Palabora Mining

Company Limited and its Subsidiaries

(Incorporated in the Republic of South Africa) (Reg. No. 1956/002134/06)
JSE Code: PAM ISIN: ZAE000005245
(“Group” or “Palabora” or “the Company”)

REVIEWED PRELIMINARY RESULTS

for the year ended 31 December 2006

COMMENTARY

Overview

Commenting on the Group's annual results, Keith Marshall MD stated:

"Our sustained production improvement, coupled with the opportunistic sale of surface stockpiled material, has been handsomely rewarded by favourable copper prices."

Annual underground production (30,193tpd) exceeded design capacity (30,000tpd) for the first time. The smelter, rejuvenated by the Quarter 1 shutdown, is now performing at much improved levels.

While there was an 18% improvement in the safety statistics, much work remains to be done to improve the safety performance.

Overall, 2006 has been a great year for the Company, especially when compared with previous years.

We would like to thank our employees and all other stakeholders who have stood by us during our long walk back to profitability.

Group financial results

For the year ended 31 December	**2006**	2005
Profit / (loss) for the year	**R 467 million**	R (93) million
Basic earnings/ (loss) per share	**1,291 cents**	(328) cents
Profit/ (loss) from continuing operations before interest and tax (EBIT)	**R 1,172 million**	R 275 million

Sales of products increased by R2,603 million (108%) to R5,014 million largely as a result of the following:

- Higher realised prices of copper and by-product of R1,460 million and R131 million respectively; a weakening average US$/Rand exchange rate from 6.37 in 2005 compared with 6.77 in 2006 (+R147 million); partially offset by a lower realised price of vermiculite sales (-R31 million);

- Copper sales volumes increased by 18 thousand tonnes (including 16 thousand tonnes of surface stockpile) to 97 thousand tonnes in 2006 (+R811 million) mainly as a result of the sales of surface stockpiles (+R707 million). Other sales volumes increased by R85 million mainly owing to the higher volumes of magnetite (+225 thousand tonnes) and vermiculite sales (+10 thousand tonnes) respectively of +R56 million and +R16 million.

The Group achieved an average realised selling price (post hedge) for local copper rod and cathode of R34,469 per tonne (2005: R23,558 per tonne) and R29,721 per tonne (2005: R23,508 per tonne) respectively. In the year under review, a total of 80,986 tonnes of copper was sold, compared with 78,654 tonnes during 2005. Reverts and copper concentrate throughput contributed an additional 16,011 tonnes copper.

The increase in sales of products was partially offset by the realised hedging losses (R1,032 million) resulting from the swap settlement of 44 thousand tonnes of copper (-R986 million movement from 2005 to 2006).

Total Group cost of sales increased by R622 million, from R1,740 million in 2005 to R2,362 million in 2006. This increase resulted from the following:

- The increase in the cost of product purchases (+R356 million) is attributable to the LME copper price impact on purchased concentrate of +R528 million higher than 2005 product purchases; offset by a decrease of four thousand tonnes in copper concentrate purchases from 29 thousand tonnes in 2005 to 25 thousand tonnes in 2006 (-R184 million) and other sales of +R12 million;

- Production costs increased by +R170 million mainly as a result of:

  - the underground rework completed on the North-Inner haulage road and the rebuild completion on the four underground crushers, tyre costs and mobile maintenance;

  - the furnace shutdown at the smelter during the first half of 2006 and material transportation cost;

  - major consumables, utilities, and personnel cost.

- Overall depreciation for 2006 was +R48 million higher than 2005 due to higher production levels and a lower reserve declaration at the end of 2005 following the open pit subsidence;

- A decrease in stock variation (+R48 million) from R185 million in 2005 to R137 million in 2006 mainly resulted from the build up of stock in 2005 in preparation of the smelter shutdown; the increase in the stock levels during 2006 is mainly attributable to the revaluation of the revert stock from 2 thousand R/t to 17 thousand R/t (+R172 million).

The Group achieved a gross profit from continuing operations during 2006 of R1,620 million, versus a gross profit of R624 million in 2005.

