

Equities

8 November 2011 | 18 pages

Anglo American Platinum Ltd (AMSJ.J)

Downgrade to Sell

- Company Update
- Rating Change
- Target Price Change
- Estimate Change

■ **Need to keep an eye on costs** – We downgrade our AMS TP by 5% from R580 to R550 and our recommendation from Neutral to Sell. This is on the back of 1) the dilutive impact of the proposed Lefa La Rona community transaction, and 2) weaker cost outlook following its recent 3Q results. The above mentioned have also had a 19%, 18% and 16% negative impact on our FY11, 12 and 13 earnings expectations respectively.

– **Lefa La Rona transaction** – AMS recently announced that it will establish a community development trust, Lefa La Rona. AMS will issue 6,290,365 ordinary shares to Lefa La Roma Trust, valuing the transaction at R3.5bn. The transaction will have a 2.33% dilution effect on current shareholders. The facilitation cost of this transaction is estimated to be R1.61bn and will likely move through the income statement during 2H11.

– **Weaker cost outlook** – We also take this opportunity to incorporate a weaker cost outlook for AMS following its recent 3Q results. We now expect FY11, 12 and 13 costs (per equivalent refined platinum ounce) to average R13,187/ounce (+4%), R14,585/ounce (+10%) and R15,791/ounce (+11%) respectively.

■ **Valuation and risks: downgrade to Sell** — The net result of the above is a 5% downgrade to our TP from R580 to R550, and a 19%, 18% and 16% downgrade to our FY11, 12 and 13 earnings expectations respectively. We also change our recommendation from Neutral to Sell.

Sell	3
<i>from Neutral</i>	
Price (08 Nov 11)	R579.81
Target price	R550.00
<i>from R580.00</i>	
Expected share price return	-5.1%
Expected dividend yield	2.1%
Expected total return	-3.1%
Market Cap	R152,717M
	US\$19,235M

Price Performance (RIC: AMSJ.J, BB: AMS SJ)



Anglo American Platinum Ltd (ZAR)

Year to 31 Dec	2009A	2010A	2011E	2012E	2013E
Sales (RM)	36,687.0	46,124.0	46,897.5	57,113.4	63,227.4
Net Income (RM)	710.0	4,930.0	5,854.8	8,374.0	9,407.3
Diluted EPS (¢)	298	1,935	2,236	3,125	3,510
Diluted EPS (Old) (¢)	298	2,242	2,756	3,818	4,194
PE (x)	194.4	30.0	25.9	18.6	16.5
EV/EBITDA (x)	33.5	14.4	12.2	8.7	7.8
DPS (¢)	0	665	905	1,265	1,421
Net Div Yield (%)	0.0	1.1	1.6	2.2	2.5

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See Appendix A-1 for Analyst Certification, Important Disclosures and non-US research analyst disclosures.

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Fiscal year end 31-Dec	2009	2010	2011E	2012E	2013E
Valuation Ratios					
P/E adjusted (x)	194.4	30.0	25.9	18.6	16.5
EV/EBITDA adjusted (x)	33.5	14.4	12.2	8.7	7.8
P/BV (x)	4.3	2.7	2.7	2.5	2.3
Dividend yield (%)	0.0	1.1	1.6	2.2	2.5
Per Share Data (¢)					
EPS adjusted	298	1,935	2,236	3,125	3,510
EPS reported	1,263	3,947	2,076	3,125	3,510
BVPS	13,503	21,412	21,753	23,277	25,529
DPS	0	665	905	1,265	1,421
Profit & Loss (RM)					
Net sales	36,687	46,124	46,897	57,113	63,227
Operating expenses	-35,766	-39,251	-38,763	-44,648	-49,219
EBIT	921	6,873	8,134	12,465	14,008
Net interest expense	-236	-70	-9	-100	-100
Non-operating/exceptionals	2,290	5,609	-132	-487	-564
Pre-tax profit	2,975	12,412	7,994	11,878	13,344
Tax	153	-2,197	-2,483	-3,445	-3,870
Extraord./Min.Int./Pref.div.	-122	-157	-74	-59	-67
Reported net income	3,006	10,058	5,437	8,374	9,407
Adjusted earnings	710	4,930	5,855	8,374	9,407
Adjusted EBITDA	5,047	11,194	12,487	17,601	19,340
Growth Rates (%)					
Sales	-28.2	25.7	1.7	21.8	10.7
EBIT adjusted	-94.5	646.3	18.4	53.2	12.4
EBITDA adjusted	-74.7	121.8	11.6	41.0	9.9
EPS adjusted	-94.7	548.6	15.5	39.8	12.3
Cash Flow (RM)					
Operating cash flow	4,697	10,330	10,126	12,741	11,696
Depreciation/amortization	4,126	4,321	4,353	5,136	5,332
Net working capital	275	-582	-364	-829	-3,109
Investing cash flow	-10,264	-7,041	-7,752	-8,416	-5,374
Capital expenditure	-11,301	-7,960	-7,256	-8,786	-5,744
Acquisitions/disposals	957	743	300	370	370
Financing cash flow	6,135	-4,188	-4,715	-3,390	-3,809
Borrowings	6,464	-16,147	-374	0	0
Dividends paid	-6	0	-3,913	-3,390	-3,809
Change in cash	568	-899	-2,341	934	2,514
Balance Sheet (RM)					
Total assets	75,821	83,801	87,806	95,856	102,460
Cash & cash equivalent	3,532	2,534	193	1,127	3,641
Accounts receivable	2,891	2,988	4,521	6,028	6,353
Net fixed assets	35,283	37,438	39,476	43,127	43,539
Total liabilities	43,188	28,783	30,454	33,091	33,659
Accounts payable	5,409	6,190	7,912	10,549	11,117
Total Debt	22,791	6,644	6,273	6,273	6,273
Shareholders' funds	32,633	55,018	57,352	62,766	68,801
Profitability/Solvency Ratios (%)					
EBITDA margin adjusted	13.8	24.3	26.6	30.8	30.6
ROE adjusted	2.3	11.4	10.5	14.0	14.4
ROIC adjusted	1.9	7.5	8.4	12.5	13.3
Net debt to equity	59.0	7.5	10.6	8.2	3.8
Total debt to capital	41.1	10.8	9.9	9.1	8.4

