to risk emanating from the unauthorised actions of its officials.

It also ensures that Amplats staff and officials fully understand demarcated authorisation limits, and strictly adhere to them.

In addition, all directors, prescribed officers and key personnel attended training on the Companies Act, 2008.

**Systems, compliance and enforcement**

Compliance with and enforcement of the Companies Act, 2008, JSE Listings Requirements, legislation governing the mining industry and the Company's governance policies are monitored and tracked through internal monitoring and reporting systems, reviews, and internal and external audits.

No requests for information were lodged with the Company in terms of the Promotion of Access to Information Act, 2000, in 2012.

**GOVERNANCE AND OUR JOINT-VENTURE PARTNERS**

Non-managed joint ventures and associates are governed by monthly steering and management committee meetings and quarterly joint-venture Executive Committee meetings at which Amplats has representation. The agreements make provision for the management committees to constitute subcommittees to monitor areas such as employment equity, resource management, planning, production, safety, health, environment, audit, social development, community engagement and remuneration. The joint-venture governance process is included in the Sustainable Development Report.

**COMPANY SECRETARY**

In terms of section 3.84(i) of the JSE Listings Requirements the board must consider and satisfy itself, on an annual basis, on the competence, qualifications and experience of the company secretary.

Prior to the appointment of both Sarita Martin as company secretary and then Kevin Lester as acting company secretary, the board satisfied itself of this requirement.

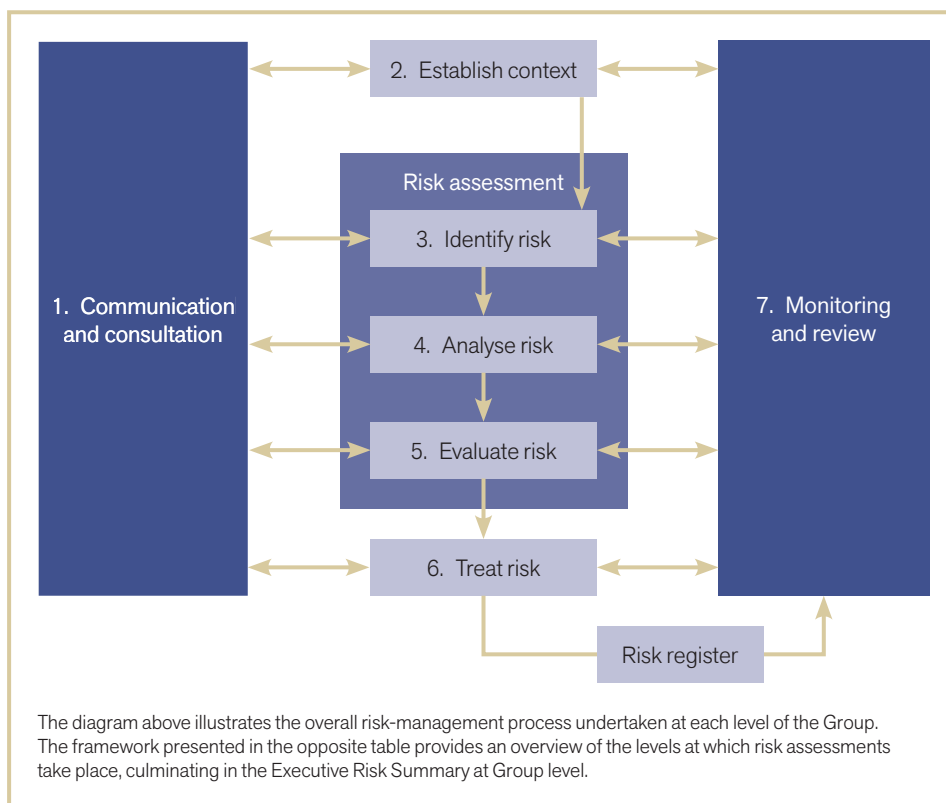
## GOVERNANCE OF RISK

### Risk-management process

The board of directors of Amplats has specific responsibility over risk management in the Group. The board has delegated this function to the Audit Committee, which regularly reviews significant risks and also the mitigating strategies designed to manage these risks. The Audit Committee subsequently reports to the board on material changes in the Group's risk profile. The risk-management process is facilitated by Anglo American Business Assurance Services (ABAS). However, overall accountability and responsibility for risk management rest with Amplats' board of directors, senior management team and other officers.

The Group's integrated risk management (IRM) methodology is based on ISO 31000 and is performed at four main levels:

- The strategic level (markets and the global economy)
- The organisational level (entities)
- The operational level (safe, profitable platinum)
- The technical level



**Overview of risk assessment and reporting**

	Level	Business process	Frequency	Description	Reporting
	<b>Group</b>		Bi-annual with quarterly updates	Discussions with Executive Committee members and select senior managers at Amplats	Executive risk summary to Amplats Audit Committee and Amplats board
		<b>Strategic</b>	Amplats Group strategy	Annual	A facilitated session with the Amplats Executive Committee during the first quarter of the year
	<b>Entity</b>	Mergers, acquisitions and disposals	On request	Facilitated sessions with the appropriate participants	Risk register to project teams/heads of functions
		Change projects	On request		
		Functional risk assessments	On request		
	<b>Operational</b>	Individual operations: Business planning	Annual with quarterly updates	A facilitated session with the senior management team of each operation during the first half of the year	Process/mining risk summaries to respective executives Risk registers to individual operations
		Event risk assessments	High-value sites (smelters/refineries): annual	Site reviews by an independent external company	Review reports to operations
			Others: rotational, at least once every three years		
Capital projects	At each project-stage gate and regularly during execution	Facilitated sessions with the project team and appropriate invitees (e.g. operational or corporate representatives)	Projects risk summary to executive head: engineering and projects Risk registers to individual project teams		
	<b>Operational</b>	Operational-risk-management process	Continuous	Detailed risk work undertaken within the operations by operational staff	Operational baseline risk register Issue-based risk assessments and root-cause analyses Risk and critical control registers

**Risk appetite and tolerance**

Considerations of risk appetite and risk tolerance are inherent in all business decisions within Amplats. Senior management has, however, initiated a process to formally define risk appetite and tolerance levels for the Group. A proposal is under development and will be submitted to Amplats' board of directors in 2013. Once approved, a formal risk appetite and tolerance statement will be included in the Group's risk management framework.

**Assurance on the risk-management process**

Assurance on the Group's risk-management process is ongoing. It is obtained primarily through the following:

- Risk-based internal audits. This entails incorporating identified risks into the individual audits that form part of the annual internal audit coverage plan.

- Risk registers and associated action plans. These are maintained at each operation by dedicated risk co-ordinators who use Cura management software to facilitate ownership of, and accountability for, risk management at an operational level.
- The annual review conducted by ABAS on the risk-management processes in the Group.

## Amplats' key risks and their mitigation strategies

Potential root cause of risks	Potential consequences	Current mitigating strategies
<b>1. Global economic conditions</b> <b>Continuation of global financial market uncertainty.</b>		
<ul style="list-style-type: none"> <li>Unanticipated global market changes.</li> <li>Demand growth that is below industry expectations.</li> </ul>	<ul style="list-style-type: none"> <li>Inadequate scenario plans.</li> <li>Suboptimal response to global shifts.</li> <li>Liquidity at risk.</li> <li>Underinvestment and loss of long-term opportunity.</li> </ul>	<ul style="list-style-type: none"> <li>Alignment of the business with expectations of long-term demand for products – successful implementation of the portfolio review.</li> <li>Ongoing monitoring of portfolio and organisational design to ensure continued sustainability and competitiveness.</li> </ul>
<b>2. Market concerns regarding security of PGM supply</b> <b>Events/developments that could result in supply uncertainty for platinum group metals (PGMs).</b>		
<ul style="list-style-type: none"> <li>Concerns regarding security of tenure.</li> <li>Safety stoppages.</li> <li>Social/labour unrest stoppages.</li> <li>Inability to deliver project pipeline.</li> <li>Longer-term outlook for autocatalyst and fuel-cell demand.</li> <li>Increased demand in the jewellery and industrial markets.</li> <li>Geological scarcity of high-quality PGM reserves.</li> <li>Failure to meet production targets.</li> </ul>	<ul style="list-style-type: none"> <li>Loss of investor confidence.</li> <li>Loss of customer confidence.</li> <li>Product substitution.</li> <li>Price appreciation.</li> </ul>	<ul style="list-style-type: none"> <li>Discuss situation with customers and increase finished inventory levels to target six weeks' supply.</li> <li>Alignment of the business with expectations of long-term demand for products – successful implementation of the portfolio review.</li> <li>Ongoing monitoring of portfolio and organisational design to ensure continued sustainability and competitiveness.</li> </ul>
<b>3. Social unrest</b> <b>Deterioration in the social context of the operations, community protest and blockades.</b> <b>Labour stoppages, strike action and violence.</b>		
<ul style="list-style-type: none"> <li>The key root cause at present is the recent unrest and inter-union rivalry in the platinum sector as well as further potential for social unrest owing to the outcome and associated social implications of the portfolio review.</li> <li>Other longer-term contributing factors as follows: <ul style="list-style-type: none"> <li>Remote locations – migrant labour</li> <li>High labour requirement</li> <li>High stakeholder expectations that are not being met</li> <li>Overstretched public services</li> <li>Rising cost of living</li> <li>Competition between unions for members</li> <li>Demands for salary increases regardless of the wage agreement</li> <li>High rates of unemployment and poverty</li> <li>Political and economic factors</li> </ul> </li> </ul>	<ul style="list-style-type: none"> <li>Mines become focus of community anger.</li> <li>Disruption to operations.</li> <li>Collapse of bargaining structures.</li> <li>Failure of governance structures at local level.</li> <li>Increased national Government intervention.</li> <li>Violence and injuries/fatalities.</li> <li>Reputational consequences.</li> <li>Increased costs to operate.</li> <li>Stakeholder backlash (Government and NGO sectors).</li> <li>Damage to workforce morale/loss of skills.</li> <li>Operational closures.</li> <li>Countrywide contagion.</li> <li>Credit-rating impacts.</li> <li>Impact on share price and funding.</li> <li>Loss of licence to operate.</li> <li>Inability to implement portfolio review outcomes.</li> </ul>	<ul style="list-style-type: none"> <li>Pursue industry initiatives at the Chamber of Mines level.</li> <li>Continue Government engagement.</li> <li>Evaluate outcomes of judicial enquiry into Marikana.</li> <li>Review bargaining model to ensure that it is inclusive of all stakeholders.</li> <li>Media campaign to communicate the benefits that mining has/is delivering to communities and the country.</li> <li>Review Amplats' strategy, operating model and financial viability. The range of specific actions linked to portfolio review is: <ul style="list-style-type: none"> <li>Establish and staff a dedicated management centre to gather and analyse information and direct responses to the changing situation.</li> <li>Enhance mechanisms for the ongoing monitoring and analysis of the situation.</li> <li>Identify and manage risks.</li> <li>Ramp up mechanisms related to complaints, grievances and conflict-resolution.</li> </ul> </li> </ul>
<b>4. Inability to sustain safety performance improvements</b> <b>Current improvements in safety are eroded.</b>		
<ul style="list-style-type: none"> <li>Labour-intensive mining methods.</li> <li>Non-adherence to standards.</li> <li>Careless mindset.</li> <li>Ineffective safety management systems.</li> <li>Mining deeper and further.</li> <li>Skills shortages.</li> </ul>	<ul style="list-style-type: none"> <li>Harm to people.</li> <li>Shutdowns by the Department of Mineral Resources (DMR) impacting production.</li> <li>Reputation damage.</li> </ul>	<ul style="list-style-type: none"> <li>Zero Harm in Action Programme.</li> <li>Safety-improvement strategy reaffirmed.</li> <li>Commitment by management evidenced through: <ul style="list-style-type: none"> <li>Systems</li> <li>Engineered solutions</li> <li>Behaviour</li> <li>Wellness</li> </ul> </li> <li>Risks around falls of ground, underground transport, the movement of machinery and mechanised mining are being managed.</li> </ul>

**Amplats' key risks and their mitigation strategies**

Potential root cause of risks	Potential consequences	Current mitigating strategies
<b>5. Employee health impairment</b> <b>Possible long-term impacts on employee health, with associated liabilities.</b>		
<ul style="list-style-type: none"> <li>Employee exposure to airborne pollutants (dust, nickel, chloroplatinates, SO<sub>2</sub>).</li> <li>Noise or other occupational hygiene stressors in the workplace.</li> <li>Ineffective controls.</li> <li>Ineffective health management systems.</li> <li>Exposure to infectious diseases.</li> <li>Cases inherited from other workplaces, e.g. silicosis in the case of ex gold-mine workers.</li> </ul>	<ul style="list-style-type: none"> <li>Harm to people.</li> <li>DMR action (including stoppages).</li> <li>Increase in sick absenteeism.</li> <li>Possible class action suits in the long term – pending liabilities.</li> </ul>	<ul style="list-style-type: none"> <li>Noise and hearing conservation strategy is being rolled out to the mines.</li> <li>The majority of equipment emitting noise greater than 100 dB(A) is rock drills. Further initiatives to silence this equipment are under way.</li> <li>Smelters and refineries are reviewing and updating their respiratory protection programmes. A review of critical personal protective equipment is also in progress.</li> <li>Current engineering controls that involve extraction and dust particle capturing systems are being upgraded.</li> </ul>
<b>6. Inability to achieve and sustain cost efficiencies</b> <b>Inability to sustain the cost efficiencies created through asset optimisation, labour-strength reduction, overhead reduction, supply-chain efficiency and productivity increases.</b>		
<ul style="list-style-type: none"> <li>Driven by significant increases in key costs such as labour, energy and consumables, unit-cost increases have significantly outpaced commodity price rises.</li> <li>Mine depths have increased, head grades have decreased and productivity, while it has improved in recent years, is still low.</li> <li>Failure to comply with laws and regulations within the region.</li> <li>Shortage of key skills.</li> </ul>	<ul style="list-style-type: none"> <li>Low margins, low returns and possible net losses.</li> </ul>	<ul style="list-style-type: none"> <li>Alignment of the business with expectations of long-term demand for products – successful implementation of the portfolio review.</li> <li>Ongoing monitoring of portfolio and organisational design to ensure continued sustainability and competitiveness.</li> </ul>
<b>7. Inadequate capital replacement and expansion</b> <b>Capital replacement and expansion projects cannot adequately sustain the business.</b>		
<ul style="list-style-type: none"> <li>Inability to adequately motivate capital expenditure.</li> <li>Mine extraction strategies not consistently in place.</li> <li>Inadequate skills applied to capital project studies.</li> </ul>	<ul style="list-style-type: none"> <li>Capital allocated elsewhere.</li> <li>Capital is obtained but is spent on suboptimal projects.</li> <li>Continued exposure to high-risk, low-margin, capital-intensive operations.</li> <li>Future impact on ounce profile, with associated impact on global supply/demand balance, price forecast and Company valuation.</li> <li>Significant potential impact, on the Amplats business plan, of the failure to deliver capital projects.</li> </ul>	<ul style="list-style-type: none"> <li>Alignment of the business with expectations of long-term demand for products – successful implementation of the portfolio review.</li> <li>Capital to be allocated to operations that are best placed to sustain and create employment over the long term.</li> <li>Ongoing monitoring of portfolio and organisational design to ensure continued sustainability and competitiveness.</li> </ul>
<b>8. Power-supply constraints</b> <b>Potential electricity shortages.</b>		
<ul style="list-style-type: none"> <li>While Eskom catches up on maintenance backlogs and new-build delays, the South African national grid will remain constrained for at least the next three to five years.</li> </ul>	<ul style="list-style-type: none"> <li>Risk of 75% compulsory emergency load shedding on new load.</li> <li>Potential disruption to operations and project delays.</li> </ul>	<ul style="list-style-type: none"> <li>Energy conservation initiatives in place.</li> <li>Participation in industry user groups.</li> <li>Strengthening of power network infrastructure at specific operations.</li> <li>Timely submissions of power applications to Eskom to ensure availability of power for new operations.</li> <li>Participation in the Eskom demand-reduction programme.</li> </ul>

## Amplats' key risks and their mitigation strategies

Potential root cause of risks	Potential consequences	Current mitigating strategies
<b>9. Water-supply constraints</b> <b>Potential water shortages.</b>		
<ul style="list-style-type: none"> <li>• Slow regional and national infrastructural roll-out.</li> <li>• Inherent national supply constraints.</li> <li>• Human consumption will get preference over mining.</li> <li>• Government delays in processing permit applications.</li> </ul>	<ul style="list-style-type: none"> <li>• The shortfall in national supply and infrastructure impacts current operations, and constrains growth.</li> <li>• Reductions in the use of water often increase electricity consumption and vice versa.</li> </ul>	<ul style="list-style-type: none"> <li>• Work is going ahead, through a joint forum with local government, to address these constraints.</li> <li>• Additional measures and actions include: <ul style="list-style-type: none"> <li>– Water-efficiency initiatives that include the monitoring, control and appropriate use of water.</li> <li>– A reduction in potable water consumption at operations through the use of treated effluent as a first choice, followed by raw water.</li> <li>– Improved internal recycling.</li> <li>– Evaluating the treatment of closed-circuit water.</li> <li>– Reviewing compliance with existing water-use licence conditions.</li> <li>– Undertaking regular follow-ups with the Department of Water Affairs and Forestry regarding water-use licences.</li> </ul> </li> </ul>
<b>10. Unfavourable policy changes in South Africa</b> <b>Changes to Government policy in South Africa impact the business.</b>		
<ul style="list-style-type: none"> <li>• Socio-economic pressures lead to policy change.</li> <li>• Lack of progress in transformation.</li> <li>• Frustration of the electorate.</li> <li>• Failure to comply with laws and regulations within the region.</li> <li>• Recent proposed amendments to the MPRDA.</li> </ul>	<ul style="list-style-type: none"> <li>• Loss of licence to operate.</li> <li>• Loss of economic value of assets.</li> <li>• Damage to investor confidence and Company ratings.</li> <li>• Increased regulatory uncertainty.</li> </ul>	<ul style="list-style-type: none"> <li>• Continued engagement with Government and participation and input into the legislative processes.</li> <li>• Amplats, together with Anglo American and the Chamber of Mines, is providing input to the proposed amendments.</li> </ul>
<b>11. Loss of economic value in Zimbabwe</b> <b>Threat to Zimbabwean assets.</b>		
<ul style="list-style-type: none"> <li>• Failure to comply with laws and regulations within the region.</li> </ul>	<ul style="list-style-type: none"> <li>• Loss of resources.</li> <li>• Impact on longer-term strategy.</li> <li>• Concerns regarding supply, with associated impact on investor confidence.</li> </ul>	<ul style="list-style-type: none"> <li>• Continued engagement with Zimbabwe government and participation and input into the legislative process.</li> </ul>

# REMUNERATION REPORT



Wendy Lucas-Bull

The board of Anglo American Platinum Limited (the Company) and the Remuneration Committee (the Committee) of the Company have pleasure in submitting the Remuneration Report for the financial year ended 31 December 2012. This report sets out the Company's remuneration policy for executive directors, prescribed officers and non-executive directors. The information provided in this report has been approved by the board on the recommendation of the Committee. As in the past, the Company has worked with its independent advisers to ensure that responsible and appropriate remuneration principles are adopted and implemented.

The Committee has taken cognisance of the performance of the Company and its executive as well as the overall very challenging operating conditions of the past year. Executive directors and prescribed officers have been granted lower increases than other staff. The annual cash bonus for executive directors and prescribed officers has been reduced. We have also frozen the non-executive director fees for the same reasons. However, the need to attract and retain key skills, particularly in the technical mining and processing areas, remains a key focus for the Company, and the Committee is convinced that the ability to do so is of critical importance for the delivery of long-term, sustainable returns to shareholders. As a result thereof, an increased Bonus Share Plan award, vesting in three years' time, has been made to executive directors and prescribed officers to further enhance alignment with shareholder interests.

The Committee is satisfied that the overall principles laid down by the King Code of Governance for South Africa (King III) and the Companies Act, 2008 (the Act) have been adhered to unless specifically stated.

**Wendy Lucas-Bull**  
Remuneration Committee chairman

The report this year has been segmented into two parts, separating the disclosure of policy and its implementation. We have also provided increased disclosure of the short-term incentive mechanism, provided an overview of the remuneration structure and adopted a "single figure" remuneration reporting approach which is in line with international practice.

## PART 1: REMUNERATION PHILOSOPHY AND POLICY

### The Committee

#### Role of the Committee

The Committee assists the board in setting the Company's remuneration policy and directors' and prescribed officers' remuneration. According to its terms of reference, the Committee's mandate is to:

- make recommendations to the board on the general policy on remuneration, benefits, conditions of service and staff retention
- conduct an annual review of the balance of the remuneration packages of the executive directors and prescribed officers, including a risk-based monitoring of incentives
- determine the specific remuneration packages of executive directors and prescribed officers
- design and monitor the operation of the Company's share incentive plans

The full terms of reference of the Committee are aligned with the Act and King III and embrace best practice.

### Members of the Committee

The Committee includes the following members:

- Tom Wixley (resigned as Committee chairman on 30 March 2012)
- Wendy Lucas-Bull (appointed as Committee chairman on 30 March 2012)
- Richard Dunne
- Brian Beamish (appointed as Committee member on 25 April 2012)

During the course of the year Tom Wixley resigned as a director of the Company and as a result his term of office as chairman and member of the Committee came to an end on 30 March 2012 after a number of years as a member of the Committee. We thank him for his dedicated and wise counsel and steady leadership during his tenure.

The majority of the current members of the Committee, including the chairman, are independent non-executive directors. The Committee met seven times during 2012. The chief executive, a representative from Anglo American plc, executive head: human resources, head of remuneration and benefits, compliance officer of employee share schemes, and PwC attended the Committee meetings by invitation and assisted the Committee in its deliberations, except when issues relating to their own remuneration were discussed. No director or executive is involved in deciding his or her own remuneration. In 2012, the Committee received advice from Anglo American plc's Human Resource Department and from PwC UK, as independent advisers.

### Summary of remuneration activities/decisions undertaken during the year

The main issues considered and approved by the Committee during 2012 were as follows:

- Amendments to the Committee's terms of reference.
- Minor amendments to the Company's remuneration policy.
- Approval of the remuneration report.
- Short-term incentive targets and payments for executive directors and prescribed officers.
- A new short-term incentive plan for management (below the level of executive directors and prescribed officers) in 2012.
- 2012 share incentive plan awards and approval of vesting of awards.
- Annual salary review for executive directors and prescribed officers.
- The exit package for the outgoing chief executive.
- The remuneration package for the incoming chief executive.
- Remuneration package review for executive head: human resource and executive head: process.
- Governance principles surrounding the voluntary separation process.
- The executive shareholding targets.
- The policy on internal and external directorships was discussed, reviewed and will be submitted to the Committee in 2013 for approval.
- Further alignment of conditions of employment across the Anglo American Group. This remains an ongoing process.
- A review of executive service agreements.

The Company's auditors, Deloitte & Touche, have not provided advice to the Committee. However, at the request of the Committee they have undertaken certain verification procedures on the calculation and disclosure of the remuneration of directors and executives.

### Remuneration philosophy

The Company's remuneration philosophy aims to attract and retain high-calibre individuals and to incentivise them to develop and implement the Company's business strategy in order to optimise long-term shareholder value creation. The policy conforms to King III and is based on the following principles:

- Remuneration practices are aligned with corporate strategy.
- Total rewards are set at levels that are competitive, within the relevant market.
- Incentive-based rewards are earned through the achievement of demanding performance conditions

consistent with shareholder interests over the short, medium and long term.

- Incentive plans, performance measures and targets are structured to operate effectively throughout the business cycle.
- The design of long-term incentives is prudent and does not expose shareholders to unreasonable financial risk.

### Elements of remuneration

The table below summarises the elements of the total remuneration package paid to executive directors and prescribed officers during the 2012 financial year:

Element	Fixed/variable	Definition
<b>Base salary</b>	<b>Fixed</b>	The fixed element of remuneration is referred to as base salary.
<b>Benefits</b>	<b>Fixed</b>	Benefits include membership of a retirement fund and a medical aid scheme, to which contributions are made by the individual and the Company.
<b>Short-term incentive</b>	<b>Variable</b>	An annual variable pay plan paid in cash provides executive directors and prescribed officers with an incentive to achieve the Company's short- and medium-term goals, with payment levels based on both corporate and individual performance.
<b>Long-term incentives</b>	<b>Variable</b>	The long-term incentive plans have been designed to align the interests of executives with those of shareholders. The Company operates two plans, namely a Bonus Share Plan (BSP) and a Long-term Incentive Plan (LTIP). In addition, some executive directors and prescribed officers continue to participate in various legacy schemes through prior-year awards until the final expiry dates.

### Base salary

The base salary is set to be competitive, with reference to market practice in companies comparable in terms of size, market sector, business complexity and international scope. Base salary is subject to annual review, with Company performance, affordability, individual performance, changes in responsibilities and average increases granted to general staff, taken into consideration when determining the size of any increases.

### Benefits

Pension contributions are made to a defined contribution retirement fund which includes:

- disability benefits (75% of monthly pensionable emoluments)
- death benefits (4 x annual pensionable emoluments)

The contribution rates are 7.3% of basic employment cost by executive directors and prescribed officers and 14.6% by the employer.

### Short-term incentive

The annual incentive is paid in cash and capped at 80% of base salary for the chief executive and financial director and 75% for the prescribed officers. The plan is discretionary and is not pensionable. The Committee retains the discretion to make upward or downward adjustments to incentives earned on an exceptional basis, taking into account both Company performance and the overall and specific contribution of individuals to meeting the Company's objectives. Details of the performance conditions for the 2012 financial year are disclosed in Part 2 of this report.

### Long-term incentives

#### Bonus Share Plan (BSP)

The BSP is extended to the executive directors, prescribed officers and other members of management. Under the BSP, forfeitable shares are allocated based on the individuals' annual cash bonus awarded in respect of performance in the previous year, multiplied by a factor dependent on seniority. By basing BSP awards on the previous year's bonus, performance against that year's targets is automatically taken into account, but no further performance conditions are imposed on the vesting of the shares. BSP shares are deferred for three years, subject to continuing employment, and are therefore forfeitable if the award holder leaves employment (except in a number of limited, "good leaver" circumstances).

In this way the BSP awards contribute to the retention of key management.

#### Long-term incentive plan (LTIP)

In addition to the BSP, executive directors and prescribed officers also receive annual awards of conditional shares under the LTIP. The maximum annual face value of the LTIP award is

150% of base salary for the chief executive and 125% for the financial director and the prescribed officers.

The vesting parameters for LTIPs for the 2011 and 2012 awards are based on the satisfaction of two stretching performance conditions, measured over a three-year period:

- A total shareholder return (TSR) index benchmarked against the returns of a group of seven comparable companies.<sup>1</sup> Vesting is on a sliding scale and commences when the Company's TSR performance is 10% below the index. Maximum vesting is reached at 25% above the index.
- An Asset Optimisation and Supply Chain (AOSC) efficiency measure. The Company's AOSC programmes strive to unlock value from the Company's assets in a sustainable way through structured programmes aimed at reducing costs, increasing volumes and improving overall operational efficiencies. This audited measure assesses AOSC benefits on a similar basis to that used by Anglo American plc for some years. Vesting is on a sliding scale and commences when the company achieves 90% of the three-year LTIP target of R20.78 billion for the 2011 grant and R11.5 billion for the 2012 grant. Maximum vesting is reached at 10% above the three-year value target.

These performance conditions have been selected because they clearly incentivise the creation of shareholder value. The LTIP closely aligns the interests of shareholders and executives by rewarding superior shareholder and financial performance, and by encouraging senior executives to build up a shareholding in the Company.

#### Cash bonus awards to managers and executives aged between 58 and 60

The Company's long-term incentive plan rules do not permit allocations to managers and executives within two years of retirement. However, in order to continue to recognise individual performance and the contribution of managers who have reached the age of 58, a cash payment (in lieu of these long-term incentive awards) was implemented with effect from 1 March 2008. Cash payments under the LTIP are awarded annually based on the fair value of the grant that the executive would have been entitled to under the LTIP. In the case of the BSP, cash payments are awarded annually based on the actual bonus earned by the individual. To qualify, participants are required to remain in the employ of the Company until the normal retirement age of 60.

#### Kotula Trust Employee Share Ownership Plan

In accordance with its strategic transformation objectives, the Company recognises the importance of giving all its employees an opportunity to participate in the success of its business. Accordingly, during 2008 the Company implemented its employee share participation scheme, the Anglo Platinum Limited Kotula Trust Employee Share Ownership Plan (ESOP or the Scheme), in order to incentivise all its employees and to align their interests with those of the shareholders in achieving growth in the Company's value.

The Scheme empowers employees of the Company, including those not otherwise participating in the Company's long-term incentive plans, to acquire shares in the Company, subject to the provisions of the Scheme. No directors of the Company are included. The Kotula Trust (the Trust) subscribed on 16 May 2008 for 1,008,519 ordinary shares and 1,512,780 'A' ordinary shares, representing

<sup>1</sup> AngloGold Ashanti, African Rainbow Minerals, Gold Fields, Harmony Gold Mining, Impala Platinum, Northam Platinum and Lonmin (JSE).

approximately 1% of the share capital of the Company. The 'A' ordinary shares were created specifically to ease the Scheme's implementation. The Trust allocates 10 million Kotula shares to participants annually, conditional on the participant being in the employment of the Group on 31 March of that year. Vesting occurs on the fifth, sixth and seventh anniversaries of the subscription date. On each vesting date, the beneficiaries become entitled to receive distribution shares and correspondingly realise that portion of their Kotula shares that corresponds to the distribution shares distributed by the Trust. In November of each year, the Trust may make a distribution to beneficiaries (after making provision for Trust expenses and liabilities) in proportion to the number of Kotula shares that have accumulated in the Trust by each beneficiary as at the dividend date, provided dividends are declared by the Company.

### Legacy plans

#### *Executive Share Option Scheme (ESOS)*

Prior to 2009, share options were allocated annually to managers and executives. Such options are conditional on performance and are subject to a three-year vesting period. The option prices were set at the market prices on the dates immediately prior to allocation. Shares equal to the growth in the value of the options from the allocation date to the exercise date are transferred to the participants upon exercise, provided that the performance condition has been met. The performance condition for each annual award was an increase in headline earnings per share measured in US dollars of at least 6% over the three-year period. If the condition is not met after three years, it is tested again in line with market practice in the fourth year and if required in the fifth year whereafter the options lapse. Options are normally exercisable, subject to

satisfaction of the performance condition, between three and 10 years from the date of grant. In terms of the ESOS, the last retesting of the last grant awarded will take place in 2013.

#### *Former share option scheme*

Certain managers still hold share options granted under the previous Anglo American Platinum Limited share option scheme. No allocations have been made under this scheme since 2004. These options were allocated at the middle-market price ruling on the trading day prior to the date of allocation, and they vest after stipulated periods, and are exercisable up to a maximum of 10 years from the date of allocation.

#### **Shareholding targets for executive directors and prescribed officers**

Within three years of their appointment, executive directors and prescribed officers are expected to accumulate a holding of shares and conditional awards in the Company with a value of 250% of annual base salary for the chief executive and 200% of annual base salary for the financial director and the prescribed officers. In accumulating such holdings, executive directors and senior executives are not required to use their own funds to purchase shares in the market as it is anticipated that the retention of all or a portion of the share incentive awards will satisfy this goal. In measuring the extent to which the guidelines have been satisfied, holdings are valued at closing prices at the end of each financial year and base salary is taken as the amount earned in respect of the financial year just ended. At 31 December 2012, the shareholdings/awards held by those executives who have been in their roles for three years or more are expected to exceed the requirements of this policy as shown in the table in Part 2 of this report.

#### **Executive director and prescribed officer service contracts**

In order to reflect their responsibilities appropriately, all the executive directors have contracts with Amplats or its subsidiaries. The contracts are indefinite in duration and include notice periods of six months by both parties (12 months for the chief executive). Executive directors and prescribed officers also have a restraint of trade period of six months following their date of termination of employment.

#### **Non-executive directors**

Non-executive directors do not participate in the Company's annual bonus plan, or in any of its long-term incentive plans.

None of the non-executive directors has a contract of employment with the Company. Their appointments are made in terms of the Company's articles of association and are confirmed initially at the first annual general meeting of shareholders following their appointment, and thereafter at three-yearly intervals. Their fees are reviewed by the Company on an annual basis and submitted to shareholders for annual approval. The fees constitute a retainer recognising the directors' role and membership of the board and its subcommittees, as tabulated in Part 2 of this report. A per-meeting fee for additional special meetings is proposed for the 2013 financial year.

#### **External appointments**

Executive directors are not permitted to hold external directorships or offices without the approval of the board. If such approval is granted, directors may retain the fees payable from one such appointment.

## PART 2: DISCLOSURE OF THE IMPLEMENTATION OF THE POLICIES FOR THE FINANCIAL YEAR

### Base salary

The average rate of increase of base salary for managers for 2012 was 7.5% and for 2013 is 5.5%. The average rate of increase for executive directors and prescribed officers was 6.5% in 2012 and for 2013 is 4%. This compares with an average base salary increase for employees in bargaining units of 8.66% in July 2012 (final increase of the two-year agreement in 2011) on the base salary, as well as an increase of R400 per month on the base salary in November 2012.

In determining the base salary increases for executive directors and prescribed officers, the Committee considered the average increases to the general staff population and also used relevant market data. Market data is provided by PwC and Global Remuneration Solutions and the comparator companies for specific benchmarks are: AngloGold Ashanti Limited, ArcelorMittal Limited, BHP Billiton (SA) Limited, De Beers, Eskom, Exxaro Resources Limited, Gold Fields Mining Services Limited, Impala Platinum Limited, Kumba Iron Ore Limited, Lonmin Platinum Limited, Remgro Limited, Sasol Limited and Xstrata Plc. Benchmarks were selected based on membership of the mining industry as well as company size by market capitalisation, turnover, profits and number of employees.

### Short-term incentive

The short-term incentive for the executive directors and prescribed officers is determined on the basis of Company performance as well as individual performance assessment (IPA), on an additive basis. The weighting of the Company component was 60% in 2012 (and 80% in 2011). The IPA weighting was 40% in 2012 (and 20% in 2011). The reason for the change in weighting (which was agreed, in advance, at the

commencement of the financial year) was to permit greater differentiation of reward for individual contributions within the executive team.

The Company performance measures for 2012 include measures of safety (15%), production, productivity and asset optimisation (25% together), operating profit and unit cost (20% together) against stretching targets. The Company only achieved "above threshold" performance in respect of safety and asset optimisation, and underachieved on the other measures, which resulted in a low Company performance score. The IPA measures included project execution, strategic initiatives, organisational structure, sustainability and community engagement, and the scores for the executive directors and prescribed officers reflected good performances in their respective portfolios in the context of a very challenging business environment.

### ESOS lapse

None of the ESOS awards granted in 2008 whose performance condition was retested for the last time in 2012, have met their performance condition, and this grant will therefore lapse.

### LTIP vesting

Based on performance in the three-year period ended on 31 December 2012, an amount equal to 5.7% of the LTIP awards granted in 2010 will vest in April 2013.

### Disclosure of the value of long-term incentives earned

In line with international best practice, the methodology for disclosure of long-term incentives earned in the year has changed. The value of share awards with a performance period that ends during the financial year is now disclosed. This means that the value of LTIPs granted in April 2010, with a performance period that runs from

31 December 2009 and ended on 31 December 2012, will be deemed to be earned in that financial year. Therefore, this value has been included in the table below.

In respect of the BSP awards, those granted in respect of 2012 performance are disclosed as remuneration in this remuneration report (subject to the grant date being finalised in the second quarter of 2013), because it is performance over the year under review that determines the award value, with future vesting subject only to continued employment. The previous methodology reflected the fair value of awards made during the year (which corresponded to performance over the previous year), in the remuneration table for that year.

### Mutual separation agreement for outgoing CEO

The termination payment to the exiting chief executive comprised:

1. Payment in lieu of notice (12 months of guaranteed package)
2. Severance payment (2 weeks of base salary per year of service)
3. Long-service gratuity (0.5% of base salary per year of service)
4. Encashment of accrued leave
5. A payment of just over 3½ months of base salary in lieu of a prorated annual bonus.

The bonus shares relating to the outgoing chief executive's annual bonus earned in previous years in terms of the BSP were released on termination.

With respect to unvested LTIP awards, the Committee determined that these awards will vest on the normal vesting dates, to the extent that the performance conditions have been satisfied, and will be prorated for the proportion of each performance period served.

## Directors' remuneration

### 2012 remuneration

The table below provides an analysis of the remuneration of executive directors and prescribed officers:

Names of directors	Base salary	Benefits (Retirement and medical aid)	Cash bonus <sup>1</sup>	BSP shares awarded <sup>2</sup>	Other	LTIP <sup>3</sup>	Total remuneration
<b>EXECUTIVE DIRECTORS</b>							
<b>Current</b>							
Chris Griffith (appointed 1 September 2012)	2,126,784	366,050	641,219	3,327,032	328,997 <sup>4</sup>		6,790,082
Bongani Nqwababa	4,137,012	634,672	878,907	2,636,721		101,973	8,389,285
<b>Former</b>							
Neville Nicolau (left 19 July 2012)	4,299,179	738,680			12,591,936 <sup>4</sup>	221,611	17,851,406
<b>PRESCRIBED OFFICERS</b>							
<b>Current</b>							
Pieter Louw	3,943,872	626,166	741,141	2,223,423		99,163	7,633,765
Ben Magara	3,868,032	595,535	784,909	2,354,725		94,345	7,697,546
Mary-Jane Morifi	3,914,340	602,273	720,913	2,162,737		95,550	7,495,813
July Ndlovu	3,800,216	590,048	728,395	2,185,183		89,929	7,393,771
Vishnu Pillay	3,654,948	531,795	700,551	3,019,991 <sup>5</sup>			7,907,285
Andrew Hinkly	4,253,190	625,864	959,616	2,878,846			8,717,516
<b>Former</b>							
Khanyisile Kweyama (resigned 31 August 2012)	2,412,844	380,885	924,949				3,718,678
<b>Total</b>	<b>36,410,417</b>	<b>5,691,968</b>	<b>6,618,126</b>	<b>22,176,081</b>	<b>12,920,933</b>	<b>702,571</b>	<b>84,520,096</b>

Base salary includes cash and travel allowance.

<sup>1</sup> Based on 2012 performance year and paid in 2013.

<sup>2</sup> Based on 2012 performance year and to be awarded in 2013 subject to the grant date being finalised in the second quarter of 2013.

<sup>3</sup> LTIPs granted in 2010, vesting in 2013 (5.7%), with performance period ended in 2012 calculated at the Company's volume-weighted average share price for the last three months of 2012.

<sup>4</sup> Cash awards include termination payments for Neville Nicolau in terms of a mutual separation agreement and a value for personal use of a company asset by Chris Griffith.

<sup>5</sup> Includes replacement awards for benefits lost on resignation from previous employer.

The table below provides an analysis of the remuneration of non-executive directors:

Names of directors	Directors' fees	Committees	Total remuneration
<b>NON-EXECUTIVE DIRECTORS</b>			
<b>Current</b>			
Cynthia Carroll <sup>3,8</sup>	1,123,375	—	1,123,375
Brian Beamish <sup>4,5,8</sup>	190,970	137,093	328,063
Richard Dunne <sup>1,2,3,4,5,6</sup>	190,970	531,623	722,593
Bongani Khumalo <sup>2,5,6</sup>	190,970	225,354	416,324
Wendy Lucas-Bull <sup>2,4,5,6</sup>	190,970	396,116	587,086
René Médori <sup>8</sup>	190,970	—	190,970
Valli Moosa <sup>1,2,3,5,6</sup>	337,013	371,909	708,922
Sonja Sebotsa <sup>1,2,6</sup>	190,970	247,822	438,792
Khanyisile Kweyama <sup>2,6,7</sup> (appointed 15 October 2012)	48,428	39,880	88,308
John Vice <sup>1</sup> (appointed 30 November 2012)	16,143	—	16,143
<b>Former</b>			
Godfrey Gomwe <sup>2,6,7,8</sup> (resigned 15 October 2012)	142,543	106,842	249,385
Albertinah Kekana <sup>1,2</sup> (resigned 25 September 2012)	142,543	134,155	276,698
Tom Wixley <sup>1,2,3,4,6</sup> (retired 30 March 2012)	45,688	103,675	149,363
<b>Total</b>	<b>3,001,553</b>	<b>2,294,469</b>	<b>5,296,022</b>

<sup>1</sup> Audit Committee member.

<sup>2</sup> Corporate Governance Committee member.

<sup>3</sup> Nomination Committee member.

<sup>4</sup> Remuneration Committee member.

<sup>5</sup> Safety & Sustainable Development Committee member.

<sup>6</sup> Social, Ethics & Transformation Committee member.

<sup>7</sup> Directors' fees ceded to Anglo Operations Limited (AOL), a wholly owned subsidiary of Anglo American plc.

<sup>8</sup> Directors' fees ceded to Anglo American Services UK Limited, a wholly owned subsidiary of Anglo American plc.

## 2011 remuneration

The table below provides an analysis of the remuneration of executive directors and prescribed officers:

Names of directors	Base salary	Benefits (Retirement and medical aid)	Cash bonus <sup>1</sup>	BSP shares awarded <sup>2</sup>	LTIP <sup>3</sup>	Total remuneration
<b>EXECUTIVE DIRECTORS</b>						
Neville Nicolau	6,861,628	1,168,267	3,625,985	3,626,013		15,281,893
Bongani Nqwababa	3,884,508	595,676	1,740,262	4,056,466		10,276,912
<b>PRESCRIBED OFFICERS</b>						
<b>Current</b>						
Khanyisile Kweyama <sup>4</sup>	1,634,659	258,663	679,947	2,875,973		5,449,242
Pieter Louw	3,685,872	585,015	1,575,708	3,681,348		9,527,943
Ben Magara	3,649,092	561,423	1,505,249	1,505,249		7,221,013
Mary-Jane Morifi	3,692,784	567,780	1,523,271	2,049,681		7,833,516
July Ndlovu	3,424,848	532,875	1,464,122	3,569,762		8,991,607
Vishnu Pillay	3,431,880	499,339	1,441,389	2,307,746 <sup>4</sup>		7,680,354
<b>Former</b>						
Mike Rogers (retired 28 February 2011)	496,496					496,496
Abe Thebyane (resigned 31 January 2011)	281,633	43,517				325,150
Alexander Wood (retired 31 December 2011)	3,056,510	448,963	1,273,182	3,492,330 <sup>5</sup>	2,187,948 <sup>5</sup>	10,458,933
<b>Total</b>	<b>34,099,910</b>	<b>5,261,518</b>	<b>14,829,115</b>	<b>27,164,568</b>	<b>2,187,948</b>	<b>83,543,059</b>

Base salary includes cash and travel allowance.

No gains were made by directors on options exercised, and no incentive shares vested during the year.