Other factors that contributed to the profit from continuing operations before interest and tax (EBIT) of R1,172 million include:

- insurance proceeds received during 2006 for the claim on the ground subsidence of the open pit (+R35 million);
- the impact of the exclusion of severance costs from the provision for closure costs: (+R54 million);
- offset by a negative R111 million in selling and distribution costs mainly attributable to the cost incurred for the export of magnetite sales, and R66 million in administration expenses.

Profit from continuing operations before interest and tax (EBIT) improved by R897 million from a profit of R275 million in 2005 to a profit of R1,172 million in 2006.

Net finance cost increased by R49 million mainly as a result of:

- Unrealised exchange losses on current loans of R127 million (2005: R102 million exchange loss) due to a 10% depreciation of the Rand in 2006 compared with a 12% depreciation in 2005;
- higher interest paid due to the rising interest rate (+R10 million);
- offset by the decrease in the cost of the new loan compared with the overdraft and medium term facilities repaid in late 2005 (-R88 million).

Deferred tax expenses in 2006 of R260 million (2005: Rnil) were recorded in the income statement. Deferred tax assets of R796 million (2005: Rnil) related to the mark-to-market entries on the hedge book were recognised directly in equity. At 31 December 2006, the group had unredeemed capital expenditure of R851 million (2005: R1,766 million).

The net loss associated with the discontinued operations represents a write-off of R24 million (pre tax) of the ZBS plant initially recognised as a non-current asset held for sale following the decision to close the plant.

The net profit for the year was R467 million compared with a loss of R93 million in 2005. The basic earnings per share improved from a loss of 328 cents per share to a profit of 1,291 cents per share.

Cash flow

Cash and cash equivalents at 31 December 2006 were R670 million compared with R202 million in 2005.

Cash from operating activities of R946 million (2005: R4 million) was generated mainly as a result of a significant increase in realised (pre-hedge) copper rod and cathode prices (2006: 316 Usc/lb; 2005: 169 Usc/lb) and the sale of low grade concentrate and reverts of 16,011 tonnes of copper (2005: nil) as part of the focus on our internal copper inventories as well as the low grade surface stockpiles.

A net cash outflow of R128 million for investing activities (2005: R101 million) related to capital projects of R144 million, of which R32 and R45 million went for underground and smelter development respectively. The net cash outflow was offset by the proceeds received from the sale of property, plant and equipment and other investing activities to the amount of R16 million.

The cash outflow from financing activities of R351 million (2005: R653 million inflow) was due to the repayments of the first two principals of the term facility agreement and the redemption of outstanding debentures during the second half of 2006.

Convertible Debentures

The redeemable convertible debentures expired on 18 September 2006. A total of 600,660 debentures were converted resulting in the issue of 20,021,997 ordinary shares. The total issued share capital of the Company is now 48,337,497 shares of which 57.7% are held by Rio Tinto, 16.8% by Anglo American and 25.5% by the public.

Accordingly, the debentures were redeemed at their principal amount (i.e. R1,000 per debenture). A final interest payment in respect of the unconverted debentures was calculated from 20 March 2006 to 17 September 2006.

Net Debt

Total borrowings decreased by R746 million mainly as a result of:

- the conversion and redemption of debentures of +R812 million;
- the capital repayments and amortisation of the Tranche A and B of the Term Facility and the finance lease instalments for a total amount of +R73 million;
- new finance lease agreement -R12 million;
- an increase in US$ denominated debt of -R127 million due to the weakening of the Rand by 65 basis points (from 6.979 to 6.334).

Seventy five percent of the Group's borrowings are denominated in US$ for a total amount of US$ 185 million.

Hedging

The combined hedge book amounted to 190,567 tonnes of copper at 31 December 2006 for a total hedged amount of R 3,413 million spread over 7 years. The mark-to-market loss of the hedge position increased by R1,633 million from R820 million at 31 December 2005 to R2,453 million at 31 December 2006. The settlement of 44,025 tonnes of copper commodity swap for the 2006 year resulted in a hedging loss of R1,032 million reducing the benefit of the higher market prices.