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Downgrade to Sell

We downgrade our AMS TP 5% from R580 to R550 and our recommendation from Neutral to Sell. This is on the back of 1) the dilutive impact of the proposed community development transaction, and 2) weaker cost outlook following its recent 3Q results.

The above mentioned have also have a 19%, 18% and 16% negative impact on our FY11, 12 and 13 earnings expectations.

Lefa La Rona transaction

AMS recently announced that it will, subject to the fulfillment of certain conditions, establish a community development trust (Lefa La Rona) to the value of R3.5bn. The rationale for the transaction is to improve its working relationships with various mine host communities, which is especially important for the future development of its Mogalakwena mine.

Key highlights from the transaction below:

- AMS will issue 6,290,365 ordinary shares to Lefa La Roma Trust, valuing the transaction at R3.5bn. The transaction will have a 2.33% dilution effect on current shareholders.
- Benefits will be utilised at community level for sustainable community projects.
- The facilitation cost of this transaction is estimated to be R1.61bn. We expect this amount to move through the income statement during 2H11.

The impact of this specific transaction is a 2.33% (R15) downgrade in our TP and 11% (R3.10) in our FY11 earnings expectations.

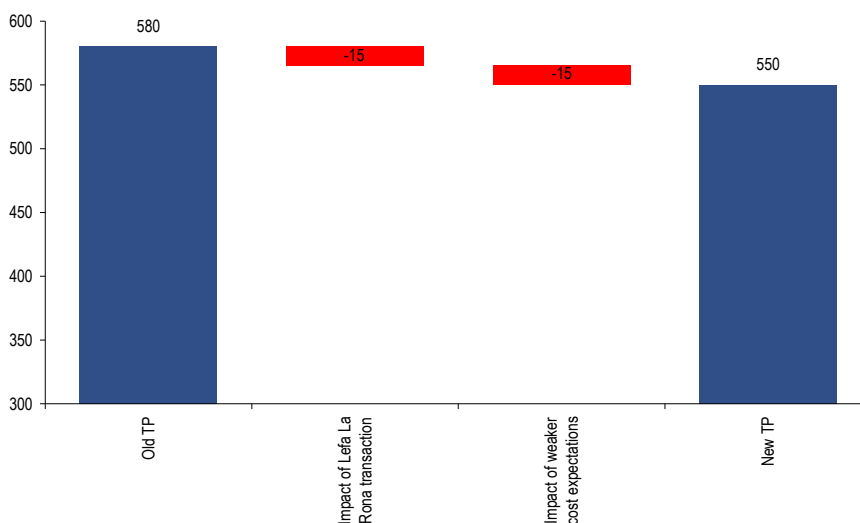
Weaker cost outlook

We also take this opportunity to incorporate a weaker cost outlook for AMS following its recent 3Q results. We now expect FY11, 12 and 13 costs (per equivalent refined platinum ounce) to average R13,187/ounce (+4%), R14,585/ounce (+10%) and R15,791/ounce (+11%) respectively.