<sup>1</sup> Based on 2011 performance year paid in 2012.

<sup>2</sup> Based on 2011 performance year awarded in 2012.

<sup>3</sup> The LTIPs granted in 2009 (vesting in 2012), with performance period ended on 31 December 2011 did not vest.

<sup>4</sup> Includes replacement awards for benefits lost on resignation from previous employer.

<sup>5</sup> Cash and interest awards in lieu of 2010 and 2011 BSP and LTIP awards.

The table below provides an analysis of the remuneration of non-executive directors:

Names of directors	Directors' fees	Committees	Total remuneration
<b>NON-EXECUTIVE DIRECTORS</b>			
Cynthia Carroll <sup>3,8</sup>	1,056,250	—	1,056,250
Brian Beamish <sup>5,8</sup>	179,563	73,937	253,500
Richard Dunne <sup>1,2,3,4,5</sup>	179,563	443,625	623,188
Godfrey Gomwe <sup>2,6,7</sup>	179,563	147,875	327,438
Albertinah Kekana <sup>1,2</sup> (appointed 1 July 2011)	91,375	81,910	173,285
Bongani Khumalo <sup>2,5,6</sup>	179,563	221,812	401,375
Wendy Lucas-Bull <sup>2,4,6</sup>	179,563	274,625	454,188
René Médori <sup>8</sup>	179,563	—	179,563
Valli Moosa <sup>2,3,5</sup>	316,875	269,344	586,219
Sonja Sebotsa <sup>1,2,6</sup>	179,563	242,937	422,500
Tom Wixley <sup>1,2,3,4,6</sup>	179,563	448,906	628,469
<b>Total</b>	<b>2,901,004</b>	<b>2,204,971</b>	<b>5,105,975</b>

<sup>1</sup> Audit Committee member.

<sup>2</sup> Corporate Governance Committee member.

<sup>3</sup> Nomination Committee member.

<sup>4</sup> Remuneration Committee member.

<sup>5</sup> Safety & Sustainable Development Committee member.

<sup>6</sup> Transformation Committee member.

<sup>7</sup> Directors' fees ceded to Anglo Operations Limited (AOL), a wholly owned subsidiary of Anglo American plc.

<sup>8</sup> Directors' fees ceded to Anglo American Services UK Limited, a wholly owned subsidiary of Anglo American plc.

## Share awards

### Market value of LTIP awards granted in 2011 and 2012 for executive directors and prescribed officers

LTIP allocations	2012		2011	
	Number of LTIPs awarded	Market value of awards	Number of LTIPs awarded	Market value of awards
<b>EXECUTIVE DIRECTORS</b>				
Neville Nicolau (left 19 July 2012)	12,189	5,747,479	14,509	9,195,728
Bongani Nqwababa	6,142	2,817,285	6,972	4,418,634
<b>PRESCRIBED OFFICERS</b>				
Mary-Jane Morifi	5,707	2,599,465	6,555	4,154,375
July Ndlovu	5,537	2,522,064	6,147	3,895,762
Khanyisile Kweyama (resigned 31 August 2012)	4,914	2,238,310		
Pieter Louw	5,959	2,714,313	6,615	4,192,673
Vishnu Pillay	5,426	2,471,457	6,092	3,860,863
Ben Magara	5,640	2,568,964	6,477	4,105,224
Andrew Hinkly (appointed 1 January 2012)	5,585	2,543,928		
<b>Total</b>	<b>57,099</b>	<b>26,223,265</b>	<b>53,367</b>	<b>33,823,259</b>

### Share award schedule for executive directors

Share scheme/participant	Opening balance at 1 January 2012	Granted during the year	Date of grant	Awards exercised	Date of exercise vesting	Conditional forfeiture	Date of conditional forfeiture	Closing balance at 31 December 2012	Earliest date of vesting
<b>Bonus Share Plan</b>									
Neville Nicolau (left 19 July 2012)	31,116	7,394	10/05/2012	(38,510)		–		–	
				(11,802)	16/04/2012				
				(10,188)	24/07/2012				
				(9,126)	24/07/2012				
				(7,394)	24/07/2012				
Bongani Nqwababa	14,784	3,549	10/05/2012	(3,433)	16/04/2012			14,900	
								2,740	06/05/2013
								4,211	12/05/2014
								4,400	21/07/2014
								3,549	10/05/2015
<b>Long-term Incentive Plan</b>									
Neville Nicolau (left 19 July 2012)	35,701	12,189	10/05/2012	–		(11,431)	16/04/2012	36,459	
								9,761	06/05/2013
								14,509	12/05/2014
								12,189	10/05/2015
Bongani Nqwababa	16,762	6,142		–		(5,299)	16/04/2012	17,605	
		4,913	10/05/2012					4,491	06/05/2013
		1,229	18/07/2012					6,972	12/05/2014
								4,913	10/05/2015
								1,229	10/05/2015
<b>Executive Share Option Scheme</b>									
Neville Nicolau (left 19 July 2012)	6,226	–		–		–		6,226	01/06/2013
Chris Griffith	1,979	–		–		–		1,979	01/03/2016
<b>Employee Share-appreciation Scheme</b>									
Chris Griffith	8	–		–		–		8	01/03/2015

## Interests of executive directors and prescribed officers in beneficially held and conditional shares as at 31 December 2012

	Beneficial, bonus shares and LTIPs as % of base salary for current employees <sup>1</sup>	Total	Beneficially held	Bonus shares	Share options	LTIPs
Cl Griffith		2,134	147	—	1,987	—
B Nqwababa	353	32,761	256	14,900	—	17,605
MJ Morifi	290	28,484	145	10,227	1,637	16,475
J Ndlovu	338	50,048	2,930	12,731	18,743	15,644
PJ Louw	332	32,739	—	13,460	2,331	16,948
VP Pillay	325	30,169	31	18,620	—	11,518
B Magara	274	25,399	—	9,119	—	16,280
A Hinkly		5,585	—	—	—	5,585

<sup>1</sup>The percentage is tabulated for employees that have been in service for at least three years

## Non-executive directors' fees

	2012	2011
Chairman of the board	1,139,500	1,075,000
Lead independent non-executive director	341,850	322,500
Non-executive director on the board	193,710	182,750
Audit Committee chairman	153,830	145,125
Audit Committee member	102,550	96,750
Remuneration Committee chairman	142,440	134,375
Remuneration Committee member	85,460	80,625
Nomination Committee chairman	131,040	123,625
Nomination Committee member	79,760	75,250
Corporate Governance Committee chairman	131,040	123,625
Corporate Governance Committee member	79,760	75,250
Safety & Sustainable Development Committee chairman	131,040	123,625
Safety & Sustainable Development Committee member	79,760	75,250
Transformation Committee chairman	131,040	123,625
Transformation Committee member	79,760	75,250

**Increase in non-executive director fees**

At the annual general meeting on 26 April 2013 members will be asked to pass special resolutions to take effect from that date, approving that the fees remain unchanged for the year, but that a fee of R15,000 per meeting attended is paid for special board and committee meetings. The freeze in non-executive directors' fees is proposed to reflect the current challenging business context. Directors' fees were last increased in 2012.

**Approval**

This remuneration report was approved by the board of directors of the Company on 1 February 2013.

Signed on behalf of the board of directors



**Wendy Lucas-Bull**

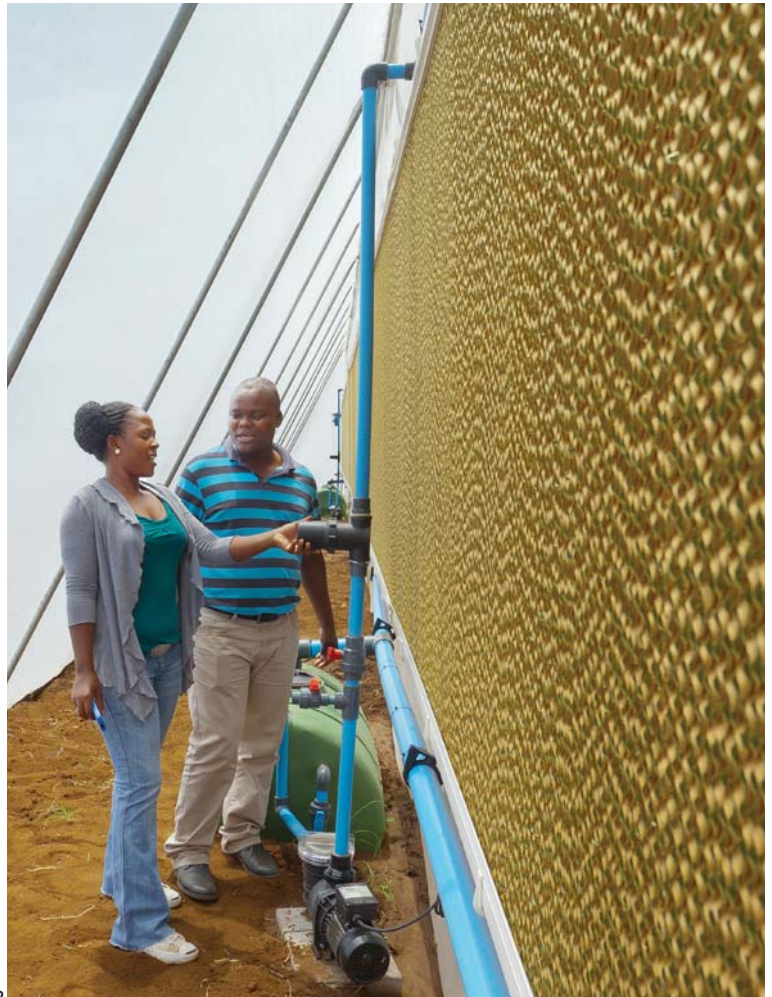
*Remuneration Committee chairman*

Johannesburg

1 February 2013



01



02

# SOCIAL, ETHICS & TRANSFORMATION COMMITTEE REPORT



The board of Amplats and the Social, Ethics & Transformation Committee (the Committee) have pleasure in submitting its inaugural report for the financial year ended 31 December 2012.

The board took the decision on 14 December 2011 to dissolve and absorb the functions of the Transformation Committee into the Social, Ethics & Transformation Committee. The members of the previous Transformation Committee were appointed as the first members of the Committee and the composition is in line with the requirements of section 72(8) of the Companies Act, No 71 of 2008 (the Act), and its associated regulations.

## THE ROLE OF THE COMMITTEE

As required by the Companies Act, the role of the Committee is to:

- Oversee and monitor activities relating to:
  - **Social and economic development:** including the principles set out in the United Nations Global Compact, the OECD's recommendations regarding corruption, employment equity and broad-based black economic empowerment.
  - **Good corporate citizenship:** including the promotion of equality, the prevention of unfair discrimination, and corporate social responsibility.
  - Safety, health and the environment.
  - Consumer relationships.
  - Labour, employment and skills development.

- Recommend to the board, key policies and guidelines for the management of the abovementioned social, ethics and transformation priorities.
- Consider reports and feedback from any other committees in relation to social, ethics and transformation priorities and contribute to other committee initiatives where there is an overlap of responsibility.
- Evaluate management's performance against the board-approved targets and/or policies on matters relating to social, ethics and transformation priorities.
- To report to shareholders at the Company's annual general meeting on the matters relating to social, ethics and transformation priorities.

## COMPOSITION

The Committee is made up of executive members as well as non-executive directors and includes the following members: Wendy Lucas-Bull (Chairman), Richard Dunne, Dorian Emmett, Khanyisile Kweyama, Bongani Khumalo, Lorato Mogaki, Valli Moosa and Sonja Sebotsa.

Invitees to the Committee include Chris Griffith (chief executive), Mary-Jane Morifi (head of corporate affairs) and Fiona Edmundson (legal counsel).

## MAIN INITIATIVES UNDERTAKEN DURING THE YEAR

2012 has been a challenging year for the Company with many socio-economic challenges coming to the fore. The unprotected industrial action that has spread across the industry and the tragic events at Marikana, have brought into sharp focus the need to improve working conditions, build labour relationships, and engage more meaningfully with the communities in which we operate. These challenges exist as the Company faces pressure on the platinum price in light of continued global macroeconomic weakness. Notwithstanding these challenges, social development and the addressing of the historical imbalances of the past continue to be a high priority on the South African transformation agenda, and have been at the heart of the Committee's activities.

The following sets out the key highlights of the activities of the Committee:

- **Committee formation activities:** Reviewing the Committee's terms of reference and associated work plan for the year.
- **Oversight of Alchemy transaction:** The Committee deliberated on matters pertaining to the ongoing role out of the Alchemy transaction and the establishment of the four development trusts (Development Trusts).

Alchemy is a R3.5 billion transaction which was concluded in 2011, and is aimed at ensuring the long-term sustainable development of four of our host communities and major labour-sending areas. The transaction is notionally vendor-financed over 10 years at a fixed 9.5% notional interest rate and includes an upfront discount of 5%. Amplats issued a total of 6,290,365 ordinary shares of 10 cents each to an umbrella trust named Lefa La Rona (Our Inheritance) at the end of 2011. The Development Trusts are in the process of being set up to benefit the host communities within an approximate radius of 15 km from the Amandelbult, Rustenburg, Twickenham and Mogalakwena mines and a non-profit company has been incorporated for the benefit of the labour-sending areas.

These Development Trusts and the non-profit company will benefit from the following cash flows once established:

- Annual dividend receipts.
  - A guaranteed minimum dividend flow of R20 million per annum to provide an annual cash amount to the Development Trusts and the non-profit company, after taking into consideration the annual dividends received.
  - Rechannelled CSI spend of R30 million to the extent that the development trusts secure approval for development projects within the host communities.
  - Health and safety cash-flow benefits for the development trusts where key performance indicators relating to on-and-off-mine health and safety targets are achieved.
- Proceeds from the potential increase in the Amplats share price after settling of the notional vendor funding, to the extent that the shares are disposed of by the development trusts and the non-profit company at the expiry of the term of the transaction.
- **Review of transformation and employment equity initiatives and the Mining Charter:** The Committee reviewed the Company's employment equity report and compliance with the amended Mining Charter to ensure adequate programmes and plans are in place. From the review it is evident that the Company's transformation programme, and its associated initiatives have the desired outcome and will continue to be monitored. A comprehensive overview of the Company's transformation policy and programme is included on page 153 of this report. Results of the values and cultures survey, which were conducted in the latter part of 2011 and evaluated by the Committee during 2012, were analysed and guidance was provided on appropriate organisational cultural transformation programmes. This guidance included ensuring the results were cascaded to all levels within the organisation at all operations through a structured set of forums. Operations and teams were encouraged to develop bottom-up actions and plans to address cultural change initiatives. Further details of the overall plan are included on page 183 of this report and page 57 of the Sustainable Development Report.

- **Review of labour unrest:** Labour at Rustenburg, Union and Amandelbult mines embarked on an unprotected strike for two months in 2012. The Committee was kept apprised of all aspects pertaining to the unprotected strike and the possible underlying socio-economic conditions which may have been one of the root causes of the strike. Details are included from pages 6 of the Sustainable Development Report.

The Committee will continue to review labour developments and incorporate the findings in future social-economic development initiatives.

- **Development of a social plan framework:** A comprehensive proposed social plan framework was prepared by management to limit the social impact of any potential retrenchments coming from the proposed organisational changes. The Committee reviewed the proposed social plan and provided guidance around key aspects of its effectiveness. Details of the plan are described from page 9 of the Sustainable Development Report.

**COMMITTEE'S REPORT CROSS-REFERENCING TABLE**

As some of the Committee's responsibilities and deliberations overlap with the responsibilities of other committees, detailed policy and performance information may be included in other sections of both the annual and sustainable development reports.

The following table sets out items where they are cross-referenced in either the full annual or sustainable development reports (both of which are available on [www.angloamericanplatinum.com](http://www.angloamericanplatinum.com)), highlighting the Social, Ethics & Transformation Committee's role in contributing to these responsibilities.

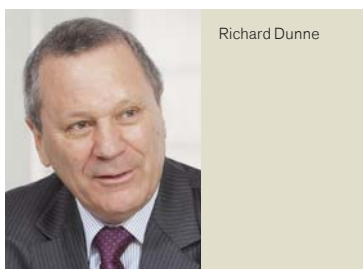
<b>Social, Ethics &amp; Transformation Committee priorities</b>	<b>Other specific reports</b>	<b>Page reference Annual Report (AR) Sustainable Development Report (SD)</b>
<b>Social and economic development</b>	Performance against UN Global Compact Principles and OECD anti-corruption:	
	• Human rights	AR146, 150 SD51, 53, 55, 77
	• Labour	AR15, 146, 150 SD29, 51, 55
	• Environment	AR1, 114, 147, 162, 198 SD100–130
	• Anti-corruption	AR152 SD21, 23, 55, 59
	Employment Equity performance report	AR154
	Broad-based black economic empowerment report	AR18–21, 154
<b>Good corporate citizenship</b>	Equity and unfair discrimination policy, strategy and performance report	AR21, 150, 153, 154, 183 SD51, 56, 62
	Corruption and business integrity policy, strategy and performance report	AR152 SD21, 23, 55, 59
	Community development policy, strategy and performance report	AR8, 15, 19, 20, 145, 148 SD74–89
<b>Environment, health and safety</b>	Safety policy, strategy and performance report	AR2, 6, 10, 14, 16, 144 SD32–41
	Health policy, strategy and performance report	AR6, 14, 148 SD42–49
	Environmental policy strategy and performance report	AR114, 147, 162, 198 SD100–130
<b>Consumer relationships</b>	Product stewardship policy and performance report	SD23, 94, 96, 134
<b>Labour and employment</b>	Employment and labour practices policy and performance report	AR15, 146, 150 SD29, 51, 55

The Committee is satisfied that the overall principles laid down by the King Code of Governance for South Africa (King III) and the Companies Act, 2008, have been adhered to unless specifically stated. This Committee's report has been approved by the board on the recommendation of the Committee.


**Wendy Lucas-Bull***Social, Ethics & Transformation Committee chairman*

Johannesburg  
1 February 2013

# AUDIT COMMITTEE REPORT



Richard Dunne

This report is provided by the Audit Committee appointed in respect of the 2012 financial year of Amplats in compliance with section 94(7)(f) of the Companies Act, 2008 (the Act).

The Committee's operation is guided by a detailed charter that is informed by the Act and King III and approved by the board. A copy of the charter is available on the Company's website.

## MEMBERSHIP

The Committee was appointed by the shareholders at the annual general meeting held on Friday, 30 March 2012 in respect of the 2012 financial year. Shareholders will be requested to approve the appointment of the members of the Audit Committee for the 2013 financial year at the annual general meeting scheduled for 26 April 2013. It comprises solely independent non-executive directors.

During the year under review the member were:

- Richard Dunne (chairman)
- Tom Wixley (retired 30 March 2012)
- Valli Moosa (appointed 25 September 2012)
- John Vice (appointed 30 November 2012)
- Albertinah Kekana (Resigned 25 September 2012)

Subsequent to year end Sonja Sebotsa resigned 1 February 2013.

## PURPOSE

The purpose of the Committee is:

- to assist the board in discharging its duties relating to the safeguarding of assets, the operation of adequate systems, control and reporting processes, and the preparation of accurate reporting and financial statements in compliance with the applicable legal requirements and accounting standards

- to provide the finance director, external auditors and the head of internal audit access to the chairman of the Committee or any other member of the Committee as is required in relation to any matter falling within the remit of the Committee
- to meet with the external auditors at least on an annual basis
- to provide a forum for discussing business risk and control issues and developing recommendations for consideration by the board
- to monitor enterprise-wide, operational and market, regulatory, safety and other risks, as well as to ensure adequate mitigation thereof by way of monitoring controls that have been implemented to curtail and minimise risk
- to review the holding and Group company financial statements and reports and reports from subsidiary company and managed joint-venture audit committees where applicable
- to consider the scope and conclusion of the report by the independent assurance providers in respect of the safety and Sustainable Development Report and to ensure that the report is consistent with the Group financial statements
- to oversee the activities of and ensure co-ordination between the activities of internal and external audit
- to perform duties that are assigned to it by the Act, as amended, and as governed by other legislative requirements, including the statutory Audit Committee functions required for subsidiary companies
- to receive and deal with any complaints concerning the accounting practices,

internal audit or the content and audit of its financial statements or related matters

- to conduct annual reviews of the Committee's work and terms of reference and make recommendations to the board to ensure that the Committee operates at maximum effectiveness

## EXECUTION OF FUNCTIONS

The Audit Committee has executed its duties and responsibilities during the financial year in accordance with its terms of reference as they relate to the Group's accounting, internal auditing, internal control and financial reporting practices.

During the year under review:

- In respect of the external audit, the Committee, among other matters:
  - nominated Deloitte & Touche and J Welch as the external auditor and designated auditor respectively to the shareholders for appointment as auditor for the financial year ended 31 December 2012, and ensured that the appointment complied with all applicable legal and regulatory requirements for the appointment of an auditor. The Committee confirms that the auditor and the designated auditor are accredited by the JSE
  - approved the external audit engagement letter, the plan and the budgeted audit fees payable to the external auditor
  - reviewed the audit, evaluated the effectiveness of the auditor and its independence and evaluated the external auditor's internal quality control procedures

- obtained an annual written statement from the auditor that its independence was not impaired
- determined the nature and extent of all non-audit services provided by the external auditor and preapproved all non-audit services undertaken
- obtained assurance that no member of the external audit team was hired by the Company or its subsidiaries during the year
- obtained assurances from the external auditor that adequate accounting records were being maintained
- considered whether any reportable irregularities were identified and reported by the external auditors in terms of the Auditing Profession Act, 2005, and determined that there were none
- nominated the external auditor and the designated independent auditor for each of the South African subsidiary companies
- In respect of the financial statements, the Committee, among other matters:
  - confirmed the going concern as the basis of preparation of the interim and annual financial statements
  - reviewed compliance with the financial conditions of loan covenants and determined that the capital of the Company was adequate
  - examined and reviewed the interim and annual financial statements, as well as all financial information disclosed to the public prior to submission and approval by the board
  - ensured that the annual financial statements fairly present the financial position of the Company and of the Group as at the end of the financial year and the results of operations and cash flows for the financial year and considered the basis on which the Company and the Group was determined to be a going concern
  - considered accounting treatments, significant unusual transactions and accounting judgements
  - considered the appropriateness of the accounting policies adopted and changes thereto
  - reviewed the external auditor's audit report
  - reviewed the representation letter relating to the Group financial statements which was signed by management
  - considered any problems identified and reviewed any significant legal and tax matters that could have a material impact on the financial statements
  - met separately with management, external audit and internal audit
- In respect of internal control and internal audit, including forensic audit, the Committee, among other matters:
  - reviewed and approved the annual internal audit charter and audit plan and evaluated the independence, effectiveness and performance of the Internal Audit Department and compliance with its charter
  - considered the reports of the internal auditor and external auditor on the Group's systems of internal control including financial controls, business risk management and maintenance of effective internal control systems
  - received assurance that proper and adequate accounting records were maintained and that the systems safeguarded the assets against unauthorised use or disposal thereof
  - reviewed significant issues raised by the internal and forensic audit processes and the adequacy of corrective action in response to significant internal and forensic audit findings
  - assessed the adequacy of the performance of the internal audit function, and assessed the performance of the head of the internal audit function and the adequacy of the available internal audit resources and found them to be satisfactory
- based on the above, formed the opinion that there were no material breakdowns in internal control, including financial controls, business risk management and maintaining effective material control systems
- In respect of information technology, which will continue to be an outsourced shared service from Anglo Operations Limited, the board had officially delegated the responsibility of IT governance to the Audit Committee. The Committee, insofar as relevant to its functions:
  - conducted an assessment during the second quarter of 2012 to review the internal controls that management had instituted to ensure effective governance of information technology (IT) in line with the King III requirements. The Committee would continue to perform an oversight role to ensure enhanced governance of IT on behalf of the board. In accordance with the Approvals framework, an IT investment report for IT investments over R500 million and/or the top 10 IT investments would be submitted for consideration and approval by the board
  - implemented the COBIT (Control Objectives for Information and related Technology) framework as the official governance compliance framework for IT. A detailed mapping of the current maturity of the IT organisation against a desired end state maturity of the aforementioned COBIT areas was conducted. This mapping formed the mainstay and logical structure for the review of the Anglo American Platinum IM Governance arrangements. It also acted as the mechanism to monitor, evaluate and access the ongoing

- status and overall compliance with statements of intent and how gaps would be closed
  - reviewed IT risks and governance
  - reviewed the Group's policies on information technology risks, and found them to be sound
- In respect of risk management, the Committee has:
  - reviewed the Group's policies on risk assessment and risk management, as they pertain to financial reporting and the going-concern assessment, and found them to be appropriate
  - considered and reviewed the findings and recommendations of the S&SD Committee
  - received a written assessment of the effectiveness of the Company's system of internal controls and risk management from Anglo Business Assurance Services Department of Anglo Operations Limited
- In respect of sustainability issues contained in the Sustainable Development Report, the Committee has:
  - overseen the process of sustainability reporting and considered the findings and recommendations of the S&SD Committee
  - met with PricewaterhouseCoopers (PwC), Company senior management and the internal auditors to consider the PwC findings on assurance, as well as to make appropriate enquiries from management and has, through this process, received the necessary assurances that material disclosures are reliable and do not conflict with the financial information
- In respect of legal and regulatory requirements to the extent that it may have an impact on the financial statements, the Committee:
  - reviewed with management legal matters that could have a material impact on the Group

- reviewed with the Company's internal counsel the adequacy and effectiveness of the Group's procedures to ensure compliance with legal and regulatory responsibilities
  - monitored complaints received via the Group's ethics line, including complaints or concerns regarding accounting matters, internal audit, internal accounting controls, contents of the financial statements, potential violations of the law and questionable accounting or auditing matters
  - considered reports provided by management, the internal auditor and the external auditor regarding compliance with legal and regulatory requirements
- In respect of the co-ordination of assurance activities, the Committee:
    - reviewed the plans and work outputs of the external and internal auditors and concluded that these were adequate to address all significant financial risks facing the business
    - considered the expertise, resources and experience of the finance function and concluded that these were appropriate
    - considered the appropriateness of the experience and expertise of the finance director and concluded that these were appropriate

#### INDEPENDENCE OF EXTERNAL AUDITOR

The Committee is satisfied that Deloitte & Touche is independent of the Group after taking the following factors into account:

- Representations made by Deloitte & Touche to the Committee.
- The auditor does not, except as external auditor or in rendering permitted non-audit services, receive any remuneration or other benefit from the Company.
- The auditor's independence was not impaired by any consultancy, advisory or other work undertaken by the auditor.

- The auditor's independence was not prejudiced as a result of any previous appointment as auditor.
- The criteria specified for independence by the Independent Regulatory Board for Auditors and international regulatory bodies.

#### ANNUAL FINANCIAL STATEMENTS


Following the review by the Committee of the annual financial statements of Amplats for the year ended 31 December 2012, the Committee is of the view that in all material respects they comply with the relevant provisions of the Act and IFRS and fairly present the consolidated and separate financial position at that date and the results of operations and cash flows for the year then ended. The Committee has also satisfied itself of the integrity of the remainder of the integrated report. Having achieved its objectives, the Committee has recommended the financial statements and integrated report for the year ended 31 December 2012 for approval to the board. The board has subsequently approved the financial statements, which will be open for discussion at the forthcoming annual general meeting.

On behalf of the Committee



**Richard Dunne**  
*Chairman of the Audit Committee*

Johannesburg  
1 February 2013

 **STRATEGIC ELEMENT:** Operate the business cost effectively and competitively



# REMAINING COMMITTED

WITH THE FUTURE IN MIND



## This review comprises a commentary on Amplats' key financial performance indicators for the year ended 31 December 2012.

In a year that was marred by illegal industrial action across the mining industry, and where continued high levels of inflation and a subdued macroeconomic environment, particularly in Europe, led to severe margin contraction, resulting in an operating loss of R6,334 million for the year ended 31 December 2012. This represents a 180% reduction, from a profit of R7,965 million in 2011. Headline earnings per ordinary share decreased year-on-year to a loss of R5.62 in 2012, from a profit of R13.65 reported in 2011. This was primarily owing to lower sales volumes, the impact of higher mining inflation on costs and lower realised metal prices. Headline earnings per ordinary share exclude a loss of R463 million resulting from the revaluation of certain investments as well as the writedown of various other projects and assets, which are considered uneconomical in the current environment, to the value of R6.6 billion (after-tax R4.8 billion).



**“The cash operating cost per equivalent refined platinum ounce increased by 20.8% from R13,552 to R16,364, owing to the continued inflationary pressures, reduced production volumes and once-off costs (e.g. security costs, once-off allowances) related to the illegal industrial action.”**

# R7.2bn

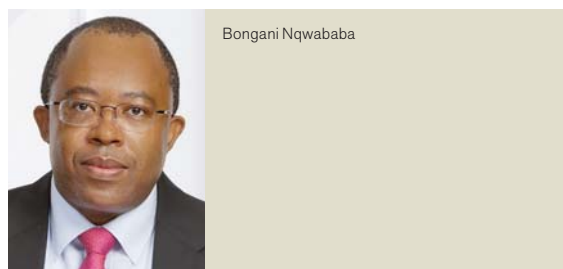
SPENT ON CAPITAL  
IN 2012

### ANNUAL FINANCIAL STATEMENTS

for the year ended 31 December 2012

190	Finance director's review
198	Five-year financial review
200	Approval of financial statements
200	Company secretary certificate
201	Independent auditor's report
	<b>Directors' report</b>
202	Financial results and nature of business
202	Compliance with accounting standards
202	Listing
202	Ordinary dividends
202	Corporate governance
202	Core Company values and corporate code of conduct
204	Directorate
204	Interests of directors
204	Directors' remuneration
204	Internal audit
204	Shares repurchased
204	General authority placing the unissued shares under the control of the directors
205	Dematerialisation of shares (STRATE)
205	Property
205	Auditors
205	Sponsor
205	Transfer secretaries
205	Administration and services
205	Subsidiary companies
205	Holding company and ultimate holding company
205	Broader communities initiative
205	Capital expenditure
205	Events subsequent to 31 December 2012
	<b>Consolidated financial statements</b>
206	Principal accounting policies
216	Consolidated comprehensive income statement
217	Consolidated comprehensive financial position
218	Consolidated statement of cash flows
219	Consolidated changes in equity
220	Notes to the consolidated annual financial statements
251	Annexures
258	Anglo American Platinum annual financial statements

# FINANCE DIRECTOR'S REVIEW



Bongani Nqwababa

2012 proved to be a challenging year for the platinum mining industry, amid continued uncertainty in the global economy.

## NET SALES REVENUE

Down 16% to

# R42.8bn

## OPERATING LOSS

(after scrapping of assets)

# R6.3bn

## HEADLINE LOSS

down 141% to

# R1.5bn

## NET DEBT

increased R6.8 billion to

# R10.5bn

For a more comprehensive and detailed account of the Group's financial position and performance, it should be read in conjunction with the Annual Financial Statements 2012.

Amplats was faced with substantial operational challenges, widespread illegal industrial action and continued inflationary pressure on costs, all of which had a negative impact on the Group's financial performance for 2012.

Amplats' headline loss for the year ended 31 December 2012 was R1.5 billion, compared to the profit of R3.6 billion earned in 2011. The Group incurred a loss attributable to ordinary shareholders of R6.7 billion. This was the result principally of a writedown of the carrying value of certain projects and other assets, which were not in use as they are considered not economically viable; and a decline of 17% in refined platinum sales, which were impacted by the illegal industrial action during the second half of 2012. Attributable and headline loss for the year were R25.58 and R5.62 per share respectively.

## FINANCIAL PERFORMANCE

The key financial indicators underpinning our operating performance during the past year were:

Rand million	2012	2011	% change	2010
Net sales revenue	<b>42,838</b>	51,117	(16.2)	46,025
Cost of sales	<b>41,948</b>	42,562	(1.4)	37,991
Gross profit on metal sales	<b>890</b>	8,555	(89.6)	8,034
Gross profit margin (%)	<b>2.1</b>	16.7	(87.4)	17.5
Operating (loss)/profit	<b>(6,334)</b>	7,965	(179.5)	7,253
Headline (loss)/earnings	<b>(1,468)</b>	3,566	(141.2)	4,931
Cash generated from operations	<b>2,692</b>	13,258	(79.7)	11,356
Capital expenditure	<b>7,201</b>	7,504	(4.0)	7,989

## Revenue

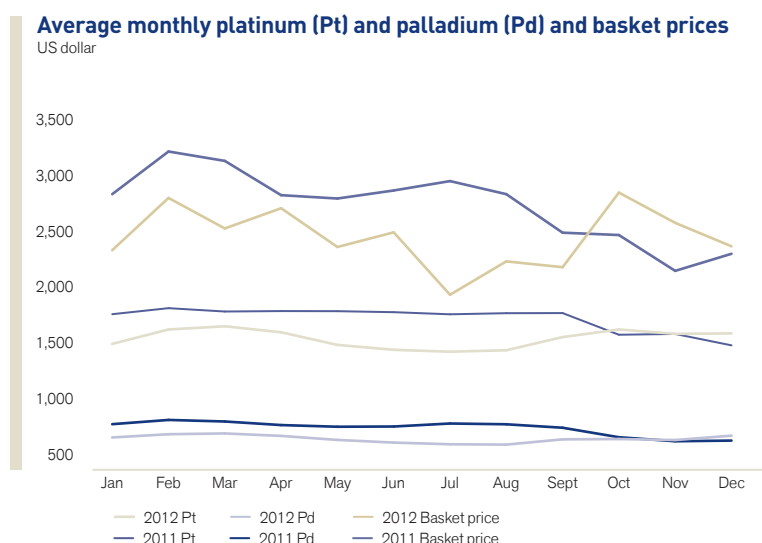
The Group's net sales revenue of R42.8 billion for the year was 16% lower than the R51.1 billion in 2011.

Refined platinum sales for the year ended 31 December 2012 decreased to 2.17 million ounces, down 17% from the 2.60 million ounces sold in 2011. Sales volumes were negatively impacted by losses in production following the illegal industrial action and the need to build pipeline stock to meet customer commitments.

Rand million	2012	2011	% change	2010
<b>Gross sales revenue by metal</b>	<b>43,148</b>	51,484	(16.2)	46,532
Platinum	27,056	32,171	(15.9)	29,481
Palladium	7,133	7,520	(5.1)	5,063
Rhodium	3,046	4,882	(37.6)	5,715
Nickel	2,672	3,180	(16.0)	2,919
Other	3,241	3,731	(13.1)	3,174
Commissions paid	(310)	(367)	(15.5)	(327)
<b>Net sales revenue</b>	<b>42,838</b>	51,117	(16.2)	46,025

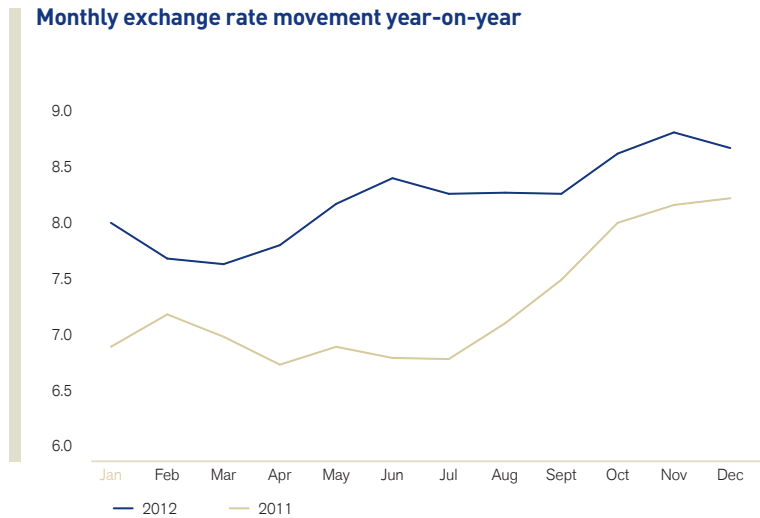
The average US dollar basket price per platinum ounce sold declined by 11% to US\$2,406 (from US\$2,698 in the prior period).

The average US dollar basket price per platinum ounce sold declined by 11% to US\$2,406 (from US\$2,698 in the prior period). The average US dollar sales price achieved on platinum declined by 10% to US\$1,532 per ounce, while the average US dollar sales price achieved on palladium was down 13% on the prior year, from US\$735 to US\$640 per ounce, owing to low autocatalyst demand. A significant decline in rhodium prices of 37% was seen in 2012, from US\$2,015 to US\$1,264. The average US dollar sales price achieved on nickel declined by 26% to US\$7.76 per pound owing to depressed demand from stainless steel producers.



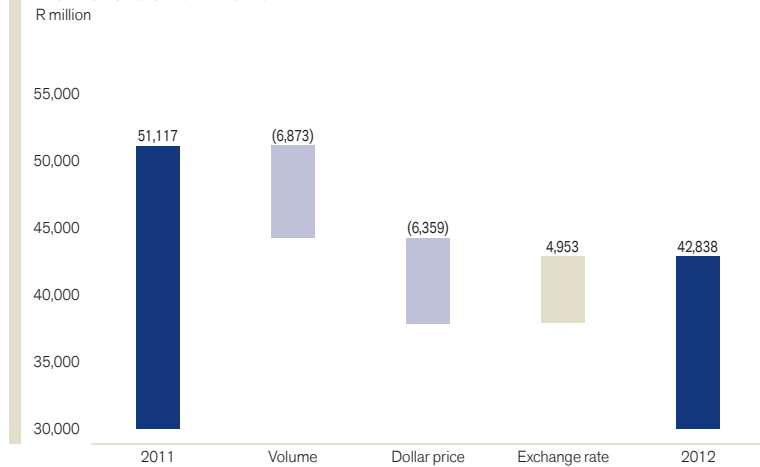
The decline in metal prices was offset by a weakening of the average rand/US dollar exchange rate of R8.22/US\$1.00 from the R7.26 achieved during 2011. After taking into account the effect of the weakening of the rand against the US dollar the average rand basket price per platinum ounce was marginally stronger (showing a 0.9% increase) at R19,764.

**Monthly exchange rate movement year-on-year**



As in the rest of the industry, Amplats experienced mining inflation well in excess of headline inflation (CPI).

**Net revenue 2012 vs 2011**



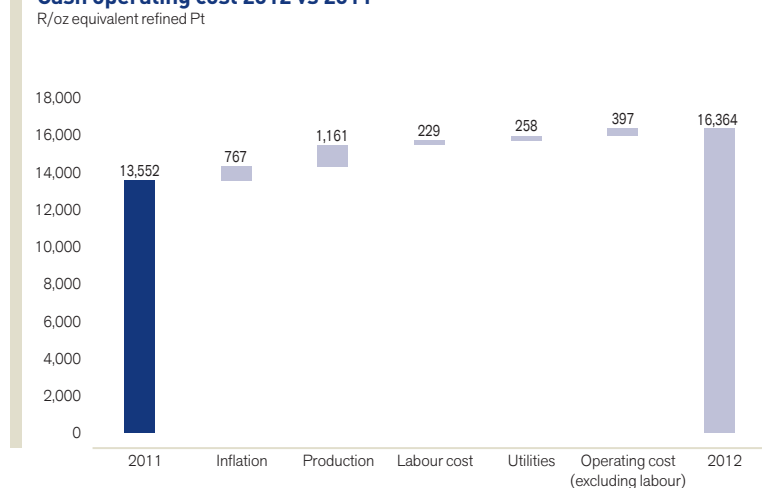
**Cost of sales**

Cost of sales decreased by 1.4% year-on-year, from R42.6 billion to R41.9 billion. On-mine operating expenses increased by R2.4 billion or 9.4% between 2011 and 2012. The Group incurred R9.0 billion on the purchase of metals, which declined year-on-year in line with lower production and metal prices. The cost of processing (smelting, treatment and refining) of R5.8 billion increased by 13.1% over the R5.1 billion incurred in 2011, driven by above-inflation cost increases. Cost of sales benefited from the R3.1 billion movement of inventory during the year (refer to the disclosure of changes in accounting estimates on page 197 of this report). As in the rest of the industry, Amplats experienced mining inflation well in excess of headline inflation (CPI). A number of cost items – such as the price of electricity, diesel and labour – increased much more than did CPI. In addition, operating costs remained under pressure owing to illegal industrial action during the second half of 2012 where fixed costs were incurred despite the disruption in production and additional once-off costs were incurred as a direct result of the strike.

Rand million	2012	2011	% change	2010
On-mine	27,607	25,237	9.4	23,227
Purchase of metals	8,959	9,193	(2.5)	9,215
Processing	5,789	5,117	13.1	4,359
Smelting	3,096	2,801	10.5	2,574
Treatment and refining	2,693	2,316	16.3	1,785
Movement in inventories	(3,144)	203		995
Other costs	2,737	2,812	(2.7)	2,185
<b>Cost of sales</b>	<b>41,948</b>	<b>42,562</b>	<b>(1.4)</b>	<b>37,991</b>

The cash operating cost per equivalent refined platinum ounce increased by 20.7% from R13,552 to R16,364, owing to the continued inflationary pressures, reduced production volumes and once-off costs (e.g. security costs, once-off allowances) related to the illegal industrial action. After taking into account the effect of this action, which resulted in lost production of some 306 koz, the lower absorption of the retained fixed cost base and the once-off costs incurred, the cash operating cost per equivalent refined platinum ounce is estimated at some R15,500 per ounce (on a normalised basis). While the Group saw a number of safety-related stoppages during the year, the effect of these stoppages on production has been minimised as these were contained to the area to which they related and not the entire mining operation. Operational challenges, including the industrial action, employee absenteeism and safety-related stoppages and interventions, had a negative impact on productivity, decreasing m<sup>2</sup> by 4% per operating employee, from 6.32 m<sup>2</sup> to 6.05 m<sup>2</sup>.

#### Cash operating cost 2012 vs 2011



#### Operating loss

Gross profit on metal sales decreased by 89.6% to R890 million from the R8.6 billion earned in 2011. With net sales revenue declining by 16.2% year-on-year and the cost of sales increasing marginally, this resulted in the compression of our gross profit margin to 2.1% in 2012, from 16.7% in 2011. After taking into account the scrapping of R6.6 billion of projects and other assets, the Group incurred an operating loss of R6.3 billion from the profit earned last year of R8.0 billion. After adjusting for the effect of the illegal industrial action the Group would have reported an operating loss of R3.0 billion and a gross profit

#### The Group incurred an operating loss of R6.4 billion from the profit earned last year of R8.0 billion.

of R4.2 billion (at a margin of approximately 8.6%).

In summary, the largest contributors to the operating loss for the year were:

- A 17% reduction in sales volumes (which was impacted by the strike), which resulted in a decline of revenue of R6.9 billion.
- A weighted average decline of 11% in US dollar basket-price prices, which contributed R5.2 billion.
- The writedown in the carrying value of various projects and other assets to the value of R6.6 billion, not in use, that are considered not economically viable in the current market environment (and the details of which are included on page 196 of this report).