Mark-to-market entries on the hedge, together with the related deferred tax asset were recognised directly in equity. The realised hedge losses are offset against revenue in the income statement. Management decided to use market estimates (refer to significant estimates in the basis of preparation and accounting policy section) as proxies instead of bank models for the latter part of the hedge book. The half year reported combined hedge book would have been significantly lower had the same valuation estimates been applied.

Magnetite

As part of the decision to build the magnetite business using “current production”, Palabora has entered into a supply contract for the magnetite concentrate with Minmetals, for the supply of up to 2 million tonnes per annum from October 2006.

Ore reserves

The total Proven Ore Reserves remaining as at 31 December 2006 were 118 million tonnes (2005: 112 million tonnes) at a grade of 0.64% (2005: 0.67%) copper. The increase in tonnage is the result of a reassessment of the anticipated dilutive tonnes from the overlying open pit and a review of the block cave model.

Pension Fund Surplus

Financial statements have been finalised and audited and will be submitted to the liquidator for review, and there after to the Financial Services Board (FSB) for approval. This process is expected to be completed in the first half of 2007 and distribution to be commenced thereafter.

Only after the FSB approval has been obtained can the liquidator release the employer's share of the surplus in the Fund, approximately R177 million, before tax and including accrued interest.

Corporate Governance

On 28 February 2006, Mr. Warrick R.J. Ranson resigned from the Board as a non-executive director and was replaced by Mrs Jo-Ann Goh. With effect from 30 June 2006, Mr Steven M. Din resigned as an executive director and Chief Financial Officer and was replaced by Mr Charles A. Asubonten.

The Board fully supports the principles advocated in the King Report on Corporate Governance for South Africa issued in 2002 (King II) and believes more independent directors should be appointed onto the Board. During the year, the Board reviewed its composition, size and mix of skills. The size of the Board was reduced from 12 to 9 directors. The number of directors representing Rio Tinto was therefore reduced from three to two non executives and Anglo American from two to one. As a result, on 30 June 2006, Mr. Tom Albanese and Mr. Rod Whyte resigned as non-executive directors effective from 27 July 2006. Mr. Paul Henry also resigned as an alternate non-executive director to Mr. Whyte.

The Board now comprises of three independent non-executive directors, three non-executive directors and two executive directors. The Board is currently in the process of recruiting an independent non-executive director and an announcement will be made in due course.

C N Zungu
Acting Chairman

K Marshall
Managing Director

29 January 2007

GROUP RESULTS

Income statement

for the year ended 31 December 2006

	Group	
	Reviewed	Audited
	2006	2005
	R'000	R'000
Continuing operations		
Sales of products	**5 014 200**	2 411 369
Hedge loss realised	**(1 032 321)**	(46 761)
Revenue	**3 981 879**	2 364 608
Cost of sales	**(2 362 149)**	(1 740 171)
Gross profit / (loss)	**1 619 730**	624 437
Other income	**101 582**	23 135
Selling and distribution costs	**(267 526)**	(156 518)
Administration expenses	**(279 033)**	(213 471)
Other expenses	**(3 025)**	(2 585)
Profit / (loss) from continuing operations before tax and net finance costs	**1 171 728**	274 998
Finance costs – Net	**(410 170)**	(355 717)
Finance costs	**(440 761)**	(371 526)
Finance income	**30 591**	15 809
Profit / (loss) before tax from continuing operations	**761 558**	(80 719)
Income tax expense	**(278 054)**	(6 693)
- Current tax	**(11 995)**	(1 596)
- Foreign tax	**(6 387)**	(5 097)
- Deferred tax	**(259 672)**	-
Profit / (loss) from continuing operations	**483 504**	(87 412)
Discontinued operation		
Net loss after tax associated with discontinued operation	**(16 158)**	(5 818)
Profit / (loss) for the year	**467 346**	(93 230)
Allocated as follows:		
Equity holders of parent	**467 346**	(93 230)
Earnings / (loss) per share (cents):		
- Basic earnings / (loss) per share, total operations	**1 291c**	(328)c
- Basic earnings / (loss) per share, continuing operations	**1 336c**	(307)c
- Basic earnings / (loss) per share, discontinued operations	**(45)c**	(20)c
- Diluted earnings / (loss) per share, total operations	**1 291c**	(328)c
- Diluted earnings / (loss)per share, continuing operations	**1 336c**	(307)c
- Diluted earnings / (loss) per share, discontinued operations	**(45)c**	(20)c