Impact on valuation and earnings

The net result of the above is a 5% downgrade to our TP from R580 to R550, and a 19%, 18% and 16% downgrade to our FY11, 12 and 13 earnings expectations respectively (please refer *Figures 1 and 2*).

Figure 1. Impact of Lefa La Rona transaction and weaker cost expectations on our AMS valuation (R/share)



Source: Citi Investment Research and Analysis

Figure 2. Changes in our production, costs and earnings expectations for AMS

	FY09a	FY10a	FY11e	FY12e	FY13e
Production (koz) – new	2,464	2,468	2,550	2,597	2,687
Production (koz) - old	2,464	2,468	2,550	2,597	2,687
%change	0%	0%	0%	0%	0%
Cash costs (R/oz) – new	11,236	11,753	13,187	14,585	15,791
Cash costs (R/oz) - old	11,236	11,753	12,623	13,230	14,214
% change	0%	0%	4%	10%	11%
Earnings (SAc) - new	298	1,935	2,236	3,125	3,510
Earnings (SAc) - old	298	1,935	2,756	3,818	4,194
% change	0%	0%	-19%	-18%	-16%

Source: Company reports, Citi Investment Research and Analysis

In the following section “New Strategy, Same Result”, we reiterate our views on AMS's strategic direction through an excerpt from our recent note [“South African Platinum Sector - Value Trap”](#).

New Strategy, Same Result

In this section we highlight our views on AMS's strategic direction through an excerpt from our recent note "[South African Platinum Sector - Value Trap](#)".

Reflecting on AMS's old strategy

With the onset of the global economic crisis (GEC) in 2008/09, AMS reverted to a strategy of managing costs, while keeping production flat. Its strategy was well communicated and unambiguous, as per the following quote from p.16 of its 2009 annual report:

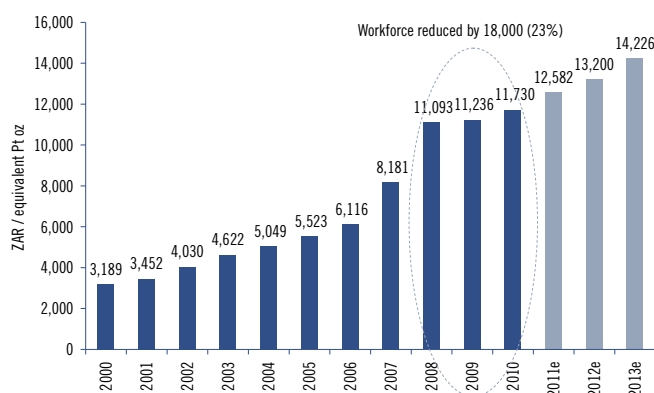
"Cost management is being institutionalised in our business and we have plans to keep unit costs flat over the next two years."

At that stage, AMS was operating at unit cash costs of R11,236/oz (equivalent refined platinum) and its target was to maintain costs at this level in 2010 and 2011.

It intended achieving this target through: 1) right-sizing its workforce for 2.5m ounces of production, 2) delivering on-the-ground operational efficiency improvements, and 3) improving its infrastructure to reduce travel time of employees to work faces etc (which admittedly was a longer-term goal).

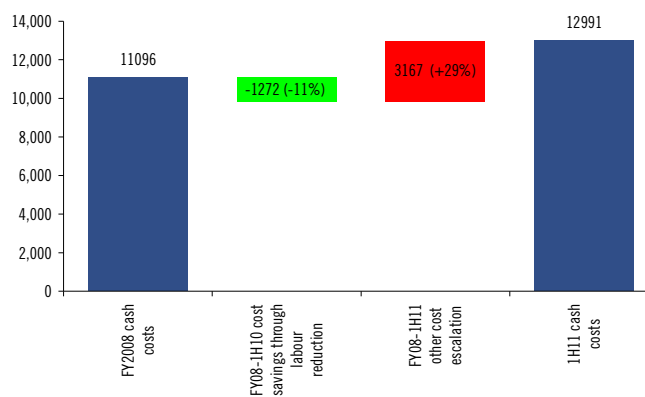
It immediately embarked on reducing its workforce by 23% (or 18,000 heads), which helped costs to remain flat from 2008 to 2009. However, the balance of its costs continued to increase at c.10% p.a. (Figure 4), which to us was an early warning sign that once the low-hanging fruit were picked (headcount reduction), delivering on its cost ambitions would become increasingly difficult.