These factors were offset by:

- the average rand/US dollar exchange rate of R8.22/US\$1.00, which was weaker than the R7.26 achieved during 2011 and resulted in a positive contribution of some R3.8 billion
- a R614 million decline in the cost of sales, as cost escalations above inflation were offset by positive inventory movements

The Group's earnings are very sensitive to movements in the prices of the commodities we sell as well as to the rand/dollar exchange rate. As an indication of this, a 10% change in the exchange rate or basket price achieved for 2012 would have resulted in earnings being some R2.5 billion different to the actual earnings achieved.

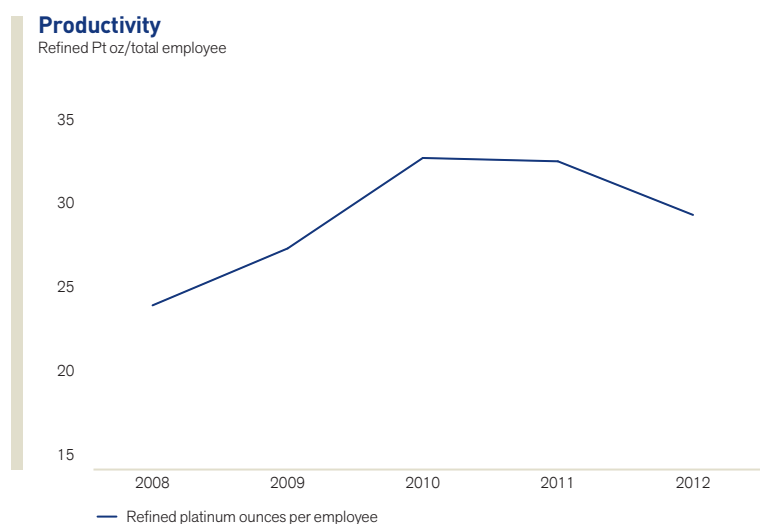
#### Headline (loss)/earnings and normalised headline earnings

Headline earnings decreased to a loss of R1.5 billion from a profit of R3.6 billion in 2011. On a normalised basis the loss for 2012 would have been R386 million, when compared to a profit of R5.5 billion, which takes into account the once-off R1.1 billion share-based payment charge on the community economic empowerment transaction trust being included in headline earnings and the US\$10 million donation to the Tongogara district community in 2011, as well as other non-recurring costs and remeasurements of R1.1 billion (2011: R621 million) that were provided for.

The Group recorded a headline loss per share attributable to ordinary shareholders of R5.62, compared to the profit of R13.65 in 2011. The weighted average number of ordinary shares in issue during 2012 was 261.0 million, compared with 261.4 million shares in 2011.

### Asset optimisation and supply chain

The Group's asset-optimisation and supply-chain programmes are firmly embedded in the business. Amplats continues to focus on projects that deliver value and this impacts both our balance sheet and our income statement. It ensures that in the short term we support the generation of profit while remaining focused on a sustainable balance sheet. Our asset-optimisation and supply-chain programmes continue to deliver operational excellence, efficiency and productivity improvements, and partially offset the impact of cost pressures exacerbated by the illegal industrial action experienced during the year.



The proposed restructuring of Amplats' operations will ensure more effective capital allocation in the direction of those Group operations that are best placed to sustain and create employment over the long term; and will avoid the significant capital expenditure that would be required simply to maintain output from certain marginal operations. Amplats will reduce its planned capital expenditure over the next 10 years by focusing investment on low-cost, high-margin projects. This portfolio will require R100 billion of capital expenditure over the next 10 years. In line with the proposed changes to its mining-and-processing-operations footprint, Amplats aims to deliver R3.8 billion of annual benefits by 2015 through cost reductions and efficiency improvements, including savings of R390 million to be achieved through a redesign of the overhead structure. The delivery of these benefits will be managed and controlled with the rigour, ownership and discipline that characterise the Group's current asset-optimisation programme.

### Capital expenditure

Capital expenditure (excluding capitalised interest) declined from R7.1 billion to R6.8 billion in 2012 as the Group implemented steps to curtail spend under a capital rationing exercise. As part of the ongoing ranking of its capital expenditure

project pipeline, Amplats considers the value and risk inherent in projects so as to ensure that:

- the project pipeline aligns with our long-term strategy and the anticipated market demand
- projects with lower risk profiles and higher returns are given preference
- other considerations, such as the availability of water and other infrastructure, are taken into account
- capital structure and affordability are considered
- projects selected enhance the overall competitiveness of the Group when compared with other producers and commodities

Stay-in-business capital expenditure decreased by R272 million to R3.0 billion, while project capital expenditure was up by R80 million, from R3.30 billion to R3.38 billion, after the review of the capital funding requirements of the Group. Expenditure on expansion projects was spent mostly on the Twickenham Mine project, the slag-cleaning furnace (further work on this project was stopped as proposed levels of production no longer require the additional capacity that this project would have delivered, and the carrying value was scrapped as a result), and bulk infrastructure and housing at the Unki Mine.

The Group capitalised R399 million (2011: R563 million), which was spent on waste stripping at Mogalakwena Mine as part of its strategy to maintain and increase production. This has necessitated an increase in waste stripping in excess of the life-of-mine average stripping rate.

Interest capitalised during the period increased from R363 million in 2011 to R416 million in 2012. This is a direct consequence of higher interest paid on borrowings during the year, as the Group's borrowing grew on the back of weaker operating cash flows.

Rand million	2012	2011	% change	2010
Capital expenditure, comprising	<b>6,386</b>	6,578	(2.9)	6,645
Projects	<b>3,376</b>	3,296	2.4	3,671
Stay-in-business	<b>3,010</b>	3,282	(8.3)	2,974
Capitalised waste stripping	<b>399</b>	563	(29.1)	599
Capitalised interest	<b>416</b>	363	14.6	745
<b>Total amounts capitalised</b>	<b>7,201</b>	7,504	(4.0)	7,989

After the projects ranking-and-prioritisation process conducted during 2012 on capital projects and stay-in-business expenditure to ensure that capital funding requirements are aligned with expected growth in demand, the proposed outcome from the portfolio review and the alignment of the project pipeline with the Group's strategy, Amplats will reduce its planned capital expenditure over the next ten years by approximately 25% to R100 billion. Consequently, the capital expenditure planned for 2013, excluding capitalised interest, will be in the range of R6.0 billion to R7.0 billion.

### Cash flows and net debt

The Group generated R2.7 billion in cash from its operations, which was 80% less than the R13.3 billion generated in 2011. These cash flows were used to pay taxation of R602 million; fund our capital expenditure of R7.2 billion (including capitalised interest); pay aggregate dividends of R590 million (including R58 million distributed to minority shareholders); and settle interest to our debt providers of R201 million during 2011.

Amplats' net debt position at 31 December 2012 was as follows:

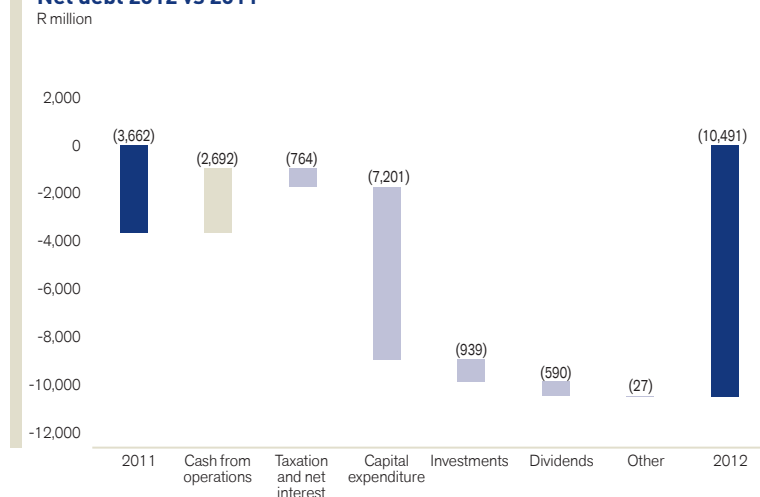
Rand million	2012	2011
Long-term interest-bearing borrowings	<b>8,104</b>	939
Short-term portion of long-term interest-bearing borrowings	<b>4,561</b>	5,019
<b>Total</b>	<b>12,665</b>	5,958
Cash and cash equivalents	<b>(2,174)</b>	(2,296)
<b>Net debt</b>	<b>10,491</b>	3,662
<b>Total equity</b>	<b>50,100</b>	56,473

At 31 December, R12.7 billion of the total R20.2 billion in long-term committed debt facilities, and uncommitted debt facilities of R6.3 billion, had been drawn down. Committed debt facilities to the value of R1.5 billion mature in 2013, and we will seek to refinance these facilities. The Group had undrawn committed and uncommitted debt facilities at 31 December 2012 of R13.8 billion (2011: R19.0 billion). The debt profile has a longer-term bias, which matches our capital investment programme.

Amplats has two debt covenants: total net borrowings to tangible consolidated net worth; and a threshold below which tangible consolidated net worth should not decrease. Amplats was not in breach of either of its covenants during the year and has sufficient headroom to meet these covenants in the foreseeable future.

The Group's net debt position at 31 December 2012 amounted to R10.5 billion, after taking into account cash on hand of R2.2 billion, which has decreased substantially from the R3.7 billion at the end of 2011 owing to a decline in cash flows from operations.

**The Group had undrawn committed and uncommitted debt facilities at 31 December 2012 of R13.8bn (2011: R19.0bn)**

**Net debt 2012 vs 2011**

**SHAREHOLDER RETURNS**
**Share price**

Amplats' shareholders comprise only ordinary shareholders. They consist of companies, individuals, pension and provident funds, insurance companies, banks, nominee and finance companies, trust funds and investment companies, and other corporate bodies. The shareholding of Anglo South Africa Capital Proprietary Limited was 79.86% (2011: 79.83%).

Amplats' share price came under pressure during the year, declining by 16% from the closing price of R532 at 31 December 2011 to R446 at 31 December 2012. Amplats underperformed the mining index of the JSE and certain of its peers in the platinum mining sector during the year.

**Five-year Amplats share price**

**Dividends**

As previously indicated, Amplats' aim is to maintain a dividend cover on headline earnings of between 2.0 and 3.0 times, paid out of cash generated from operations. However, the quantum of the dividend would ultimately be subject to prevailing and expected future economic conditions and funding commitments at the time of consideration by the board.

Owing to the substantial increase in the net debt position of the Group and considering future funding requirements, as well as the uncertainty in global economic markets and the proposed outcome of the portfolio review which seeks to deliver a sustainable, competitive and profitable platinum business, the board decided not to declare a dividend in 2012. Amplats will continue to monitor its capital environment and its ability to manage debt levels adequately, and will consider future dividend payments as the situation allows.

**SIGNIFICANT ACCOUNTING MATTERS**
**Scrapping of projects and other assets**

Certain capital projects, and other assets not in use, were deferred during the year owing to the prevailing economic conditions and capital constraints. It is believed that the future economic benefits associated with the project capital expenditure are no longer probable, and consequently these projects and assets have been scrapped. The following projects and other assets, to the value of R6.6 billion (before tax), were scrapped during 2012:

- Thembelani 2: R2.2 billion
- Slag-cleaning furnace 2: R0.6 billion
- Marikana Mine : R0.7 billion (scrapped during the first half of 2012)
- Tumela 4 shaft : R0.6 billion (scrapped during the first half of 2012)
- Various ore replacement projects: R0.7 billion
- Other assets : R1.4 billion
- Interest capitalised on these assets: R0.4 billion

### Change in accounting estimates

During the year, the Group changed its estimates of the quantities of inventory based on the outcome of a physical count of in-process metals. The Group runs a theoretical metal inventory system based on inputs; the results of previous counts; and outputs. Owing to the fact that the metals in such in-process inventories are contained in weirs, pipes and other vessels, physical counts take place only once a year, except at the Precious Metals Refinery, where it has taken place once every two years. This change in estimate has had the effect of increasing the value of inventory disclosed in the financial statements by R1.4 billion (2011: R417 million). This results in the recognition of an after-tax gain of R1.0 billion (2011: R300 million).

**Amplats has proposed to reconfigure its Rustenburg operations into a sustainable 320,000 oz to 350,000 oz per annum platinum producer, across three operating mines.**

### POST-BALANCE SHEET EVENT – PORTFOLIO REVIEW

Amplats concluded the 2012, review of its business in order to create a sustainable, competitive and profitable platinum business for the long-term benefit of all its stakeholders. The review was undertaken in response to several factors that had eroded profitability in recent years, including costs, mine depths and ore grades, and its revised long-term expectations for growth in world demand for platinum. The continued operation of unprofitable mines within the current configuration, and in light of platinum's revised demand and cost expectations, is not sustainable. Details of the review are included on page 8 in the chief executive's report.

### OUTLOOK – KEY FACTORS AFFECTING FUTURE OPERATING RESULTS

#### Metal prices

The demand for platinum remains sound, despite the current outlook for growth in the global economy. The South African platinum mining industry faces challenges of declining margins that may impact supply; while the supply of metal from the recycling market is expected to rise as pipeline stock is processed. The overall market is expected to remain in deficit, which will provide some support to prices.

#### Exchange rate

Relative to the situation in 2012, the US dollar has weakened against the South African rand, and post 31 December 2012 has been trading at around R9.00 to the US dollar. Our revenue and a significant proportion of our operating and capital expenditure is affected by the rand/US dollar exchange rate, and our operating profit thus remains highly sensitive to its fluctuations.

#### Inflation and cost escalation

The Group experienced internal inflation of around 9.8% during 2012, compared with the producer price index for mining of 7.8%. Amplats continues to focus on operational excellence, productivity improvements and efficiencies. Achieving this optimisation is currently a critical factor, and the Company's management is facing a challenging period in delivering a sustainable, profitable and competitive platinum business.



**Bongani Nqwababa**

*Finance director*

Johannesburg

1 February 2013

## FIVE-YEAR FINANCIAL REVIEW

for the year ended 31 December

R millions	2012	2011	2010	2009	2008
<b>STATEMENT OF COMPREHENSIVE INCOME</b>					
<b>Gross sales revenue</b>	<b>43,148</b>	51,484	46,352	36,947	51,118
Commissions paid	(310)	(367)	(327)	(260)	(353)
<b>Net sales revenue</b>	<b>42,838</b>	51,117	46,025	36,687	50,765
<b>Cost of sales</b>	<b>(41,948)</b>	(42,562)	(37,991)	(34,715)	(33,682)
Cash operating costs	(37,482)	(34,976)	(32,447)	(29,573)	(32,018)
On-mine costs	(24,167)	(21,950)	(19,919)	(19,543)	(20,243)
Purchased metals	(8,959)	(9,193)	(9,215)	(6,689)	(8,999)
Smelting costs	(2,310)	(2,045)	(1,846)	(1,881)	(1,625)
Treatment and refining costs	(2,046)	(1,788)	(1,467)	(1,460)	(1,151)
Depreciation of operating assets	(4,747)	(4,527)	(4,321)	(4,126)	(3,313)
Deferred waste stripping	(126)	(44)	(33)	(51)	5
Increase/(decrease) in metal inventories	3,144	(203)	995	1,095	3,478
Other costs	(2,737)	(2,812)	(2,185)	(2,060)	(1,834)
<b>Gross profit on metal sales</b>	<b>890</b>	8,555	8,034	1,972	17,083
Other net (expenditure)/income	(198)	(99)	(405)	(659)	949
Loss on scrapping of property, plant and equipment	(6,606)	(83)	–	–	–
Market development and promotional expenditure	(420)	(408)	(376)	(392)	(378)
<b>Operating (loss)/profit</b>	<b>(6,334)</b>	7,965	7,253	921	17,654
IFRS 2 Charge – community economic empowerment transaction	–	(1,073)	–	–	–
(Loss)/gain on revaluation of investment in Wesizwe Platinum Limited	(358)	33	–	–	–
Impairment of associates	(105)	–	–	–	–
Profit on disposal of 37% interest in Western Bushveld Joint Venture	–	–	788	–	–
Gain on listing of BRPM	–	–	4,466	–	–
Profit on disposal of investment in Northam Platinum Limited	–	–	–	–	1,141
Profit on disposal of investment in Booyensdal Joint Venture	–	–	–	1,982	–
Profit on disposal of 51% interest in Bokoni Platinum Mine	–	–	–	536	–
Net investment (expense)/income	(161)	215	232	(265)	173
(Loss)/income from associates (net of taxation)	(659)	(479)	(319)	(125)	107
<b>(Loss)/profit before taxation</b>	<b>(7,617)</b>	6,661	12,420	3,049	19,075
Taxation	897	(2,974)	(2,304)	79	(4,416)
<b>(Loss)/profit for the year</b>	<b>(6,720)</b>	3,687	10,116	3,128	14,659
<b>Basic (loss)/earnings attributable to ordinary shareholders</b>	<b>(6,677)</b>	3,591	9,959	3,007	14,231
<b>Headline (loss)/earnings attributable to ordinary shareholders</b>	<b>(1,468)</b>	3,566	4,931	705	13,280
<b>EBITDA</b>	<b>(2,136)</b>	12,097*	11,271	5,010	21,151
<b>Dividends</b>	<b>532</b>	3,116	–	6	13,816
<b>STATEMENT OF FINANCIAL POSITION</b>					
<b>Assets</b>					
Property, plant and equipment	43,946	44,499	37,438	35,283	28,435
Capital work-in-progress	9,149	12,940	17,065	18,074	18,136
Investment in associates	6,653	6,870	7,339	3,301	530
Investments held by environmental trusts	642	662	569	78	66
Other financial assets	4,204	3,931	2,904	941	158
Other non-current assets	58	69	93	101	75
Current assets	21,295	18,309	18,393	18,043	18,715
Assets classified as held-for-sale	–	–	–	–	2,553
<b>Total assets</b>	<b>85,947</b>	87,280	83,801	75,821	68,668
<b>Equity and liabilities</b>					
Shareholders' equity	50,100	56,743	55,018	32,633	29,496
Non-current interest-bearing borrowings	8,104	939	6,622	22,773	10,313
Obligations due under finance leases	–	–	1	2	509
Other financial liabilities	–	69	148	175	152
Environmental obligations	1,709	1,412	1,388	1,196	1,019
Employees' service benefit obligations	24	4	–	6	4
Deferred taxation	10,831	13,006	11,615	10,678	11,101
Current liabilities	15,179	15,107	9,009	8,358	15,328
Liabilities directly associated with assets classified as held-for-sale	–	–	–	–	746
<b>Total equity and liabilities</b>	<b>85,947</b>	87,280	83,801	75,821	68,668

R millions	2012	2011	2010	2009	2008
<b>STATEMENT OF CASH FLOWS</b>					
<b>Net cash from operating activities</b>	<b>1,889</b>	12,312	10,231	4,697	17,345
<b>Net cash used in investing activities</b>	<b>(7,891)</b>	(8,157)	(7,041)	(10,264)	(14,556)
Purchase of property, plant and equipment (including interest capitalised)	(7,201)	(7,504)	(7,989)	(11,301)	(14,388)
Other	(690)	(653)	948	1,037	(168)
<b>Net cash from/(used in) financing activities</b>	<b>5,880</b>	(4,393)	(4,188)	6,135	(3,658)
Proceeds from/(repayment of) interest-bearing borrowings	6,706	(686)	(16,147)	6,971	8,145
Ordinary and preference dividends paid	(532)	(3,116)	–	(6)	(13,816)
Proceeds of rights offer (net of costs)	–	–	12,404	–	–
Other	(294)	(591)	(445)	(830)	2,013
<b>Net (decrease)/increase in cash and cash equivalents</b>	<b>(122)</b>	(238)	(998)	568	(869)
<b>Cash and cash equivalents at beginning of year</b>	<b>2,296</b>	2,534	3,532	2,870	4,079
Transfer from/(to) assets held-for-sale	–	–	–	94	(340)
<b>Cash and cash equivalents at end of year</b>	<b>2,174</b>	2,296	2,534	3,532	2,870
<b>RATIO ANALYSIS</b>					
Gross profit margin (%)	2.1	16.7	17.5	5.4	33.7
Operating profit as a % of average operating assets	(10.2)	14.0	14.0	2.0	46.5
Return on average shareholders' equity (%)	(12.6)	6.6	23.1	10.1	50.3
Return on average capital employed (%)	(11.7)	12.3*	12.5	1.7	46.6
Current ratio	1.4:1	1.2:1	2:1	2.2:1	1.2:1
Debt:equity ratio	1:4.0	1:9.5	1:8.3	1:1.4	1:1.8
Interest cover – EBITDA	(3.2)	22.8*	11.7*	2.5	15.2
Debt coverage ratio	0.2	2.2	1.7	0.2	1.2
Net debt to capital employed (%)	17.3	6.1	7.0	37.1	31.2
Interest-bearing debt to shareholders' equity (%)	25.3	10.5	12.1	69.8	55.4
Net asset value as a % of market capitalisation	41.6	39.6	30.1	17.3	23.9
Effective tax rate (%)	(11.8)	44.6	18.6	(5.0)	23.4
<b>SHARE PERFORMANCE</b>					
Number of ordinary shares in issue (millions)	261.0°	261.1*	261.6°	236.8°	237.1°
Weighted average number of ordinary shares in issue (millions)	261.0°	261.4*	254.8°	243.7°	236.8°
Headline earnings per ordinary share (cents)	(562)	1,365	1,935	289	5,609
Dividends per share (cents)	–	700	683	–	3,500
Interim	–	500	–	–	3,500
Final	–	200	683	–	–
Dividends per preference share (cents)	–	–	–	700	638
Market capitalisation (R millions)	120,367	143,470	182,828	188,803	123,234
Net asset value per ordinary share (R)	191.9	217.3	210.3	137.8	124.4
Number of ordinary shares traded (millions)	73.2	101.5	93.0	99.7	95.0
Highest price traded (cents)	59,850	76,200	83,099	81,000	148,000
Lowest price traded (cents)	35,874	51,050	60,402	37,800	35,000
Closing price (cents)	44,633	53,200	69,413	79,250	51,760
Number of deals	388,644	579,871	540,939	440,157	401,322
Value traded (R millions)	34,382	62,281	67,087	57,822	90,706

\* Restated from amount previously published.

° Net of 1,069,015 (2011: 1,069,015) shares held by the Kotula Trust (the Group Employee Share Participation Scheme), the 1,343,949 (2011: 1,254,108) shares held in respect of the Group's share schemes and the 6,290,365 shares issued as part of the community economic empowerment transaction.

° Net of treasury shares held by the Kotula Trust and shares held in respect of the Bonus Share Plan.

## **APPROVAL OF THE ANNUAL FINANCIAL STATEMENTS**

for the year ended 31 December 2012

The annual financial statements, which appear on pages 206 to 261, were approved by the board of directors on 1 February 2013 and are signed on its behalf by:



**Cynthia Carroll**

Chairman

Johannesburg

1 February 2013



**Chris Griffith**

Chief executive officer

## **DECLARATION BY THE COMPANY SECRETARY**

In terms of section 88(2)(e) of the South African Companies Act, 2008 (the Act), I declare that, to the best of my knowledge, the Company has lodged with the Registrar of Companies all such returns and notices as are required of a public company in terms of the Companies Act and that all such returns and notices are true, correct and up to date in respect of the financial year reported upon.



**Kevin Lester**

*Acting company secretary*

*Anglo American Platinum Limited*

Johannesburg

1 February 2013

## INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF ANGLO AMERICAN PLATINUM LIMITED

We have audited the consolidated and separate financial statements of Anglo American Platinum Limited, which comprise the statements of financial position as at 31 December 2012, the statements of comprehensive income and the consolidated statement of comprehensive income, the statements of changes in equity, the statements of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory notes, as set out on pages 206 to 261.

### Directors' Responsibility for the Financial Statements

The directors are responsible for the preparation and fair presentation of these consolidated and separate financial statements in accordance with International Financial Reporting Standards and the requirements of the Companies Act of South Africa, and for such internal control as the directors determine is necessary to enable the preparation of consolidated and separate financial statements that are free from material misstatement, whether due to fraud or error.

### Auditor's Responsibility

Our responsibility is to express an opinion on these consolidated and separate financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the consolidated and separate financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting principles used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### Opinion

In our opinion, the consolidated and separate financial statements present fairly, in all material respects, the consolidated and separate financial position of Anglo American Platinum Limited as at 31 December 2012, its consolidated and separate financial performance and its consolidated and separate cash flows for the year then ended in accordance with International Financial Reporting Standards and the requirements of the Companies Act of South Africa.

### Other reports required by the Companies Act

As part of our audit of the consolidated and separate financial statements for the year ended 31 December 2012, we have read the Directors' Report, the Audit Committee Report, the Declaration by the Company Secretary and the Remuneration Report for the purpose of identifying whether there are material inconsistencies between these reports and the audited consolidated and separate financial statements. The reports are the responsibility of the respective preparers. Based on reading the reports, we have not identified material inconsistencies between the reports and the audited consolidated and separate financial statements. However, we have not audited these reports and accordingly do not express an opinion on the reports.

**Deloitte & Touche**  
Registered Auditors  
Per JAR Welch  
Partner  
1 February 2013

National Executive: LL Bam Chief Executive AE Swiegers Chief Operating Officer GM Pinnock Audit  
DL Kennedy Risk Advisory NB Kader Tax L Geeringh Consulting & Clients & Industries  
JK Mazzocco Talent & Transformation CR Beukman Finance M Jordan Strategy S Gwala Special Projects  
TJ Brown Chairman of the Board MJ Comber Deputy Chairman of the Board

A full list of partners and directors is available on request

B-BBEE rating: Level 2 contributor in terms of the Chartered Accountancy Profession Sector Code

Member of Deloitte Touche Tohmatsu Limited

# DIRECTORS' REPORT

The directors have pleasure in submitting their report on the annual financial statements of the Group and the Company for the year ended 31 December 2012.

In the context of the financial statements, the term "Group" refers to the Company, its subsidiaries, associates and joint ventures.

The directors are of the opinion that stakeholder interests are best served by presenting the Group's annual financial statements separately from those of the Company. The latter financial statements appear on pages 206 to 261.

## FINANCIAL RESULTS AND NATURE OF BUSINESS

The financial statements fully set out the financial results of the Company and the Group. The Company is the holding company of the Group. The nature of the Group's business is described in the scope of this report. The year under review is fully covered in this report with further information provided in the separate Sustainable Development Report.

## COMPLIANCE WITH ACCOUNTING STANDARDS

The Group's and the Company's annual financial statements comply with International Financial Reporting Standards and the requirements of the South African Companies Act, 2008, and the JSE Listings Requirements.

## LISTING

The Company's shares are listed on the JSE. The Company is fully compliant with the Listings Requirements, as amended, and the annual compliance certificate for the year under review has been submitted to the JSE.

## SHARE CAPITAL

The authorised and the issued share capital of the Company at 31 December were as follows:

	2012 R	2011 R
<b>ORDINARY SHARES</b>		
<b>Authorised</b>		
413,595,651 (2011: 413,595,651) ordinary shares of 10 cents each	<b>41,359,565</b>	41,359,565
1,512,780 (2011: 1,512,780) 'A' ordinary shares of 10 cents each	<b>151,278</b>	151,278
<b>Issued</b>		
269,681,886 (2011: 269,681,886) ordinary shares of 10 cents each	<b>26,968,188</b>	26,968,188
1,512,780 (2011: 1,512,780) 'A' ordinary shares* of 10 cents each	<b>151,278</b>	151,278

### Ordinary shares issued during the year

No ordinary shares were allotted and issued during the year.

*\*Refer to note 28 of the consolidated financial statements.*

## ORDINARY DIVIDENDS

The Company's dividend policy is to consider an interim and a final dividend in respect of each financial year. At its discretion, the board may consider a special dividend, where appropriate. Depending on the perceived need to retain funds for expansion or operating purposes, the board may pass the payment of dividends.

The Company aims to maintain a dividend cover of between two and three times. The quantum of the dividend would ultimately be subject to expected future market and capital commitments at the time of consideration by the board.

Given the current state of the global economic environment, the board believes that it would be more appropriate for the Company to conserve its cash and maintain adequate debt headroom to ensure that the Company is best placed to withstand any prolonged adverse economic conditions. Therefore the board has resolved not to declare a dividend for the financial year ended 31 December 2012.

## CORPORATE GOVERNANCE

The board reaffirms its commitment to sound governance. It ensures that the Group's business is conducted in accordance with high standards of corporate governance, including risk management and control, and in accordance with local and internationally accepted corporate practice. Details of which are provided on pages 162 to 171.

## CORE COMPANY VALUES AND CORPORATE CODE OF CONDUCT

Amplats and its management are committed to sound business practices and principles. They endorse and uphold the following key values: safety; operating as one cohesive team driven by the same goals and objectives; delivering on promises made; valuing and caring about each other; and acting with honesty and integrity. These values are underpinned by passion for and pride in the work that we do.

## Our objective

To be the premier company in finding, mining, processing and marketing platinum group metals for the maximum benefit of all our stakeholders.

## Our strategy

Our strategy is to maximise value by understanding and developing the market for platinum group metals (PGMs), expanding our production into that opportunity when right to do so and conducting our business safely, responsibly, cost-effectively and competitively.

## Directors' responsibilities in respect of annual financial statements

It is the responsibility of the directors of the Company, in terms of section 30 of the Companies Act, 2008, to compile annual financial statements and to present them to the annual general meeting. These financial statements are drawn up in conformity with International Financial Reporting Standards and South African Statements of Generally Accepted Accounting Practice, and the directors have taken all reasonable steps to ensure compliance with the provisions of the Companies Act, 2008.

The Amplats shareholders appointed an audit committee at the previous annual general meeting. The Audit Committee has nominated Deloitte & Touche as the Group's auditors for 2013 and nominated James Welch as the designated audit partner, subject to the approval of shareholders at the annual general meeting scheduled for 26 April 2013.

Particulars relating to the Group's internal controls and audit approach, and to the role and function of the Audit Committee, are set out in the Audit Committee report. The audit

approach ensures a thorough understanding of the Group's financial and business objectives, and also provides an analysis of the underlying systems and procedures.

The focus of risk management in the Group entails identifying, assessing, managing and monitoring all known forms of risk. While operating risk cannot be fully eliminated, the Group endeavours to minimise it by ensuring that the appropriate infrastructure, controls, systems and ethics are applied throughout the Group and managed within predetermined procedures and constraints.

The directors are of the opinion, based on the information and explanations given by management, that the internal controls are adequate for ensuring:

- the reliability and integrity of financial and operating information
- the compliance of established systems with policies, plans, procedures, laws and regulations
- the safeguarding of the Group's assets against unauthorised use or disposition
- the economic, effective and efficient utilisation of resources
- the achievement of established objectives and goals for operations or programmes

Nothing has come to the attention of the directors to indicate that any material breakdown in the functioning of these controls, procedures or systems occurred during the year under review.

The internal auditors concur with these statements by the directors. While the external audit is not designed to provide internal control assurance, the external auditors did not identify any material internal control weaknesses during the course of their audit.

Accordingly, the financial records may be relied upon for preparing the financial statements and maintaining accountability for assets and liabilities.

In preparing the financial statements, the Group complied with International Financial Reporting Standards and used appropriate accounting policies, supported by reasonable and prudent judgements and estimates. The directors are of the opinion that the financial statements fairly present the financial position of the Company and of the Group at 31 December 2012, and the results of the operations and cash flow information for the year then ended. The directors have reviewed the Group's cash flow forecast for the year ending 31 December 2013. The Group's forecasts and projections, taking account of reasonable possible changes in trading performance, show that the Group should be able to operate within the level of its current facilities. The board is satisfied that the Group will have adequate resources and access to committed credit facilities to continue in operational existence for the next financial year. For this reason, the Group continues to adopt the going-concern approach as the basis in preparing its financial statements.

The directors believe, as a result of the comprehensive structures and controls in place and the ongoing monitoring of the activities of executive and operational management, that the board maintains effective control over the Group's affairs.

Details of the Group's corporate governance structures and practices are set out in the governance section of this report as well as in the governance section of the Sustainable Development Report.

**DIRECTORATE**

Tom Wixley retired from the board as an independent non-executive director from the conclusion of the annual meeting on 30 March 2012. Neville Nicolau left as an executive director and chief executive on 19 July 2012. Chris Griffith was appointed as an executive director and chief executive with effect from 1 September 2012. Albertinah Kekana resigned as an independent non-executive director on 25 September 2012. Godfrey Gomwe resigned as a non-executive director on 15 October 2012 and Khanyisile Kweyama was appointed as a non-executive director on the same date. John Vice was appointed as an independent non-executive director on 30 November 2012.

In terms of the memorandum of incorporation, Mrs C B Carroll, Mrs WE Lucas-Bull and Messrs BR Beamish and V M Moosa retire by rotation. Ms KT Kweyama, and Messrs CI Griffith and JM Vice were appointed as directors during the year and, in terms of the memorandum of incorporation, are required to retire as directors at the forthcoming annual general meeting. All retiring directors, being eligible, are available for re-election with the exception of CB Carroll who is not standing for re-election.

The board has assessed the performance of all candidates and recommends to shareholders the re-election of those directors who have made themselves available for re-election.

The board as it is currently constituted is set out on pages 156 to 157.

**INTERESTS OF DIRECTORS**

The shareholdings of the directors and alternate directors in the ordinary shares of the Company at 31 December 2012, which did not individually exceed 1% of the Company's issued share capital, were:

Names	Number of ordinary shares held	
	Direct 2012	Indirect 2011
Richard Dunne	2,104	2,104
Christopher Griffith*	147	—
Valli Moosa	2,500	2,500
Neville Nicolau <sup>‡</sup>	n/a	4,316
Bongani Nqwababa	256	256
Tom Wixley <sup>†</sup>	n/a	352
Brian Beamish	1	—
<b>Total</b>	<b>5,008</b>	<b>9,528</b>

\* Appointed as a director.

† Resigned as a director.

‡ Left as a director.

In terms of the Long-term Incentive Plan, the executive directors held 17,605 awards to acquire shares in the Company and 14,900 Bonus Share Plan awards. (Refer to page 174 for additional detail on these schemes.)

No changes in the interests set out above have occurred between 31 December 2012 and the date of this report.

Save for the interests set out above, no arrangements to which the Company was a party existed at the end of the financial year, or at any time during the year, that would have enabled the directors or their families to acquire benefits by means of the acquisition of shares in the Company.

There were no contracts of any significance during or at the end of the financial year in which any directors or alternate directors of the Company were materially interested.

**DIRECTORS' REMUNERATION**

Details of directors' remuneration are set out in the remuneration report starting on page 177.

**INTERNAL AUDIT**

Amplats' internal audit function is performed by Anglo Business Assurance Services Department of Anglo Operations Limited, a wholly owned subsidiary of Anglo American plc, which reports to the Audit Committee.

**SHARES REPURCHASED**

Except for the purchase of shares in the market, to satisfy the requirements for the Bonus Share Plan and other equity-settled share incentive schemes, no share repurchases took place during the year under review.

**GENERAL AUTHORITY PLACING THE UNISSUED SHARES UNDER THE CONTROL OF THE DIRECTORS**

At the annual general meeting, which is to be held on Friday, 26 April 2013, members will be requested to consider an ordinary resolution placing 5% of the authorised but unissued ordinary shares of the Company under the control of the directors until the 2014 annual general meeting.

## DEMATERIALIZATION OF SHARES (STRATE)

Shareholders are again requested to note that, as a result of clearing and settlement of trades through the STRATE system, the Company's share certificates are no longer good for delivery for trading. Dematerialisation of the Company's share certificates is now a prerequisite when dealing in its shares.

## PROPERTY

The register of land and buildings is available for inspection at the registered office of the Company during normal business hours.

## AUDITORS

Deloitte & Touche continued in office as auditors of the Company and its subsidiaries for 2012.

At the annual general meeting shareholders will be requested to reappoint Deloitte & Touche as auditors of Amplats and to confirm that James Welch will be the designated audit partner for the 2013 financial year.

## SPONSOR

Rand Merchant Bank (RMB), a division of FirstRand Bank Limited, acts as sponsor to the Company in terms of the requirement of the JSE Limited.

## TRANSFER SECRETARIES

Computershare Investor Services Proprietary Limited serves as the South African registrar of the Company.

## ADMINISTRATION AND SERVICES

Sarita Martin was appointed as Company Secretary on 10 January 2012 and acted as the duly appointed company secretary of Amplats until her resignation on 30 June 2012. Kevin Lester was appointed as acting company secretary with effect from 17 September 2012.

Anglo American Platinum Management Services Proprietary Limited acts as the administrative, financial and technical adviser to the Company. With the objective of providing more efficient services at a lower cost, the Group has outsourced a number of its non-core activities to fellow subsidiary companies within the Anglo American plc Group. Service level agreements have been finalised to ensure that the services provided are of an appropriate quality. The services provided include accounting, human resources, internal audit, company secretarial, treasury, corporate finance, insurance, legal, IT, tax and certain risk management services. The Governance Framework governing the relationship between the Company and its holding company, Anglo American plc, was approved.

## SUBSIDIARY COMPANIES

Details of major subsidiary companies in which the Company has a direct or indirect interest are set out on page 205.

The aggregate after-tax losses attributable to the Company from its subsidiaries were R6.7 billion (2011: earnings of R3.7 billion).

## HOLDING COMPANY AND ULTIMATE HOLDING COMPANY

The Company's holding company is Anglo South Africa Capital Proprietary Limited (ASAC) which holds 79.86% (2011: 79.83%) of the Company's equity. ASAC is indirectly wholly owned by Anglo American plc, which is incorporated in the United Kingdom.

## CAPITAL EXPENDITURE

During the year, the board approved capital expenditure projects totalling R9 billion.

During the same period, the Group incurred R6.8 billion of capital expenditure excluding interest capitalised.

## EVENTS SUBSEQUENT TO 31 DECEMBER 2012

On 15 January 2013, the Group announced the outcome of the Platinum Portfolio Review. The key proposals from the review were as follows:

- Placement of Khuseleka mine (shafts 1 and 2) and Khomanani mine (shafts 1 and 2) on long-term care and maintenance.
- Consolidation of the Rustenburg operations into three operating mines.
- Closure of the Union North Mine declines.
- Placement of the Waterval UG2 Concentrator, Mortimer Merensky Concentrator and the one furnace (FCE2) at Waterval Smelter on long-term care and maintenance.

As a result, if the Group is not expected to receive future economic benefits from these mines, the property, plant and equipment with a carrying value of approximately R4.1 billion (after tax: R3.0 billion) could be written off in 2013. These write-offs will be excluded from headline earnings.

The gross cash costs associated with implementation of the Platinum Portfolio Review and overhead review which is expected to be approximately R3.2 billion (after tax: R2.3 billion) will be expensed as incurred during the course of 2013 and will be included in headline earnings for the year.

Reallocation of declared Mineral Reserves to exclusive Mineral Resources will occur at the affected operations (Khomanani, Khuseleka, Union mines), with the amount being dependent on the final scale of implementation of the Platinum Portfolio Review. Currently, reliable, reasonable estimation of the scale of impact is not possible because of uncertainty in the implementation.

# PRINCIPAL ACCOUNTING POLICIES

for the year ended 31 December 2012

## BASIS OF PREPARATION

The financial statements are prepared on the historical cost basis except for certain financial instruments and liabilities that are stated at fair value. Significant details of the Company's and the Group's accounting policies are set out below and are consistent with those applied in the previous year, except where otherwise indicated.

The financial statements are in compliance with International Financial Reporting Standards (IFRS) of the International Accounting Standards Board, the SAICA Financial Reporting Guides as issued by the Accounting Practices Committee and Financial Reporting Pronouncements as issued by Financial Reporting Standards Council, the requirements of the JSE Limited's Listings Requirements and the Companies Act of South Africa.

## CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

In preparing the annual financial statements in terms of IFRS, management is required to make certain estimates and assumptions that may materially affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reported period and the related disclosures. The actual results often vary from these estimates owing to the inherent uncertainty involved in making estimates and assumptions concerning future events. These estimates and judgements are based on historical experience, current and expected future economic conditions and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

As the estimates are reviewed on a regular basis, any changes to these accounting estimates are recognised in the period in which the estimate is revised, if it impacts only the current period. If the revision of the estimate impacts both the current and future periods, then the change in estimate is recognised in the current and future periods.

### Critical accounting estimates

Those estimates and assumptions that may result in material adjustments to the carrying amount of assets and liabilities and related disclosures within the next financial year are discussed below:

#### Metal inventory

Work-in-progress metal inventory is valued at the lower of net realisable value and the average cost of production or purchase less net revenue from sales of other metals, in the ratio of the contribution of these metals to gross sales revenue. Production costs are allocated to platinum, palladium, rhodium and nickel (joint products) by dividing the mine output into total mine production costs, determined on a 12-month rolling average basis. The quantity of ounces of joint products in work-in-progress is calculated based on the following factors:

- The theoretical inventory at that point in time which is calculated by adding the inputs to the previous physical inventory and then deducting the outputs for the inventory period.

- The inputs and outputs include estimates due to the delay in finalising analytical values.
- The estimates are subsequently trued up to the final metal accounting quantities when available.
- The theoretical inventory is then converted to a refined equivalent inventory by applying appropriate recoveries depending on where the material is within the production pipeline. The recoveries are based on actual results as determined by the inventory count and are in line with industry standards.

Other than at the Precious Metals Refinery, an annual physical count of work-in-progress is done, usually around February of each year. The Precious Metals Refinery is subject to a physical count usually every three years. The annual physical count is limited to once per annum owing to the dislocation of production required to perform the physical inventory count and the in-process inventories being contained in tanks, pipes and other vessels. Once the results of the physical count are finalised, the variance between the theoretical count and actual count is investigated and recorded. Thereafter the physical quantity forms the opening balance for the theoretical inventory calculation. Consequently, the estimates are refined based on actual results over time. The nature of the production process inherently limits the ability to precisely measure recoverability levels. As a result, the metallurgical balancing process is constantly monitored and the variables used in the process are refined based on actual results over time.

#### Derivative instruments

IAS 39 – Financial Instruments: Recognition and Measurement is applied to all commodity contracts where the Group is unable to apply the 'own purchase, sale or usage requirement' scope exemption in paragraph 5 of IAS 39.

#### Critical accounting judgements

The following accounting policies have been identified as being particularly complex or involving subjective judgements or assessments:

#### Cash-generating unit

Owing to the vertically integrated operations of the Group and the fact that there is no active market for the Group's intermediate products, the Group's operations as a whole constitute the smallest cash-generating unit.

#### Decommissioning and rehabilitation obligations

The Group's mining and exploration activities are subject to various laws and regulations governing the protection of the environment. Management estimates, with the assistance of independent experts, the Group's expected total spend for the rehabilitation, management and remediation of negative environmental impacts at closure at the end of the lives of the mines and processing operations. The estimation of future costs of environmental obligations relating to decommissioning and rehabilitation is particularly complex and requires management to make estimates, assumptions and judgements relating to the future. These estimates are dependent on a number of factors including assumptions around environmental legislation, life-of-mine estimates and discount rates.