Balance sheet

as at 31 December 2006

	Group	
	Reviewed	Audited
	2006	2005
	R'000	R'000
Assets		
Non-current assets		
Property, plant and equipment	**1 970 944**	2 012 469
Intangible assets	**325**	9 722
Available-for-sale financial assets	**275 571**	210 499
Deferred tax assets	**796 440**	3 446
	3 043 280	2 236 136
Current assets		
Stores	**65 433**	51 769
Product inventories	**768 753**	594 983
Trade and other receivables	**615 242**	362 413
Current tax assets	**4 498**	492
Cash and cash equivalents	**670 336**	202 279
	2 124 262	1 211 936
Non-current assets held for sale	**-**	24 860
	2 124 262	1 236 796
Total assets	**5 167 542**	3 472 932
Shareholders' equity and Liabilities		
Capital and reserves		
Share capital and premium	**629 551**	66 286
Other reserves	**(1 446 951)**	(683 715)
Retained earnings	**569 846**	102 500
Total shareholders' equity	**(247 554)**	(514 929)
Non-current liabilities		
Long term loans	**1 489 470**	1 640 786
Derivative financial instrument	**1 410 363**	537 549
Provisions:		
- Close-down and restoration costs	**314 408**	264 636
- Post retirement medical benefits	**121 772**	103 899
Deferred tax liabilities	**259 293**	-
	3 595 306	2 546 870
Current liabilities		
Trade and other payables	**496 331**	320 826
Derivative financial instrument	**1 042 969**	283 209
Provisions	**37 364**	32 246
Current portion of long-term loans	**185 254**	779 660
Current tax liabilities	**2 807**	-
Group companies – related parties	**55 065**	25 050
	1 819 790	1 440 991
Total liabilities	**5 415 096**	3 987 861
Total equity and liabilities	**5 167 542**	3 472 932

Statement of recognised income and expenditure

for the year ended 31 December 2006

	Group	
	Reviewed	Audited
	2006	2005
	R'000	R'000
Available-for-sale investments:		
- Valuation gains taken to equity	**62 871**	55 043
Exchange differences on translation of foreign operations	**22 928**	2 953
Cash flow hedges:		
- Losses taken to equity	**(2 664 895)**	(867 518)
- Transferred to profit or loss for the year	**1 032 321**	46 761
Actuarial losses on defined benefit plans	**(12 901)**	-
Tax on items taken directly to or transferred from equity	**796 440**	-
Net income recognised directly in equity	**(763 236)**	(762 761)
Profit/ (loss) for the year	**467 346**	(93 230)
Total recognised income and expenses for the year	**(295 890)**	(855 991)
Attributable to:		
Equity holders of the parent	**(295 890)**	(855 991)

Summarised cash flow statement

for the year ended 31 December 2006

	Group	
	Reviewed	Audited
	2006	2005
	R'000	R'000
Cash flows from operating activities	**946 060**	3 531
Cash generated from operating activities	**1 192 212**	255 843
Taxation paid	**(8 703)**	(10 627)
Interest paid	**(251 607)**	(241 685)
Interest received	**14 158**	-
Cash flows from investing activities	**(127 576)**	(100 863)
Replacement of property, plant and equipment	**(144 160)**	(108 038)
Proceeds on disposal of property, plant and equipment	**5 257**	3 184
Amounts invested in rehabilitation fund	**(2 259)**	(4 449)
Amounts invested in long term receivable	**-**	(5 625)
Interest received	**13 586**	14 065
Cash flows from financing activities	**(350 427)**	652 676
Long and short term loans raised	**-**	927 189
Long and short term loans repaid	**(350 427)**	(274 513)
Increase in cash and cash equivalents	**468 057**	555 344
At beginning of year	**202 279**	(353 065)
At end of year	**670 336**	202 279

CORPORATE INFORMATION

The Group is a limited liability company incorporated and domiciled in South Africa and has its primary listing on the JSE Limited. The address of its registered office is 1 Copper Road, Phalaborwa, 1389.