Figure 3. Most of cost savings in 2009/10 came from labour reductions (R/equivalent refined Pt oz)



Source: Company data, Citi Investment Research and Analysis

Figure 4. Excluding effect of labour reduction, other costs escalated by 29% between FY08 and 1H11 (R/equivalent Pt oz)



Source: Company data, Citi Investment Research and Analysis

Indeed it did. Post the headcount reduction, AMS's costs continued to increase in line with the rest of the industry. The fact that its 1H11 costs spiralled to R12,991/ounce (which implies 2Q11 costs of R13,200/ounce) supports our long-held thesis that AMS will find it difficult to move down the cost curve and significantly improve its cost position relative to its peers, especially IMP. In fact, even with its significant headcount reductions, we calculate that AMS only gained 9% relative to IMP on the cost curve between 2008 and 2009, and 0% between 2009 and 2010. With no further headcount reductions possible for AMS, we doubt whether further improvement relative to IMP would be possible in the medium term.

New strategy: Not a game changer

AMS recently announced its new strategy, which revolves around capital management in order to meet rising PGM demand (estimated at 4% p.a. by AMS) and improve its overall market share while spending as little as possible capital. In essence, it sequences AMS's growth opportunities on the basis of capital efficiency. The five opportunities in order of capital priority are:

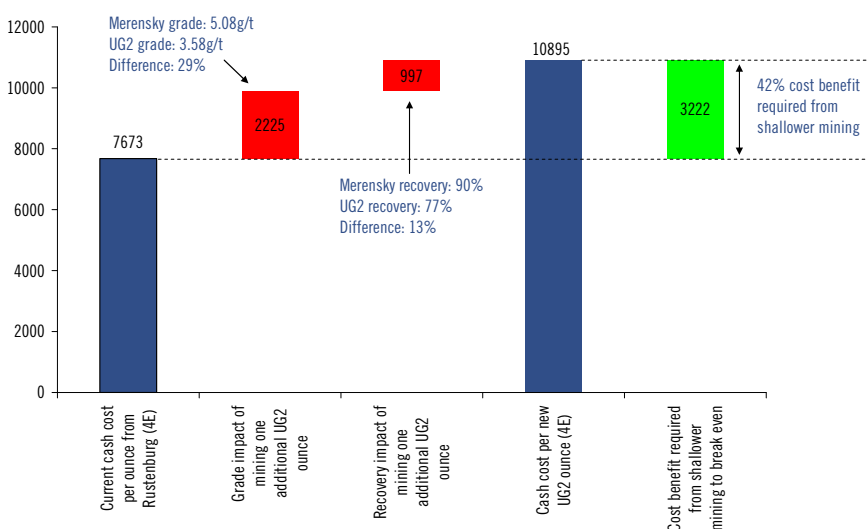
- Rustenburg UG2 optimisation (near term).
- Mogalakwena (near term).
- Unki (near to medium term).
- Eastern Limb (medium term).
- Western Limb deep shafts (longer term).

We highlight the opportunities and challenges for each of these initiatives below.

1. Rustenburg UG2 optimisation (near term)

- **The opportunity:** AMS has historically extracted mainly Merensky reef at Rustenburg, now leaving the opportunity to go back and mine the shallow UG2 ore body. Given the shallow nature of Rustenburg's remaining UG2, it should (in theory) be beneficial from a capital and operating cost point of view to focus on this reef going forward.
- **The challenge:** We caution that Rustenburg's UG2 ore is 29% lower in grade than its Merensky ore (Merensky 5.08g/t vs. UG2 3.58g/t, 4E) and typically achieves 13% lower recoveries (Merensky 90% recovery vs. UG2 77%). This implies that a 42% operating cost benefit is required in order to justify mining one additional ounce of shallower UG2 vs. deeper Merensky (*Figure 5*).

Figure 5. Estimated cost benefit required to justify mining one additional ounce of shallower UG2 at Rustenburg (R/ounce, 3PGE+Au)



Source: Citi Investment Research and Analysis

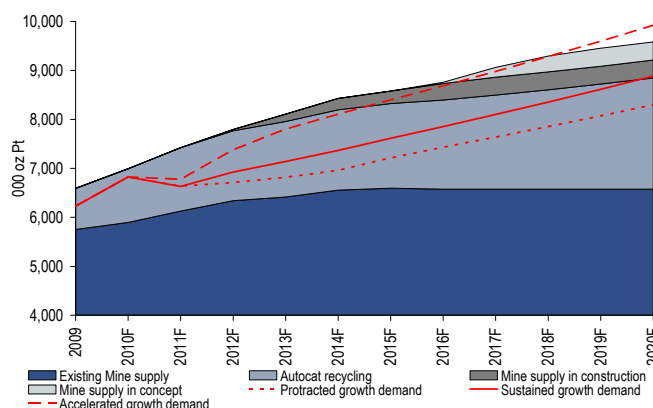
- As a result, should AMS attempt to increase production from Rustenburg on this basis, we view it as highly unlikely that it will be able to move Rustenburg down the cost curve. Even without attempting to increase production from Rustenburg, AMS expects Rustenburg's UG2:Merensky split to increase from the current 70:30 to 75:25 by 2015 and 80:20 by 2020. Given the analysis in *Figure 5*, this UG2:Merensky outlook does not augur well for lower operating costs from Rustenburg, in our view.