## Asset lives

The Group's assets, excluding mining development and infrastructure assets, are depreciated over their expected useful lives which are reviewed annually to ensure that the useful lives continue to be appropriate. In assessing useful lives, technological innovation, product life cycles, physical condition of the assets and maintenance programmes are taken into consideration.

Mining development and infrastructure assets are depreciated on a unit-of-production basis. The calculation of the unit-of-production depreciation is based on forecasted production which is calculated using numerous assumptions. Any changes in these assumptions may have an impact on the calculation.

## Valuation of mineral rights

The valuation of mineral rights is performed using the comparable transaction valuation methodology. This methodology involves determining the in-situ mineral reserves and resources of specific properties within the context of other mineral property valuations.

## Consolidation of special-purpose entities

The Lefa La Rona Trust was established to subscribe for shares in the Company as part of the community economic empowerment transaction that was approved by shareholders at a general meeting of shareholders on 14 December 2011, known as Alchemy. The trust will administer and hold the shares for the benefit of the beneficiaries as outlined in the circular to shareholders dated 14 November 2011. The substance of the transaction has been assessed and based on the results of this assessment, management has concluded that the Group does not control the trust as it is not exposed nor has any rights to, the variable returns of the trust.

## NEW ACCOUNTING POLICIES ADOPTED

### Accounting standards and interpretations adopted impacting the annual financial statements

The Group did not adopt any new or revised accounting standards or interpretations in the current year that have had a material impact on the amounts or disclosures reported in these annual financial statements.

### Accounting standards adopted having no impact on the annual financial statements

During the current year, the Group adopted the following amendments to accounting standards. The adoption of these amendments did not have a material impact on these annual financial statements:

- IFRS 1 – First-time Adoption of International Financial Reporting Standards – Replacement of 'fixed dates' for certain exceptions with 'the date of transition of IFRS'.
- IFRS 1 – First-time Adoption of International Financial Reporting Standards – Additional exemption for entities ceasing to suffer from severe hyperinflation.
- IFRS 7 – Financial Instruments: Disclosures – Amendments enhancing disclosures about transfers of financial assets.
- IAS 1 – Presentation of Financial Statements – Amendments to revise the manner in which other comprehensive income is presented.

- IAS 12 – Income Taxes – Limited scope amendment dealing with the recovery of underlying assets.

## Impact of standards and interpretations not yet adopted

At the reporting date, the following new and/or revised accounting standards and interpretations were in issue but not yet effective:

- IFRS 1 – First-time Adoption of International Financial Reporting Standard – Amendments for government loan with a below-market rate of interest when transitioning to IFRS.
- IFRS 7 – Financial Instruments: Disclosures – Amendments enhancing disclosures about offsetting of financial assets and financial liabilities.
- IFRS 7 – Financial Instruments: Disclosures – Deferral of mandatory effective date of IFRS 9 and amendments to transition disclosures.
- IFRS 9 – Financial Instruments: Classification and Measurement – This standard is set to replace the current IAS 39.
- IFRS 10 – Consolidated Financial Statements – The standard establishes the principles for the presentation and preparation of consolidated financial statements when an entity controls one or more entities.
- IFRS 11 – Joint Arrangements – The standard is set to replace the current version of IAS 31 and establishes principles for financial reporting by entities that have an interest in joint arrangements.
- IFRS 12 – Disclosures of Interests in Other Entities – The standard deals with the disclosure requirements regarding an entity's interests in subsidiaries, joint arrangements, investment in associates or other unconsolidated structured entities.
- IFRS 13 – Fair Value Measurement – The standard provides a single framework, within which fair value is defined, provides guidelines on how to measure fair value and also provides guidelines on the required disclosures.
- IAS 1 – Presentation of Financial Statements – Amendments resulting from Annual Improvements 2009–2011 Cycle which relates to the presentation of comparative information.
- IAS 16 – Property, Plant and Equipment – Amendments resulting from Annual Improvements 2009–2011 Cycle relating to servicing equipment.
- IAS 19 – Employee Benefits – The amendment deals with various aspects ranging from modification of accounting for termination benefits to enhanced disclosures about defined benefit plans.
- IAS 27 – Separate Financial Statements – The revised standard will supersede the current version of IAS 27 and deals with the accounting and disclosure of an entity's interest in subsidiaries, joint ventures and associates in the entity's separate financial statements.
- IAS 28 – Investment in Associates and Joint Ventures – The revised standard will supersede the current version of IAS 28 and prescribes the accounting for investment in associates and also sets out the requirements for the equity method when accounting for investments in associates and joint ventures.
- IAS 32 – Financial Instruments: Presentation – Amendments to application guidance on the offsetting of financial assets and financial liabilities.

# PRINCIPAL ACCOUNTING POLICIES

for the year ended 31 December 2012

- IAS 32 – Financial Instruments: Presentation – Amendments resulting from Annual Improvements 2009–2011 Cycle relating to the tax effect of equity distributions.
- IAS 34 – Interim Financial Reporting – Amendments resulting from the Annual Improvements 2009–2011 Cycle relating to the interim reporting of segment assets.
- IFRIC 20 – Stripping Costs in the Production Phase of a Surface Mine – The interpretation deals with how and when to account for the costs associated with the stripping activity (during the production phase of a surface mine), as well as how to measure these benefits both initially and subsequently.

The Group is in the process of assessing the impact of IFRS 9 and IFRIC 20. The Group has assessed the remaining amendments and new standards and does not believe that the adoption of these will have a material impact on the financial results or disclosures of the Group.

## EXISTING ACCOUNTING POLICIES

### 1. Consolidation

The consolidated financial statements include the results and financial position of Anglo American Platinum Limited, its subsidiaries, joint ventures and associates. Subsidiaries are entities in respect of which the Group is exposed, or has rights, to variable returns from its involvement with these entities and has the ability to affect those returns through its power over those entities. The results of any subsidiaries acquired or disposed of during the year are included from the date control was acquired and up to the date control ceased to exist. Total comprehensive income of the subsidiary is attributed to owners of the Company and to the non-controlling interests even if this results in the non-controlling interests having a negative balance.

Where an acquisition of a subsidiary is made during the financial year, any excess or deficit of the purchase price compared to the fair value of the attributable net identifiable assets is recognised respectively as goodwill or as part of profit and accounted for as described in the goodwill accounting policy.

All intragroup transactions and balances are eliminated on consolidation. Unrealised profits that arise between Group entities are also eliminated.

All changes in the parent's ownership interests that do not result in the loss of control are accounted for within equity. The carrying amount of the Group's interest and the interest of the non-controlling shareholders is adjusted to reflect the changes in their relative interests in the subsidiary. Any differences between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid/received are recognised directly in equity.

When an entity loses control of a subsidiary, it derecognises the assets and liabilities of the subsidiary at their carrying amounts at the date when control is lost and also derecognises the carrying amount of any non-controlling interests in the former subsidiary at that date. It also recognises the fair value of any consideration received on the loss of control and recognises any of the investment retained in the former subsidiary at its fair value at the date when control is lost. Any resulting differences are reflected as a gain or loss in profit or loss attributable to the Group.

### 2. Investment in associates

An associate is an entity over which the Group exercises significant influence but which it does not control, through participation in the financial and operating policy decisions of the investee. These investments are accounted for using the equity method, except when the investment is classified as held-for-sale, in which case it is accounted for under IFRS 5 – Non-current Assets Held for Sale and Discontinued Operations.

The carrying amount of the investment in an associate in the statement of financial position represents the cost of the investment, including goodwill arising on acquisition, the Group's share of post-acquisition retained earnings and any other movements in reserves as well as any long-term debt interests which in substance form part of the Group's net investment in the associate. Where the Group's share of losses in the associates is in excess of its interest in that associate, these losses are not recognised unless the Group has an obligation to fund such losses. The total carrying amount of the associate is reviewed for impairment when there is objective evidence that the asset is impaired. If an impairment is identified, it is recorded in the period in which the circumstances arose.

When a Group entity transacts with its associates, any profits or losses arising on the transactions with the associate are recognised in the Group's consolidated financial statements only to the extent of the interests in the associate that are not related to the Group.

When the Group loses significant influence over an associate, it recognises the fair value of any consideration received on the loss of significant influence and recognises any of the investment retained in the former associate at its fair value at the date when significant influence is lost. Any resulting differences are reflected as a gain or loss in profit or loss attributable to the Group.

### 3. Joint ventures

A joint venture is an entity in which the Group holds a long-term interest and shares joint control over the strategic, financial and operating decisions with one or more other venturers under a contractual agreement. The Group's interest in joint ventures, except when the investment is classified as held-for-sale and treated in accordance with IFRS 5, is accounted for through proportionate consolidation.

Under this method the Group includes its share of the joint ventures' individual income and expenses, assets and liabilities in the relevant components of its financial statements on a line-by-line basis. Where a Group company undertakes its activities under a joint-venture arrangement directly, the Group's share of jointly controlled assets and any liabilities incurred jointly with other venturers is recognised in the financial statements of the relevant company and classified according to their nature. Liabilities and expenses incurred directly in respect of interests in jointly controlled assets are accounted for on an accrual basis. Income from the sale or use of the Group's share of the output of jointly controlled assets is recognised when the revenue recognition criteria are met.

When a Group entity transacts with its jointly controlled entity, any profits or losses arising on the transactions with the jointly controlled entity are recognised in the Group's

consolidated financial statements only to the extent of the interests in the jointly controlled entity that are not related to the Group.

When the Group loses joint control over a jointly controlled entity, it derecognises its proportionate share of the assets and liabilities of the jointly controlled entity at their carrying amounts at the date when joint control is lost. It also recognises the fair value of any consideration received on the loss of joint control and recognises any of the investment retained in the former jointly controlled entity at its fair value at the date when joint control is lost. Any resulting differences are reflected as a gain or loss in profit or loss attributable to the Group.

#### 4. Business combinations

The acquisition method is used to account for the acquisition of a business by the Group. At the acquisition date, the Group recognises the identifiable assets acquired, the liabilities assumed and any non-controlling interest in the business being acquired (acquiree). The assets acquired and liabilities assumed are measured at their at-acquisition-date fair value. In addition, the Group measures non-controlling interests that are present ownership interests and entitle their holders to a proportionate share of the entity's net assets on liquidation, at either fair value or at the non-controlling shareholder's interest in the proportionate share of the acquiree's identifiable net assets. The choice of measurement basis for non-controlling interests is made on a transaction-by-transaction basis. Any other type of non-controlling interest is measured at fair value.

The consideration transferred in the business combination is measured at fair value, which is based on the sum of the acquisition date fair value of the assets transferred by the Group, the liabilities incurred by the Group to former owners of the acquiree and equity interests issued by the Group. Costs directly related to the transaction are recognised in profit or loss as they are incurred. Goodwill on the business combination is measured at the excess of the sum of the following:

- The fair value of the consideration transferred at acquisition date.
- The amount of any non-controlling interest.
- If the business combination was achieved in stages, then the acquisition date fair value of the Group's previously held interest in the acquiree over the net of the at-acquisition-date identifiable assets and liabilities.

If the net of the at-acquisition assets and liabilities is in excess of the sum of the fair value of the consideration transferred at acquisition date, the amount of any non-controlling interest and, if applicable, the acquisition-date fair value of the Group's previously held interest in the acquiree, then the excess is recognised in profit or loss on the acquisition date.

When a business combination is achieved in stages, the Group remeasures its previously held equity interest in the acquiree at its acquisition-date fair value and any resulting gain or loss is reflected in profit or loss. If, in prior periods, the Group recognised changes in the value of its equity interest in the acquiree, in other comprehensive income, then this amount is reclassified to profit or loss where such treatment would be appropriate if the interest had been disposed of.

#### 5. Goodwill

Goodwill arising on the acquisition of a subsidiary, a jointly controlled entity or an associate represents the excess of the cost of acquisition over the Group's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities of the subsidiary, jointly controlled entity or associate and is recognised at the date of acquisition. Goodwill in respect of subsidiaries and jointly controlled entities is initially recognised as an asset at cost and is subsequently measured at cost less any accumulated impairment losses. Goodwill relating to associates is included in the carrying amount of the investment in the associate. Goodwill is not amortised.

Goodwill is tested for impairment annually and an impairment loss recognised is not reversed in a subsequent period. On disposal of a subsidiary or a jointly controlled entity, the attributable amount of goodwill is included in the determination of the profit or loss on disposal.

To the extent that the fair value of the net identifiable assets of the subsidiary, jointly controlled entity or associate acquired exceeds the cost of acquisition, the excess is credited to profit for the period.

#### 6. Property, plant and equipment

##### Mining

Mine development and infrastructure costs are capitalised to capital work-in-progress and transferred to mining property, plant and equipment when the mining venture reaches commercial production.

Capitalised mine development and infrastructure costs include expenditure incurred to develop new mining operations and to expand the capacity of the mine. Costs include interest capitalised during the construction period where qualifying expenditure is financed by borrowings and the discounted amount of future decommissioning costs. Items of mine property, plant and equipment, excluding capitalised mine development and infrastructure costs, are depreciated on a straight-line basis over their expected useful lives. Capitalised mine development and infrastructure costs are depreciated on a unit-of-production basis. Depreciation is first charged on mining assets from the date on which they are available for use.

Items of property, plant and equipment that are withdrawn from use, or have no reasonable prospect of being recovered through use or sale, are regularly identified and written off. Residual values and useful economic lives are reviewed at least annually and adjusted if and where appropriate.

Revenue derived during the project phase is recognised in the statement of comprehensive income and an appropriate amount of development costs is charged against it.

With respect to open-pit operations, stripping costs incurred are deferred to the extent that they exceed the expected life-of-pit stripping ratio. In instances where the in-period stripping ratio is below the expected life-of-pit ratios, an appropriate amount of deferred cost is written off. However, where the pit profile is such that the actual cumulative stripping ratio is below the expected life-of-pit stripping ratio (typically in the early years), no deferral takes place as this would result in the recognition of a liability for which there is no obligation. This position is monitored and once the cumulative calculation reflects a debit balance, deferral of the stripping costs commences.

**PRINCIPAL ACCOUNTING POLICIES**

for the year ended 31 December 2012

**Non-mining**

Non-mining assets are measured at historical cost less accumulated depreciation. Depreciation is charged on the straight-line basis over the useful lives of these assets.

Residual values and useful economic lives are reviewed at least annually and adjusted if and where appropriate.

**Impairment**

An impairment review of property, plant and equipment is carried out when there is an indication that these may be impaired by comparing the carrying amount thereof to its recoverable amount. The Group's operations as a whole constitute the smallest cash-generating unit. The recoverable amount thereof is the Group's market capitalisation adjusted for the carrying amounts of financial assets that are tested for impairment separately. Where the recoverable amount is less than the carrying amount, the impairment charge is included in other net expenditure in order to reduce the carrying amount of property, plant and equipment to its recoverable amount. The adjusted carrying amount is depreciated on a straight-line basis over the remaining useful life of property, plant and equipment.

**7. Non-current assets held-for-sale**

Non-current assets and disposal groups are classified as held-for-sale if the carrying amount of these assets will be recovered principally through a sale transaction rather than through continued use. This condition will only be regarded as met if the sale transaction is highly probable and the asset (or disposal group) is available for sale in its present condition. Furthermore, for the sale to be highly probable management must be committed to the plan to sell the asset (or disposal group) and the transaction should be expected to qualify for recognition as a completed sale within 12 months from date of classification.

Non-current assets (or disposal groups) held-for-sale are measured at the lower of their previous carrying amounts and their fair value less costs to sell.

**8. Leases**

A finance lease transfers substantially all the risks and rewards of ownership of an asset to the Group.

Assets subject to finance leases are capitalised as property, plant and equipment at the fair value of the leased asset at inception of the lease, with the related lease obligation recognised at the same amount. Capitalised leased assets are depreciated over their estimated useful lives.

Finance lease payments are allocated between finance costs and the capital repayments, using the effective interest method.

Minimum lease payments on operating leases are charged against operating profit on a straight-line basis over the lease term.

**9. Investments**

Investments in subsidiaries are measured at cost.

**10. Inventories****Refined metals**

Metal inventories are measured at the lower of cost, on the weighted average basis, or net realisable value. The cost per ounce or tonne is determined as follows:

- Platinum, palladium, rhodium and nickel are treated as joint products and are measured by dividing the mine output into total mine production cost, determined on a 12-month rolling average basis, less net revenue from sales of other metals, in the ratio of the contribution of these metals to gross sales revenue.
- Gold, copper and cobalt sulphate are measured at net realisable value.
- Iridium and ruthenium are measured at a nominal value of R1 per ounce.

**Work-in-progress**

Work-in-progress is valued at the average cost of production or purchase less net revenue from sales of other metals. Production cost is allocated to joint products in the same way as is the case for refined metals. Work-in-progress includes purchased and produced concentrate.

**Stores and materials**

Stores and materials consist of consumable stores and are valued at cost on the first-in first-out (FIFO) basis. Obsolete and redundant items are written off to operating costs.

**11. Revenue recognition**

- Revenue from the sale of metals and intermediary products is recognised when the risk and rewards of ownership are transferred to the buyer. Gross sales revenue represents the invoiced amounts excluding value-added tax.
- Dividends are recognised when the right to receive payment is established.
- Interest is recognised on a time proportion basis, which takes into account the effective yield on the asset over the period it is expected to be held.
- Royalties are recognised when the right to receive payment is established.

**12. Dividends declared**

The liability for dividends and related taxation thereon is raised only when the dividend is declared.

**13. Provisions**

A provision is recognised when there is a legal or constructive obligation as a result of a past event for which it is probable that an outflow of economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

**14. Taxation**

The charge for current tax is based on the profit before tax for the year, as adjusted for items which are exempt or disallowed. It is calculated using tax rates that have been enacted or substantively enacted at the reporting date.

Current and deferred tax is recognised in profit or loss, except when it relates to items credited or charged directly to other comprehensive income or to equity, in which case the taxation effect is also recognised in other comprehensive income or equity respectively.

Deferred tax assets and liabilities are measured using tax rates that are expected to apply to the period when the asset is realised and the liability is settled.

Deferred tax liabilities are recognised for all taxable temporary differences and deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences or assessed or calculated losses can be utilised. However, such assets or liabilities are not recognised if the temporary differences arise from the initial recognition of goodwill or an asset or liability in a transaction (other than in a business combination) that affects neither the taxable income nor the accounting profit.

Deferred tax assets and liabilities are offset when they relate to income taxes levied by the same taxation authority and the Group intends to settle its current tax assets and liabilities on a net basis.

## 15. Research and exploration cost

Research expenditure is written off when incurred. Exploration expenditure is written off when incurred, except when it is probable that a mining asset will be developed for commercial production as a result of the exploration work. In such cases, the capitalised exploration expenditure is depreciated on a unit-of-production basis over the expected useful life of the constructed mining asset.

Capitalisation of exploration expenditure ceases when the project is discontinued. Any previously capitalised costs are expensed.

## 16. Leased metal

When metal is leased to fulfil marketing commitments and the settlement is through physical delivery of metal, the market value of the metal, at the inception date of the lease, is charged to profit or loss as a cost of sale and reflected as a current liability in the statement of financial position. The liability is measured at the fair value of the physical metal to be delivered to the counterparty.

The leasing costs associated with borrowed metal are expensed on a time proportion basis.

## 17. Financial instruments

A financial instrument is a contract that gives rise to a financial asset of one entity and a financial liability or equity instrument in another entity. The Group's financial instruments consist primarily of the following financial assets: non-current receivables, cash and cash equivalents, trade and other receivables; other current financial assets; and the following financial liabilities: borrowings, trade and other payables, and certain derivative instruments.

### Fair value

Where financial instruments are recognised at fair value, the instruments are measured at the amount for which an asset could be exchanged, or a liability settled, between

knowledgeable, willing parties in an arm's length transaction. Fair values have been determined as follows:

- Where market prices are available, these have been used.
- Where there are no market prices available, fair values have been determined using valuation techniques incorporating observable market inputs or discounting expected cash flows at market rates.

The fair value of the trade and other receivables, cash and cash equivalents, and trade and other payables approximates their carrying amount owing to the short maturity period of these instruments.

### Effective interest method

The effective interest method is a method of calculating the amortised cost of a financial asset or financial liability and of allocating interest income or expense over the period of the instrument.

Effectively, this method determines the rate that exactly discounts the estimated future cash payments or receipts through the expected life of the financial instrument or, if appropriate, a shorter period, to the net carrying amount of the financial asset or liability.

### Financial assets

The Group classifies financial assets into the following categories:

- At fair value through profit or loss (FVTPL).
- Loans and receivables.
- Held-to-maturity (HTM).
- Available-for-sale (AFS).

The classification of the financial assets is dependent on the purpose and characteristics of the particular financial assets and is determined at the date of initial recognition. Management reassesses the classification of financial assets on a biannual basis.

### Financial assets at fair value through profit or loss (FVTPL)

Financial assets are classified as at FVTPL when the asset is either held-for-trading or is a derivative that does not satisfy the criteria for hedge accounting or is designated at FVTPL.

A financial asset is designated at FVTPL on initial recognition if this designation provides more useful information because:

- it eliminates or significantly reduces a measurement or recognition inconsistency (i.e. an accounting mismatch); or
- the financial asset is part of a group of financial assets, financial liabilities or both, that is managed and its performance evaluated on a fair value basis in accordance with a documented risk/investment management strategy, and information regarding this grouping is reported internally to key management on this basis.

In addition, if a contract contains one or more embedded derivatives, the entire contract can be designated at FVTPL.

Financial assets at FVTPL are recognised at fair value. Any subsequent gains or losses are recognised in profit or loss.

## PRINCIPAL ACCOUNTING POLICIES

for the year ended 31 December 2012

Financial assets which have been designated at FVTPL consist of trade receivables due in respect of sale of concentrate. The reason for this designation is that the receivables due from the third parties are based on concentrate sold to them which is only priced three months into the future. The pricing is therefore dependent on commodity and exchange rate movements in the interim period. Consequently, the receivables are initially reflected at fair value. This receivable is then remeasured on a monthly basis based on the movement in the forward curves of commodity prices and exchange rates. Any gains/losses on these remeasurements are reflected in revenue.

Financial assets classified as held-for-trading comprise the foreign forward exchange contracts which are not designated as hedges in terms of IAS 39 – Financial Instruments: Recognition and Measurement.

### Loans and receivables

Financial assets that are non-derivative with fixed or determinable payments that are not quoted in an active market are classified as loans and receivables.

Loans and receivables are measured at amortised cost using the effective interest method. Any subsequent impairment is included in the determination of other net income/expenditure.

Loans, trade and other receivables, and cash and cash equivalents with short-term maturities have been classified as loans and receivables. Loans and receivables are considered as current if their maturity is within a year, otherwise they are reflected in non-current assets.

### Held-to-maturity (HTM)

Non-derivative financial assets with fixed or determinable payments and fixed maturities that the Group has an intention and ability to hold to maturity are classified as held-to-maturity.

These financial assets are measured at amortised cost using the effective interest method. Any subsequent impairment, where the carrying amount falls below the recoverable amount, is included in the determination of other net income/expenditure.

The Group held no HTM instruments during the period or at year end.

### Available-for-sale (AFS)

Other non-derivative financial assets are classified as AFS which are initially recognised at fair value. Any subsequent gains or losses are recognised directly in other comprehensive income, unless there is objective evidence and the fair value has declined below cost less accumulated impairments. On disposal or impairment of the financial asset, all cumulative unrecognised gains or losses, which were previously reflected in equity, are included in profit or loss for the period.

### Impairments

Financial assets that are not held-for-trading or designated at FVTPL, are assessed for objective evidence of impairment at the reporting date (e.g. evidence that the Group will not be

able to collect all the amounts due according to the original terms of the receivable). If such evidence exists, the impairment for financial assets at amortised cost is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the original effective interest rate.

The carrying amount of these financial assets, with the exception of trade receivables, is reduced by the impairment. Trade receivables are reduced through an allowance account, with movements in the allowance account included in the determination of net income/expenditure.

If a decline in fair value has been recognised in equity in respect of an AFS instrument and there is objective evidence that the asset is impaired, then the cumulative loss recognised in equity is reversed from equity and reflected in profit or loss even if the financial asset has not been derecognised. An impairment loss recognised on an investment in an equity instrument classified as AFS is not reversed through profit or loss. However, for any other AFS instruments, if in a subsequent period the fair value increases and the increase can be objectively linked to an event occurring after the impairment loss was recognised in profit or loss, the impairment loss is reversed, with the reversal reflected in profit or loss.

### Classification between debt and equity

Debt and equity instruments are classified according to the substance of the contractual arrangements entered into.

### Equity instruments

An equity instrument represents a contract that evidences a residual interest in the net assets of an entity. Equity instruments issued by the Company are recorded at the proceeds received, net of direct issue costs.

### Financial liabilities

Financial liabilities are classified as either financial liabilities at FVTPL or other financial liabilities.

### Financial liabilities at FVTPL

Financial liabilities are classified as at FVTPL when the liability is either incurred for trading or is a derivative that does not satisfy the criteria for hedge accounting or is designated at FVTPL.

A financial liability is designated at FVTPL on initial recognition if this designation provides more useful information because:

- it eliminates or significantly reduces a measurement or recognition inconsistency (i.e. an accounting mismatch); or
- the financial liability forms part of a group of financial assets, financial liabilities or both, that is managed and its performance evaluated on a fair value basis in accordance with a documented risk/investment management strategy, and information regarding this grouping is reported internally to key management on this basis.

In addition, if a contract contains one or more embedded derivatives, the entire contract can be designated at FVTPL.

Financial liabilities at FVTPL are recognised at fair value. Any subsequent gains or losses are recognised in profit or loss.

Financial liabilities which have been designated at FVTPL consist of trade creditors due in respect of purchase of concentrate. The reason for this designation is that these liabilities due to the third parties are based on concentrate purchased from them which is mostly priced three months into the future. The pricing is thus dependent on commodity and exchange rate movements in the interim period. Consequently, the liability is initially reflected at fair value. This liability is then remeasured on a monthly basis based on the movement in the forward curves of commodity prices and exchange rates. Any gains/losses on the remeasurements are reflected in cost of sales.

Financial liabilities which are regarded as held-for-trading comprise the foreign forward exchange contracts which have not been designated as hedges in terms of IAS 39 – Financial Instruments: Recognition and Measurement.

#### Other financial liabilities

Other financial liabilities are recorded initially at the fair value of the consideration received, which is cost net of any issue costs associated with the borrowing. These liabilities are subsequently measured at amortised cost, using the effective interest method. Amortised cost is calculated taking into account any issue costs and any discount or premium on settlement.

Borrowings, obligations under finance leases and trade and other payables have been classified as other financial liabilities.

#### Loan commitments

Loan commitments provided at below market interest rates are measured at initial recognition at their fair values, and if not designated at FVTPL, are subsequently measured at the higher of:

- the amount of the obligation in terms of the contract as determined in accordance with IAS 37 – Provisions, Contingent Liabilities and Contingent Assets; or
- the amount initially recognised less the cumulative amortisation recognised in accordance with IAS 18 – Revenue.

#### Derivative instruments

In the ordinary course of its operations, the Group is exposed to fluctuations in metal prices, volatility of exchange rates and changes in interest rates. From time to time portions of these exposures are managed through the use of derivative financial instruments. Derivatives are initially measured at cost.

All derivatives are subsequently marked-to-market at financial reporting dates and any changes in their fair values are included in other net income/expenditure in the period to which they relate.

Commodity contracts that are entered into and continue to meet the Group's expected purchase, sale or usage requirements, which were designated for that purpose at their inception and are expected to be settled by delivery, are recognised in the financial statements when they are delivered into, and are not marked-to-market.

Commodity contracts that fall within the scope of IAS 39 are recognised and measured at fair value.

Gains and losses arising on all other contracts not spanning a reporting interval are recognised and included in the determination of other net income/expenditure at the time that the contract expires.

#### Cash flow hedges

Changes in the fair value of derivative financial instruments that are designated and effective as hedges of future cash flows are recognised directly in equity. The gain or loss relating to the ineffective portion is recognised immediately in profit or loss for the period. If the cash flow hedge of a firm commitment or a forecasted transaction results in the recognition of a non-financial asset, then, at the time the asset or liability is recognised, the related gains or losses on the derivative that had previously been recognised in equity are included in the initial measurement of the asset or liability. If an effective hedge of a forecasted transaction subsequently results in the recognition of a financial asset or liability, the related gains or losses recognised in equity are recycled in profit or loss for the period in the same period when the hedged item affects earnings for the period.

A hedge of the foreign currency risk of a firm commitment is designated and accounted for as a cash flow hedge.

When a hedge expires, is sold, or no longer meets the criteria for hedge accounting, any cumulative gains or losses in equity at that time remain in equity until the forecasted transaction occurs, at which time it is recognised in profit or loss. When the forecasted transaction is no longer expected to occur, the cumulative gains or losses reflected in equity are immediately transferred to the profit or loss for the period.

#### Fair value hedges

Changes in the fair value of derivative financial instruments that are designated and qualify as fair value hedges, together with any changes in the fair value of the hedged assets or liability that are attributable to the hedged risk, are recognised immediately in profit or loss for the period.

#### Embedded derivatives

Derivatives embedded in other financial instruments or host contracts are treated as separate derivatives when their risks and characteristics are not closely related to those of their host contracts and the host contracts themselves are not carried at fair value with unrealised gains or losses reported in the profit or loss for the period.

### 18. Foreign currencies

The South African rand is the functional currency of all the operations of the Group, except Unki Platinum Mine and Anglo Platinum Marketing Limited which have a US dollar functional currency.

Foreign currency transactions are recorded at the spot rate of exchange on the transaction date. At the end of the period, monetary assets and liabilities denominated in foreign currencies are translated at rates of exchange ruling at the reporting date. Non-monetary assets and liabilities carried at fair value are translated at the rate of exchange ruling at the

**PRINCIPAL ACCOUNTING POLICIES**

for the year ended 31 December 2012

date of determining the fair value. Non-monetary items that are denominated in foreign currencies and measured at historical cost are not retranslated. Foreign exchange differences arising on monetary items are reflected in profit or loss except in limited circumstances.

The financial position of the Group's foreign operations is translated into rand, using the exchange rate ruling at the end of the reporting period. Income and expenses are translated at the average exchange rates for the period. If the exchange rates fluctuate significantly, then the items are translated at the exchange rates ruling at the date of the transaction. All resulting exchange differences on the Group's foreign operations are recognised in other comprehensive income.

**19. Environmental rehabilitation provisions**

Estimated long-term environmental obligations, comprising pollution control, rehabilitation and mine closure, are based on the Group's environmental management plans in compliance with current technology, environmental and regulatory requirements.

**Decommissioning costs**

When the asset reaches commercial production an estimate is made of future decommissioning costs. The discounted amount of estimated decommissioning costs that embody future economic benefits is capitalised as a decommissioning asset and concomitant provisions are raised. These estimates are reviewed annually and discounted using a pretax risk-free rate that reflects current market assessments of the time value of money. The increase in decommissioning provisions, due to the passage of time, is charged to interest paid. All other changes in the carrying amount of the provision subsequent to initial recognition are included in the determination of the carrying amount of the decommissioning asset. Decommissioning assets are amortised on a straight-line basis over the lesser of 30 years or the expected benefit period.

**Restoration costs**

Changes in the discounted amount of estimated restoration costs are charged to profit or loss during the period in which such changes occur. Estimated restoration costs are reviewed annually and discounted using a pretax risk-free rate that reflects current market assessments of the time value of money. The increase in restoration provisions, owing to the passage of time, is charged to interest paid. All other changes in the carrying amount of the provision subsequent to initial recognition are included in profit or loss for the period in which they occur.

**Ongoing rehabilitation costs**

Expenditure on ongoing rehabilitation costs is recognised as an expense when incurred.

**Platinum Producers' Environmental Trust**

The Group contributes to the Platinum Producers' Environmental Trust annually. The trust was created to fund the estimated cost of pollution control, rehabilitation and mine closure at the end of the lives of the Group's mines. Contributions are determined on the basis of the estimated environmental obligation over the life of a mine. Contributions made are reflected in non-current investments held by the Platinum Producers' Environmental Trust if the investments are not short term. If the investments are short term and highly liquid, the amounts are reflected as cash and cash equivalents, but the restrictions are disclosed.

**20. Borrowing costs**

Borrowing costs are charged to interest paid.

When borrowings are utilised to fund qualifying capital expenditure, such borrowing costs are capitalised in the period in which the capital expenditure and related borrowing costs are incurred.

**21. Employee benefits****Short-term employee benefits**

Remuneration paid to employees in respect of services rendered during a reporting period is recognised as an expense in that reporting period. Accruals are made for accumulated leave and are measured at the amount that the Group expects to pay when the leave is used.

**Termination benefits**

Termination benefits are charged against income when the Group is demonstrably committed to terminating the employment of an employee or group of employees before their normal retirement date.

**Post-employment benefits***Defined contribution plans***Retirement, provident and pension funds**

Contributions to defined contribution plans in respect of services rendered during a reporting period are recognised as an expense in that period.

### *Defined benefit plans*

#### **Post-retirement medical aid liability**

The post-retirement medical aid liability is recognised as an expense systematically over the periods during which services are rendered using the projected unit credit method. Independent actuarial valuations are conducted annually.

Actuarial gains and losses arising as a result of experience adjustments and/or the effects of changes in actuarial assumptions are recognised as income or expenditure as and when they occur. Any increase in the present value of plan liabilities expected to arise from employee service during the period is charged to operating profit. The expected return on plan assets and the expected increase during the period in the present value of plan liabilities are included in interest income and interest expense.

Past-service cost is recognised immediately to the extent that benefits are already vested and otherwise is amortised on a straight-line basis over the average period until the benefits become vested.

The retirement benefit obligation recognised at the reporting date represents the present value of the defined benefit obligation as adjusted for unrecognised past-service costs and as reduced by the fair value of scheme assets.

## **22. Share-based payments**

The Group issues equity-settled and cash-settled share-based instruments to certain employees. Equity-settled share-based payments are measured at the fair value of the equity instruments at the date of grant. The fair value determined at the grant date of the equity-settled share-based payments is expensed over the vesting period, based on management's estimate of shares that are expected to eventually vest.

For cash-settled share-based payments, a liability equal to the portion of the services or goods received is recognised initially at fair value. This is then remeasured at each reporting period until the liability is settled, with the resulting gain or loss in fair value being recognised in profit or loss for the period. Fair value is measured using the binomial option-pricing model. The fair values used in the model have been adjusted, based on management's best estimate, for the effects of non-transferability, exercise restrictions and behavioural considerations.

Equity-settled share-based payment transactions with parties other than employees are measured at the fair value of the goods or services rendered. If the fair value of the goods or services cannot be reliably measured, it is then based on the fair value of the equity instruments issued to the third party at the relevant date.

## **23. Black economic empowerment (BEE) transactions**

When the Group disposes of a portion of its subsidiary/operation to a BEE company at a discount, this is treated as a share-based payment in accordance with the principles of AC 503 – Accounting for Black Economic Empowerment (BEE) Transactions. The IFRS 2 charge is calculated as the difference between the fair value of the asset disposed of and the proceeds received. This charge is included in the determination of profit and loss on the disposal.

## **24. Treasury shares**

The carrying value of the Company's shares held by the Group Employee Share Participation Scheme (the Kotula Trust) and the Company's subsidiaries in respect of the Group's share option schemes are reflected as treasury shares and shown as a reduction in shareholders' equity.

**CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME**

for the year ended 31 December 2012

	Notes	2012 Rm	2011 Rm
<b>Gross sales revenue</b>	1	<b>43,148</b>	51,484
Commissions paid		(310)	(367)
<b>Net sales revenue</b>	2	<b>42,838</b>	51,117
<b>Cost of sales</b>		<b>(41,948)</b>	(42,562)
<b>Gross profit on metal sales</b>	3	<b>890</b>	8,555
Other net expenditure	7	(198)	(99)
Loss on scrapping of property, plant and equipment	10	(6,606)	(83)
Market development and promotional expenditure		(420)	(408)
<b>Operating (loss)/profit</b>		<b>(6,334)</b>	7,965
IFRS 2 Charge – community economic empowerment transaction	8	–	(1,073)
(Loss)/gain on revaluation of investment in Wesizwe Platinum Limited (Wesizwe)		(358)	33
Impairment of associates	18	(105)	–
Interest expensed	9	(435)	(216)
Interest received	9	220	216
Remeasurements of loans and receivables	9	54	215
Losses from associates (net of taxation)	18	(659)	(479)
<b>(Loss)/profit before taxation</b>	10	<b>(7,617)</b>	6,661
Taxation	11	897	(2,974)
<b>(Loss)/profit for the year</b>		<b>(6,720)</b>	3,687
<b>Other comprehensive income, net of income tax</b>			
<b>Items that will be reclassified subsequently to profit or loss</b>		<b>325</b>	131
Deferred foreign exchange translation gains		95	557
Share of other comprehensive losses of associates		–	(5)
Reclassification of unrealised losses on available-for-sale investments to loss/profit for the year		178	–
Net gains/(losses) on available-for-sale investments		52	(421)
<b>Total comprehensive (loss)/income for the year</b>		<b>(6,395)</b>	3,818
<b>(Loss)/profit attributable to:</b>			
Owners of the Company		(6,677)	3,591
Non-controlling interests		(43)	96
		<b>(6,720)</b>	3,687
<b>Total comprehensive (loss)/income attributable to:</b>			
Owners of the Company		(6,352)	3,722
Non-controlling interests		(43)	96
		<b>(6,395)</b>	3,818
<b>Headline (loss)/earnings</b>	13	<b>(1,468)</b>	3,566
Number of ordinary shares in issue (millions)		<b>261.0</b>	261.1
Weighted average number of ordinary shares in issue (millions)		<b>261.0</b>	261.4
(Loss)/earnings per ordinary share (cents)	12		
– Basic		(2,558)	1,374
– Diluted		(2,547)	1,363

# CONSOLIDATED STATEMENT OF FINANCIAL POSITION

as at 31 December 2012

	Notes	2012 Rm	2011 Rm
<b>ASSETS</b>			
<b>Non-current assets</b>			
		<b>64,652</b>	68,971
Property, plant and equipment	15	43,946	44,499
Capital work-in-progress	16	9,149	12,940
Investment in associates	18	6,653	6,870
Investments held by environmental trusts	20	642	662
Other financial assets	21	4,204	3,931
Other non-current assets	22	58	69
<b>Current assets</b>			
		<b>21,295</b>	18,309
Inventories	23	15,937	12,525
Trade and other receivables	24	2,708	3,066
Other assets	25	472	419
Other current financial assets	26	4	3
Cash and cash equivalents	27	2,174	2,296
<b>Total assets</b>		<b>85,947</b>	87,280
<b>EQUITY AND LIABILITIES</b>			
<b>Share capital and reserves</b>			
Share capital	28	27	27
Share premium		20,956	21,014
Foreign currency translation reserve		174	79
Available-for-sale reserve		(62)	(292)
Retained earnings		28,725	35,534
Non-controlling interests		280	381
<b>Shareholders' equity</b>		<b>50,100</b>	56,743
<b>Non-current liabilities</b>			
		<b>20,668</b>	15,430
Non-current interest-bearing borrowings	29	8,104	939
Other financial liabilities	30	—	69
Environmental obligations	31	1,709	1,412
Employees' service benefit obligations	32	24	4
Deferred taxation	33	10,831	13,006
<b>Current liabilities</b>			
		<b>15,179</b>	15,107
Current interest-bearing borrowings	29	4,561	5,019
Trade and other payables	34	6,425	6,762
Other liabilities	35	1,983	1,792
Other current financial liabilities	30	131	183
Share-based payment provision	32	54	76
Taxation	38	2,025	1,275
<b>Total equity and liabilities</b>		<b>85,947</b>	87,280

**CONSOLIDATED STATEMENT OF CASH FLOWS**

for the year ended 31 December 2012

	Notes	2012 Rm	2011 Rm
<b>Cash flows from operating activities</b>			
Cash receipts from customers		43,109	51,278
Cash paid to suppliers and employees		(40,417)	(38,020)
Cash generated from operations	37	2,692	13,258
Interest paid (net of interest capitalised)		(201)	(194)
Taxation paid	38	(602)	(752)
<b>Net cash from operating activities</b>		<b>1,889</b>	<b>12,312</b>
<b>Cash flows used in investing activities</b>			
Purchase of property, plant and equipment (includes interest capitalised)	39	(7,201)	(7,504)
Proceeds from sale of plant and equipment		102	276
Senior loan to Plateau Resources Proprietary Limited (Plateau)		—	(669)
Proceeds on disposal of interest in WBJV		—	126
Proceeds on sale of mineral rights and other investments		14	14
Distribution from associates	18	94	79
Loans to associates	18	(535)	(263)
Advances made to Plateau for the operating cash shortfall facility		(305)	(242)
Settlement of obligation to subscribe for 'S' preference shares in Newshelf 1061 Proprietary Limited		(86)	—
Increase/(decrease) in investments held by environmental trusts		78	(73)
Interest received		36	98
Growth in environmental trusts	20	3	16
Other advances		(91)	(15)
<b>Net cash used in investing activities</b>		<b>(7,891)</b>	<b>(8,157)</b>
<b>Cash flows from/(used in) financing activities</b>			
Proceeds from the issue of ordinary share capital		—	1
Share issue expenses on the community economic empowerment transaction		(5)	(29)
Purchase of treasury shares for the Bonus Share Plan (BSP)		(231)	(387)
Proceeds from/(repayment of) interest-bearing borrowings		6,706	(686)
Repayment of finance lease obligation		—	(1)
Cash dividends paid		(532)	(3,116)
Cash distributions to minorities		(58)	(175)
<b>Net cash from/(used in) financing activities</b>		<b>5,880</b>	<b>(4,393)</b>
<b>Net decrease in cash and cash equivalents</b>			
Cash and cash equivalents at beginning of year		2,296	2,534
<b>Cash and cash equivalents at end of year</b>	27	<b>2,174</b>	<b>2,296</b>
<b>Movement in net debt</b>			
<b>Net debt at beginning of year</b>			
Net cash from operating activities		1,889	12,312
Net cash used in investing activities		(7,891)	(8,157)
Other		(827)	(3,706)
<b>Net debt at end of year</b>		<b>(10,491)</b>	<b>(3,662)</b>
<b>Made up as follows:</b>			
Cash and cash equivalents	27	2,174	2,296
Non-current interest-bearing borrowings	29	(8,104)	(939)
Current interest-bearing borrowings	29	(4,561)	(5,019)
		<b>(10,491)</b>	<b>(3,662)</b>

## CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

for the year ended 31 December 2012

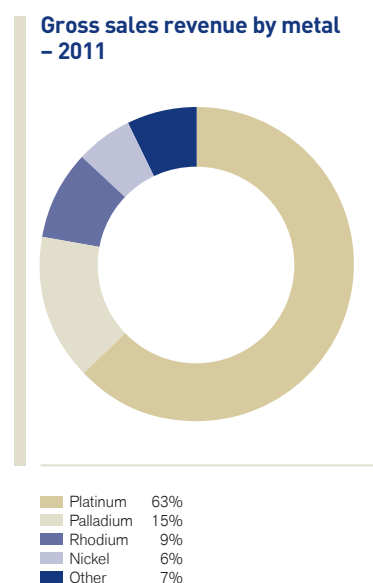
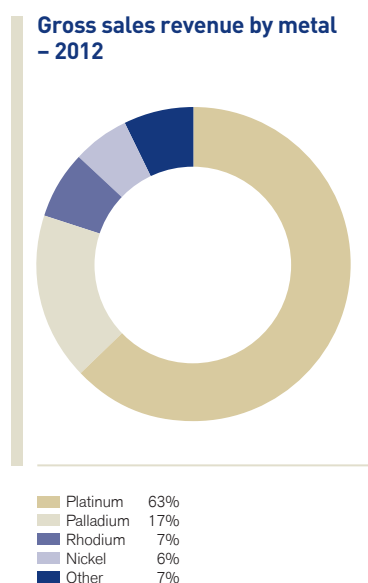
	Share capital Rm	Share premium Rm	Foreign currency translation reserve Rm	Available- for-sale reserve Rm	Retained earnings Rm	Non- controlling interests Rm	Total Rm
<b>Balance at 31 December 2010</b>	26	21,381	(499)	129	33,521	460	55,018
Total comprehensive income/(loss) for the year			557	(421)	3,586	96	3,818
Deferred taxation charged directly to equity					(1)		(1)
Transfer of deferred taxation on prior year translation differences on net investment in foreign subsidiary			21				21
Cash distributions to minorities						(175)	(175)
Cash dividends paid					(3,116)		(3,116)
Gain on variation of interests in associate					25		25
Issue of shares – community economic empowerment transaction	1	(29)					(28)
Shares acquired in terms of the BSP – treated as treasury shares	(–)*	(387)					(387)
Shares vested in terms of the BSP	– *	49			(49)		–
Equity-settled share-based compensation – community economic empowerment transaction					1,073		1,073
Equity-settled share-based compensation					525		525
Shares purchased for employees					(30)		(30)
<b>Balance at 31 December 2011</b>	27	21,014	79	(292)	35,534	381	56,743
Total comprehensive income/(loss) for the year			95	230	(6,677)	(43)	(6,395)
Deferred taxation charged directly to equity					5		5
Cash distributions to minorities						(58)	(58)
Cash dividends paid					(532)		(532)
Share issue expenses on community economic empowerment transaction		(5)					(5)
Shares acquired in terms of the BSP – treated as treasury shares	(–)*	(231)					(231)
Shares vested in terms of the BSP	– *	178			(178)		–
Equity-settled share-based compensation					589		589
Shares purchased for employees					(16)		(16)
<b>Balance at 31 December 2012</b>	27	20,956	174	(62)	28,725	280	50,100

\* Less than R500,000.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31 December 2012

	2012 Rm	2011 Rm
<b>1. GROSS SALES REVENUE</b>		
Sales revenue emanated from the following principal regions:		
<b>Precious metals</b>	<b>39,174</b>	46,950
Asia	12,716	18,322
Europe	20,164	18,884
South Africa	4,271	5,555
North America	2,023	4,189
<b>Base metals</b>	<b>3,447</b>	4,008
South Africa	1,954	2,543
Rest of the world	1,493	1,465
<b>Other</b>	<b>527</b>	526
South Africa	156	117
Rest of the world	371	409
	<b>43,148</b>	51,484
<b>Gross sales revenue by metal:</b>		
Platinum	27,056	32,171
Palladium	7,133	7,520
Rhodium	3,046	4,882
Nickel	2,672	3,180
Other	3,241	3,731
Gross sales revenue	<b>43,148</b>	51,484



## 2. SEGMENTAL INFORMATION

### 2.1 Segment revenue and results

	Net sales revenue		Operating contribution		Depreciation	
	2012 Rm	2011 Rm	2012 Rm	2011 Rm	2012 Rm	2011 Rm
<b>Operations</b>						
Bathopele Mine	2,059	2,284	(32)	548	318	309
Khomanani Mine	1,824	1,925	(167)	234	213	207
Thembelani Mine	1,556	2,055	(318)	396	227	210
Khuseleka Mine	2,388	2,538	(228)	341	271	236
Siphumelele Mine	1,461	1,865	(56)	381	182	229
Tumela Mine	3,731	5,285	218	1,481	437	476
Dishaba Mine	2,518	2,995	351	701	274	278
Union North Mine	1,159	1,844	(165)	338	132	164
Union South Mine	2,416	3,282	(40)	724	291	308
Mogalakwena Mine	7,649	8,403	2,201	3,413	1,462	1,332
Twickenham Platinum Mine	1	36	1	16	–	1
Unki Platinum Mine	1,345	946	176	287	236	104
Modikwa Platinum Mine	1,185	1,415	141	312	152	165
Kroondal Platinum Mine	1,717	2,095	221	536	61	65
Marikana Platinum Mine	291	544	(110)	42	14	27
Mototolo Platinum Mine	1,006	1,066	274	329	111	98
	<b>32,306</b>	38,578	<b>2,467</b>	10,079	<b>4,381</b>	4,209
Western Limb Tailings						
Retreatment (WLTR)	768	753	265	240	110	92
Chrome refining	464	474	370	451	10	2
<b>Total – mined</b>	<b>33,538</b>	39,805	<b>3,102</b>	10,770	<b>4,501</b>	4,303
Purchased metals	9,300	11,312	525	597	246	224
	<b>42,838</b>	51,117	<b>3,627</b>	11,367	<b>4,747</b>	4,527
Other costs			(2,737)	(2,812)		
<b>Gross profit on metal sales</b>			<b>890</b>	8,555		

### 2.2 Information about customers

Included in net sales revenue, is revenue from four customers which represents more than 10% of the total net sales revenue:

	2012 %	2011 %
Customer A	14	13
Customer B	14	21
Customer C	38	33
Customer D	15	11

### 2.3 Other geographical information

The Group's mining, smelting and refining operations are all located in South Africa with the exception of Unki Platinum Mine, which is located in Zimbabwe.