The Group preliminary condensed consolidated financial statements of Palabora Mining Company Limited for the year ended 31 December 2006 were authorised for issue in accordance with a resolution of the Board of Directors passed on 25 January 2007.

BASIS OF PREPARATION AND ACCOUNTING POLICIES

Audit review

The year end financial results have been reviewed in terms of paragraph 3.22 of the Listings Requirements of the JSE Limited by the Group's auditor, PricewaterhouseCoopers Inc. The unqualified review opinion is available on request from the Company secretary.

Basis of preparation

The preliminary condensed consolidated financial statements of the Group for the year ended 31 December 2006 have been prepared in accordance with International Accounting Standard (IAS) 34 (Interim Reporting).

The preliminary financial report does not include all the information and disclosures required in the annual financial statements, and should be read in conjunction with the Group's annual financial statements as at 31 December 2005.

Presentational changes

The format of the statement of changes in equity has been changed to a statement of recognised income and expenditure. In terms of the amendments to IAS 19 – Employee Benefits, entities may elect to recognise all actuarial gains and losses outside of the income statement. Entities that take up this option, to recognise all actuarial gains and losses outside of the income statement, are required to present a statement of recognised income and expenditure which excludes transactions with the owner in their capacity as such. This is in line with the group's accounting policies and of the ultimate holding company, Rio Tinto. Under this approach, a reconciliation of opening and closing balances of share capital, reserves and retained earnings will be given in the notes.

Significant accounting policies

The accounting policies applied in the presentation of the preliminary report are consistent with those applied for the year ended 31 December 2005. The Group applied all the relevant new and revised standards and interpretations that were in issue and effective for year ends ended 31 December 2006. This had an insignificant impact on the financial statements.

Significant estimates

- <u>Mark-to-market valuation of the hedge book</u>

  A review of the mark-to-market method applied to fair valuing the hedge resulted in a change of estimate being applied during the current year. The change originated primarily as a result of quoted LME prices not exceeding 27 months. Management used market estimates as proxies to value the period beyond 27 months, rather than bank models as was previously done.
- <u>Product Inventory</u>

  During the year certain product inventory items which had previously been carried at net realisable value, were revalued to cost. Changes in economic circumstances increased the net realisable value, resulting in it being higher than cost.
- <u>Provision for Close-down and Restoration cost</u>

  The provision for close-down and restoration costs was impacted by the following movements during the year ended 31 December 2006:
  - A R91 million increase due to a revised present closure obligation and an expected earlier start of the closure program as a result of the revised life-of-mine.
  - A decrease in the discount rate from 2.9% to 2.4% resulted in a R13 million increase in the provision.
  - A change in the estimate of closure costs whereby provision is no longer made for severance costs associated with mine closure, resulted in a R85 million decrease of the provision.
  - Finance charges (unwind of discount) through the income statement resulted in an increase of R30 million in the provision.

EARNINGS PER SHARE	**2006**	2005
	R'000	R'000
Reconciliation of net profit/(loss) for earnings per share		
Net profit/(loss) attributable to equity holders from continuing operations	**483 504**	(87 412)
Loss attributable to equity holders from discontinued operations	**(16 158)**	(5 818)
Net profit/(loss) attributable to equity holders	**467 346**	(93 230)
Interest on convertible redeemable debentures	**-**	106 433
Net profit attributable to ordinary shareholders from diluted earnings per share	**467 346**	13 203
Reconciliation of weighted average number of ordinary shares		
Weighted average number of ordinary shares for basic earnings per share	**36 188**	28 450
Effect of dilution : Convertible redeemable debentures	**-**	24 998
Adjusted weighted average number of ordinary shares	**36 188**	53 448