2. Mogalakwena (near to medium term)

The opportunity: As an open-pit mine with extensive reserves and resources, Mogalakwena has the potential to become a substantial low-cost mine within AMS's stable, should market conditions allow. AMS claims that it has improved its capacity to process the difficult Platreef ore, and that community issues are being resolved.

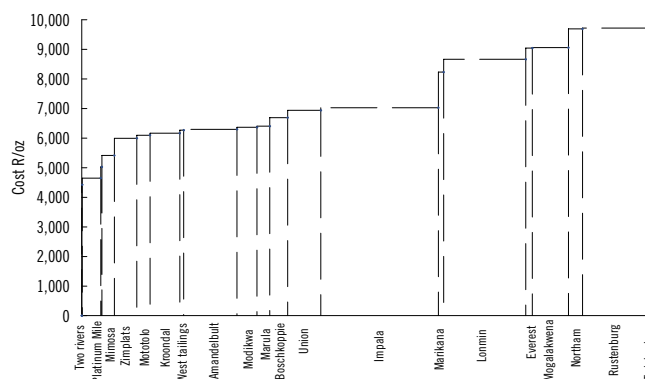
The challenge: Given that current rand-based PGM prices are not incentivising the complete cost curve (supportive of our view of a substantial medium-term surplus outlook for platinum, see *Figure 6*), we believe AMS will not be able to increase production from Mogalakwena by any significant extent in the near to medium term. This is as its Rustenburg operations are positioned on the right-hand side of the cost curve (*Figure 7*) and are currently marginal on a post-project capex free cash flow (FCF) basis. Any increase in production from Mogalakwena will push the market further into surplus, in our view, and will result in further margin pressure on Rustenburg. As a result, whatever AMS would gain through higher production at Mogalakwena, it will likely lose through even more depressed margins at Rustenburg.

Figure 6. Citi's supply and demand outlook for platinum (000 ounces)



Source: Citi Investment Research and Analysis

Figure 7. 2H10 5PGE+Au all-in cost curve (R/oz, 5PGE+Au)



Source: Citi Investment Research and Analysis

3. Unki (near to medium term)

The opportunity: Unki is a low-cost mine in Zimbabwe with significant reserves and significant ramp-up potential in the longer term. Its phase I is in ramp-up and will likely achieve steady state production of 141 ounces (4E) by 2013. Further longer-term expansion potential exists.

The challenge: Near term, political and indigenisation uncertainty in Zimbabwe may delay any further expansion at Unki. Also, similar to our argument for Mogalakwena above, our view of a medium-term surplus market for platinum implies that AMS will not be able to increase production from Unki to any significant extent any time soon. This is as its Rustenburg operations are positioned on the

right-hand side of the cost curve and are currently marginal on a post project capex FCF basis. Any significant increase in production from Unki would push the market further into surplus, in our view, and would result in further margin pressure on Rustenburg. As a result, whatever AMS would gain through higher production at Unki, it would likely sacrifice through even more depressed margins at Rustenburg.

4. Eastern Limb option (medium term)

The opportunity: AMS has an extensive undeveloped footprint on the Eastern Limb. Projects such as Twickenham, der Brochen and Ga-Pasha provide AMS with production flexibility in the medium to longer term.

5. Western Limb deep shafts (longer term)

The opportunity: AMS has multiple deep shaft opportunities on the Western Limb. Even though these projects are currently marginal to uneconomical, AMS believes that PGM prices would likely prove these projects feasible in 10-20 years' time. Opportunities 1-4 above provide AMS with the flexibility to wait for prices to move higher before committing to these higher capex and higher opex projects.