	2012 Rm	2011 Rm
Non-current assets		
Zimbabwe	3,342	2,889
South Africa	61,310	66,082
	<b>64,652</b>	68,971

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31 December 2012

	2012 Rm	2011 Rm
<b>3. GROSS PROFIT ON METAL SALES</b>		
<b>Gross sales revenue</b>	43,148	51,484
Commissions paid	(310)	(367)
<b>Net sales revenue</b>	42,838	51,117
<b>Cost of sales</b>	(41,948)	(42,562)
<b>On-mine</b>	(27,607)	(25,237)
Cash operating costs (Note 4)	(24,167)	(21,950)
Depreciation (Note 5)	(3,314)	(3,243)
Deferred waste stripping (Note 16)	(126)	(44)
<b>Purchase of metals and leasing activities*</b>	(8,959)	(9,193)
<b>Smelting</b>	(3,096)	(2,801)
Cash operating costs (Note 4)	(2,310)	(2,045)
Depreciation (Note 5)	(786)	(756)
<b>Treatment and refining</b>	(2,693)	(2,316)
Cash operating costs (Note 4)	(2,046)	(1,788)
Depreciation (Note 5)	(647)	(528)
<b>Increase/(decrease) in metal inventories</b>	3,144	(203)
<b>Other costs</b> (Note 6)	(2,737)	(2,812)
<b>Gross profit on metal sales</b>	890	8,555

\* Consists of purchased metals in concentrate, secondary metals and other metals.

	On-mine <sup>†</sup> Rm	Smelting Rm	Treatment and refining Rm
<b>4. CASH OPERATING COSTS</b>			
<b>2012</b>			
Cash operating costs consist of the following principal categories:			
Labour	9,757	444	630
Stores	6,496	440	543
Utilities	2,323	897	289
Contracting	2,179	29	74
Sundry	3,412	500	217
Toll refining	—	—	293
	24,167	2,310	2,046
<b>2011</b>			
Labour	8,772	401	595
Stores	6,345	424	466
Utilities	2,022	763	186
Contracting	2,285	29	18
Sundry	2,526	427	259
Toll refining	—	1	264
	21,950	2,045	1,788

† On-mine costs comprise mining and concentrating costs.

	2012 Rm	2011 Rm
<b>5. DEPRECIATION OF OPERATING ASSETS</b>		
Depreciation of mining and process property, plant and equipment consists of the following categories:		
Mining	3,314	3,243
Smelting	786	756
Treatment and refining	647	528
	4,747	4,527

	2012 Rm	2011 Rm
<b>6. OTHER COSTS</b>		
Other costs consist of the following principal categories:		
Share-based compensation (Note 32)	572	498
Corporate costs	498	471
Royalties	286	442
Contributions to education and community development	375	364
Voluntary separation costs (Note 32)	7	54
Research	286	208
Transport of metals	203	186
Exploration	138	187
Total exploration costs	271	323
Less: Capitalised (Note 17)	(133)	(136)
Corporate finance activities/projects	50	35
Other	322	367
	<b>2,737</b>	<b>2,812</b>
<b>7. OTHER NET EXPENDITURE</b>		
Other net expenditure consists of the following principal categories:		
Realised and unrealised foreign exchange (losses)/gains – non-financial items	(4)	11
Foreign exchange losses on loans and receivables	(55)	(166)
Foreign exchange gains on other financial liabilities	34	277
Gains on foreign currency forward exchange contracts at fair value	1	–
Gains on commodity sales contracts at fair value	82	120
Proceeds on insurance claims	12	24
Facilitation costs	–	(84)*
Losses on financial assets at FVTPL	(83)	(141)
Losses on financial liabilities at FVTPL	(44)	(7)
Project maintenance costs <sup>◊</sup>	(166)	(130)
Consultation fees and other business optimisation costs	(3)	(182)
Profit on disposal of plant, equipment and conversion rights	14	15
Other – net	14	164
	<b>(198)</b>	<b>(99)</b>

\* Consists of a US\$10 million donation to the Tongogara district community surrounding Unki Platinum Mine.

<sup>◊</sup> Project maintenance costs comprise assets scrapped as a result of the slowdown of capital projects, costs incurred to maintain land held for future projects and costs to keep projects on care and maintenance. It also includes the costs of the operations put onto care and maintenance once the decision was made.

## 8. IFRS 2 CHARGE – COMMUNITY ECONOMIC EMPOWERMENT TRANSACTION

Anglo American Platinum Limited (Amplats) shareholders approved a broad-based community economic empowerment transaction involving certain Amplats host communities on 14 December 2011. In terms of this transaction, Amplats established a trust (Lefa La Rona Trust) through which certain mine host communities will hold a participation interest. Amplats has subsequently issued 6,290,365 Amplats ordinary shares (the subscription shares) on 14 December 2011 to Lefa La Rona Trust (the Transaction). The subscription shares have been issued subject to a notional vendor finance (NVF) mechanism. The transaction value is R3.5 billion and equates to a 2.33% ownership interest in Amplats at the date of announcement.

The key terms of the transaction are included in the circular sent to shareholders on 14 November 2011. The actual economic cost of the transaction has been determined in accordance with IFRS 2 – Share-based Payments. The economic cost was determined using a Monte Carlo simulation option-pricing model for valuing the option and was done using available market-sourced data and an estimation of future dividend yields at given dates, to determine the expected future ordinary share prices. These amounts were then discounted to the present resulting in an IFRS 2 charge of R1,073 million which has been expensed, in full, on the effective date.

The share-based payment charge was calculated using the following key assumptions:

Risk-free interest rate	5.20%
Expected volatility	43.55%
Expected dividend yield	3.00%
Notional funding rate (naca)	9.50%
Market price of an Amplats ordinary share at effective date	R520.02

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31 December 2012

	2012 Rm	2011 Rm
<b>9. INTEREST EXPENSED AND RECEIVED</b>		
<b>Interest expensed</b>		
<b>Interest paid on financial liabilities classified as liabilities held at amortised cost</b>	(244)	(167)
Interest paid	(660)	(530)
Less: Capitalised (Note 39)*	416	363
<b>Time value of money adjustment to environmental obligations</b>	(191)	(49)
Decommissioning costs (Note 31)	(142)	(33)
Restoration costs (Note 31)	(49)	(16)
	(435)	(216)
<b>Interest received</b>		
<b>Interest received on financial assets classified as loans and receivables</b>		
Interest received	217	200
Growth in environmental trusts investments (Note 20)	3	16
	220	216
<b>Remeasurements of loans and receivables</b>		
Gains on remeasurements	54	215
<i>* The rate used to capitalise borrowing costs was 6.12% (2011: 6.60%).</i>		
<b>10. (LOSS)/PROFIT BEFORE TAXATION</b>		
(Loss)/profit before taxation is arrived at after taking account of:		
Auditors' remuneration	15	13
Audit fees – current year	13	12
Other services	2	1
Depreciation (Note 15)	4,921	4,761
Depreciation included in cost of sales (Note 5)	4,747	4,527
Depreciation included in other costs	174	234
Gains on financial assets designated at FVTPL	–	4
Losses on financial liabilities designated at FVTPL	191	18
Operating lease charges – buildings and equipment	33	66
Loss on disposal and scrapping of property, plant and equipment	6,612	27
Loss/(profit) on disposal of property, plant and equipment (Note 13)	6	(56)
Loss on scrapping of property, plant and equipment (Note 13)	6,606	83
Thembelani 2 shaft	2,157	–
Tumela 4 shaft	579	–
Marikana Platinum Mine	653	–
Ore replacement projects	651	–
Slag cleaning furnace 2	633	–
Twickenham ore stockpile	491	–
Other various projects and interest capitalised on the above items	1,442	83
Profit on sale of other mineral rights and investments (Note 13)	(14)	(14)
Writedown of inventories to net realisable value	88	66
Mined	87	21
Purchased	1	45
<b>11. TAXATION</b>		
Current (Note 38)	1,288	1,563
Deferred (Note 33)	(2,185)	1,411
	(897)	2,974
Comprising:		
South African normal taxation	(1,206)	2,656
– current year	(474)	2,037
– prior year	(732)	619
Secondary tax on companies (STC)	52	191
Foreign and withholding taxation	257	127
– current year	256	149
– prior year	1	(22)
	(897)	2,974

	2012 %	2011 %
<b>11. TAXATION</b> continued		
A reconciliation of the standard rate of South African normal taxation compared with that charged in the statement of comprehensive income is set out in the following table:		
South African normal taxation	(28.0)	28.0
STC	0.7	2.9
	(27.3)	30.9
Disallowable items	3.0	3.5
Capital profits	–	(0.1)
Prior year underprovision	9.9	9.0
Effect of after-tax shared loss from associates	2.4	2.0
Deferred tax asset not raised	–	0.5
Other	0.2	(1.2)
Effective taxation rate	(11.8)	44.6*

\*The 2011 effective tax rate included non-recurring items relating to the community economic empowerment transaction, other non-tax deductible expenditure and prior years' adjustments.

## 12. EARNINGS PER ORDINARY SHARE

The calculation of basic and headline losses/earnings per ordinary share is based on losses of R6,677 million and R1,468 million respectively (2011: earnings of R3,591 million and R3,566 million) and a weighted average of 261,014,624 (2011: 261,363,149) ordinary shares in issue during the year.

The calculation of diluted losses/earnings per ordinary share, basic and headline, is based on losses of R6,677 million and R1,468 million respectively (2011: earnings of R3,591 million and R3,566 million). Refer below for weighted average number of potential diluted ordinary shares in issue during the year.

	2012	2011
<b>Weighted average number of potential diluted ordinary shares in issue</b>		
<b>Weighted average number of ordinary shares in issue</b>	<b>261,014,624</b>	261,363,149
Dilutive potential ordinary shares relating to share option schemes	659,669	928,494
Dilutive potential ordinary shares relating to the Group ESOP	485,704	206,819
Dilutive ordinary shares relating to community economic empowerment transaction	–	872,751
<b>Weighted average number of potential diluted ordinary shares in issue – basic</b>	<b>262,159,997</b>	263,371,213

The weighted average number of ordinary shares in issue has been adjusted to exclude the ordinary shares issued as part of the community economic empowerment transaction, as these shares are subject to repurchase by the Company. For accounting purposes, these shares have been treated as though the Company has granted an option over its own equity to the community development trust. Therefore, the shares issued as part of this transaction only impact diluted earnings per share.

	2012 Rm	2011 Rm
<b>13. RECONCILIATION BETWEEN (LOSS)/PROFIT AND HEADLINE (LOSS)/EARNINGS</b>		
<b>(Loss)/profit attributable to shareholders</b>	<b>(6,677)</b>	3,591
Adjustments		
Net loss/(profit) on disposal of assets (Note 10)	6	(56)
Tax effect thereon	(2)	16
Loss on scrapping of property, plant and equipment (Note 10)	6,606	83
Tax effect thereon	(1,850)	(24)
Loss/(gain) on revaluation of investment in Wesizwe	358	(33)
Tax effect thereon	–	3
Impairment of associates (Note 18)	105	–
Profit on sale of other mineral rights and investments (Note 10)	(14)	(14)
<b>Headline (loss)/earnings</b>	<b>(1,468)</b>	3,566
Attributable headline (loss)/earnings per ordinary share (cents)		
Headline	(562)	1,365
Diluted	(560)	1,354

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31 December 2012

	2012 Rm	2011 Rm
<b>14. ORDINARY DIVIDENDS</b>		
<b>Dividends per share are as follows:</b>		
Dividends per ordinary share (cents)	–	700
– Interim	–	500
– Final	–	200
Dividend cover per ordinary share (headline earnings)	–	2.0
<b>Dividends paid were as follows:</b>		
<b>Ordinary dividends</b>		
Dividend No 112	–	1,791
Dividend No 113	–	1,312
Dividend No 114	530	–
<b>Dividends paid by the Kotula Trust</b>		
Dividend No 2	–	13
Dividend No 3	2	–
<b>Total dividends</b>	<b>532</b>	<b>3,116</b>
<b>15. PROPERTY, PLANT AND EQUIPMENT</b>		
Property, plant and equipment is made up of two main categories, namely mining and process property, plant and equipment and non-mining property, plant and equipment.		
Mining and process property, plant and equipment comprise expenditure on mining rights, qualifying exploration costs, properties, shaft sinking, development, equipment, plant, buildings, decommissioning and mining projects.		
Non-mining property, plant and equipment comprise freehold land, equipment, motor vehicles and office equipment.		
<b>Cost</b>		
Opening balance	71,643	60,343
Transfer from capital work-in-progress (Note 16)	4,352	11,374
Additions at cost (Note 39)	493	457
Additions to decommissioning asset (Note 31)	22	(41)
Disposals/scrapping of assets	(1,223)	(619)
Foreign currency translation differences	166	129
Closing balance	<b>75,453</b>	71,643
<b>Accumulated depreciation</b>		
Opening balance	27,144	22,905
Charge for the year (Note 10)	4,921	4,761
Disposals/scrapping of assets	(591)	(531)
Foreign currency translation differences	33	9
Closing balance	<b>31,507</b>	27,144
<b>Carrying amount (Annexure A)</b>	<b>43,946</b>	44,499
<b>16. CAPITAL WORK-IN-PROGRESS</b>		
Opening balance	12,940	17,065
Additions at cost (Note 39)	6,752	7,168
Transfer to property, plant and equipment (Note 15)	(4,352)	(11,374)
Transferred to investment in associates	–	(33)
Scrapping of property, plant and equipment	(6,083)	(215)
Translation of foreign operations	18	373
Movement in deferred waste stripping (Note 3)	(126)	(44)
Closing balance	<b>9,149</b>	12,940

	2012 Rm	2011 Rm
<b>17. EXPLORATION AND EVALUATION</b>		
The balances and movements for exploration and evaluation costs as included in notes 15 and 16 above are as follows:		
<b>Cost</b>		
Opening balance	1,564	1,428
Additions (Note 6)	133	136
Closing balance	1,697	1,564
<b>Accumulated depreciation</b>		
Opening balance	(189)	(153)
Charge for the year	(37)	(36)
Scrapping of costs previously capitalised	(125)	–
Closing balance	(351)	(189)
<b>Carrying amount</b>	<b>1,346</b>	<b>1,375</b>
<b>18. INVESTMENT IN ASSOCIATES</b>		
<b>Listed (Market value: R151 million (2011: R411 million))</b>		
Investment in Atlatsa Resources Corporation (Atlatsa) (previously Anooraq Resources Corporation)	151	408
<b>Unlisted (Directors' valuation: R8,355 million (2011: R8,836 million))</b>	<b>6,502</b>	<b>6,462</b>
Bokoni Platinum Holdings Proprietary Limited (Bokoni Holdco)		
Carrying value of investment	(1,350)	(746)
Investment in 'A' preference shares	–	878
Loans to associate	2,450	1,203
Bafokeng-Rasimone Platinum Mine		
Carrying value of investment	4,928	4,569
Johnson Matthey Fuel Cells Limited		
Carrying value of investment	(102)	(67)
Cumulative redeemable preference shares	96	88
Loan to associate (subordinated to third-party debt)	134	105
Richtrau No 123 Proprietary Limited		
Carrying value of investment	5	11
Unincorporated associate – Pandora		
Carrying value of investment	341	421
	<b>6,653</b>	<b>6,870</b>
The movement for the year in the Group's investment in associates was as follows:		
Opening balance		
Carrying amount – opening balance	6,870	7,339
Loss after taxation	(659)	(479)
Loss from associates	(723)	(629)
Taxation – deferred	64	150
Share of movement in other reserves of associates	–	(5)
Transferred investment in Wesizwe to available-for-sale investments	–	(455)
Transfers from capital work-in-progress	–	33
Additional funding provided to associates	535	263
Interest on loan to Bokoni Holdco	76	86
Remeasurements on loans and preference shares in associates	–	71
Variation of interest in associate	–	25
Revaluation of loan to associate and preference shares	19	31
Deferred foreign exchange translation gains	11	40
Impairment of associates (Note 13)	(105)	–
Distributions from associates	(94)	(79)
Closing balance	<b>6,653</b>	<b>6,870</b>
Gross goodwill less accumulated impairment included in carrying amount	–	105

The comparative financial information that follows in respect of the Group's investment in associates has been amended to now reflect the Group's proportionate share of their financial results.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31 December 2012

### 18. INVESTMENT IN ASSOCIATES continued

#### Listed investment: Atlatza Resources Corporation

The Group has subscribed for a preference share instrument which, once converted, gives the Group full equity upside on 115.8 million Atlatza shares. As this instrument is convertible at the Group's discretion at any time, this has been taken into consideration when determining whether the Group has significant influence over Atlatza in terms of IAS 28 – Investments for Associates. As this instrument provides the Group with an effective interest of 27% in Atlatza on a fully diluted basis, the Group has the ability to exert significant influence over the company and, therefore, the investment in Atlatza is being equity accounted. Atlatza has a 51% controlling interest in the operations of Bokoni Platinum Mine and the Ga-Phasha, Boikgantsho and Kwanda projects.

This company is listed on the Canadian stock exchange and has a December year end. The equity accounting includes its results for the 12 months ended 30 September 2012, which is done using its latest publically available quarterly results.

	2012 Rm	27% 2011 Rm
<b>Income statement</b>		
Revenue	323	296
Loss before taxation	(143)	(312)
Taxation	(14)	53
Loss after taxation	(157)	(259)
<b>Balance sheet</b>		
Non-current assets	1,842	1,873
Current assets	126	114
	1,968	1,987
Non-current liabilities	1,288	1,905
Current liabilities	61	52
Equity	619	30
	1,968	1,987

#### Listed investment: Wesizwe Platinum Limited

On 22 April 2010, the Department of Mineral Resources granted Wesizwe all the required approvals and consent to conclude its acquisition of a 37% interest in the Western Bushveld Joint Venture (WBJV) from the Group. Wesizwe issued 211,850,125 shares to the Group in part settlement of the purchase price resulting in the Group acquiring a 26.6% shareholding in Wesizwe. This shareholding provided the Group with the ability to exert significant influence over Wesizwe and as a result the investment was equity accounted until 30 April 2011. Subsequent to the issue of additional shares by Wesizwe on 6 May 2011, the Group's shareholding in Wesizwe dropped below 20% and the Group lost significant influence over Wesizwe. Consequently, from 1 May 2011, the Group has accounted for its investment in Wesizwe as an available-for-sale investment in terms of IAS 39 (refer to note 21).

This company is listed on the Johannesburg stock exchange and has a December year end. The equity accounting for the period 1 January 2011 to 30 April 2011 is done using its management accounts at the end of April 2011.

	2012 Rm	27% 2011 Rm
<b>Income statement</b>		
Loss before taxation	–	(2)
Taxation	–	2
Profit after taxation	–	–

#### Unlisted investment: Bokoni Platinum Holdings Proprietary Limited

The Group has a 49% shareholding in Bokoni Holdco which effectively holds 100% of Bokoni Platinum Mine and the Ga-Phasha, Boikgantsho and Kwanda projects. This investment is being equity accounted.

This company has a December year end. The equity accounting is done to December using its management accounts. The financial information presented below is for the year ended 31 December 2012.

	2012 Rm	49% 2011 Rm
<b>Income statement</b>		
Revenue	464	517
Loss before taxation	(674)	(552)
Taxation	71	108
Loss after taxation	(603)	(444)
<b>Balance sheet</b>		
Non-current assets	3,391	3,356
Current assets	69	154
	3,460	3,510
Non-current liabilities	1,000	2,881
Current liabilities	84	82
Equity	2,376	547
	3,460	3,510

## 18. INVESTMENT IN ASSOCIATES continued

### Unlisted investment: Bafokeng-Rasimone Platinum Mine (BRPM)

As part of the restructuring of BRPM, the Group retained its 33% direct interest in the joint venture. However, until the date of listing of Royal Bafokeng Platinum Limited (RB Plat), the Group continued to exert joint control over the operations of BRPM and, consequently, included its 33% proportionate share of the results and net assets of BRPM in the results and net assets of the Group. Although, after the listing of RB Plat, the Group lost joint control of BRPM, the 33% direct interest still resulted in the Group having significant influence over the operations of BRPM. As a result, the 33% direct interest in BRPM is equity accounted from the date of RB Plat listing.

BRPM has a December year end. The equity accounting is done using its management accounts as at 31 December 2012 and is adjusted for certain consolidation entries.

	2012 Rm	33% 2011 Rm
<b>Income statement</b>		
Revenue	946	982
Profit before taxation	135	220
Taxation†	—	—
Profit after taxation	135	220
<b>Balance sheet</b>		
Non-current assets	2,100	1,793
Current assets	309	394
	2,409	2,187
Equity and non-current liabilities	2,297	2,118
Current liabilities	112	69
	2,409	2,187

† As BRPM is an unincorporated joint venture, its taxation forms part of Rustenburg Platinum Mine Limited's taxable income.

### Unlisted investment: Johnson Matthey Fuel Cells Limited (JMFC)

At 31 December 2012, the Group held 17.5% of the equity and 43% of the voting rights in JMFC, incorporated in the United Kingdom. The interest is represented by 35 ordinary shares (acquired for GBP13 million) and 7 million redeemable preference shares (acquired for GBP7 million). JMFC carries on research and development for the enhancement and development of fuel cells and associated hydrogen generation technology from fuels and the commercial exploitation thereof, including the manufacture and sale of fuel cell-related products. This company has a March year end, however, equity accounting is based on management accounts.

#### Investment in redeemable preference shares

The subscription for the redeemable preference shares in JMFC is treated as initial funding by the Group. Johnson Matthey also provides initial funding in the form of interest-bearing debt. The economic return on the redeemable preference shares matches the economic return of the initial funding provided by the controlling shareholder, which will equate to United Kingdom market returns. The redeemable preference shares are redeemable proportional to the repayment of the initial funding of the controlling shareholder. Preference dividends are cumulative.

The summarised information below is based on its management accounts for the 12 months ended 30 November 2012.

	2012 Rm	17.5% 2011 Rm
<b>Income statement</b>		
Loss before taxation	(54)	(16)
Taxation	11	—*
Loss after taxation	(43)	(16)
<b>Balance sheet</b>		
Non-current assets	85	72
Current assets	21	20
	106	92
Non-current liabilities	13	11
Current liabilities	266	208
Equity	(173)	(127)
	106	92

\* Less than R500,000.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31 December 2012

### 18. INVESTMENT IN ASSOCIATES continued

#### Unlisted investment: Pandora

The Group, Eastern Platinum Limited, Mvela Resources Limited (on behalf of Northam Platinum Limited) and Bapo-Ba-Mogale Mining Company Proprietary Limited have entered into a 42.5:42.5:7.5:7.5 arrangement. In terms of the agreement, the Group contributed certain mineral rights to the venture, while Eastern Platinum Limited contributed certain surface infrastructure. Pandora has a September year end.

The equity accounting is based on its management accounts for the 12 months ended 30 November 2012.

	2012 Rm	42.5% 2011 Rm
<b>Income statement</b>		
Revenue	155	150
Profit before taxation	20	47
Taxation	(6)	(13)
Profit after taxation	14	34
<b>Balance sheet</b>		
Non-current assets	328	274
Current assets	88	257
	416	531
Non-current liabilities	5	325
Current liabilities	40	50
Equity	371	156
	416	531

### 19. JOINT VENTURES

#### Jointly controlled assets

##### Modikwa Platinum Mine

The Group and ARM Mining Consortium Limited (ARMMC) have established a 50:50 jointly controlled operation, known as the Modikwa Platinum Mine Joint Venture (Modikwa). Modikwa operates a mine and a processing plant on the Eastern Limb of the Bushveld Complex.

##### Kroondal Platinum Mine

The Group and Aquarius Platinum (South Africa) Proprietary Limited (Aquarius) have pooled certain mineral rights and infrastructure via a pooling-and-sharing agreement. The two parties share 50:50 in the profits and losses from the jointly controlled mine and processing plant, located on the Western Limb of the Bushveld Complex, which is managed by Aquarius.

##### Marikana Platinum Mine

The Group and Aquarius have pooled certain mineral rights and infrastructure via a pooling-and-sharing agreement. The two parties share 50:50 in the profits from the jointly controlled mine and processing plant, located on the Western Limb of the Bushveld Complex, which is managed by Aquarius. The mine was placed on care and maintenance during the first half of 2012.

##### Mototolo Platinum Mine

The Group and Xstrata Kagiso Platinum Partnership have entered into a 50:50 joint venture. The Mototolo Mine, which is managed by Xstrata SA Proprietary Limited, is located on the Eastern Limb of the Bushveld Complex, while the processing plant is managed by the Group.

	2012 Rm	2011 Rm
<b>20. INVESTMENTS HELD BY ENVIRONMENTAL TRUSTS</b>		
Investments held by the environmental trust comprise:		
Financial instruments designated as fair value through profit or loss	642	587
Cash deposits	—	75
	642	662
<b>Movement in total investments held by environmental trusts</b>		
Opening balance	663	582
Contributions	—	46
Growth in environmental trusts (Note 9)	3	16
Remeasurements	57	19
Closing balance	723	663
Disclosed as:		
Investments held by environmental trusts	642	662
Cash and cash equivalents (Note 27)	81	1
	723	663

These funds may only be utilised for purposes of settling decommissioning and environmental liabilities relating to existing mining operations. All income earned on these funds is reinvested or spent to meet these obligations. These obligations are included in environmental obligations (Note 31).

	2012 Rm	2011 Rm
<b>21. OTHER FINANCIAL ASSETS</b>		
<b>Loans carried at amortised cost</b>		
Loans to Plateau*	2,583	2,197
Loan to ARMMC <sup>o</sup>	75	78
Advance to Bakgatla-Ba-Kgafela traditional community <sup>♦</sup>	134	77
Other	92	49
	<b>2,884</b>	<b>2,401</b>
<b>Investments carried at fair value through profit or loss (FVTPL)</b>		
Investment in Newshelf 848 Proprietary Limited <sup>□</sup>	—	82
<b>Available-for-sale investments carried at fair value</b>		
Investment in Royal Bafokeng Platinum Limited (RB Plat) <sup>◇</sup>	1,191	1,139
Investment in Wesizwe Platinum Limited <sup>□</sup>	129	309
Total financial assets	<b>4,204</b>	<b>3,931</b>

None of the loans and receivables included as non-current financial assets are past due or have been impaired at balance sheet date.

\* The Group provided Plateau Resources Proprietary Limited (Plateau) with a facility to meet its obligations in respect of operating and capital expenditure for Bokoni Platinum Mine. The facility is available to Plateau from 1 July 2009 to 31 August 2013 and at 31 December 2012 the undrawn amount was R226 million.

In 2012, the Group and Atlatsa agreed in principle to the restructure, recapitalisation and refinancing of Atlatsa and Bokoni Platinum Holdings Proprietary Limited. The implementation of the transactions is subject to the fulfilment of certain conditions precedent including regulatory approval and Atlatsa shareholder approval. This transaction will be accounted for once the agreements have been signed and these conditions have been fulfilled. The Group and Atlatsa are collaborating to optimise Bokoni Platinum Mine.

<sup>o</sup> This advance is interest free and the repayment thereof is dependent on the free cash flows from the Modikwa Joint Venture. This advance was fair valued on initial recognition by discounting the expected cash flows using a market-related interest rate. As security for the repayment of the advance, ARMMC has ceded its rights to payments from the Modikwa Joint Venture to the Group.

<sup>♦</sup> The Group has made a R45 million loan to the Bakgatla-Ba-Kgafela traditional community (Bakgatla). As security for this loan, the Bakgatla has pledged, to the Group, its 55% interest in Lexshell 49 General Trading Proprietary Limited, the company that holds the right to be granted a prospecting right on portion 2 of Rooderand 46 JQ (Rooderand). The Group has the election to acquire the Bakgatla's interest in Lexshell at par value in lieu of the capital and any interest accrued on the loan at that date. The Group, as the holder of the unused old-order right over Rooderand, applied for a new-order prospecting right, which application was refused on the basis of not facilitating empowerment.

On 24 November 2009, Platinum Australia Limited, in an ASX release, announced that a prospecting right had been issued to Atla Mining Resources Proprietary Limited (Atla) over Rooderand. The Group has lodged a Notice of Appeal with the Department of Mineral Resources (DMR) against the granting of the prospecting right to Atla and have also taken the decision by the DMR to grant a prospecting right to Atla, over Rooderand on judicial review.

Atla has also now applied for the conversion of its prospecting right into a mining right, which application was also challenged by the Group under judicial review during April 2012. The Northern Gauteng High Court handed down judgment on 2 May 2012 and ordered the Director-General (DG) of the DMR to process the Group's pending appeals. Atla appealed part of the judgment which the court dismissed.

The Group received the outcome to its appeal on 30 October 2012 against the grant of the Atla prospecting right from the DMR, in which the DMR upheld the Group's appeal. The DG's decision has the effect that the grant of the Atla prospecting right (and mining right application) has been set aside.

In addition, the Group has provided the Bakgatla with a loan of R47 million to secure their debt under a hedge facility with an external bank. The loan is unsecured and bears interest at JIBAR plus 2%.

<sup>□</sup> The Group acquired R273 million 'N' non-voting participating preference shares in Newshelf 848 Proprietary Limited, an Afripalm company. The Group had granted an option to Afripalm to acquire these preference shares on beneficial terms (but at a value not lower than Amplats' cost) if the Group was released from its conditional subscription obligation to subscribe for 'S' preference shares in another Afripalm company (refer to note 30.)

<sup>◇</sup> The Group holds approximately 12.6% in RB Plat.

<sup>□</sup> The Group holds approximately 13% in Wesizwe.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31 December 2012

	2012 Rm	2011 Rm
<b>22. OTHER NON-CURRENT ASSETS</b>		
Non-current portion of prepaid operating lease rentals	58	63
Prepaid operating lease rentals to Ga-Pila NPC, a not-for-profit company registered in terms of the Companies Act, 2008, in South Africa	63	67
Less: Short-term portion transferred to other assets (Note 25)	(5)	(4)
Contribution holiday due to pension fund surplus	—	6
	<b>58</b>	<b>69</b>
<b>23. INVENTORIES</b>		
Refined metals	5,632	3,326
At cost	5,310	2,518
At net realisable values	322	808
Work-in-progress	8,660	7,928
At cost	8,042	6,951
At net realisable values	618	977
Total metal inventories	14,292	11,254
Stores and materials at cost less obsolescence provision	1,645	1,271
	<b>15,937</b>	<b>12,525</b>
<b>24. TRADE AND OTHER RECEIVABLES</b>		
Trade accounts receivable	917	1,188
Other receivables	1,791	1,878
	<b>2,708</b>	<b>3,066</b>
<b>Analysis of amounts past due but not impaired</b>		
The following provides an analysis of the amounts and number of days that trade debtors are past due their contractual maturity dates:		
Less than 30 days	14*	109*
Between 31 – 60 days	32*	—
Between 60 – 90 days	—	—
Greater than 90 days	—	—
	<b>46</b>	<b>109</b>

The average credit period on the sale of precious metals is seven days and base metals is 17 days. Interest is charged at market-related rates on the outstanding balance. No provision for doubtful debts has been raised on any amounts past due at balance sheet date as these amounts have either been received post year end or the amounts are still considered recoverable. The Group holds no collateral over these balances.

Before accepting any new customers, the Group uses a credit bureau or performs a credit assessment to assess the potential customer's credit quality and credit limits. The credit limits are reviewed on a regular basis throughout the year due to the volatility in the commodity price movements which necessitates the frequent review of credit limits. Trade accounts receivable involve primarily a small group of international companies. The financial condition of these companies and the countries in which they operate are regularly reviewed. Therefore the Group has no provision for doubtful debts.

The fair value of accounts receivable is not materially different from the carrying values presented. There are no trade receivables pledged as security to secure any borrowings of the Group.

\* The amount was received subsequent to year end.

	2012 Rm	2011 Rm
<b>25. OTHER ASSETS</b>		
Prepayments	382	324
Other	85	91
	<b>467</b>	415
Short-term portion of other non-current assets (Note 22)	5	4
	<b>472</b>	419
<b>26. OTHER CURRENT FINANCIAL ASSETS</b>		
<b>Financial assets carried at fair value</b>		
Fair value of forward foreign exchange contracts	4	3
<b>27. CASH AND CASH EQUIVALENTS</b>		
Cash and cash equivalents consist of cash on hand, balances with banks and money-market instruments.		
Cash on deposit and on hand	1,901	2,062
Cash investments held by environmental trusts (Note 20)*	81	1
Cash held by insurance captives	192	233
	<b>2,174</b>	2,296

\* Cash held in trust comprises funds which may only be utilised for purposes of settling decommissioning and environmental liabilities relating to existing mining operations. All income earned on these funds is reinvested or spent to meet these obligations. These obligations are included in environmental obligations (Note 31).

2011 Number of shares	2012 Number of shares		2012 Rm	2011 Rm
		<b>28. SHARE CAPITAL</b>		
		<b>Authorised</b>		
413,595,651	<b>413,595,651</b>	Ordinary shares of 10 cents each	41	41
1,512,780	<b>1,512,780</b>	'A' ordinary shares of 10 cents each convertible	—*	—*
		<b>Issued – ordinary shares</b>		
263,391,521	<b>269,681,886</b>	Ordinary shares of 10 cents each at 1 January	27	26
6,290,365	—	Shares issued in terms of the community economic empowerment transaction (Note 8)	—	1
269,681,886	<b>269,681,886</b>	Balance as at 31 December	27	27
		<b>Issued – 'A' ordinary shares</b>		
1,512,780	<b>1,512,780</b>	Ordinary shares of 10 cents each convertible	—*	—*
		<b>Treasury shares held within the Group</b>		
1,069,015	<b>1,069,015</b>	Ordinary shares held by the Group ESOP	—*	—*
1,512,780	<b>1,512,780</b>	'A' ordinary shares held by the Group ESOP	—*	—*
1,254,108	<b>1,343,949</b>	Ordinary shares held by the Group in terms of the BSP and other share schemes	—*	—*

#### Ordinary shares

The unissued ordinary shares are under the control of the directors until the forthcoming annual general meeting.

#### 'A' ordinary shares

The 'A' ordinary shares are unlisted and were created to facilitate the implementation of the Amplats Employee Share Participation Scheme. Refer to Annexure B for details of the scheme.

#### Treasury shares

For details of the treasury shares, refer to Annexure B which contains details of the various equity compensation schemes.

\* Less than R500,000.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31 December 2012

	2012 Rm Facility amount	2012 Rm Utilised amount	2011 Rm Facility amount	2011 Rm Utilised amount
<b>29. INTEREST-BEARING BORROWINGS</b>				
<b>Unsecured financial liabilities measured at amortised cost</b>				
* Committed:	20,181	8,165	20,169	5,958
ABSA Bank Limited	2,000	546	2,000	—
Anglo American SA Finance Limited	6,100	6,100	6,100	4,996
FirstRand Bank Limited	2,857	1,045	2,857	500
Nedbank Limited	4,439	439	4,462	462
Standard Bank of South Africa Limited	4,000	—	4,000	—
Stanbic Zimbabwe	35	35	—	—
Standard Chartered Bank Johannesburg branch	750	—	750	—
◊ Uncommitted:	6,331	4,500	4,805	—
Anglo American SA Finance Limited	4,500	4,500	2,500	—
Anglo American Capital plc	508	—	—	—
Citibank, N. A. Johannesburg branch	423	—	405	—
Investec Bank Limited	400	—	400	—
Old Mutual Specialised Finance Limited	500	—	1,500	—
	<b>26,512</b>	<b>12,665</b>	24,974	5,958
Disclosed as follows:				
Current interest-bearing borrowings		4,561		5,019
Non-current interest-bearing borrowings		8,104		939
		<b>12,665</b>		5,958

### Borrowing powers

The borrowing powers in terms of the articles of association of the holding company and its subsidiaries are unlimited. The weighted average borrowing rate at 31 December 2012 was 6.12% (2011: 6.60%).

\* Committed facilities are defined as the bank's obligation to provide funding until maturity of the facility, by which time the renewal of the facility is negotiated.

R15,595 million (2011: R9,498 million) of the facilities is committed for one to five years, R3,050 million (2011: R3,050 million) is committed for a rolling period of 364 days, while the rest is committed for less than 364 days.

◊ Uncommitted facilities are callable on demand.

	2012		2011	
	Rm Current	Rm Non-current	Rm Current	Rm Non-current
<b>30. OTHER FINANCIAL LIABILITIES</b>				
<b>Financial liabilities carried at amortised cost</b>				
Loan commitments at below market interest rates	75	—	75	—
<b>Financial liabilities carried at fair value</b>				
Fair value of commodity sale contracts <sup>o</sup>	56	—	66	69
Fair value of obligation to subscribe for shares <sup>♦</sup>	—	—	42	—
	<b>131</b>	—	183	69

<sup>o</sup> The Group has marked-to-market commodity contracts that are within the scope of IAS 39. The fair value was estimated using a valuation technique that is based on observable and unobservable market data for future metal prices and observable market interest rates at 31 December 2012.