Valuation and risks

Valuation: Downgrade to Sell, TP R550

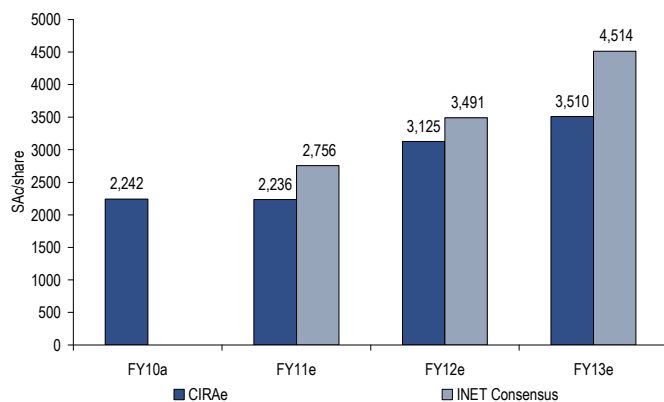
We downgrade our AMS TP 5% from R580 to R550 and our recommendation from Neutral to Sell. This is on the back of 1) the dilutive impact of the proposed community development transaction, and 2) weaker cost outlook following its recent 3Q results. We value AMS on a sum-of-the-parts discounted cash flow (DCF) basis. We derive our valuation by applying a nominal WACC of 11.9% (beta 1.0, ERP 5.0%, RFR 8.5%), discounting cash flows over the life of the group's individual assets. We apply a 10% premium to our valuation of AMS relative to its peers to account for its strategic advantage due to its control of 55% of sector reserves.

Figure 8. AMS sum-of-the-parts DCF valuation

NAV calculation	DCF (Rm)	Exit multiple (x)	Market value (Rm)	% of total
Rustenburg	11,615	1.10	12,777	9
Amandelbult	21,389	1.10	23,528	16
Union	15,765	1.10	17,341	12
Mogalakwena	42,333	1.10	46,566	32
Lebowa	1,935	1.10	2,129	1
Twickenham	8,218	1.10	9,040	6
Unki	4,305	1.10	4,736	3
West Tailings	1,480	1.10	1,628	1
Kroondal	6,427	1.10	7,070	5
Modikwa	9,072	1.10	9,979	7
Marikana	2,979	1.10	3,277	2
Mototolo	6,303	1.10	6,933	5
Operational value	131,823	1.10	145,005	100
Net (debt)/cash	-4,110	1.0	-4,110	
Investments	3,301	1.0	3,301	
Overhead costs	-3,326	1.0	-3,326	
Financial obligations	-4,135		-4,135	
NAV	127,687		140,870	
Equity value (Rm)	140,870			
Market cap (Rm)	160,800			
Number of shares in issue (m)	268			
CIRA target price (ZAR/share)	550			

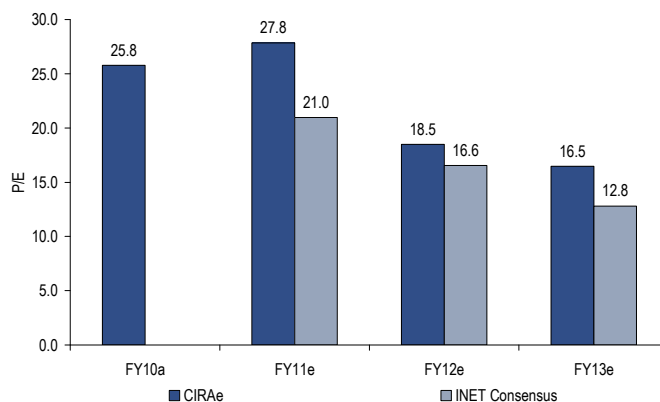
Source: Citi Investment Research and Analysis