<sup>♦</sup> In terms of the refinancing of Afripalm Resources Proprietary Limited and its subsidiaries, the Group had an obligation to subscribe for 'S' preference shares in Newshelf 1061 Proprietary Limited to the extent that the 'B' preference shares in this company were not redeemed when due. The conditional obligation related specifically to the 'B' preference shares with a subscription price of R545 million and capitalised preference dividends in relation thereto. The guarantee was effective until 31 March 2014. By 31 December 2012, the Group settled its obligation in respect of these shares by making a final settlement payment of R86 million.

	2012 Rm	2011 Rm
<b>31. ENVIRONMENTAL OBLIGATIONS</b>		
<b>Provision for decommissioning cost</b>	<b>1,238</b>	1,073
Opening balance	1,073	1,090
Discounted amount for decommissioning of expansion projects (Note 15)	22	(41)
Charged to interest expensed (Note 9)	142	33
Translation of foreign operations	1	(9)
<b>Provision for restoration cost</b>	<b>471</b>	339
Opening balance	339	298
Discounted amount for increase in restoration obligation charged to the statement of comprehensive income	79	26
Charged to interest expensed (Note 9)	49	16
Transferred from capital work-in-progress	3	–
Translation of foreign operations	1	(1)
<b>Environmental obligations before funding</b>	<b>1,709</b>	1,412
Environmental obligations before funding	1,709	1,412
Less: Environmental trusts (Note 20)	(723)	(663)
<b>Unfunded environmental obligations</b>	<b>986</b>	749
Real pretax risk-free discount rate (Rand)	4%	4%
Real pretax risk-free discount rate (US dollar)	2%	2%
Undiscounted amount of environmental obligations in real terms	3,112	2,724
Refer to note 41 with respect to details on guarantees provided to the Department of Mineral Resources in this regard.		
<b>32. EMPLOYEE BENEFITS</b>		
<b>Employees' service benefit obligations (non-current)</b>		
Provision for post-retirement medical aid benefits	24	4
Share-based payments provision	–	–
Total	54	76
Less: Transferred to current liabilities	(54)	(76)
	24	4
<b>Aggregate earnings</b>		
The aggregate earnings of employees including directors were:		
Salaries and wages and other benefits	11,277	10,463
Retirement benefit costs	955	856
Medical aid contributions	401	276
Share-based compensation (Note 6)	572	498
– Equity settled	257	193
– Equity settled – the Group ESOP	332	332
– Cash settled	(22)	(33)
– Cash payments	5	6
	13,205	12,093
<b>Termination benefits</b>		
Voluntary separation costs (Note 6)	7	54
<b>Directors' emoluments</b>		
<b>Remuneration for executives</b>		
– Fees	–	–
– Salaries, benefits, performance-related bonuses and other emoluments	27	21
<b>Remuneration for non-executives</b>		
– Fees	5	5
Paid by holding company and subsidiaries	32	26
Paid by subsidiaries	(27)	(21)
Paid by holding company	5	5

Directors' remuneration is fully disclosed in the remuneration report, which is included in the directors' report. The directors' report is not included in the abridged financial statements.

#### Equity compensation benefits

The directors' report sets out details of the Company's share option schemes, and Annexure B provides details of share options issued and exercised during the year by participants as well as the disclosures required by IFRS 2 – Share-based Payments. The details pertaining to share options issued to and exercised by directors during the year are disclosed in the remuneration report. The remuneration report is not included in the abridged financial statements.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31 December 2012

### 32. EMPLOYEE BENEFITS continued

#### Retirement funds

Separate funds, independent of the Group, provide retirement and other benefits to all employees. These funds consist of defined contribution plans. All funds are subject to the Pension Funds Act, 1956. The Amplats Officials Pension Fund, the Amplats Employees Pension Fund and the MRR Pension Fund are in the process of being wound up.

#### Defined contribution plans

Contributions are made to the following defined contribution plans:

	Number of members*	Employer contributions Rm	Market value of fund assets Rm
<b>2012</b>			
Amplats Retirement Fund	1,810	91	1,065
Amplats Mines Retirement Fund	15,578	446	4,660
MRR Retirement Fund	1,527	41	895
Amplats Group Provident Fund	39,751	423	4,478
	<b>58,666</b>	<b>1,001</b>	<b>11,098</b>
<b>2011</b>			
Amplats Retirement Fund	1,740	80	948
Amplats Mines Retirement Fund	15,543	400	3,973
MRR Retirement Fund	1,511	40	831
Amplats Group Provident Fund	40,912	372	4,253
	<b>59,706</b>	<b>892</b>	<b>10,005</b>

\* Certain members are not in the employment of the Group, while others are members of more than one fund.

#### Defined benefit plan

##### Post-retirement medical aid benefits

The post-retirement medical aid obligation is actuarially valued annually. The obligation was last valued as at 31 December 2012 using the projected unit credit method. The assumptions used in the valuation included estimates of life expectancy and long-term estimates of the increase in medical costs, appropriate discount rates and the level of claims based on the Group's experiences.

The plan assets comprise a captive cell arrangement with Guardrisk, which arrangement exists to fund the Group's obligations towards pensioners. The funds are invested in the money market and the medical aid premiums are paid by Guardrisk to the medical aid funds, on behalf of the Group. The Group does not expect to make a contribution (2012: nil) to the captive cell for the 2013 year. The actual return on plan assets for the year amounted to R10 million (2011: R18 million).

	2012	2011
The principal actuarial assumptions used were as follows:		
<b>Actuarial assumptions</b>		
Discount rate (nominal)	8.0%	8.5%
Healthcare cost inflation	7.8%	7.8%
Expected return on reimbursive rights	6.9%	7.4%
<b>Membership</b>		
In-service members	156	180
Continuation members	884	927
	Rm	Rm
Amounts recognised in profit or loss in respect of the defined benefit plan:	3	3
Current service cost	1	1
Interest cost	15	14
Expected return on reimbursive rights	(13)	(12)
<b>Fund status</b>		
Fair value of plan assets	(177)	(177)
Present value of obligations	201	181
<b>Net unfunded liability</b>	<b>24</b>	<b>4</b>
<b>Movements in the net liability</b>		
Opening balance	4	—*
Amounts recognised in the statement of comprehensive income	10	(5)
Current service cost	1	1
Interest cost	15	14
Actuarial gain	7	(8)
Return on reimbursive rights	(13)	(12)
Benefits paid	10	9
Closing balance	24	4

\* Less than R500,000.

	2012 Rm	2011 Rm	2010 Rm	2009 Rm
<b>32. EMPLOYEE BENEFITS</b> continued				
The history of experience adjustments is as follows:				
Present value of obligations	201	181	168	156
Fair value of plan assets	(177)	(177)	(168)	(150)
Net unfunded liability	24	4	—*	6
<b>Experience adjustments</b>				
<b>Actuarial losses/(gains) before changes in assumptions</b>				
In respect of present value of obligations	4	2	7	(5)
In respect of present value of plan assets	—	(4)	(1)	(1)

\* Less than R500,000.

Assumed healthcare trend rates have a significant impact on the amounts recognised in the statement of comprehensive income. A 1% change in the healthcare cost trends would have the following impact:

	1% increase		1% decrease	
	2012 Rm	2011 Rm	2012 Rm	2011 Rm
Aggregate of current service and interest costs	2	2	(2)	(2)
Present value of obligations	26	22	(22)	(19)
			2012 Rm	2011 Rm

### 33. DEFERRED TAXATION

Opening balance		13,006	11,615
(Released)/charged to the statement of comprehensive income (Note 11)		(2,185)	1,411
Charged directly to equity		(5)	(20)
Other		15	—
Closing balance		10,831	13,006
<b>Comprising:</b>			
Deferred taxation assets		(773)	(805)
Deferred taxation liabilities		11,604	13,811
		10,831	13,006
<b>Deferred taxation liabilities</b>		11,604	13,811
Mining property, plant and equipment		11,388	13,639
Other		216	172
<b>Deferred taxation assets</b>		(773)	(805)
Accrual for leave pay		(362)	(316)
Share-based payment provision		(47)	(101)
Post-retirement medical aid benefits		(7)	(1)
Other		(357)	(387)
<b>Net position as at 31 December</b>		10,831	13,006

### 34. TRADE AND OTHER PAYABLES

Trade accounts		4,012	4,874
Related parties (Note 36)		1,042	1,143
Other		2,970	3,731
Other accounts payable		2,413	1,888
		6,425	6,762

The fair value of accounts payable is not materially different to the carrying values presented.

### 35. OTHER LIABILITIES

Accrual for leave pay		1,289	1,133
Other accruals		694	659
		1,983	1,792

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31 December 2012

### 36. RELATED-PARTY TRANSACTIONS

The Company and its subsidiaries, in the ordinary course of business, enter into various sale, purchase, service and lease transactions with the ultimate holding company, Anglo American plc, its subsidiaries, joint ventures and associates, as well as transactions with the Group's associates. Certain deposits and borrowings are also placed with the holding company. The Group participates in the Anglo American plc insurance programme. These transactions are priced on an arm's length basis. Material related-party transactions with subsidiaries and associates of Anglo American plc and the Group's associates are as follows:

	2012 Rm	2011 Rm
Commitment fees received	11	10
Commitment fees expense	1	9
Compensation paid to key management personnel	58	60
Interest paid for the year	508	362
Interest received for the year	158	139
Purchase of goods and services for the year*	4,858	5,361
Associates	3,829	4,065
Other	1,029	1,296
Deposits at 31 December	856	1,479
Loans to associates at 31 December	2,584	1,308
Loans in and preference share investments to other related parties at 31 December	2,583	2,197
Interest-bearing borrowings at 31 December (including interest accrued)	10,653	5,027
Amounts owed to related parties as at 31 December (Note 34)	1,042	1,143
Associates	1,035	1,122
Other	7	21

#### Trade payables

Trade payables are settled on commercial terms.

#### Deposits

Deposits earn interest at market-related rates and are repayable on maturity.

#### Interest-bearing borrowings

Interest-bearing borrowings bear interest at market-related rates and are repayable on maturity.

#### Directors

Details relating to directors' emoluments and shareholding in the Company are disclosed in the remuneration report.

#### Shareholders

The principal shareholders of the Company are detailed in note 43 'Analysis of shareholders'.

\* This includes purchase of concentrate from the Group's associates.

	Notes	2012 Rm	2011 Rm
<b>37. RECONCILIATION OF (LOSS)/PROFIT BEFORE TAXATION TO CASH GENERATED FROM OPERATIONS</b>			
(Loss)/profit before taxation		(7,617)	6,661
Adjustments for:			
Interest received	9	(217)	(200)
Growth in environmental trusts	9	(3)	(16)
Interest expensed	9	244	167
Time value of money adjustment to environmental obligations	9	191	49
Remeasurements of loans and receivables	9	(54)	(215)
Depreciation of property, plant and equipment	10	4,921	4,761
Loss on disposal and scrapping of property, plant and equipment	10	6,612	27
Loss/(gain) on revaluation of investment in Wesizwe		358	(33)
IFRS 2 charge – community economic empowerment transaction		–	1,073
Profit on sale of other mineral rights and investments	10	(14)	(14)
Losses from associates	18	659	479
Exchange gains on revaluation of redeemable preference shares and loan to associates	18	(19)	(31)
Unrealised fair value adjustment in respect of other financial assets		82	141
Unrealised fair value adjustment in respect of other financial liabilities		(38)	(113)
Impairment of associates	18	105	–
Net change to deferred waste stripping	3	126	44
Net equity-settled share-based payments charge to reserves		573	495
Foreign translation (gains)/losses		(16)	43
		<b>5,893</b>	13,318
<b>Movement in non-cash items</b>		<b>112</b>	29
Increase in employees' service benefit obligations		17	2
Decrease in other non-current assets		11	24
Increase in provision for environmental obligations		84	3
<b>Working capital changes</b>		<b>(3,313)</b>	(89)
(Increase)/decrease in metal inventories		(3,024)	351
Increase in stores and materials		(374)	(278)
Decrease/(increase) in trade and other receivables		358	(250)
Increase in other assets		(65)	(114)
Decrease/(increase) in trade and other payables		(377)	484
Increase/(decrease) in other liabilities		191	(250)
Decrease in share-based payments provision		(22)	(32)
Cash generated from operations		<b>2,692</b>	13,258
<b>38. TAXATION PAID</b>			
Amount unpaid at beginning of year		1,275	464
Current taxation provided (Note 11)		1,288	1,563
Foreign exchange differences		64	–
Amount unpaid at end of year		(2,025)	(1,275)
Payments made		<b>602</b>	752

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31 December 2012

	2012 Rm	2011 Rm
<b>39. PURCHASE OF PROPERTY, PLANT AND EQUIPMENT</b>		
Additions to capital work-in-progress (Note 16)	6,752	7,168
Additions to plant and equipment (Note 15)	493	457
Total additions	7,245	7,625
Less: Non-cash transactions	(44)	(121)
	7,201	7,504
<b>Cash purchases are made up as follows:</b>		
Stay-in-business	3,409	3,845
Projects	3,376	3,296
Interest capitalised (Note 9)	416	363
	7,201	7,504
<b>Total additions are made up as follows:</b>		
Stay-in-business	3,409	3,845
Projects	3,420	3,417
Interest capitalised (Note 9)	416	363
	7,245	7,625
<b>40. COMMITMENTS</b>		
Mining and process property, plant and equipment		
Contracted for	2,359	1,906
Not yet contracted for	15,462	26,113
Authorised by the directors	17,821	28,019
Project capital	13,140	22,546
– within one year	1,866	4,609
– thereafter	11,274	17,937
Stay-in-business capital	4,681	5,473
– within one year	3,462	3,479
– thereafter	1,219	1,994
<b>Capital commitments relating to the Group's share in associates</b>		
Contracted for	215	420
Not yet contracted for	3,046	2,946
	3,261	3,366
<b>Other</b>		
Operating lease rentals – buildings and equipment	351	507
Due within one year	114	125
Due within two to five years	223	315
More than five years	14	67
Information technology service providers	229	332
Due within one year	104	210
Due within two to five years	125	122

These commitments will be funded from existing cash resources, future operating cash flows, borrowings and any other funding strategies embarked on by the Group.

The Group has provided Plateau Resources Proprietary Limited (Plateau) with a facility to meet its obligations in respect of operating and capital expenditure for Bokoni Platinum Mine. The facility is available to Plateau from 1 July 2009 to 31 August 2013 and at 31 December 2012 the undrawn amount was R226 million.

The Group has also provided Lexshell 36 with a project capital expenditure facility to fund its proportionate share of any specific new project capital incurred for the development of a new shaft, other than the 5 South Decline Project at Union Mine complex. This facility expires on 31 March 2015 and is limited to 15% of the capital spend on the shaft. At 31 December 2012, this facility had not been drawn upon.

### 41. CONTINGENT LIABILITIES

Letters of comfort have been issued to financial institutions to cover certain banking facilities. There are no encumbrances of Group assets, other than the assets held under finance leases by the Group.

The Group is the subject of various legal claims, which are individually immaterial and are not expected, in aggregate, to result in material losses. In addition, at 31 December 2012, the Group has certain unresolved tax matters where the tax authorities are disputing the Group treatment of these matters. Management has consulted with external tax and legal advisers, who support the Group position. Nonetheless, we are actively discussing the issues with the tax authorities with a view to seeking resolution and believe that these matters have been appropriately treated in the results for the year ended 31 December 2012.

The Group has in the case of some of its mines provided the Department of Mineral Resources with guarantees that cover the difference between closure cost and amounts held in the environmental trusts. At 31 December 2012, these guarantees amounted to R2,760 million (2011: R2,653 million). (Refer to note 31.)

## 42. FINANCIAL INSTRUMENTS

### Capital risk management

The capital structure of the Group consists of debt, which includes interest-bearing borrowings disclosed under note 29, cash and cash equivalents, and equity attributable to equity holders of the parent company, which comprises issued share capital and premium, and accumulated profits disclosed in the consolidated statement of changes in equity.

The Group's capital management objective is to safeguard the Group's ability to meet its liquidity requirements (including its commitments in respect of capital expenditure) and continue as a going concern while achieving an optimal weighted average cost of capital.

The policy of the Group is to achieve sufficient gearing so as to have an optimal weighted average cost of capital while also ensuring that at all times its creditworthiness is maintained.

The targeted level of gearing is determined after consideration of the following key factors:

- Current and forecast metal prices and exchange rates and their impact upon revenue and gearing under various scenarios.
- The needs of the Group to fund current and future capital expenditure to achieve its production growth target.
- The desire of the Group to maintain its gearing within levels considered to be acceptable and consistent with a suitable credit standing, taking into account potential business volatility and position of the Group in the business cycle.

On an annual basis the Group updates its life-of-mine models and long-term business plan. These outputs are then incorporated into the budget process. The targeted production profile determines the Group's funding requirements under its base case economic assumptions.

This then determines whether the Group is likely to have excess capital in terms of its policy or whether it is likely to require additional capital.

If it has excess capital, the Group will consider returning this to shareholders (through dividends or share buybacks, whichever may be appropriate at the time). Alternatively, if additional capital is required, the Group will look to source this from either the debt markets or from shareholders, whichever is most appropriate at the time, so as to meet its policy objectives and based on market circumstances.

These decisions are evaluated by the Group's corporate finance and treasury departments, before being approved by the Executive Committee and board, where required.

The Group has entered into a number of debt facilities that dictate certain requirements in respect of capital management.

These covenants are a key consideration when the capital management strategies of the Group are evaluated.

These covenants include:

- maximum net debt/tangible net worth ratios; and
- minimum tangible net worth values.

The Group has complied with these requirements. The Group's overall strategy remains unchanged from 2011.

### Significant accounting policies

Details of significant accounting policies, including the recognition criteria, the basis for measurement and the basis on which income and expenses are recognised, in respect of each category of financial asset, financial liability and equity instrument are disclosed under the note in accounting policies.

### Categories of financial instruments

	Loans and receivables Rm	FVTPL/Held- for-trading Rm	Available- for-sale Rm	Total Rm	Fair value Rm
<b>2012</b>					
<b>Financial assets</b>					
Investments held by environmental trusts	—	642	—	642	642
Other financial assets	2,884	—	1,320	4,204	4,204
Trade and other receivables	2,708	—	—	2,708	2,708
Other current financial assets	—	4	—	4	4
Cash and cash equivalents	2,174	—	—	2,174	2,174
	<b>7,766</b>	<b>646</b>	<b>1,320</b>	<b>9,732</b>	<b>9,732</b>
<b>2011</b>					
<b>Financial assets</b>					
Investments held by environmental trusts	75	587	—	662	662
Other financial assets	2,401	82	1,448	3,931	3,931
Trade and other receivables	3,051	15	—	3,066	3,066
Other current financial assets	—	3	—	3	3
Cash and cash equivalents	2,296	—	—	2,296	2,296
	<b>7,823</b>	<b>687</b>	<b>1,448</b>	<b>9,958</b>	<b>9,958</b>

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31 December 2012

### 42. FINANCIAL INSTRUMENTS continued

#### Categories of financial instruments continued

	FVTPL Rm	Other financial liabilities Rm	Total Rm	Fair value Rm
<b>2012</b>				
<b>Financial liabilities</b>				
Non-current interest-bearing borrowings	—	(8,104)	(8,104)	(8,104)
Current interest-bearing borrowings	—	(4,561)	(4,561)	(4,561)
Trade and other payables	(2,851)	(3,574)	(6,425)	(6,425)
Other current financial liabilities	(56)	(75)	(131)	(131)
	<b>(2,907)</b>	<b>(16,314)</b>	<b>(19,221)</b>	<b>(19,221)</b>
<b>2011</b>				
<b>Financial liabilities</b>				
Non-current interest-bearing borrowings	—	(939)	(939)	(939)
Other financial liabilities	(69)	—	(69)	(69)
Current interest-bearing borrowings	—	(5,019)	(5,019)	(5,019)
Trade and other payables	(2,438)	(4,324)	(6,762)	(6,762)
Other current financial liabilities	(108)	(75)	(183)	(183)
	<b>(2,615)</b>	<b>(10,357)</b>	<b>(12,972)</b>	<b>(12,972)</b>

#### Fair value disclosures

The following is an analysis of the financial instruments that are measured subsequent to initial recognition at fair value. They are grouped into levels 1 to 3 based on the extent to which the fair value is observable.

The levels are classified as follows:

- Level 1 – fair value is based on quoted prices in active markets for identical financial assets or liabilities.
- Level 2 – fair value is determined using directly observable inputs other than Level 1 inputs.
- Level 3 – fair value is determined on inputs not based on observable market data.

Description	31 December 2012 Rm	Fair value measurement at 31 December 2012		
		Level 1 Rm	Level 2 Rm	Level 3 Rm
<b>Financial assets through profit and loss</b>				
Investments held by environmental trusts	642	642	—	—
Other current financial assets	4	—	4	—
<b>Available-for-sale assets at fair value</b>				
Other financial assets	1,320	1,320	—	—
<b>Total</b>	<b>1,966</b>	<b>1,962</b>	<b>4</b>	<b>—</b>
<b>Financial liabilities through profit and loss</b>				
Trade and other payables	(2,851)	—	(2,851)	—
Other current financial liabilities	(56)	—	—	(56)
<b>Total</b>	<b>(2,907)</b>	<b>—</b>	<b>(2,851)</b>	<b>(56)</b>

Description	31 December 2011 Rm	Fair value measurement at 31 December 2011		
		Level 1 Rm	Level 2 Rm	Level 3 Rm
<b>Financial assets through profit and loss</b>				
Investments held by environmental trusts	587	587	—	—
Other financial assets	82	—	82	—
Trade and other receivables	15	—	15	—
Other current financial assets	3	—	3	—
<b>Available-for-sale assets at fair value</b>				
Other financial assets	1,448	1,448	—	—
<b>Total</b>	<b>2,135</b>	<b>2,035</b>	<b>100</b>	<b>—</b>
<b>Financial liabilities through profit and loss</b>				
Other financial liabilities	(69)	—	—	(69)
Trade and other payables	(2,438)	—	(2,438)	—
Other current financial liabilities	(108)	—	(42)	(66)
<b>Total</b>	<b>(2,615)</b>	<b>—</b>	<b>(2,480)</b>	<b>(135)</b>

There were no transfers between the levels during the year.

## 42. FINANCIAL INSTRUMENTS continued

### Fair value disclosures continued

#### Reconciliation of Level 3 fair value measurements of financial liabilities

	Financial liabilities at fair value through profit or loss			
	2012		2011	
	Other financial liabilities Rm	Other current financial liabilities Rm	Other financial liabilities Rm	Other current financial liabilities Rm
Opening balance	(69)	(66)	(148)	(67)
Total gains included in other net expenditure	69	10	79	1
Closing balance	—	(56)	(69)	(66)

Gains of R13 million (2011: gains of R13 million) for the period are attributable to liabilities held at the end of the reporting period.

The other financial liabilities and the other current financial liabilities relate to the fair value of commodity sales contracts, which have been marked to market as they are within the scope of IAS 39 – Financial Instruments. The fair valuation is estimated using a discounted cash flow technique which is based on observable and unobservable market data for metal prices and observable data for exchange rates at the relevant valuation date. A 10% increase in the metal prices would result in a R2 million (2011: R9 million) increase in the liability and a 10% decrease would result in a R4 million (2011: R14 million) decrease in the liability. These amounts have been included in the sensitivities to movements in metal prices.

#### Financial risk management

The Group does not trade in financial instruments but, in the normal course of its operations, the Group is primarily exposed to currency, metal price, credit, interest rate, equity and liquidity risks. In order to manage these risks, the Group may enter into transactions that make use of financial instruments. The Group has developed a comprehensive risk management process to facilitate, control and monitor these risks. This process includes formal documentation of policies, including limits, controls and reporting structures.

#### Managing risk in the Group

The Executive Committee and the board of directors are responsible for risk management activities within the Group. Overall limits have been set by the board, while the Executive Committee is responsible for setting individual limits. In order to ensure adherence to these limits, activities are marked to market on a daily basis and reported to the Group Treasury. The Group Treasury is responsible for monitoring currency, interest rate and liquidity risk within the limits and constraints set by the board. The Marketing Department is responsible for monitoring metal price risk, also within the laid-down limits and constraints set by the board.

#### Currency risk

The carrying amount of the Group's foreign currency-denominated monetary assets and liabilities at 31 December is as follows:

	South African Rand Rm	US dollar Rm	Euro Rm	Other Rm	Total Rm
<b>2012</b>					
<b>Financial assets</b>					
Investments held by environmental trusts	642	—	—	—	642
Other financial assets	4,204	—	—	—	4,204
Trade and other receivables	1,734	915	5	54	2,708
Other current financial assets	—	4	—	—	4
Cash and cash equivalents	759	1,305	5	105	2,174
	7,339	2,224	10	159	9,732
<b>Financial liabilities</b>					
Non-current interest-bearing borrowings	(8,104)	—	—	—	(8,104)
Current interest-bearing borrowings	(4,526)	(35)	—	—	(4,561)
Trade and other payables	(3,240)	(3,073)	(7)	(105)	(6,425)
Other current financial liabilities	(75)	(56)	—	—	(131)
	(15,945)	(3,164)	(7)	(105)	(19,221)

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31 December 2012

### 42. FINANCIAL INSTRUMENTS continued

#### Financial risk management continued

#### Currency risk continued

	South African Rand Rm	US dollar Rm	Euro Rm	Other Rm	Total Rm
<b>2011</b>					
<b>Financial assets</b>					
Investments held by environmental trusts	662	—	—	—	662
Other financial assets	3,931	—	—	—	3,931
Trade and other receivables	1,969	1,024	5	68	3,066
Other current financial assets	—	3	—	—	3
Cash and cash equivalents	706	1,513	8	69	2,296
	7,268	2,540	13	137	9,958
<b>Financial liabilities</b>					
Non-current interest-bearing borrowings	(939)	—	—	—	(939)
Other financial liabilities	—	(69)	—	—	(69)
Current interest-bearing borrowings	(5,019)	—	—	—	(5,019)
Trade and other payables	(4,065)	(2,589)	(5)	(103)	(6,762)
Other current financial liabilities	(117)	(66)	—	—	(183)
	(10,140)	(2,724)	(5)	(103)	(12,972)

#### Foreign currency sensitivity

The US dollar is the primary foreign currency to which the Group is exposed. The following table indicates the Group's sensitivity at year end to the indicated movements in the US dollar on financial instruments excluding forward foreign exchange contracts:

	US dollar	
	Rm	Rm
	10% increase	10% decrease
<b>2012</b>		
(Loss)/profit	(94)	94
Financial assets	222	(222)
Financial liabilities	(316)	316
<b>2011</b>		
(Loss)/profit	(18)	18
Financial assets	254	(254)
Financial liabilities	(272)	272

#### Forward foreign exchange contracts

The Group 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 and manages this exposure, when appropriate, through the use of financial instruments. These instruments typically comprise forward exchange contracts and options. Forward contracts are the primary instruments used to manage currency risk. Forward contracts require a future purchase or sale of foreign currency at a specified price.

Current policy prevents the use of option contracts without Executive Committee approval. Options provide the Group with the right but not the obligation to purchase (or sell) foreign currency at a predetermined price, on or before a future date. No foreign currency options were entered into during the year.

#### 2012

Currency	Nominal amount of forward exchange contracts (i.e. nominal amount in South African rand)			
	Maturing within 12 months Rm		Average forward foreign exchange rates	
	Purchases	Sales	Purchases	Sales
United States dollar	—	841	—	8.5091
<b>Total</b>	—	841		
Currency	Fair value Rm			
United States dollar	—	4		
<b>Total</b>	—	4		

## 42. FINANCIAL INSTRUMENTS continued

### Financial risk management continued

#### Forward foreign exchange contracts continued

2011

Currency	Nominal amount of forward exchange contracts (i.e. nominal amount in South African rand)			
	Maturing within 12 months Rm		Average forward foreign exchange rates	
	Purchases	Sales	Purchases	Sales
United States dollar	—	1,138	—	8,1292
<b>Total</b>	—	1,138		

	Fair value Rm	
United States dollar	—	3
<b>Total</b>	—	3

#### Foreign currency sensitivity

The following table indicates the Group's sensitivity to the outstanding forward exchange contracts at balance sheet date to the indicated movements in the US dollar which is the primary currency in which the Group has entered into forward foreign exchange contracts:

	US dollar	
	Rm 10% increase	Rm 10% decrease
<b>2012</b>		
(Loss)/profit	(84)	84
Other current financial assets	(84)	84
<b>2011</b>		
(Loss)/profit	(113)	113
Other current financial assets	(113)	113

#### Metal price risk

Metal price risk arises from the risk of an adverse effect on current or future earnings or uncertainty resulting from fluctuations in metal prices. The ability to place forward contracts is restricted owing to the limited size of the financial market in PGMs. Financial markets in certain base metals are, however, well established. At the recommendation of the Executive Committee, the Group may place contracts where opportunities present themselves to increase/reduce the exposure to metal price fluctuations. At times, historically, the Group has made use of forward contracts to manage this exposure. Forward contracts enable the Group to obtain a predetermined price for delivery at a future date. No such contracts existed at year end.

The carrying amount of the Group's financial assets and liabilities at balance sheet date that are subject to metal price risk is as follows:

	Subject to metal price movements Rm	Not impacted by metal price movements Rm	Total Rm
<b>2012</b>			
<b>Financial assets</b>			
Trade and other receivables	—	2,708	2,708
<b>Financial liabilities</b>			
Trade and other payables	(2,851)	(3,574)	(6,425)
Other current financial liabilities	(56)	(75)	(131)
	(2,907)	(3,649)	(6,556)
<b>2011</b>			
<b>Financial assets</b>			
Trade and other receivables	15	3,051	3,066
<b>Financial liabilities</b>			
Other financial liabilities	(69)	—	(69)
Trade and other payables	(2,438)	(4,324)	(6,762)
Other current financial liabilities	(66)	(117)	(183)
	(2,573)	(4,441)	(7,014)

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31 December 2012

### 42. FINANCIAL INSTRUMENTS continued

#### Financial risk management continued

##### Metal price sensitivity

The Group is exposed primarily to movements in platinum, palladium, rhodium and nickel prices. The following table indicates the Group's sensitivity at year end to the indicated movements in metal prices on financial instruments. The rates of sensitivity represent management's assessment of the possible change in metal price movements:

	2012		2011	
	Rm 10% increase	Rm 10% decrease	Rm 10% increase	Rm 10% decrease
<b>Platinum</b>				
(Loss)/profit	(146)	146	(123)	123
Financial assets	—	—	1	(1)
Financial liabilities	(146)	146	(124)	124
<b>Palladium</b>				
(Loss)/profit	(34)	34	(33)	33
Financial assets	—	—	—*	(—)*
Financial liabilities	(34)	34	(33)	33
<b>Rhodium</b>				
(Loss)/profit	(17)	17	(22)	22
Financial assets	—	—	—*	(—)*
Financial liabilities	(17)	17	(22)	22
<b>Nickel</b>				
(Loss)/profit	(9)	9	(9)	9
Financial assets	—	—	—*	(—)*
Financial liabilities	(9)	9	(9)	9

\* Less than R500,000.

##### Interest rate risk

During the year, the Group was in a net borrowed position, while still maintaining some surplus cash on deposit. The size of the Group's position, be it either short cash or long cash, exposes it to interest rate risk. This risk is managed through the term structure utilised when placing deposits or taking out borrowings. Furthermore, when appropriate, the Group may also cover these exposures by means of derivative financial instruments subject to the approval of the Executive Committee. During the period, the Group did not use any forward rate agreements to manage this risk.

The carrying amount of the Group's financial assets and liabilities at 31 December that are subject to interest rate risk is as follows:

	Subject to interest rate movements		Non-interest bearing Rm	Total Rm
	Fixed Rm	Floating Rm		
<b>2012</b>				
<b>Financial assets</b>				
Investment held by environmental trusts	—	—	642	642
Other financial assets	—	2,717	1,487	4,204
Trade and other receivables	—	—	2,708	2,708
Other current financial assets	—	—	4	4
Cash and cash equivalents	—	2,174	—	2,174
	—	4,891	4,841	9,732
<b>Financial liabilities</b>				
Non-current interest-bearing borrowings	—	(8,104)	—	(8,104)
Current interest-bearing borrowings	—	(4,561)	—	(4,561)
Trade and other payables	—	—	(6,425)	(6,425)
Other current financial liabilities	—	—	(131)	(131)
	—	(12,665)	(6,556)	(19,221)

**42. FINANCIAL INSTRUMENTS** continued  
**Financial risk management** continued  
**Interest rate risk** continued

	Subject to interest rate movements		Non-interest bearing Rm	Total Rm
	Fixed Rm	Floating Rm		
<b>2011</b>				
<b>Financial assets</b>				
Investments held by environmental trusts	—	162	500	662
Other financial assets	—	77	3,854	3,931
Trade and other receivables	—	—	3,066	3,066
Other current financial assets	—	—	3	3
Cash and cash equivalents	—	2,296	—	2,296
	—	2,535	7,423	9,958
<b>Financial liabilities</b>				
Long-term interest-bearing borrowings	—	(939)	—	(939)
Other financial liabilities	—	—	(69)	(69)
Current interest-bearing borrowings	—	(5,019)	—	(5,019)
Trade and other payables	—	—	(6,762)	(6,762)
Other current financial liabilities	—	—	(183)	(183)
	—	(5,958)	(7,014)	(12,972)

**Interest rate sensitivity**

The Group is sensitive to the movements in the ZAR and US dollar interest rates which are the primary interest rates to which the Group is exposed. If the ZAR interest rate decreased by 50 basis points (2011: 50 basis points) and the USD interest rate decreased by 50 basis points (2011: 50 basis points) at year end, then income for the year would have increased by R45 million (2011: R25 million) and decreased by R6 million (2011: R7 million) respectively.

**Liquidity risk**

Liquidity risk is the risk that the Group will be unable to meet a financial commitment in any location or currency. This risk is minimised through the holding of cash balances and sufficient available borrowing facilities (refer to note 29). In addition, detailed cash flow forecasts are regularly prepared and reviewed by Group Treasury. The cash needs of the Group are managed according to its requirements.

The following table details the Group's remaining contractual maturity for its financial liabilities. The table has been compiled based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Group can be required to repay the liability. The cash flows include both the principal and interest payments. The adjustment column includes the possible future cash flows attributable to the financial instrument which are not included in the carrying value of the financial liability at 31 December:

	Weighted average effective interest rate (%)	Less than 12 months Rm	1 to 2 years Rm	2 to 5 years Rm	Greater than 5 years Rm	Adjustment* Rm	Total Rm
<b>Non-derivative financial instruments</b>							
<b>2012</b>							
Long-term interest-bearing borrowings	6.12	(465)	(1,018)	(7,560)	(364)	1,303	(8,104)
Current interest-bearing borrowings	6.12	(4,613)	—	—	—	52	(4,561)
Trade and other payables	n/a	(6,425)	—	—	—	—	(6,425)
		(11,503)	(1,018)	(7,560)	(364)	1,355	(19,090)
<b>2011</b>							
Long-term interest-bearing borrowings	6.60	(41)	(98)	(711)	(431)	342	(939)
Current interest-bearing borrowings	6.60	(5,207)	—	—	—	188	(5,019)
Trade and other payables	n/a	(6,762)	—	—	—	—	(6,762)
		(12,010)	(98)	(711)	(431)	530	(12,720)
<b>Derivative financial instruments</b>							
<b>2012</b>							
Other current financial liabilities	n/a	(131)	—	—	—	—	(131)
		(131)	—	—	—	—	(131)
<b>2011</b>							
Other financial liabilities	n/a	—	(69)	—	—	—	(69)
Other current financial liabilities	n/a	(183)	—	—	—	—	(183)
		(183)	(69)	—	—	—	(252)

\* Represents unearned finance charges.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31 December 2012

### 42. FINANCIAL INSTRUMENTS continued

#### Financial risk management continued

##### Credit risk

Potential concentrations of credit risk consist primarily of short-term cash investments and accounts receivable. Credit risk arises from the risk that a counterparty may default or not meet its obligations timeously. The Group minimises credit risk by ensuring that counterparties are banking institutions of the highest quality, that appropriate credit limits are in place for each counterparty and that short-term cash investments are spread among a number of different counterparties. Banking counterparty limits are reviewed annually by the board.

Trade accounts receivable involve primarily a small group of international companies. Therefore a significant portion of the Group's revenue and accounts receivable are from these major customers. The financial condition of these companies and the countries they operate in are reviewed annually by the Executive Committee.

The carrying amount of the financial assets represents the Group's maximum exposure to credit risk without taking into consideration any collateral provided:

	Maximum credit risk	
	2012	2011
	Rm	Rm
<b>Financial assets and other credit exposures</b>		
Investments held by environmental trusts	642	662
Other financial assets	4,204	3,931
Trade and other receivables	2,708	3,066
Other current financial assets	4	3
Cash and cash equivalents	2,174	2,296
	<b>9,732</b>	<b>9,958</b>

In addition, the Group has provided facilities/guarantees to certain third parties. Refer to note 21 and note 30 for details.

The Group has the following amounts due from major customers:

	2012			2011		
	Number of customers	Value Rm	Percentage	Number of customers	Value Rm	Percentage
Greater than R200 million	1	292	32	2	714	60
Greater than R100 million but less than R200 million	2	328	36	1	140	12
Less than R100 million	38	297	32	44	334	28
	<b>41</b>	<b>917</b>	<b>100</b>	<b>47</b>	<b>1,188</b>	<b>100</b>

##### Market equity risk

The Group has equity price risk on certain assets and liabilities. These financial instruments are held for strategic purposes and are managed on this basis.

	2012	2011
	Rm	Rm
<b>Financial assets</b>		
Investment held by environmental trusts	642	587
Other financial assets	1,320	1,530
	<b>1,962</b>	<b>2,117</b>
<b>Financial liabilities</b>		
Other financial liabilities	—	(42)

##### Equity price sensitivity

The Group is sensitive to the movements in equity prices on certain listed shares on the JSE. If the equity prices had been 10% higher at year end, then income for the year would have increased by R37 million (2011: R79 million) and other comprehensive income would have increased by R119 million (2011: R145 million). If the equity prices had been 10% lower at year end, then income for the year would have decreased by R14 million (2011: R53 million) and other comprehensive income would have decreased by R119 million (2011: R145 million).

### 43. ANALYSIS OF SHAREHOLDERS

An analysis of the share register at year end showed the following:

#### Ordinary shares

	2012		2011	
	Number of shareholders	Percentage of issued capital	Number of shareholders	Percentage of issued capital
<b>Size of shareholding</b>				
1 – 1,000	13,750	0.78	17,249	1.03
1,001 – 10,000	1,256	1.40	1,571	1.67
10,001 – 100,000	309	3.73	337	3.49
100,001 – 1,000,000	67	7.00	60	5.93
1,000,001 – and over	8	87.09	9	87.88
	<b>15,390</b>	<b>100.00</b>	19,226	100.00
<b>Category of shareholder</b>				
Companies	262	78.18	371	78.67
Individuals	11,804	1.17	14,152	1.40
Pension and provident funds	258	7.65	351	6.70
Insurance companies	44	0.40	56	0.72
Bank, nominee and finance companies	318	5.32	289	6.20
Trust funds and investment companies	2,326	6.94	3,502	6.00
Other corporate bodies	378	0.34	505	0.31
	<b>15,390</b>	<b>100.00</b>	19,226	100.00
<b>Shareholder spread</b>				
Public shareholders	15,385	20.14	19,219	20.17
Non-public shareholders				
– Directors and associates	4	—*	6	—*
– Persons interested, directly or indirectly, in 10% or more	1	79.86	1	79.83
	<b>15,390</b>	<b>100.00</b>	19,226	100.00

#### Major shareholder

According to the Company's share register at year end, the following shareholders held shares equal to or in excess of 5% of the issued ordinary share capital of the Company:

	2012		2011	
	Number of shares	Percentage	Number of shares	Percentage
Anglo South Africa Capital Proprietary Limited	208,417,151	79.86	208,417,151	79.83

#### Geographical analysis of shareholders

Resident shareholders held 251,273,489 shares (94.02%) (2011: 93.12%) and non-resident shareholders held 15,995,433 shares (5.98%) (2011: 6.88%) of the Company's issued ordinary share capital of 267,268,922 shares at 31 December 2012 (2011: 267,358,763).

The treasury shares held by the Kotula Trust (the Group ESOP) of 1,069,015 (2011: 1,069,015) and the 1,343,949 (2011: 1,254,108) shares held in terms of the Bonus Share Plan and other schemes, have been excluded from the shareholder analysis. The shareholder details above include the shares issued by the Company in respect of the community economic empowerment transaction.

\* Less than 0.01%.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31 December 2012

### 44. CHANGES IN ACCOUNTING ESTIMATES FOR INVENTORY

During the current year, the Group updated its estimate of the quantities of inventory based on the outcome of a physical count of in-process metals. The Group runs a theoretical metal inventory system based on inputs, the results of previous counts and outputs. Due to the nature of in-process inventories being contained in weirs, pipes, and other vessels, physical counts only take place once per annum, except in the Precious Metals Refinery, which takes place usually once every three years.

This change in estimate has had the effect of increasing the value of inventory disclosed in the financial statements by R1,439 million (2011: R417 million). This results in the recognition of an after-tax gain of R1,036 million (2011: R300 million).

### 45. REFINANCING OF ATLATSA

In 2012, the Group and Atlatsa agreed in principle to the restructure, recapitalisation and refinancing of Atlatsa and Bokoni Platinum Holdings Proprietary Limited. The implementation of the transaction is subject to the fulfilment of certain conditions precedent including regulatory approval and Atlatsa shareholder approval. This transaction will be accounted for once the agreements have been signed and these conditions have been fulfilled. The Group and Atlatsa are collaborating to optimise Bokoni Platinum Mine.

### 46. UNKI PLATINUM MINES INDIGENISATION PLAN

Negotiations with the Zimbabwean government regarding the compliance of Unki Platinum Mine with the requirements of the Indigenisation and Economic Empowerment Act continue and significant progress has been made in this regard. A Heads of Agreement setting out the broad terms of the empowerment plan was signed in November 2012. The detailed agreements to implement this plan are in the process of being finalised prior to the implementation of the plan and the transaction is expected to close in the first half of 2013.

### 47. POST-BALANCE SHEET

Subsequent to year end, on 15 January 2013, the Group announced the outcome of the Platinum Portfolio Review. The key proposals from the review were as follows:

- Placement of Khuseleka Mine (shafts 1 and 2) and Khomanani Mine (shafts 1 and 2) on long-term care and maintenance.
- Consolidation of the Rustenburg operations into three operating mines.
- Closure of the Union Mine North declines.
- Placement of the Waterval UG2 Concentrator, Mortimer Merensky Concentrator and the one furnace (FCE2) at Waterval Smelter on long-term care and maintenance.