Figure 9. AMS diluted HEPS forecast vs consensus



Source: Citi Investment Research and Analysis, INET

Figure 10. AMS CIRA P/E vs consensus



Source: Citi Investment Research and Analysis, INET

Figure 11. CIRA global mining comparative table

	TP Curr.	Rating	Current price	TP % upside	CY11e DY (%)	ETR* (%)	Current P/DCF	P/E			EV/EBITDA			
								2010	2011e	2012e	2010	2011e	2012e	
Northam	ZAR	Buy (1)	30.60	50.00	63.4	1.2	64.6	0.6	21.2	19.8	11.5	13.0	11.9	7.3
Xstrata	GBP	Buy (1)	10.03	15.83	57.8	2.0	59.8	0.5	9.2	7.7	7.2	5.7	4.7	4.5
Rio Tinto	GBP	Buy (1)	34.68	53.00	52.8	2.2	55.1	0.7	7.8	6.0	6.4	4.1	2.9	2.7
Anglo American	GBP	Buy (1)	23.70	35.00	47.7	2.2	49.9	0.6	9.6	6.9	6.2	5.4	4.0	3.3
Barrick Gold	USD	Buy (1)	52.81	78.00	47.7	0.9	48.6	2.1	15.7	10.9	10.1	9.9	6.8	6.3
Assore	ZAR	Buy (1)	218.00	280.00	28.4	2.8	31.2	0.9	10.2	7.1	7.2	6.5	4.7	4.7
African Rainbow	ZAR	Buy (1)	181.72	230.00	26.6	3.2	29.8	0.8	14.2	9.6	8.5	5.8	4.3	3.9
RBPlat	ZAR	Buy (1)	55.01	70.00	27.2	0.0	27.3	0.9	26.3	17.8	15.2	11.9	8.7	8.0
Aquarius	AUD	Buy (1)	2.55	3.15	23.5	3.5	27.0	0.6	15.8	11.6	9.6	6.5	5.8	5.2
BHP Billiton	GBP	Buy (1)	19.84	24.05	21.3	3.4	24.7	0.7	10.1	7.9	7.8	6.2	5.1	5.0
Impala Platinum	ZAR	Buy (1)	184.67	220.00	19.1	3.7	22.8	0.7	17.9	13.6	12.3	9.0	6.9	6.5
Randgold	GBP	Buy (1)	74.55	88.59	18.8	0.8	19.6	1.4	78.5	25.4	12.5	52.6	15.9	7.6
Newcrest	AUD	Buy (1)	36.06	42.00	16.5	1.3	17.8	1.7	24.3	21.5	18.7	18.0	12.3	10.2
Newmont	USD	Buy (1)	72.13	80.00	10.9	1.7	12.6	2.1	15.6	15.4	14.6	7.4	6.8	6.8
Exxaro	ZAR	Buy (1)	185.00	200.00	8.1	4.2	12.3	1.2	11.8	7.3	6.3	15.3	8.5	6.8
Lonmin	GBP	Neutral(2)	10.71	10.67	-0.4	1.4	1.1	0.9	23.5	17.6	12.7	7.7	6.0	4.6
Anglo Platinum	ZAR	Sell (3)	578.39	550.00	-4.9	1.7	-3.2	1.2	23.7	23.4	18.5	12.3	11.0	8.7
AngloGold Ashanti	ZAR	Neutral(2)	380.20	360.00	-5.3	1.2	-4.1	1.9	-10.2	13.1	7.7	14.8	6.5	4.1
Kumba Iron Ore	ZAR	Neutral(2)	505.00	410.00	-18.8	9.8	-9.0	1.4	10.4	8.1	7.8	5.9	4.3	4.2
Gold fields	ZAR	Sell (3)	143.00	110.00	-23.1	2.7	-20.4	2.1	23.1	10.9	7.4	7.7	4.7	3.5
Harmony	ZAR	Sell (3)	112.00	85.00	-24.1	0.0	-24.1	2.1	86.9	24.2	14.2	21.0	9.7	5.5

Source: dataCentral. Note: dataCentral is Citi Investment Research and Analysis's proprietary database which includes Citi estimates, data from company reports, and feeds from Reuters, Datastream, Firstcall, IBES and Toyo Keizai.

Risks

Our valuation of AMS is exposed to macroeconomic developments affecting PGM prices and exchange rates, operational risks that might affect volumes and input costs, and political and regulatory risks that might affect costs and the company's reputation.

- **Macroeconomic risks:** Our valuation on AMS is highly dependent on input assumptions of the platinum, palladium and rhodium prices, as well as the rand-dollar exchange rate. Upside risks to our view include higher-than-expected PGM prices and a weaker-than-expected rand.
- **Operational risks:** We base our production and cost outlook for AMS's individual mines on management guidance and by applying our discretion to management's guidance and targets. The main upside risk to our view is the platinum market moving into deficit, in which case AMS will be able to expand production above the current 2.5m ounce (Pt) level.

Company Narratives

Anglo American Platinum Ltd

Company description

Anglo Platinum (AMS) is the world's largest platinum producer, with 41% global market share. The company holds 17 operating assets located in South Africa. The Rustenburg and Amandelbult assets currently make up 43% of AMS's production and constitute 39% of AMS's NAV, on our estimates. AMS holds a strategically important open pit mine, Mogalakwena, which currently forms only 13% of production, but 23% of our NAV estimate.

Investment strategy

We rate AMS Sell. We see limited volume expansion opportunities for AMS and believe the risks to the achievement of its cost targets are skewed to the downside. This is as all the low-hanging fruit (labour reductions) has now been picked and significant on-the-ground operational improvements are required going forward. With limited catalysts from here, we view the stock as fully priced at current levels.

Valuation

Our target price for AMS is R550. We value AMS based on a sum-of-the-parts discounted cash flow (DCF) analysis. Our model uses a nominal WACC of 11.9% (beta 1.0, ERP 5.0%, RFR 8.5%) and discounts forecast cash flows over the life of the group's individual assets. In order to account for AMS's leverage to PGM prices and the strategic optionality that its large reserve/resource bases provide, we apply a 10% premium to our valuation of AMS relative to its peers (1.10x P/DCF).

Risks

Our valuation of AMS is exposed to macroeconomic developments affecting PGM prices and exchange rates, operational risks that might affect volumes and input costs, and political and regulatory risks that might affect costs and the company's reputation.

Macroeconomic risks: Our valuation on AMS is highly dependent on input assumptions of the platinum, palladium, and rhodium prices, as well as the rand-dollar exchange rate. Upside risks to our view include higher-than-expected PGM prices and a weaker-than-expected rand. Conversely, downside risks to our view include lower-than-expected PGM prices and a stronger-than-expected rand.

Operational risks: We base our production and cost outlook for AMS's individual mines on management guidance and by applying our discretion to management's guidance and targets. The main downside risk to our view is that significantly more capex would be required in order to sustain current production levels than that assumed in our valuation model. We also caution downside risk to our generally favorable cost assumptions, given the inflationary environment AMS operates in. The main upside risk to our view is the platinum market moving into deficit, in which case AMS will be able to expand production above the current 2.5m ounce (Pt) level.

Political and regulatory risks: AMS's operations and future projects are based in SA and Zimbabwe. The company is subsequently exposed to government and regulatory-related risks in these countries. Specific risks include higher-than-expected royalties, production delays from government intervention and labour unrest.

If any of these factors proves to have less of an effect than we anticipate, the stock could materially outperform our target.

Appendix A-1

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IMPORTANT DISCLOSURES

Anglo American Platinum Ltd (AMSJ.J)

Ratings and Target Price History Fundamental Research

Analyst: Johann Steyn

Covered since October 12 2010

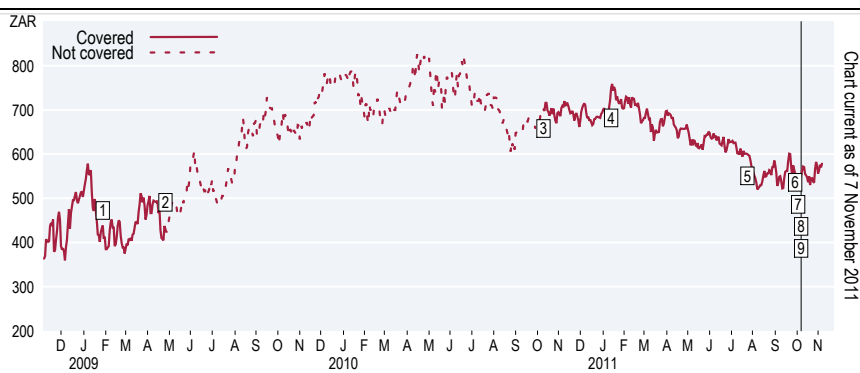


Chart current as of 7 November 2011

	Date	Rating	Target Price	Closing Price
1	28-Jan-09	3M	*291.62	438.39
2	27-Apr-09	Coverage terminated		
3	11-Oct-10	*2M	*730.00	701.00

* Indicates change

	Date	Rating	Target Price	Closing Price
4	13-Jan-11	*3M	*650.00	750.00
5	25-Jul-11	3M	*610.00	600.00
6	29-Sep-11	*2M	610.00	555.00

	Date	Rating	Target Price	Closing Price
7	4-Oct-11	2M	*580.00	540.00
8	7-Oct-11	Stock rating system changed		
9	7-Oct-11	*2	580.00	550.50

Rating/target price changes above reflect Eastern Standard Time

Anglo American Platinum Ltd (AMSJ.J)

Ratings and Target Price History Best Ideas Research Relative Call (3 Month)

Analyst: Johann Steyn

Covered since October 12 2010

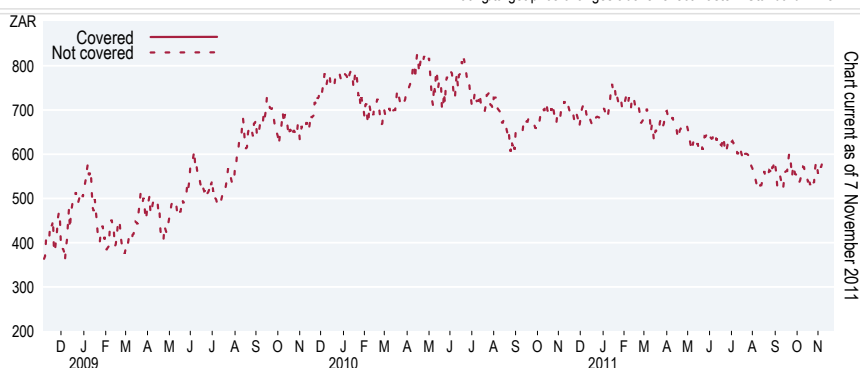


Chart current as of 7 November 2011

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