As a result, if the Group is not expected to receive future economic benefits from these mines, the property, plant and equipment with a carrying value of approximately R4.1 billion (after tax: R3.0 billion) could be written off in 2013. These write-offs will be excluded from headline earnings.

The gross cash costs associated with implementation of the Platinum Portfolio Review and overhead review which is expected to be approximately R3.2 billion (after tax: R2.3 billion) will be expensed as incurred during the course of 2013 and will be included in headline earnings for the year.

Reallocation of declared Mineral Reserves to exclusive Mineral Resources will occur at the affected operations (Khomanani, Khuseleka, Union mines), with the amount being dependent on the final scale of implementation of the Platinum Portfolio Review. Currently, reliable, reasonable estimation of the scale of impact is not possible because of uncertainty in the implementation.

### 48. EXCHANGE RATES TO THE SOUTH AFRICAN RAND

#### Year-end rates

US dollar	<b>8.4689</b>	8.1055
British pound	<b>13.7557</b>	12.5137
Euro	<b>11.1860</b>	10.4919

#### Average rates for the year

US dollar	<b>8.2098</b>	7.2643
British pound	<b>13.0141</b>	11.6524
Euro	<b>10.5577</b>	10.1161

## ANNEXURE A

### Property, plant and equipment

	31 December 2012			31 December 2011		
	Cost Rm	Accumulated depreciation Rm	Carrying amount Rm	Cost Rm	Accumulated depreciation Rm	Carrying amount Rm
<b>Owned and leased assets</b>						
Mining development and infrastructure	20,706	7,030	13,676	18,935	5,964	12,971
Plant and equipment	45,922	21,546	24,376	44,663	18,676	25,987
Land and buildings	6,457	1,673	4,784	5,828	1,385	4,443
Motor vehicles	1,238	849	389	1,070	720	350
Furniture, fittings and equipment	547	244	303	547	227	320
	74,870	31,342	43,528	71,043	26,972	44,071
Decommissioning asset	583	165	418	600	172	428
Note 15	75,453	31,507	43,946	71,643	27,144	44,499

The carrying amount of property, plant and equipment can be reconciled as follows:

	Carrying amount at beginning of year Rm	Additions Rm	Reclassi- fications Rm	Disposals/ scrappings Rm	Depreciation Rm	Foreign currency translation differences Rm	Carrying amount at end of year Rm
<b>2012</b>							
<b>Owned and leased assets</b>							
Mining development and infrastructure	12,971	2,406	(159)	(522)	(1,155)	135	13,676
Plant and equipment	25,987	1,865	(114)	(33)	(3,313)	(16)	24,376
Land and buildings	4,443	390	250	(66)	(240)	7	4,784
Motor vehicles	350	168	29	(4)	(159)	5	389
Furniture, fittings and equipment	320	7	3	(2)	(25)	—	303
	44,071	4,836	9	(627)	(4,892)	131	43,528
Decommissioning asset	428	22	—*	(5)	(29)	2	418
Note 15	44,499	4,858	9	(632)	(4,921)	133	43,946

Note 10

### 2011

<b>Owned and leased assets</b>							
Mining development and infrastructure	10,553	3,567	—	(4)	(1,247)	102	12,971
Plant and equipment	21,866	7,292	—	(75)	(3,114)	18	25,987
Land and buildings	3,880	781	—	(3)	(208)	(7)	4,443
Motor vehicles	337	162	—	(6)	(144)	1	350
Furniture, fittings and equipment	313	29	—	—	(21)	(1)	320
	36,949	11,831	—	(88)	(4,734)	113	44,071
Decommissioning asset	489	(41)	—	—	(27)	7	428
Note 15	37,438	11,790	—	(88)	(4,761)	120	44,499

Note 10

### Useful lives of assets

Mining development and infrastructure	5 to 20 years
Plant and equipment	2 to 20 years
Buildings	10 to 20 years
Motor vehicles	4 to 5 years
Furniture, fittings and equipment	2 to 10 years
Decommissioning asset	30 years

\* Less than R500,000.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31 December 2012

## ANNEXURE B

### Equity compensation benefits

#### 1. Anglo American Platinum Share Option Scheme (equity-settled)

	2012			2011		
	Directors	Employees and others	Total	Directors	Employees and others	Total
<b>Outstanding at 1 January</b>	–	376,798	376,798	–	487,596	487,596
Exercised during the year	–	(73,118)	(73,118)	–	(110,765)	(110,765)
Lapsed during the year	–	–	–	–	(33)	(33)
<b>Outstanding at 31 December</b>	–	303,680	303,680	–	376,798	376,798
<b>Exercisable at the end of the year</b>	–	303,680	303,680	–	376,798	376,798
Number of share options exercised	–	73,118	73,118	–	110,765	110,765
Allocation price per share (R)	–	257 – 499	257 – 499	–	229 – 499	229 – 499
Weighted average share price at date of exercise (R)	–	464	464	–	592	592

#### Terms of the options outstanding at 31 December

	Allocation price R	2012 Number	2011 Number
<b>Expiry date</b>			
31 December 2012	318 – 499	–	12,973
31 December 2013	201 – 351	169,030	214,622
31 December 2014	236 – 332	134,650	149,203
		<b>303,680</b>	376,798

Subject to certain circumstances, which include, inter alia, the retrenchment or death of a participant, each option granted will remain in force for a period of 10 years from the date of the granting of such option. Where employees retire, options vest on date of retirement.

No options were granted during the year.

#### 2. Anglo American Platinum Share Option Scheme (cash-settled)

	2012			2011		
	Directors	Employees and others	Total	Directors	Employees and others	Total
<b>Outstanding at 1 January</b>	–	122,517	122,517	–	130,179	130,179
Exercised during the year	–	(26,928)	(26,928)	–	(7,662)	(7,662)
Lapsed during the year	–	(1,463)	(1,463)	–	–	–
<b>Outstanding at 31 December</b>	–	94,126	94,126	–	122,517	122,517
<b>Exercisable at the end of the year</b>	–	94,126	94,126	–	122,517	122,517
Number of share appreciation rights exercised	–	26,928	26,928	–	7,662	7,662
Allocation price per right (R)	–	233 – 358	233 – 358	–	214 – 425	214 – 425
Exercise price per right (R)	–	394 – 624	394 – 624	–	553 – 717	553 – 717

#### Terms of the options outstanding at 31 December

	Allocation price R	2012 Number	2011 Number
<b>Expiry date</b>			
31 December 2011	335 – 358	–	965
31 December 2012	303 – 425	–	5,269
31 December 2013	183 – 318	48,245	61,319
31 December 2014	220 – 320	45,881	54,964
		<b>94,126</b>	122,517

Subject to certain circumstances, which include, inter alia, the retrenchment or death of a participant, each option granted will remain in force for a period of 10 years from the date of the granting of such option. Where employees retire, options vest on date of retirement.

No options were granted during the year.

### 3. Anglo American Platinum Employee Share-appreciation Scheme (cash-settled)

	2012			2011		
	Directors	Employees and others	Total	Directors	Employees and others	Total
<b>Outstanding at 1 January</b>	—	108,217	108,217	—	121,251	121,251
Exercised during the year	—	(6,940)	(6,940)	—	(10,152)	(10,152)
Lapsed during the year	—	(1,286)	(1,286)	—	(2,882)	(2,882)
Reclassified	8	(8)	—	—	—	—
<b>Outstanding at 31 December</b>	<b>8</b>	<b>99,983</b>	<b>99,991</b>	—	108,217	108,217
<b>Exercisable at the end of the year</b>	<b>8</b>	<b>99,983</b>	<b>99,991</b>	—	108,217	108,217
Number of share options exercised	—	6,940	6,940	—	10,152	10,152
Allocation price per share (R)	—	211 – 345	211 – 345	—	220 – 345	220 – 345
Weighted average share price at date of exercise (R)	—	481	481	—	629	629

#### Terms of the options outstanding at 31 December

	Allocation price R	2012 Number	2011 Number
<b>Expiry date</b>			
31 December 2014	220	7,370	7,370
31 December 2015	211 – 345	92,621	100,847
		<b>99,991</b>	108,217

Subject to certain circumstances, which include, inter alia, the retrenchment or death of a participant, each right granted will remain in force for a period of 10 years from the date of the granting of such option. Where employees retire, options vest on date of retirement.

No awards were granted under this plan during the course of the year.

### 4. Anglo American Platinum Employee Share-ownership Scheme (equity-settled)

	2012			2011		
	Directors	Employees and others	Total	Directors	Employees and others	Total
<b>Outstanding at 1 January</b>	6,226	570,705	576,931	6,226	666,269	672,495
Exercised during the year	—	(1,118)	(1,118)	—	(11,183)	(11,183)
Lapsed and forfeited during the year	—	(204,189)	(204,189)	—	(84,381)	(84,381)
Reclassified <sup>1</sup>	(4,247)	4,247	—	—	—	—
<b>Outstanding at 31 December</b>	<b>1,979</b>	<b>369,645</b>	<b>371,624</b>	6,226	570,705	576,931
<b>Exercisable at the end of the year</b>	<b>1,979</b>	<b>122,036</b>	<b>124,015</b>	—	129,925	129,925
Number of share options exercised	—	1,118	1,118	—	11,183	11,183
Allocation price per share (R)	—	454	454	—	454 – 763	454 – 763
Weighted average share price at date of exercise (R)	—	551	551	—	639	639

#### Terms of the options outstanding at 31 December

	Allocation price R	2012 Number	2011 Number
<b>Expiry date</b>			
31 December 2016	454 – 763	124,015	129,925
31 December 2017	961 – 989	—	176,606
31 December 2018	708 – 1,275	247,609	270,400
		<b>371,624</b>	576,931

<sup>1</sup> This relates to Neville Nicolau who left on 19 July 2012 and Chris Griffith who was appointed 1 September 2012.

The share ownership rights are exercisable as follows:

100% – three years after allocation if a US dollar headline earnings per share growth target is met. The growth target is remeasured in years four and five if not met earlier.

Should the growth target be met, the rights granted will remain in force for a period of 10 years from the date of granting of such options.

No awards were granted under this plan during the year.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31 December 2012

## ANNEXURE B

### Equity compensation benefits *continued*

#### 5. Anglo American Platinum Long-term Incentive Plan (equity-settled)

	2012			2011		
	Directors	Employees and others	Total	Directors	Employees and others	Total
<b>Outstanding at 1 January</b>	<b>52,463</b>	<b>72,155</b>	<b>124,618</b>	37,197	89,186	126,383
Granted during the year	18,331	38,768	57,099	21,481	31,886	53,367
Conditional forfeiture during the year <sup>1</sup>	(16,730)	(23,559)	(40,289)	(6,215)	(38,523)	(44,738)
Reclassified <sup>2</sup>	(36,459)	36,459	—	—	—	—
Lapsed	—	—	—	—	(10,394)	(10,394)
<b>Outstanding at 31 December</b>	<b>17,605</b>	<b>123,823</b>	<b>141,428</b>	52,463	72,155	124,618
<b>Exercisable at the end of the year</b>	<b>—</b>	<b>—</b>	<b>—</b>	—	—	—
Number of awards allocated during the year	18,331	38,768	57,099	21,481	31,886	53,367
Expiry date	2015	2015	2015	2014	2014	2014
Allocation price per share (R)	n/a	n/a	n/a	n/a	n/a	n/a

<sup>1</sup> The performance criteria were not met.<sup>2</sup> This relates to Neville Nicolau who left on 19 July 2012.

	2012	2011
	Number	Number
<b>Expiry date</b>		
16 April 2012	—	40,289
6 May 2013	30,962	30,962
12 May 2014	53,367	53,367
10 May 2015	57,099	—
	<b>141,428</b>	124,618

Options are exercisable as follows:

100% – three years after allocation. From 2009 and 2010, 100% of the grant is subject to a total shareholders' return target. In 2011, 50% of the grant is subject to a total shareholders' return target and 50% of the grant is subject to an asset optimisation and supply chain target.

For purposes of IFRS 2, the grant price is discounted with the dividend yield and the proportion of shares that is expected to vest is based on management's expectation of return on capital employed. The fair value of the market condition (total shareholders' return) is measured using a Monte Carlo simulation. Expected volatility is based on historic volatility of 24.88% on average for 2012 (2011: 46.6%). The weighted average fair value of long-term incentive plan rights granted during the year is R340.24 (2011: R228.46). A risk-free rate of 5.7% (2011: 7.06%) and a dividend yield of 1.486% (2011: 1.1%) was applied.

#### 6. Anglo American Platinum Bonus Share Plan (equity-settled)

	2012			2011		
	Directors	Employees and others	Total	Directors	Employees and others	Total
<b>Outstanding at 1 January</b>	<b>45,900</b>	<b>1,147,416</b>	<b>1,193,316</b>	28,163	656,475	684,638
Granted during the year	10,943	458,133	469,076	17,737	570,974	588,711
Released during the year	(41,943)	(310,607)	(352,550)	—	(10,850)	(10,850)
Lapsed	—	(101,357)	(101,357)	—	(69,183)	(69,183)
<b>Outstanding at 31 December</b>	<b>14,900</b>	<b>1,193,585</b>	<b>1,208,485</b>	45,900	1,147,416	1,193,316
<b>Exercisable at the end of the year</b>	<b>—</b>	<b>—</b>	<b>—</b>	—	—	—
Number of awards allocated during the year	10,943	458,133	469,076	17,737	570,974	588,711
Expiry date	10/05/2015	10/05/2015	10/05/2015	12/05/2014 – 21/07/2014	21/04/2014 – 01/11/2014	21/04/2014 – 01/11/2014
Allocation price per share (R)	n/a	n/a	n/a	n/a	n/a	n/a

#### Terms of the options outstanding at 31 December

	2012	2011
	Number	Number
<b>Vesting date</b>		
16 April 2012	—	305,725
6 May 2013	276,080	318,679
21 April 2014	23,997	28,410
12 May 2014	368,093	417,276
21 July 2014	97,308	111,799
1 November 2014	11,427	11,427
10 May 2015	431,580	—
	<b>1,208,485</b>	1,193,316

The Bonus Share Plan consists of a forfeitable award of Anglo American Platinum Limited shares based on the amount of the cash bonus received by an employee. The award will vest after three years, provided that the employee is still in the Group's employ.

For purposes of IFRS 2, the grant is valued at grant date using the grant date fair market value.

## 7. Unki Notional Bonus Share Plan (cash-settled)

	2012			2011		
	Directors	Employees and others	Total	Directors	Employees and others	Total
<b>Outstanding at 1 January</b>	—	13,092	13,092	—	—	—
Granted during the year	—	18,225	18,225	—	13,092	13,092
<b>Outstanding at 31 December</b>	—	31,317	31,317	—	13,092	13,092
<b>Exercisable at the end of the year</b>	—	—	—	—	—	—
Number of awards allocated during the year	—	18,225	18,225	—	13,092	13,092
Expiry date	10/05/2015	10/05/2015	10/05/2015	—	20/06/2014	20/06/2014
Allocation price per share (R)	n/a	n/a	n/a	n/a	n/a	n/a

### Terms of the options outstanding at 31 December

	2012 Number	2011 Number
<b>Vesting date</b>		
20 June 2014	13,092	13,092
10 May 2015	18,225	—
	<b>31,317</b>	13,092

The Unki Notional Bonus Share Plan consists of a forfeitable award of notional Anglo American Platinum Limited shares based on the amount of the cash bonus received by an employee. The award will vest after three years, provided that the employee is still in the Group's employ.

For purposes of IFRS 2, the grant is valued at grant date using the fair market value.

## 8. The Group Employee Share Participation Scheme (equity-settled)

Anglo American Platinum Limited (Amplats) decided to implement the Employee Share Participation Scheme, the Anglo Platinum Kotula ESOP (the Scheme) to incentivise its employees, and recognised that the Scheme will contribute to the alignment of shareholders' and employees' interests in respect of the value growth of the Company. Amplats is fully supportive of BEE as a strategic transformation objective and recognised the importance of the participation of its employees in its transformation initiatives. Amplats reached consensus with its recognised unions on the key terms and structure of the Scheme and the Scheme was approved at a combined general meeting of shareholders on 31 March 2008. The Scheme has empowered those Amplats employees who were not participating in any other Amplats share scheme to acquire approximately 1% of the issued ordinary share capital of the Company, subject to the provisions of the Kotula Trust (Trust).

To facilitate the Scheme, Amplats established the Trust for an eight-year duration. The number of shares subscribed for by the Trust was in the proportion of 60% 'A' ordinary shares (loan shares) to 40% scheme ordinary shares (fully facilitated shares). The Company allotted 1,008,519 ordinary shares and 1 512 780 'A' ordinary shares to the Trust on 16 May 2008. The 'A' ordinary shares were created specifically to facilitate the implementation of the Scheme. The key terms of the 'A' ordinary shares are as follows:

- Amplats will have the right to repurchase and cancel all or some of the 'A' ordinary shares in accordance with the cancellation formula.
- The 'A' ordinary shares will not be listed but will be considered in determining a quorum and entitled to vote on any or all resolutions proposed at general/annual general meetings.
- The 'A' ordinary shares which are not repurchased and cancelled will be converted into ordinary shares.
- The 'A' ordinary shares will be entitled to receive an 'A' ordinary share dividend equal to one-sixth of the dividend per ordinary share declared by the Company from time to time and will rank *pari passu* with the ordinary dividends.

The beneficiaries of the Scheme are all permanent employees of any member of the Group who are not participating in any other share option or share incentive plan implemented by any member of the Group.

The Scheme is unutilised. The Trust will allocate 10 million Kotula units to participants annually based on an employee's employment status on 31 March every year. On each vesting date, the beneficiaries will become entitled to receive their distribution shares and will correspondingly realise that portion of their Kotula units that corresponds to the distribution shares distributed by the Trust. Vesting will occur on the fifth, sixth and seventh anniversaries of the subscription date.

The Trust will pay dividends (after making provision for Trust expenses and liabilities) to the beneficiaries in proportion to the Trust interest number of Kotula units accumulated, annually in November of each year.

	Free shares	Loan shares
Ordinary shares	1,008,519	
'A' ordinary shares		1,512,780
Fair value at grant date		
Free shares	R1,311.00	
Loan shares – tranche vesting in year five		R429.25
Loan shares – tranche vesting in year six		R415.52
Loan shares – tranche vesting in year seven		R408.58
IFRS 2 – Share-based payment charge	1,322,168,409	R632,014,271

The share-based payment charge was calculated using the Black-Scholes option-pricing model.

The following key assumptions were made:

Risk-free interest rate	10.1%
Expected volatility	40.1%
Expected dividend yield	4.0%
Funding rate	9.5%
Vesting dates	May 2013, May 2014, May 2015

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31 December 2012

## ANNEXURE C

### Investments in subsidiaries, joint ventures and associates

	Nature of business	Number of shares held	
		2012	2011
<b>Direct investments</b>			
Anglo Platinum Development Limited	E	180,709,809	180,709,809
Mogalakwena Platinum Limited	J	129,762,372	129,762,372
Rustenburg Platinum Mines Limited	A, B, C, D	426,230	426,230
Kaymin Resources Limited <sup>12</sup>	K	1,000	1,000
<b>Indirect investments</b>			
Anglo Platinum International S.a.r.l. <sup>9</sup>	E	400	400
Anglo Platinum International Brazil S.a.r.l. <sup>9</sup>	E	400	400
Anglo Platinum Brasil S.A. <sup>11</sup>	A	42,925	42,925
Anglo Platinum Management Services Proprietary Limited	G	23,250	23,250
Anglo Platinum Marketing Limited <sup>4</sup>	I	4,000,350	4,000,350
Bleskop-Waterval Mining Management Services Proprietary Limited	J	100	100
Blinkwater Farms 244 KR Proprietary Limited	C	100	100
E. L. Ramsden Bleskop Proprietary Limited <sup>8</sup>	F	5	5
Erabas B.V. <sup>15</sup>	E	17,500	17,500
Indlovu Medicine Suppliers Proprietary Limited	H	1,000	1,000
Jumesecco Properties Proprietary Limited	J	100	100
Lexshell 688 Investments Proprietary Limited*	C	578	578
Masa Chrome Company Proprietary Limited*	D	74	74
Matthey Rustenburg Refiners Proprietary Limited	J	1,360,000	1,360,000
Micawber 146 Proprietary Limited	J	1	1
Norbush Properties Proprietary Limited	E	—	375,000
Norsand Holdings Proprietary Limited	C	9	9
PGI (Deutschland) GmbH <sup>5</sup>	I	25,565	25,565
PGI SA <sup>1</sup>	I	100	100
PGI (Italia) S.r.l. <sup>2</sup>	I	10,400	10,400
PGI KK <sup>3</sup>	I	40,000	40,000
PGI (Shanghai) Co. Limited <sup>10</sup>	I	100	—
PGI (United Kingdom) Limited <sup>4</sup>	I	2	2
PGI (U.S.A.) Jewelry Inc. <sup>7</sup>	I	100	100
PGM Investment Company Proprietary Limited	K	100	100
Platinum Guild India PVT Limited <sup>13</sup>	I	10,005	10,005
Platinum Mines Expansion Services Proprietary Limited	J	100	100
Platinum Prospecting Company Proprietary Limited	J	508,000	508,000
Platmed Properties Proprietary Limited	C	100	100
Platmed Proprietary Limited	H	100	100
Precious Metal Refiners Proprietary Limited	J	1,000	1,000
RA Gilbert Proprietary Limited	H	100	100
Rustenburg Base Metals Refiners Proprietary Limited	J	1,000	1,000
Rustenburg Platinum Mines (Cyprus) Limited <sup>6</sup>	E	10,000	10,000
UNKI Management Services Proprietary Limited	J	1	1
Whiskey Creek Management Services Proprietary Limited	G	1,000	1,000

Carrying amount		Holding company current account		Nature of business
2012 Rm	2011 Rm	2012 Rm	2011 Rm	
1,012	755	75	78	<b>Jointly controlled assets</b>
598	598	—	(2)	Kroondal Platinum Mine (Note 19)
13,483	13,483	69,198	69,327	Modikwa Platinum Mine (Note 19)
—	—	—	—	Marikana Platinum Mine (Note 19)
—	—	—	—	Mototolo Platinum Mine (Note 19)
—	—	—	—	<b>Jointly controlled entities</b>
—	—	—	—	Eurasia Mining Services <sup>14</sup>
—	—	—	—	Micawber 469 Proprietary Limited
—	—	—	—	Modikwa Mining Personnel Services Proprietary Limited
—	—	(152)	(79)	Modikwa Platinum Mine Proprietary Limited
—	—	—	—	Mototolo Holdings Proprietary Limited
—	—	—	—	Urals Alluvial Platinum Limited (Cyprus) <sup>6</sup>
—	—	—	—	<b>Associates</b>
—	—	—	—	Atlatsa Resources Corporation <sup>12</sup> (Note 18)
—	—	—	—	Bafokeng-Rasimone Platinum Mine Joint Venture (Note 18)
—	—	—	—	Bokoni Platinum Holdings Proprietary Limited (Note 18)
—	—	—	—	Johnson Matthey Fuel Cells Limited <sup>4</sup> (Note 18)
—	—	—	—	Lexshell 49 General Trading Proprietary Limited
—	—	—	—	Pandora (Note 18)
—	—	—	—	Sheba's Ridge Proprietary Limited
—	—	—	—	<b>Nature of business</b>
—	—	—	—	A - Mining
—	—	—	—	B - Treatment and refining
—	—	—	—	C - Minerals and surface rights holding
—	—	—	—	D - Metals trading
—	—	—	—	E - Intermediate holding
—	—	—	—	F - Recruitment
—	—	—	—	G - Management/Service
—	—	—	—	H - Medical facilities
—	—	—	—	I - Marketing
—	—	—	—	J - Dormant
—	—	—	—	K - Investment
—	—	—	—	All companies are incorporated in the Republic of South Africa except where otherwise indicated.
—	—	—	—	1. Incorporated in Switzerland
—	—	—	—	2. Incorporated in Italy
—	—	—	—	3. Incorporated in Japan
—	—	—	—	4. Incorporated in the United Kingdom
—	—	—	—	5. Incorporated in Germany
—	—	—	—	6. Incorporated in Cyprus
—	—	—	—	7. Incorporated in the United States of America
—	—	—	—	8. Incorporated in Lesotho
—	—	—	—	9. Incorporated in Luxemburg
—	—	—	—	10. Incorporated in China
—	—	—	—	11. Incorporated in Brazil
—	—	—	—	12. Incorporated in Canada
—	—	—	—	13. Incorporated in India
—	—	—	—	14. Incorporated in Russia
—	—	—	—	15. Incorporated in the Netherlands
15,093	14,836	69,121	69,324	
Note 5	Note 5			

\* Indicates a shareholding of less than 100%.

**ANGLO AMERICAN PLATINUM LIMITED**

for the year ended 31 December 2012

**STATEMENT OF COMPREHENSIVE INCOME**

for the year ended 31 December

	Notes	2012 Rm	2011 Rm
<b>Operating loss</b>		<b>(7)</b>	<b>(4)</b>
IFRS 2 Charge – community economic empowerment transaction		–	(1,073)
Net investment income	1	<b>532</b>	2,992
<b>Profit before taxation</b>		<b>525</b>	<b>1,915</b>
Taxation	3	–	3
<b>Profit for the year</b>		<b>525</b>	<b>1,918</b>
Other comprehensive income		–	–
<b>Total comprehensive income</b>		<b>525</b>	<b>1,918</b>

**STATEMENT OF FINANCIAL POSITION**

as at 31 December

	Notes	2012 Rm	2011 Rm
<b>ASSETS</b>			
<b>Non-current assets</b>			
Investments	5	<b>15,093</b>	14,836
Loans to subsidiaries (Annexure C)		<b>69,273</b>	69,405
Deferred taxation		<b>2</b>	2
<b>Current assets</b>		<b>18</b>	17
Trade and other receivables	6	<b>15</b>	14
Taxation		<b>3</b>	3
<b>Total assets</b>		<b>84,386</b>	84,260
<b>EQUITY AND LIABILITIES</b>			
<b>Share capital and reserves</b>			
Share capital	7	<b>27</b>	27
Share premium		<b>23,745</b>	23,750
Retained earnings		<b>60,439</b>	60,373
<b>Shareholders' equity</b>		<b>84,211</b>	84,150
<b>Non-current liabilities</b>			
Loans from subsidiaries (Annexure C)		<b>152</b>	81
<b>Current liabilities</b>			
Trade and other payables	8	<b>23</b>	29
<b>Total equity and liabilities</b>		<b>84,386</b>	84,260

## STATEMENT OF CASH FLOWS

for the year ended 31 December

	Notes	2012 Rm	2011 Rm
<b>Cash flows used in operating activities</b>			
Cash used in operations	9	(198)	(46)
Taxation paid	10	—	1
<b>Net cash used in operating activities</b>		<b>(198)</b>	<b>(45)</b>
<b>Cash flows from investing activities</b>			
Loans from subsidiaries		203	198
Dividends received		532	2,992
<b>Net cash from investing activities</b>		<b>735</b>	<b>3,190</b>
<b>Cash flows used in financing activities</b>			
Proceeds from the issue of ordinary shares		—	1
Share issue expenses on the community economic empowerment transaction		(5)	(29)
Dividends paid		(532)	(3,119)
<b>Net cash used in financing activities</b>		<b>(537)</b>	<b>(3,147)</b>
<b>Net decrease in cash and cash equivalents</b>			
Cash and cash equivalents at beginning of year		—	2
<b>Cash and cash equivalents at end of year</b>		<b>—</b>	<b>—</b>

## COMBINED STATEMENT OF CHANGES IN EQUITY

for the year ended 31 December

	Share capital Rm	Share premium Rm	Retained earnings Rm	Total Rm
<b>Balance as at 31 December 2010</b>	26	23,779	60,353	84,158
Total comprehensive income for the year			1,918	1,918
Issue of shares – community economic empowerment transaction	1	(29)	—	(28)
Equity-settled share-based compensation – community economic empowerment transaction			1,073	1,073
Dividends paid			(3,119)	(3,119)
Share-based payments			193	193
Shares issued to employees			(45)	(45)
<b>Balance as at 31 December 2011</b>	27	23,750	60,373	84,150
Total comprehensive income for the year			525	525
Share issue costs on community economic empowerment transaction	—	(5)	—	(5)
Dividends paid			(532)	(532)
Share-based payments			257	257
Shares issued to employees			(184)	(184)
<b>Balance as at 31 December 2012</b>	<b>27</b>	<b>23,745</b>	<b>60,439</b>	<b>84,211</b>

# ANGLO AMERICAN PLATINUM LIMITED

for the year ended 31 December 2012

## NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 December

			2012 Rm	2011 Rm
<b>1. NET INVESTMENT INCOME</b>				
Dividends received			532	2,992
<b>2. PROFIT BEFORE TAXATION</b>				
Profit before taxation is arrived at after taking account of:				
Directors' emoluments – remuneration as non-executives			5	5
<b>3. TAXATION</b>				
SA normal taxation – current year			–	2
Deferred taxation – current year			–	1
			–	3
<b>4. DIVIDENDS</b>				
Dividends paid in cash were as follows:				
<b>Ordinary dividends</b>				
Dividend No 112			–	1,801
Dividend No 113			–	1,318
Dividend No 114			532	–
			532	3,119
<b>5. INVESTMENTS</b>				
Investment in wholly owned subsidiaries at cost (Annexure C)			15,093	14,836
<b>6. TRADE AND OTHER RECEIVABLES</b>				
Other receivables and prepaid expenses			15	14
	2011 Number of shares	2012 Number of shares	2012 Rm	2011 Rm
<b>7. SHARE CAPITAL</b>				
<b>Authorised</b>				
Ordinary shares of 10 cents each	413,595,651	413,595,651	41	41
'A' ordinary shares of 10 cents each convertible	1,512,780	1,512,780	–*	–*
<b>Issued – ordinary shares</b>				
Ordinary shares of 10 cents each at 1 January	263,391,521	269,681,886	27	26
Shares issued in terms of the community economic empowerment transaction	6,290,365	–	–	1
Balance at 31 December	269,681,886	269,681,886	27	27
<b>Issued – 'A' ordinary shares</b>				
Ordinary shares of 10 cents each convertible	1,512,780	1,512,780	–*	–*

\* Less than R500,000.

The unissued ordinary shares are under the control of the directors until the forthcoming annual general meeting.

	2012 Rm	2011 Rm
<b>8. TRADE AND OTHER PAYABLES</b>		
Other payables and accrued expenses	23	29
<b>9. RECONCILIATION OF PROFIT BEFORE TAXATION TO CASH USED IN OPERATIONS</b>		
Profit before taxation	525	1,915
Adjustments for:		
Dividends received (Note 1)	(532)	(2,992)
IFRS 2 Charge – community economic empowerment transaction	–	1,073
Shares issued to employees	(184)	(45)
	(191)	(49)
<b>Working capital changes</b>	(7)	3
Increase in trade and other receivables	(1)	(3)
(Decrease)/increase in trade and other payables	(6)	6
<b>Cash used in operations</b>	(198)	(46)
<b>10. TAXATION PAID</b>		
Amount overpaid at beginning of year	(3)	–
Current taxation provided	–	(2)
Amount overpaid at end of year	3	3
Taxation paid	–	1

## NOTICE OF ANNUAL GENERAL MEETING

### ANGLO AMERICAN PLATINUM LIMITED

Incorporated in the Republic of South Africa  
Registration number: 1946/022452/06  
(‘Amplats’ or ‘the Company’ or ‘the Group’)

Date of incorporation: 13 July 1946  
JSE code: AMS  
ISIN: ZAE000013181

Notice is hereby given to the Amplats shareholders as at a record date of Friday, 22 March 2013 that the annual general meeting of shareholders of the Company will be held in the Auditorium, on the 18th Floor, 55 Marshall Street, Johannesburg, on Friday, 26 April 2013 at 14:00. The record date in terms of section 59(1) of the Companies Act, No 71 of 2008 (the Companies Act), for purposes of determining which shareholders of the Company are entitled to participate in, and vote at, the annual general meeting is 19 April 2013. Accordingly, the last date to trade in Amplats shares in order to be registered in the Company’s register of shareholders is Thursday, 11 April 2013. The meeting is convened for the purpose of conducting the following business, with or without amendments:

#### Memorandum of incorporation

Until the Companies Act came into effect on 1 May 2011 (the effective date), the memorandum of incorporation (MOI) of the Company comprised its memorandum of association and articles of association. From the effective date of the Companies Act, the Company’s memorandum of association and articles of association automatically converted into the Company’s MOI. Accordingly, for consistency, in this notice of annual general meeting, the term MOI is used throughout to refer to the Company’s memorandum of incorporation and all references to the MOI in this notice of annual general meeting refer to provisions of that portion of the MOI that were previously called the Company’s articles of association.

The Company has reviewed the existing MOI and articles of association in accordance with the grace period provided for in the transitional provisions in the Companies Act. A revised MOI for the Company will be voted on by shareholders at this annual general meeting (refer to special resolution number 1).

### ORDINARY BUSINESS

#### Percentage voting rights – ordinary resolutions

Ordinary resolutions numbers [1 to 6], contained in this notice of annual general meeting require the approval of a minimum of 50% plus 1 vote of the votes exercised on the resolutions by the shareholders present or represented by proxy at the annual general meeting in order for the resolutions to be adopted. Ordinary resolution number [5] is proposed for a non-binding advisory vote only and any failure to pass this resolution will not have any effect on the Company’s existing arrangements, but the outcome of the vote will be taken into consideration when considering the Company’s remuneration policy:

#### Ordinary resolution No 1

**To receive, consider and adopt the annual financial statements for the year ended 31 December 2012, including the directors’ report and the report of the auditors**

The financial statements are set out on pages 206 to 261 of the annual report of which this notice of annual general meeting forms part.

“Resolved that the audited annual financial statements of the Company for the year ended 31 December 2012, together with

the directors’ report, the audit committee report and the independent auditor’s report, be accepted and adopted.”

#### Ordinary resolution No 2

**To re-elect, by way of separate resolutions, directors retiring by rotation in terms of the memorandum of incorporation and directors who have been appointed during the year retiring by rotation as required by section 68(2) of the Companies Act, and who are eligible and offer themselves for re-election as directors of the Company**

Directors retiring by rotation:

Mr BR Beamish  
Mr MV Moosa  
Mrs WE Lucas-Bull

Directors appointed during the year:

Mr CI Griffith  
Ms KT Kweyama  
Mr JM Vice

As explained on page 204 Mrs Cynthia Carroll is retiring by rotation in terms of the MOI at the annual general meeting and is not offering herself for re-election.

The board has considered the outcome of the annual directors’ performance assessment conducted and recommends the re-election of each of the retiring directors and the appointment of Ms KT Kweyama and Messrs CI Griffith and JM Vice.

#### Ordinary resolution No 2.1 – re-election of retiring director

“Resolved that Mr BR Beamish, who retires in accordance with the memorandum of incorporation of the Company and who is eligible and available for re-election, is hereby re-elected as a non-executive director of the Company.”

#### Ordinary resolution No 2.2 – re-election of retiring director

“Resolved that Mr MV Moosa, who retires in accordance with the memorandum of incorporation of the Company and who is eligible and available for re-election, is hereby re-elected as an independent, non-executive director of the Company.”

#### Ordinary resolution No 2.3 – re-election of retiring director

“Resolved that Mrs WE Lucas-Bull, who retires in accordance with the memorandum of incorporation of the Company and who is eligible and available for re-election, is hereby re-elected as an independent, non-executive director of the Company.”

#### Ordinary resolution No 2.4 – confirmation of the appointment of a director

“Resolved that in terms of the memorandum of incorporation of the Company, the appointment of Mr CI Griffith as an executive director of the Company is hereby confirmed.”

In compliance with paragraph 3.84 of the JSE Listings Requirements, a brief biography of each of the retiring directors appears on pages 156 to 157 of this report.

### **Ordinary resolution No 2.5 – confirmation of the appointment of a director**

“Resolved that in terms of the memorandum of incorporation of the Company, the appointment of Ms KT Kweyama as a non-executive director of the Company is hereby confirmed.”

### **Ordinary resolution No 2.6 – Confirmation of the appointment of a director**

“Resolved that in terms of the memorandum of incorporation of the Company, the appointment of Mr JM Vice as an independent, non-executive director of the Company is hereby confirmed.”

### **Ordinary resolution No 3**

#### **To appoint an audit committee to conduct the duties and responsibilities as outlined in section 94 of the Companies Act**

Section 94 of the Companies Act requires a public company, at each annual general meeting, to elect an audit committee comprising at least three members who are all independent, non-executive directors of the Company. It is proposed that the following, by way of separate resolutions, be appointed as members of the Audit Committee until the next annual general meeting. The board has determined that each of the members standing for appointment is independent, and that they possess the required qualifications and experience to fulfil their duties as contemplated in the Companies Act.

The proposed Audit Committee members listed below are eligible for re-election:

Mr RMW Dunne	Chairman
Mr MV Moosa	Member
Mr JM Vice	Member

Brief biographical notes of each member standing for appointment are set out on pages 156 to 157 of this report.

#### **Ordinary resolution No 3.1 – Appointment of a member of the Audit Committee**

“Resolved that Mr RMW Dunne is hereby appointed as a member and chairman of the Audit Committee until the next annual general meeting of the Company.”

#### **Ordinary resolution No 3.2 – Appointment of a member of the Audit Committee**

“Resolved that Mr MV Moosa is hereby appointed as a member of the Audit Committee until the next annual general meeting of the Company.”

#### **Ordinary resolution No 3.3 – Appointment of a member of the Audit Committee**

“Resolved that Mr JM Vice is hereby appointed as a member of the Audit Committee until the next annual general meeting of the Company.”

### **Ordinary resolution No 4**

#### **To approve the reappointment of Deloitte & Touche as independent external auditors of the Company and to appoint James Welch as the designated audit partner to hold office for the ensuing year**

In compliance with section 90 (1) of the Companies Act, a public company must each year, at its annual general meeting, appoint

an auditor. The Audit Committee has recommended that Deloitte & Touche and the designated auditor be reappointed for the ensuing year. The board has endorsed the above reappointments.

“Resolved that Deloitte & Touche be reappointed as the external auditors of the Company and of the Group until the conclusion of the next annual general meeting. It is noted that the individual registered auditor who will undertake the audit during the financial year ending 31 December 2013 is James Welch.”

### **Ordinary resolution No 5**

#### **Approval of remuneration policy**

In accordance with Principle 2.2.7 of King III, shareholder approval is sought for the Company's Remuneration Policy by way of a non-binding advisory vote. The non-binding advisory vote enables shareholders to express their views on the remuneration policies adopted and on their implementation.

The detailed wording of the Remuneration Policy for which approval is being sought is on page 172 of the remuneration report .

“Resolved that the Company's Remuneration Policy, as set out in the remuneration report on page 172, which forms part of this annual report, is hereby approved on a non-binding advisory basis, as recommended in the King Code of Governance for South Africa 2009 (King III).

### **Ordinary resolution No 6**

#### **Placing the unissued ordinary shares under the control of the directors**

“Resolved that 5% of the authorised, but unissued ordinary shares of 10 cents each, being 7,195,688 ordinary shares of the Company, be and are hereby placed under the control and authority of the directors of the Company as a general authority in terms of the MOI, and that the directors of the Company be and are hereby authorised and empowered to allot, issue and otherwise dispose of such shares in their discretion to such person or persons on such terms and conditions and at such times as the directors of the Company may, from time to time, and in their discretion deem fit, subject to the provisions of the MOI of the Company, where applicable.

Resolved that, subject to the provisions of section 41 of the Companies Act, directors be authorised to allot and issue from the authorised, but unissued ordinary shares of 10 cents each in the share capital of the Company, up to 7,195,688 ordinary shares in the authorised share capital of the Company from time to time, such authority to endure until the Company's next annual general meeting.”

In terms of the Companies Act, the shareholders have to approve the placing of the unissued ordinary shares under the control of the directors. Unless renewed, the existing authority granted by shareholders at the annual general meeting on 30 March 2012 expires at the forthcoming annual general meeting. The reason for this resolution is to place a limited number of unissued ordinary shares under the control of directors so that the shares can be allotted and issued when commercial opportunities arise. It is noted that any issue of shares, or grants of options, to directors, future directors, prescribed officers, future prescribed officers and persons related or interrelated to the Company must first be approved by way of a special resolution in terms of section 41 of the Companies Act and is not authorised in terms of this ordinary resolution.

## NOTICE OF ANNUAL GENERAL MEETING

### SPECIAL BUSINESS

#### Percentage voting rights

Special resolutions numbers [1 to 4], contained in this notice of annual general meeting, require the approval of a minimum of 75% of the votes exercised on the resolutions by the shareholders present or represented by proxy at the annual general meeting in order for the resolutions to be adopted.

Shareholders will be requested to consider and, if deemed fit, to pass the following special resolutions with or without amendments:

#### Special resolution No 1

##### Adoption of the memorandum of incorporation

"Resolved that the existing memorandum of incorporation (formerly the Company's memorandum and articles of association) be and is hereby abrogated in its entirety and replaced with a new memorandum of incorporation, a copy of which has been tabled at a meeting at which this special resolution will be considered and has been initialled by the chairman of the meeting for purposes of identification, with effect from the date of registration thereof at the Companies and Intellectual Property Commission."

##### Reason for and effect of special resolution No 1

The reason for special resolution number 1 is that the Company adopts a new revised MOI in order to ensure the Company's compliance with the Companies Act, the Listings Requirements and principles of good corporate governance.

The coming into effect of the Companies Act has materially altered the requirements for the MOI of a company. In response thereto, the JSE has also revised its requirements for the memorandum of incorporation of a listed company and requires companies to alter their MOI so as to comply with the new requirements. In order to ensure compliance with the Companies Act and the Listings Requirements, as well as in order to optimise its governance processes in a changed regulatory environment, the Company has undertaken a process of review of its existing MOI (formerly its memorandum and articles of association) and has prepared a new revised MOI in substitution thereof.

A summary of the material changes of the new MOI is set out in schedule A attached to this notice.

An electronic copy of the new MOI will be available on the Company's website, [www.angloamericanplatinum.com](http://www.angloamericanplatinum.com), and copies will also be available for inspection at the Company's registered office from the date of issue of the 2012 Integrated Annual Report, of which the notice of annual general meeting forms part, up to and including the date of the annual general meeting.

#### Special resolution No 2

##### To approve the non-executive directors' fees, in accordance with section 66(8) and (9) of the Companies Act

"Resolved that, on the recommendation of the Remuneration Committee:

- (a) the annual fees payable to the chairman and non-executive directors for their services to the board and its sub-committees of the board remain unchanged for the ensuing year until the next annual general meeting as follows:

	Present R	Proposed R
<b>Non-executive directors' fees</b>		
Chairman of the board	<b>1,139,500</b>	1,139,500
Lead independent non-executive director	<b>341,850</b>	341,850
Non-executive director on the board	<b>193,710</b>	193,710
<b>Audit Committee chairman</b>		
Audit Committee member	<b>153,830</b>	153,830
<b>Remuneration Committee chairman</b>		
Remuneration Committee member	<b>142,440</b>	142,440
<b>Nomination Committee chairman</b>		
Nomination Committee member	<b>79,760</b>	79,760
<b>Corporate Governance Committee chairman</b>		
Corporate Governance Committee member	<b>131,040</b>	131,040
<b>Safety &amp; Sustainable Development Committee chairman</b>		
Safety & Sustainable Development Committee member	<b>79,760</b>	79,760
<b>Social, Ethics &amp; Transformation Committee chairman</b>		
Social, Ethics & Transformation Committee member	<b>131,040</b>	131,040
<b>Social, Ethics &amp; Transformation Committee member</b>		
	<b>79,760</b>	79,760

- (b) a fee of R15,000 is paid for additional special board meetings attended, payable to its chairman and non-executive directors with effect from 1 April 2013 until the next annual general meeting.

##### Reason for and effect of special resolution No 2

In terms of the Companies Act, remuneration may only be paid to directors for their services as directors in accordance with a special resolution approved by the shareholders within the previous two years. The payment of remuneration to directors for their services as directors is not prohibited by the Company's memorandum of incorporation.

The reason for and effect of the special resolution is to comply with the provisions of the Companies Act and to grant the Company the authority to pay fees to the chairman and non-executive directors for their services as directors.

#### Special resolution No 3

##### General authority to permit the Company and/or its subsidiaries to acquire shares in the Company

"Resolved, as a special resolution, that the Company and/or any of its subsidiaries from time to time are hereby authorised, by way of a general authority, to:

- (a) acquire issued ordinary shares of the Company in terms of section 48 of the Companies Act, and in terms of the JSE Listings Requirements; and/or
- (b) conclude derivative transactions which may result in the purchase of issued ordinary shares in terms of the JSE Listings Requirements; it being recorded that such JSE Listings Requirements currently require, inter alia, that:
  - (1) the Company may make a general repurchase of securities only if any such repurchase of ordinary shares shall be effected through the main order book operated by the JSE trading system or any other stock exchange on which the Company's shares are listed and on which the Company or any of its subsidiaries may wish to implement any repurchases of ordinary shares subject primarily to the approval of the JSE,

and any other such stock exchange, as necessary, and done without any prior understanding or arrangement between the Company and the counterparty (reported trades are prohibited);

- (2) this general authority shall only be valid until the Company's next annual general meeting, provided that it shall not extend beyond 15 months from the date of passing of this special resolution;
- (3) the repurchase of ordinary shares may not be made at a price greater than 10% (ten percent) above the weighted average of the market value of such ordinary shares for the 5 (five) business days immediately preceding the date on which the repurchases are effected; in addition, ordinary shares acquired in terms of this general authority to fulfil the requirements of the Anglo American Platinum Corporation Limited Share Option Scheme (Real Scheme) and the Anglo Platinum Limited Bonus Share Plan (BSP) will also not be purchased at a price greater than the volume-weighted average of the market value of such ordinary shares on the date of repurchase;
- (4) any derivative transactions which may result in the repurchase of ordinary shares must be priced as follows:
  - (i) The strike price of any put option written by the Company less the value of the premium received by the Company for that put option may not be at a price greater than the fair value of a forward agreement based on a spot price not greater than that stipulated in paragraph (3).
  - (ii) The strike price of any call option may be greater than that stipulated in paragraph (3) above at the time of entering into the derivative agreement, but the Company may not exercise that call option if it is more than 10% 'out of the money'.
  - (iii) The strike price of any forward agreement may be greater than that stipulated in paragraph (3) above, but limited to the fair value of a forward agreement calculated from a spot price not greater than stipulated in (3) above.
- (5) when the Company and/or any of its subsidiaries have cumulatively purchased 3% (three percent) of the number of ordinary shares in issue on the date of passing of this special resolution (including the delta equivalent of any such ordinary shares underlying derivative transactions which may result in the repurchase by the Company of ordinary shares), and for each 3% thereof in aggregate, acquired thereafter, an announcement must be published as soon as possible and by no later than 08:30 on the second business day following the day on which the relevant threshold is reached or exceeded, and the announcement must comply with the JSE Listings Requirements;
- (6) any general purchase by the Company and/or any of its subsidiaries of the Company's ordinary shares in issue shall not in aggregate, in any one financial year, exceed 10% (ten percent), or 5% (five percent) in the case of a subsidiary, of the Company's issued ordinary share capital;
- (7) at any point in time, a Company may only appoint one agent to effect any repurchases on the Company's behalf;

- (8) the Company or its subsidiary may not repurchase securities during a prohibited period as defined in the JSE Listings Requirements unless they have in place a repurchase programme where the dates and quantities of securities to be traded during the relevant period are fixed (not subject to any variation) and full details of the programme have been disclosed in an announcement over SENS prior to the commencement of the prohibited period;
- (9) authorisation thereto being given by the Company's MOI;
- (10) a resolution has been passed by the board of directors confirming that the board has authorised the general repurchase, that the Company passed the solvency and liquidity test and since the test was done there have been no material changes to the financial position of the Group; and
- (11) any such general repurchases are subject to exchange control regulations and approvals at that point in time."

#### *Reason for and effect of special resolution No 3*

The reason for the special resolution is to obtain a general approval in terms of the Companies Act and the JSE Listings Requirements to grant the Company and/or any of its subsidiaries authority to acquire ordinary shares in the Company and/or conclude derivative transactions which may result in the repurchase by the Company of ordinary shares, inter alia to meet the requirements of the Company's share schemes. The effect of the special resolution will be to allow the Company and/or any of its subsidiaries to acquire the Company's ordinary shares and/or conclude derivative transactions which may result in the repurchase by the Company of ordinary shares.

The intention of the Company's board is to:

- utilise the general authority if at some future date the cash resources of the Company are in excess to its requirements. In this regard, the board will take account of, inter alia, an appropriate capitalisation structure for the Company and the long-term cash needs of the Company; and
- meet the requirements of the Company's share schemes.

The directors undertake that they will not effect a general repurchase of shares as contemplated above unless, for a period of 12 months after the date of the general repurchase, the following can be met:

- The Company and the Group will, in the ordinary course of business, be able to pay its debts.
- The assets of the Company and the Group will be in excess of the liabilities of the Company and the Group, fairly valued in accordance with the accounting policies used in the latest audited consolidated annual financial statements which comply with the Companies Act.
- The ordinary share capital and reserves of the Company and the Group will be adequate for ordinary business purposes.
- The available working capital of the Company and the Group will be adequate for ordinary business purposes for a period of 12 months after the date of the general repurchase.
- Before entering the market to proceed with the general repurchase, the Company's sponsor will confirm the adequacy of the Company's and the Group's working capital in writing to the JSE.

## NOTICE OF ANNUAL GENERAL MEETING

### Special resolution No 4

#### General authority to provide financial assistance to related or interrelated parties

"Resolved that, to the extent required by either or both sections 44 and 45 of the Companies Act, the board of directors of the Company may, subject to compliance with the requirements of the Company's memorandum of incorporation, the Companies Act and the JSE Listings Requirements, each as presently constituted and as amended from time to time, authorise the Company to provide direct or indirect financial assistance by way of loan, guarantee, the provision of security or otherwise, to:

- (a) any of its present or future subsidiaries and/or any other company or corporation that is or becomes related or interrelated to the Company, for any purpose or in connection with any matter, including, but not limited to, the subscription of any option, or any securities issued or to be issued by the Company or a related or interrelated company, or for the purchase of any securities of the Company or a related or interrelated company; and/or
- (b) any of the present or future directors or prescribed officers of the Company and/or another company related or interrelated to the Company (or any person related to any of them or to any trust, company or corporation related or interrelated to any of them), or to any other person who is a participant in any of the share or other employee incentive schemes operating in the Group, for the purpose of, or in connection with, the subscription of any option, or any securities, issued or to be issued by the Company or a related or interrelated company, or for the purchase of any securities of the Company or a related or interrelated company, where such financial assistance is provided in terms of any such scheme that does not fall within the definition of the term "employee share scheme" under the Companies Act or satisfy the requirements of section 97 of the Companies Act;

such authority to endure up to and including the 2014 annual general meeting of the Company."

#### *Reason for and effect of special resolution No 4*

The reason for the special resolution is to obtain a general approval in terms of the Companies Act to grant the Company authority to provide direct or indirect financial assistance to a related or interrelated company subject to subsections 44(3), 44(4), 45(3) and 45(4) of the Companies Act.

#### OTHER DISCLOSURE IN TERMS OF SECTION 11.26 OF THE JSE LISTINGS REQUIREMENTS

The JSE Listings Requirements require the following disclosure, some of which are elsewhere in the annual report of which this notice forms part as set out below:

- Directors and management – pages 156 to 159.
- Major shareholders of the Company – page 249.
- Directors' interests in securities – page 204.
- Share capital of the Company – page 202.

#### LITIGATION STATEMENT

In terms of section 11.26 of the Listings Requirements of the JSE, the directors, whose names are given on pages 156 and 157 of the annual report of which this notice forms part, are not aware of any legal or arbitration proceedings, including

proceedings that are pending or threatened, that may have or have had in the recent past, being at least the previous 12 months, a material effect on the Group's financial position.

#### DIRECTORS' RESPONSIBILITY STATEMENT

The directors, whose names are given on pages 156 and 157 of the annual report, collectively and individually accept full responsibility for the accuracy of the information pertaining to this resolution and certify that to the best of their knowledge and belief there are no facts that have been omitted which would make any statement false or misleading, and that all reasonable enquiries to ascertain such facts have been made and that this resolution contains all information required by law and the JSE Listings Requirements.

#### MATERIAL CHANGES TO REPORT

Other than the facts and developments reported on in the annual report, there have been no material changes in the financial position of the Company and its subsidiaries since the date of signature of the audit report and the date of this notice.

#### PROXY AND VOTING PROCEDURE

Shareholders of the Company who have not dematerialised their shares or who have dematerialised their shares with "own-name" registration are entitled to attend and vote at the meeting and are entitled to appoint a proxy to attend, speak and vote in their stead. The person so appointed need not be a shareholder of the Company.

Certificated shareholders and dematerialised "own-name" shareholders (whose names appear on the subregister maintained by their CSDP or broker), who are unable to attend the annual general meeting and wish to be represented thereat, are requested to complete and return the form of proxy on page 271 of the Integrated Annual Report, in accordance with the instructions contained therein, so as to reach the Company's transfer secretaries by no later than 14:00 (South African time) on Wednesday, 24 April 2013.

Dematerialised shareholders (other than those dematerialised "own-name" shareholders) must advise their CSDP or broker of their voting instructions should they wish to be represented at the annual general meeting. If, however, such shareholders wish to attend the annual general meeting in person, they will need to request their CSDP or broker to provide them with the necessary letter of representation in terms of the custody agreement entered into between the dematerialised shareholder and the CSDP or broker.

In order to be effective, proxy forms must be dated and signed by the shareholder and shall be delivered or posted to Computershare Investor Services Proprietary Limited, 70 Marshall Street, Johannesburg, 2001, PO Box 61051, Marshalltown, 2107, so as to reach them not later than 14:00 on Wednesday, 24 April 2013.

Voting will be by way of a poll, and every shareholder of the Company present in person or represented by proxy shall have one vote for every share held in the Company by such shareholder. Any proxies not lodged by this time must be handed to the chairperson of the annual general meeting immediately prior to the annual general meeting.

Shares held by a share trust or scheme will not have their votes at the annual general meeting taken into account for purposes of resolutions proposed in terms of the JSE Listings

Requirements. Please note that unlisted securities, if applicable, and shares held as treasury shares may also not vote.

## SUMMARY OF APPLICABLE RIGHTS ESTABLISHED IN SECTION 58 OF THE COMPANIES ACT

For purposes of this summary, the term "shareholder" shall have the meaning ascribed thereto in section 57(1) of the Companies Act.

1. At any time, a shareholder of a company is entitled to appoint any individual, including an individual who is not a shareholder of that company, as a proxy to participate in, speak and vote at an annual general meeting on behalf of the shareholder.
2. A proxy appointment must be in writing, dated and signed by the relevant shareholder.
3. Except to the extent that the memorandum of incorporation of a company provides otherwise:
  - 3.1 a shareholder of the relevant company may appoint two or more persons concurrently as proxies, and may appoint more than one proxy to exercise voting rights attached to different securities held by such shareholder; and
  - 3.2 a copy of the instrument appointing a proxy must be delivered to the relevant company, or to any other person on behalf of the relevant company, before the proxy exercises any rights of the shareholder at a shareholders' meeting.
4. Irrespective of the form of instrument used to appoint a proxy:
  - 4.1 the appointment of the proxy is suspended at any time and to the extent that the shareholder who appointed that proxy chooses to act directly and in person in the exercise of any rights as a shareholder to the relevant company; and
  - 4.2 should the instrument used to appoint a proxy be revocable, a shareholder may revoke the proxy appointment by cancelling it in writing, or making a later inconsistent appointment of a proxy, and delivering a copy of the revocation instrument to the proxy and the relevant company.
5. The revocation of a proxy appointment constitutes a complete and final cancellation of the proxy's authority to act on behalf of the relevant shareholder as of the later of the date:
  - 5.1 stated in the revocation instrument, if any; or
  - 5.2 upon which the revocation instrument is delivered to the proxy and the relevant company as required in section 58(4)(c)(ii) of the Companies Act.
6. Should the instrument appointing a proxy or proxies have been delivered to the relevant company, as long as that appointment remains in effect, any notice that is required by the Companies Act or the relevant Company's memorandum of incorporation to be delivered by such company to the shareholder must be delivered by such company to:
  - 6.1 the shareholder; or
  - 6.2 the proxy or proxies if the shareholder has in writing directed the relevant company to do so and has paid any reasonable fee charged by the company for doing so.

7. A proxy is entitled to exercise, or abstain from exercising, any voting right of the relevant shareholder without direction, except to the extent that the memorandum of incorporation of the relevant company or the instrument appointing the proxy provides otherwise.
8. If a company issues an invitation to shareholders to appoint one or more persons named by such company as a proxy, or supplies a form of instrument for appointing a proxy:
  - 8.1 such invitation must be sent to every shareholder who is entitled to receive notice of the meeting at which the proxy is intended to be exercised;
  - 8.2 the company must not require that the proxy appointment be made irrevocable; and
  - 8.3 the proxy appointment remains valid only until the end of the relevant meeting at which it was intended to be used, unless revoked as contemplated in section 58(5) of the Companies Act.

## IDENTIFICATION OF MEMBERS

In terms of section 63(1) of the Companies Act before any person wishing to attend or participate in the annual general meeting, that person must present reasonably satisfactory identification and the person presiding at the annual general meeting must be reasonably satisfied that the right of any person to participate in and vote at the annual general meeting, either as a shareholder, or as proxy for a shareholder, has been reasonably verified. Forms of identification include the presentation of a valid identity document, a driver's licence or passport.

## PARTICIPATION BY WAY OF ELECTRONIC COMMUNICATION

The Company intends to make provision for shareholders of the Company to participate in the annual general meeting by way of electronic means. Should any shareholder, or his/her proxy, wish to participate in the annual general meeting by way of telephone conference call, such shareholder or proxy will need to contact the company secretary by no later than 12:00 on Monday, 22 April 2013 so that the Company can provide for a teleconference dial-in facility. Where a shareholder intends participating via teleconference he/she must ensure that the voting proxies are sent through to the company's transfer secretaries, Computershare Investor Services Proprietary Limited at PO Box 61051, Marshalltown, 2107, by no later than 14:00 on Wednesday, 24 April 2013. Voting will not be possible via the electronic facilities.

Shareholders should please note that Amplats will not be responsible for any additional costs associated with participation via teleconference.

By order of the board



**Kevin Lester**  
*Acting company secretary*

*Anglo American Platinum Limited*

Johannesburg  
1 February 2013

## SCHEDULE A

### MATERIAL CHANGES TO THE COMPANY'S MEMORANDUM OF INCORPORATION (MOI)

#### Definitions and interpretations

Unless otherwise stated or the context indicates a contrary intention, the definitions contained elsewhere in this Annual Integrated Report shall apply mutatis mutandis to this annexure.

#### Background

The Companies Act, 2008 (Act 71 of 2008), as amended (the Act) came into force on 1 May 2011 making wide ranging changes to the legislative framework around corporate entities including, but not limited to, financial assistance, solvency and liquidity, composition of boards, calling of meetings, director's remuneration, audit and social and ethics committees.

The Act also provides for certain transitional arrangements in terms of which certain provisions (e.g. financial assistance and solvency and liquidity) came into force immediately whilst the operation of other provisions (e.g. the calling of meetings) were suspended for a period of two years in order to give corporate entities time to amend their MOIs in compliance with the Act. In the latter instance, the provisions of a company's MOI would prevail of the Act in so far as the two conflict but only for the transitional period of two years.

In addition, Schedule 10 of the Listing Requirements prescribes that a listed company is to harmonise its current MOI with the JSE listing requirements within the same period contemplated in the Act.

The two-year transitional period expires on 30 April 2013 and accordingly it is important that the existing MOI of the Company is amended to take into account the provisions of the Act and the JSE listing requirements and to remove any conflict between the Act, the JSE listing requirements and the MOI.

#### Material changes

The following are the key areas of change:

- **Purchase by the Company of its own shares:** The Companies Act, 1973 (the Old Act) set out elaborate procedures and requirements for the repurchase by a company of its own shares. Section 48 of the Act simplifies the requirements and procedures whilst providing creditors and shareholders with adequate protection in the form of a solvency and liquidity tests. Clause 10 of the MOI has been aligned with the provisions of the Act.
- **Calling and conduct of shareholders meetings:** Section 61 of the Act replaces section 179 of the Old Act. In particular section 61 simplifies the time period in which annual general meetings must be held, sets out the minimum business to be transacted at annual general meetings, provides for participation by electronic communication, sets out the

required content of notices of shareholder meetings, changes the period of notice required for the calling of shareholder meetings, sets out the required quorum for shareholder meetings and sets out the requirements for the passing of ordinary and special resolutions at shareholder meetings. These provisions have been incorporated in clause 19 of the proposed MOI.

- **Appointment of directors:** Section 66(4)(b) of the Act provides for the mandatory election by shareholders of 50% of the directors and alternate directors of the company. However, the proposed MOI provides in clause 21.2 that all directors shall be elected and that any vacancy occurring on the board may be filled by the board provided that any such appointed director shall retire at the next annual general meeting and be available for re-election (clause 21.7).
- **Qualifications of directors:** Clause 21.3 provides that there are no general qualifications of directors over and above what is stipulated in Section 69 of the Act;
- **Retirement of directors by rotation:** Clause 23 of the proposed MOI provides that one third of all directors shall retire from office at each annual general meeting. This provision has been incorporated to accord with current practise and the Anglo American plc policy;
- **Financial assistance to directors:** The requirements and process for the granting of financial assistance by the Company have been aligned with the requirements of section 45 of the Act (clause 25 of the proposed MOI); and
- **Distribution of dividends:** Section 46 of the Act provides for the requirements and process for the declaration of distributions to the shareholders. These provisions, including the conduct of the solvency and liquidity tests, have been incorporated into clause 33 of the proposed MOI.
- **Audit Committee:** Clause 18 of the proposed MOI provides for an audit committee to be appointed in accordance with the Act and Regulations. Section 94 of the Act prescribes that the company is required to have an Audit Committee elected at its annual general meeting.
- **Social, Ethics & Transformation Committee:** The board shall appoint a social and ethic committee, in terms of clause 38 of the proposed MOI, unless it is a subsidiary of another company that has a social and ethics committee, the social and ethics committee of that other company will perform the function required on behalf of the Company, or the Company has been exempted in terms of the Act from having to have a social and ethics committee.

#### MOI available for inspection

Copies of the proposed MOI will be available for inspection on the Company's Website ([www.angloamericanplatinum.com](http://www.angloamericanplatinum.com)) or at the Company's registered office, during normal business hours, from date of posting this notice until the date of the Annual General Meeting.

## GLOSSARY

**3E:** three elements: platinum, palladium and gold.

**4E:** four elements. The grade at Anglo American Platinum Limited mines is measured as the combined content of the four most valuable precious metals: platinum, palladium, rhodium and gold.

**ACP:** Amplats Converting Process, used at the Waterval Smelter complex in Rustenburg.

**After-tax operating profit as a percentage of average operating assets:** net profit excluding net investment income and income from associates as a percentage of average operating assets.

**a.m.s.l.:** above mean sea level.

**Au:** gold.

**Autocatalyst:** a cylinder made from ceramic or metal and formed into a honeycomb. It is coated with a solution of chemicals and platinum group metals, and is mounted inside a stainless steel canister and installed in the exhaust line of vehicles between the engine and the silencer. Autocatalysts convert over 90% of hydrocarbons, carbon monoxide and oxides of nitrogen from gasoline engines into less harmful carbon dioxide, nitrogen and water vapour. They also reduce the pollutants in diesel exhaust by converting 90% of hydrocarbons and carbon monoxide and 30% to 40% of particulate into carbon dioxide and water vapour.

**Average operating assets:** average of the aggregate of total assets, minus capital work in progress, cash and cash equivalents, liabilities in the Platinum Producers' Environmental Trust, and investments at the beginning and end of the financial year.

**Base metal:** a common metal that is not considered precious, such as copper, nickel, tin or zinc.

**BBBEE:** broad-based black economic empowerment. This represents a broadening of earlier BEE (see below) policy and attempts to spread the benefits of economic empowerment to the widest-possible spectrum of black South Africans.

**BEE:** black economic empowerment. BEE is a policy of the South African Government, aimed at increasing the access that black South Africans have to productive assets. It seeks to "promote new opportunities for and increase the levels of participation of black people in the ownership, management and control of economic activities".

**BRPM:** Bafokeng-Rasimone Platinum Mine.

**BSP:** Bonus Share Plan.

**Built-up head grade:** the total 4E grams produced from the concentrating process from concentrate, metallics (where applicable) and tailings, divided by the total tonnes milled. See definition of 4E above.

**Capital expenditure:** total capital expenditure on mining and non-mining property, plant, equipment and capital work in progress.

**CO:** carbon monoxide.

**CO<sub>2</sub>:** carbon dioxide.

**Concentrating:** the process of separating milled ore into a waste stream (tailings) and a valuable mineral stream (concentrate) by flotation. The valuable minerals in the concentrate contain almost all the minerals found in base and precious metals. They are treated further by smelting and refining to obtain pure metals: Au, Cu, PGMs and Ni (see entries above and below for these metals).

**CRT:** cathode-ray tube.

**Cu:** copper.

**Current ratio:** current assets as a ratio of current liabilities.

**Debt:equity ratio:** interest-bearing borrowings, including the short-term portion payable as a ratio of shareholders' equity.

**Decline:** a generic term used to describe a shaft at an inclination below the horizontal and usually at the same angle as the dip of the reef.

**Development:** any tunnelling operation that has as its object either exploration or exploitation.

**Discretionary spend:** spending for the long-term profitability of a company.

**DMR:** Department of Mineral Resources.

**DWA:** Department of Water Affairs.

**EBITDA:** earnings before interest, tax, depreciation and amortisation.

**Effective tax rate:** total income statement taxation as a percentage of profit before taxation.

**EFTA:** European Free Trade Association.

**Equivalent refined platinum:** mine production and purchases of metal in concentrate converted to equivalent refined platinum production using Amplats' standard smelting and refining recoveries.

**ETF:** exchange-traded fund.

**Exco:** Amplats' Executive Committee.

**Face advance:** the average distance a stope face advances per month; a measure of resource utilisation.

**Facies:** the sub-classification of a reef such as the Merensky Reef, based on its footwall lithology and/or other characteristics.

**Flotation:** in the flotation process, milled ore is mixed with water to form pulp, which is passed through a series of agitating tanks. Various chemicals are added to the pulp in a sequence that renders the valuable minerals hydrophobic (water-repellent) and the non-valuable minerals hydrophilic (possessing a strong affinity for water). Air is dispersed through the tanks and rises to the surface. The hydrophobic particles attach themselves to the rising air bubbles and are removed from the main volume of pulp as a soapy froth. In this manner, various combinations of flotation cells in series are utilised to produce a concentrated stream of valuable mineral particles, called the "concentrate", and a waste pulp stream, called "tailings".

**Furnace matte:** the product of the smelting process.

**FVTPL:** at fair value through profit or loss.

**g/t:** grams per tonne, the unit of measurement of grade. One gram per tonne is one part per million.

**GBP:** pound(s) sterling.

**GHG:** greenhouse gas.

**GHG emissions, CO<sub>2</sub> equivalent:** quantity of CO<sub>2</sub> from electricity purchased and internally generated.

**Grade:** the mass of desired metal(s) in a given mass of ore. Ores bearing PGMs are normally low-grade. Grades are usually expressed as grams per tonne, equivalent to parts per million.

**Greenfield project:** a project situated on a previously undeveloped mineral resource.

**GRI:** the Global Reporting Initiative. The GRI was established in 1997, with the mission of designing globally applicable guidelines for the preparation of sustainable development reports at enterprise level.

**Gross profit margin:** gross profit on metal sales expressed as a percentage of gross sales revenue.

**HDSA:** historically disadvantaged South African. Refers to "any person, category of persons or community, disadvantaged by unfair discrimination before the Constitution of the Republic of South Africa, 1993 (Act No 200 of 1993), came into operation". The Company definition of HDSAs includes employees who are classified as African, Asian, coloured or women, regardless of citizenship status.

**Head grade:** the grade of the ore leaving a mine and entering a processing plant.

**HIC:** hybrid integrated circuit.

**HTM:** held to maturity.

**IAS:** International Accounting Standard.

**IFRIC:** International Financial Reporting Interpretations Committee. Now operating as the IFRS (see below) Interpretations Committee.

**IFRS:** International Financial Reporting Standard(s).

**IFRS 2:** specifies the financial reporting standard related to share-based financial transactions.

**Immediately Available Ore Reserves:** ground available for mining without any further development.

**Incident:** refers to any unplanned or unwanted event that results in an impact on the environment. In 2011 Amplats converted from a three-level classification system of incidents to a five-level system. In the new system, incidents are classified according to the actual severity of their impact. A level 1 incident has a minor impact on the environment, while a level 5 incident has a major impact. Level 1 and 2 incidents are reported, investigated and dealt with on site. Level 3 to 5 incidents, which are confirmed as capable of resulting in a medium, high or major impact on the environment, are reported to senior management and the relevant authorities, and result in a full investigation.

## GLOSSARY

**In situ:** the original, natural state of the ore body before mining or processing of the ore takes place.

**IPO:** initial public offering.

**ISO:** International Organisation for Standardization; ISO Standard.

**Joint venture:** a contractual agreement between two or more parties for the purpose of executing a business undertaking. The parties agree to share in the profits and losses of the enterprise.

**JORC:** the Australian Institute of Mining and Metallurgy's Joint Ore Reserves Committee Code.

**JSE:** JSE Limited, the Johannesburg-based securities exchange.

**JV:** joint venture. See definition of joint venture above.

**King Report/King III:** the King Committee on Corporate Governance in South Africa was formed in 1992 (under the auspices of the Institute of Directors in Southern Africa and with Mervyn King as chair) to promote the highest standards of corporate governance in South Africa. Corporate governance in the country has been institutionalised by the publication of the King Report on Corporate Governance in 1994, by the release of an updated version (King II) in 2002 and, more recently, by the release of King III in September 2009. The King Report features a Code of Corporate Practices and Conduct, which the JSE stipulates all listed companies must follow. The Global Reporting Initiative (see above) is referenced in this code.

**kt:** thousand tonnes.

**ktpm:** thousand tonnes per month.

**LCD:** liquid crystal display.

**LHD:** load-haul dump.

**LoM:** life-of-mine.

**LOMP:** life-of-mine plan.

**Lost-time injury (LTI):** any occupational injury that renders a person unable to perform his/her regular duties for one full shift or more following the day on which the injury was sustained, whether a scheduled work day or not.

**LTIFR:** lost-time injury-frequency rate. The number of lost-time injuries (see above) per 200,000 hours worked.

**Market capitalisation:** number of ordinary shares in issue multiplied by the closing share price as quoted on the JSE Limited.

**MCP:** magnetic concentration plant.

**Merensky Reef:** a layer in the Bushveld sequence.

**Milling:** the process of reducing broken ore to a size at which it can be concentrated.

**Mining area:** the area for which a mining authorisation/right has been granted.

**Ml:** million litres.

**MLCC:** multilayer ceramic capacitor.

**Moz:** million ounces.

**MSZ:** the Main Sulphide Zone, a layer in the Shurugwi Complex that is part of the Great Dyke geological formation in Zimbabwe.

**Mt:** million tonnes.

**Net asset value:** total assets less all liabilities, including deferred taxation, which equates to shareholders' equity.

**Net asset value as a percentage of market capitalisation:** shareholders' equity expressed as a percentage of market capitalisation.

**Net liquid assets:** cash and cash equivalents, and accounts receivable, less current liabilities.

**Ni:** nickel.

**NOx emissions:** emissions of nitrogen oxides from diesel engines.

**OHSAS 18000:** an international system specification for the management of occupational health and safety. It comprises two parts, 18001 and 18002, and embraces a number of other publications.

**Opsco:** Amplats' Operations Committee.

**Ore:** rock from which metal or minerals can be extracted at a financial profit.

**Oz:** troy ounce. A unit equal to 480 grains or one twelfth of a pound.

**Pd:** palladium.

**PET:** polyethylene terephthalate.

**PGI:** Platinum Guild International. The organisation promotes and markets platinum jewellery in many countries.

**PGMs:** platinum group metals. This refers to six elemental metals of the platinum group nearly always found in association with one another and sometimes called PGEs (platinum group elements). The metals are platinum, palladium, rhodium, ruthenium, iridium and osmium.

**Platreef:** The northern Bushveld's PGM-bearing reef.

**Pt:** platinum.

**PTA:** purified terephthalic acid.

**Pt oz:** equivalent refined platinum ounce(s). Equivalent ounces are mined ounces expressed as refined ounces.

**Rand revenue per platinum ounce sold:** net sales revenue divided by platinum ounces sold.

**Refined ounces:** refined metal available for sale.

**Refining:** process whereby impurities or unwanted elements are removed from a metal in a refinery. Amplats' two refineries undertake different levels of refining.

**Regional Pothole Reef:** Merensky Reef facies that has formed over a large area (several square

kilometres) at a lower stratigraphic position than normal. It is a feature occurring at Union Mine and in the Amandelbult mining area.

**Resource Cut:** the mineral resources of the Merensky Reef and the UG2 Reef are quoted over a practical minimum mining cut suitable for the deposit.

**Rest of world region:** region involving countries or continents other than those specifically dealt with.

**Return on average shareholders' equity:** net profit expressed as a percentage of average shareholders' equity.

**Rh:** rhodium.

**S&SD Committee:** Amplats' Safety & Sustainable Development Committee.

**SAMREC:** the South African code for the reporting of exploration results, Mineral Resources and Mineral Reserves.

**Smelting:** the process of heating and melting ore to separate valuable metals.

**SO<sub>2</sub>:** sulfur dioxide.

**Stoping:** operations directly associated with the extraction of reef.

**Stripping ratio:** the number of units of unpayable material that must be mined to expose one unit of ore.

**Sweepings:** the final process in stoping operations, in which the footwall is thoroughly cleaned to remove the last portion of broken ore and fines (powdered material).

**Tailings:** that portion of the ore from which most of the valuable material has been removed by concentrating. Although low in value, it remains available for future extraction pending developments in technology.

**Tonne:** unless otherwise defined, this refers to a metric tonne equal to 1,000 kg.

**Total assets:** the sum of non-current and current assets.

**tpm:** tonnes per month.

**Transition zone:** the area on plan that defines the changeover from Merensky Reef – at its normal stratigraphic elevation – down to Regional Pothole Reef at a lower stratigraphic elevation. The area has an irregular and constantly varying width. Owing to its undulating nature, it is mostly unmineable.

**UG2 Reef:** a chromite layer in the Bushveld sequence.

**USD:** United States dollar.

**WBJV:** Western Bushveld Joint Venture.

**ZAR:** South African rand.

# FORM OF PROXY



## ANGLO AMERICAN PLATINUM LIMITED

Incorporated in the Republic of South Africa  
 Registration number: 1946/022452/06  
 ('Amplats' or 'the Company' or 'the Group')

Date of incorporation: 13 July 1946  
 JSE code: AMS  
 ISIN: ZAE000013181

**ONLY** to be completed by ordinary shareholders who have not dematerialised their shares and hold certificated shares, Central Securities Depository Participants' (CSDP) nominee companies, brokers' nominee companies and shareholders who have dematerialised their shares and who have elected "own-name" registration in the subregister through a CSDP.

Shareholders who have dematerialised their shares and not elected "own-name" registration in the subregister through a CSDP must NOT complete this form of proxy and must provide their CSDP or broker with their voting instructions in terms of the custody agreement entered into between such shareholders and the CSDP or broker.

Shareholders who have not dematerialised their shares, or have dematerialised their shares and have elected "own-name" registration in the subregister through a CSDP, must complete this form of proxy and return it to the registrars of Anglo American Platinum Limited, Computershare Investor Services Proprietary Limited in South Africa, so as to be received by not later than 14:00 on Wednesday, 24 April 2013.

I/We \_\_\_\_\_ of \_\_\_\_\_  
 (name in block letters please) (address in block letters)

Telephone \_\_\_\_\_ Telephone \_\_\_\_\_  
 (work) (area code and number) (home) (area code and number)

E-mail address \_\_\_\_\_

being the holder/s or custodians of \_\_\_\_\_ ordinary shares in Anglo American Platinum Limited, hereby appoint (see note 1):

1. \_\_\_\_\_ or failing him/her;
2. \_\_\_\_\_ or failing him/her;
3. the chairman of the annual general meeting,  
 as my/our proxy to attend and speak for me/us and on my/our behalf at the annual general meeting of the Company to be held on Friday, 26 April 2013, at 14:00 on the 18th Floor, 55 Marshall Street, Johannesburg, South Africa, and at any adjournment thereof, and to vote or abstain from voting as indicated below on the resolutions to be considered at the said meeting in respect of the shares registered in my/our name(s) in accordance with the following instructions (see note 2):

## VOTING INSTRUCTION FORM

ORDINARY BUSINESS	For	Against	Abstain
<b>1. Ordinary resolution number 1</b> To adopt the annual financial statements for the year ended 31 December 2012 including the directors' report, the Audit Committee report and the independent auditor's report.			
<b>2. Ordinary resolution number 2</b> To re-elect the directors retiring by rotation in terms of the memorandum of incorporation and to confirm the appointment of the directors who were appointed during the year:			
2.1 To re-elect Mr BR Beamish as a director of the Company.			
2.2 To re-elect Mr MV Moosa as a director of the Company.			
2.3 To re-elect Mrs WE Lucas-Bull as a director of the Company.			
2.4 To confirm the appointment of Mr CI Griffith as a director of the Company.			
2.5 To confirm the appointment of Ms KT Kweyama as a director of the Company.			
2.6 To confirm the appointment of Mr JM Vice as a director of the Company.			
<b>3. Ordinary resolution number 3</b> To appoint the members of the Audit Committee until the next annual general meeting.			
3.1 Mr RMW Dunne (Chairman)			
3.2 Mr MV Moosa			
3.3 Mr JM Vice			
<b>4. Ordinary resolution number 4</b> To reappoint Deloitte & Touche as independent external auditors of the Company and to appoint the designated audit partner to hold office until the next annual general meeting.			
<b>5. Ordinary resolution number 5</b> To approve the remuneration policy.			
<b>6. Ordinary resolution number 6</b> To place 5% of the unissued ordinary shares under the control of the directors.			

## FORM OF PROXY

### VOTING INSTRUCTION FORM continued

SPECIAL BUSINESS	For	Against	Abstain
<b>1. Special resolution number 1</b> To adopt a new memorandum of incorporation.			
<b>2. Special resolution number 2</b> a. To approve the non-executive directors' fees.			
b. To approve additional special board fee.			
<b>3. Special resolution number 3</b> To approve a general authority to permit the Company and/or its subsidiaries to acquire shares in the Company.			
<b>4. Special resolution number 4</b> To approve a general authority to provide financial assistance to related and interrelated parties in terms of sections 44 and 45 of the Companies Act.			

Please indicate with an 'X' in the spaces above how you wish your votes to be cast. If no indication is given, the proxy will vote or abstain at his/her discretion.

Any shareholder of the Company entitled to attend and vote at the meeting may appoint a proxy or proxies to attend, speak and vote in his/her stead. A proxy need not be a shareholder of the Company.

Every person present and entitled to vote at an annual general meeting shall, on a show of hands, have one vote only, but on a poll, every share shall have one vote. Voting will be conducted by poll, electronically.

Please read the notes below.

Signed \_\_\_\_\_ on \_\_\_\_\_ 2013

Signature(s) \_\_\_\_\_ Assisted by \_\_\_\_\_

Full name(s) of signatory/ies if signing in a representative capacity (see note 7.2)  
\_\_\_\_\_  
(please use block letters)

### NOTES

- A shareholder may insert the name of a proxy or the names of two alternative proxies of the shareholder's choice in the space(s) provided, with or without deleting the words "the chairman of the annual general meeting", but any such deletion must be signed in full by the shareholder. The person whose name appears first on the form of proxy and has not been deleted and who is present at the annual general meeting will be entitled to act as proxy to the exclusion of those whose names follow. In the event that no names are indicated, the chairman of the annual general meeting shall act as proxy.
- A shareholder's instructions to the proxy must be indicated by the insertion of an 'X' in the appropriate box provided. Failure to comply with the above will be deemed to authorise the proxy to vote or to abstain from voting at the annual general meeting as he/she deems fit in respect of all the shareholder's votes exercisable thereat. Where the proxy is the chairman, such failure shall be deemed to authorise the chairman to vote in favour of the resolutions to be considered at the annual general meeting in respect of all the shareholder's votes exercisable thereat.
- In order to be effective, completed proxy forms must reach the Company's registrars, Computershare Investor Services Proprietary Limited, in Johannesburg, not less than 48 hours before the time appointed for the holding of the meeting (excluding Saturdays, Sundays and public holidays).
- The completion and lodging of this form of proxy shall in no way preclude the shareholder from attending, speaking or voting in person at the annual general meeting to the exclusion of any proxy appointed in terms hereof.
- Should this form of proxy not be completed and/or received in accordance with these notes, the chairman may accept or reject it, provided that in respect of its acceptance the chairman is satisfied as to the manner in which the shareholder wishes to vote.
- Documentary evidence establishing the authority of a person signing this form of proxy in a representative or other legal capacity (such as a power of attorney or other written authority) must be attached to this form of proxy unless previously recorded by the Company's registrars or waived by the chairman of the annual general meeting.
- The chairman shall be entitled to decline to accept the authority of a person signing the proxy form:
  - under a power of attorney, or
  - on behalf of a company
 unless that person's power of attorney or authority is deposited at the offices of the Company's registrars by not later than 14:00 on Wednesday, 24 April 2013.
- Where shares are held jointly, all joint holders are required to sign the form of proxy.
- The shareholder's parent or guardian must assist a minor unless the relevant documents establishing his/her legal capacity are produced or have been registered by the Company's registrars.
- Any alteration or correction made to this form of proxy must be signed in full and not initialled by the signatories.
- On a show of hands, every shareholder present in person or represented by proxy shall have only one vote, irrespective of the number of shares he/she holds or represents.
- On a poll, every shareholder present in person or represented by proxy shall have one vote for every share held by such shareholder.
- Voting will be conducted by poll electronically. Each delegate present in person is registered within a matter of seconds via keypad and smartcard. The system automatically links shareholders to their vote profiles, recording their votes and displaying results as each resolution closes. Final results are displayed within seconds.

# SHAREHOLDERS' DIARY

## ANNUAL GENERAL MEETING

Friday, 26 April 2013 at 14:00

### REPORTS

Interim report for half-year to 30 June 2013 published  
Preliminary report for year to 31 December 2013 published  
Annual report for year to 31 December 2013 released  
Annual general meeting (2013 year)

July 2013  
February 2014  
February 2014  
March 2014

Shareholders are reminded to notify the registrars of any change of address.

### DIVIDENDS — ORDINARY (if declared)

Paid – Interim  
– Final

August  
March

## ADMINISTRATION

### COMPANY SECRETARY (ACTING)

Kevin Lester  
kevin.lester@angloamerican.com  
13th Floor, 55 Marshall Street, Johannesburg 2001  
PO Box 62179, Marshalltown 2107

Telephone +27 (0) 11 638 3425  
Facsimile +27 (0) 11 373 5111

### FINANCIAL, ADMINISTRATIVE, TECHNICAL ADVISERS

Anglo Platinum Management Services Proprietary Limited  
Anglo Operations Limited

### CORPORATE AND DIVISIONAL OFFICE, REGISTERED OFFICE AND BUSINESS AND POSTAL ADDRESSES OF THE COMPANY SECRETARY AND ADMINISTRATIVE ADVISERS

55 Marshall Street, Johannesburg 2001  
PO Box 62179, Marshalltown 2107

Telephone +27 (0) 11 373 6111  
Facsimile +27 (0) 11 373 5111  
+27 (0) 11 834 2379

### SPONSOR

Rand Merchant Bank  
a division of FirstRand Bank Limited

### REGISTRARS

Computershare Investor Services Proprietary Limited  
70 Marshall Street  
Johannesburg 2001  
PO Box 61051  
Marshalltown 2107

Telephone +27 (0) 11 370 5000  
Facsimile +27 (0) 11 688 5200

### AUDITORS

Deloitte & Touche  
Deloitte & Touche Place  
The Woodlands  
Woodmead  
Sandton 2196

### INVESTOR RELATIONS

Kgapu Mphahlele  
kgapu.mphahlele@angloamerican.com  
Telephone +27 (0) 11 373 6239

### FRAUD LINE – SPEAKUP

Anonymous whistle-blower facility  
0800 230 570 (South Africa)  
angloplat@anglospeakup.com

### DISCLAIMER

Certain statements made in this annual report constitute forward-looking statements. Forward-looking statements are typically identified by the use of forward-looking terminology such as 'believes', 'expects', 'may', 'will', 'could', 'should', 'intends', 'estimates', 'plans', 'assumes' or 'anticipates' or the negative thereof or other variations thereon or comparable terminology, or by discussions of, eg future plans, present or future events, or strategy that involve risks and uncertainties. Such forward-looking statements are subject to a number of risks and uncertainties, many of which are beyond the Company's control and all of which are based on the Company's current beliefs and expectations about future events. Such statements are based on current expectations and, by their nature, are subject to a number of risks and uncertainties that could cause actual results and performance to differ materially from any expected future results or performance, expressed or implied, by the forward-looking statement. No assurance can be given that such future results will be achieved; actual events or results may differ materially as a result of risks and uncertainties facing the Company and its subsidiaries.

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**Anglo American Platinum Limited**

Incorporated in the Republic of South Africa

Date of incorporation: 13 July 1946

Registration number: 1946/022452/06

JSE code: AMS • ISIN: ZAE000013181

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