RECONCILIATION OF HEADLINE EARNINGS	Profit/ (loss) before tax	Taxation and lease consideration	Profit/(loss) after tax
Year ended 31 December 2006			
Profit/ (loss) per income statement	**737 589**	**(270 243)**	**467 346**
Profit on disposal of fixed assets	**(3 631)**	**1 183**	**(2 448)**
Impairment charges – ZBS	**23 969**	**(7 811)**	**16 158**
Headline profit/(loss)	**757 927**	**(276 871)**	**481 056**
Year ended 31 December 2005			
Profit/ (loss) per income statement	(86 537)	(6 693)	(93 230)
Profit on disposal of fixed assets	(4 014)	-	(4 014)
Profit on ZBS sale	685	-	685
Headline profit/(loss)	(89 866)	(6 693)	(96 559)
Headline earnings / (loss) per share – 2006	**1 329c**		
Headline earnings / (loss) per share - 2005	(339)c		

NET DEBT	Effective interest rate %	Maturity	**2006**	2005
			R'000	R'000
Non-current				
Senior Term Facility	Libor+2.3%/Jibar+2.65%	30.06.13	**583 954**	557 376
Convertible debentures	Jibar+5%	16.09.06	**-**	418 340
Rio Tinto unsecured loan	Libor+5%		**732 795**	665 070
Rio Tinto secured loan	Libor+5%		**164 006**	-
Wesbank - Finance lease	Prime – 1.85%	08.08.09	**8 715**	-
			1 489 470	1 640 786
Current				
Convertible debentures	Jibar+5%	16.09.06	**-**	393 730
Senior Term Facility	Libor+2.3%/Jibar+2.65%	30.06.13	**82 070**	142 156
Revolving credit facility	Libor+2.3%/Jibar+2.65%		**99 754**	94 925
Rio Tinto secured loan	Libor+5%		**-**	148 849
Wesbank - Finance lease	Prime – 1.85%	08.08.09	**3 430**	-
			185 254	779 660
Total borrowings			**1 674 724**	2 420 446
Cash and cash equivalents			**(670 336)**	(202 279)
Net debt			**1 004 388**	2 218 167
Total equity			**(247 554)**	(514 929)

SHARE CAPITAL, SHARE PREMIUM AND OTHER RESERVES	Share Capital	Share premium	Retained earnings	Other	**Total**
	R'000	R'000	R'000	R'000	R'000
Balance at 1 January 2005	28 316	575	195 730	79 046	303 667
Fair value on available-for-sale investments	-	-	-	55 043	55 043
Currency translation differences	-	-	-	2 953	2 953
Conversion of debentures	1 246	36 149	-	-	37 395
Net loss on cash flow hedges	-	-	-	(867 518)	(867 518)
Hedge loss recycled to profit and loss	-	-	-	46 761	46 761
Net loss for the year	-	-	(93 230)	-	(93 230)
Balance at 31 December 2005	29 562	36 724	102 500	(683 715)	(514 929)
Fair value on available-for-sale investments	-	-	-	**62 871**	**62 871**
Currency translation differences	-	-	-	**22 928**	**22 928**
Conversion of debentures	**18 775**	**544 490**	-	-	**563 265**
Net loss on cash flow hedges	-	-	-	**(2 664 895)**	**(2 664 895)**
Hedge loss recycled to profit and loss	-	-	-	**1 032 321**	**1 032 321**
Tax on items directly taken to equity	-	-	-	**796 440**	**796 440**
Actuarial loss on defined benefit plans	-	-	-	**(12 901)**	**(12 901)**
Net profit for the year	-	-	**467 346**	-	**467 346**
Balance at 31 December 2006	**48 337**	**581 214**	**569 846**	**(1 446 951)**	**(247 554)**

HEDGE BOOK	**Maturity Year**	**Quantity (t)**	**Average hedged price ZAR/t**	**Hedged value R'000**	**Mark to market loss R'000**
	2007	48 810	20 993	1 024 683	1 128 013
	2008	39 885	19 680	784 926	872 839
	2009	22 260	15 739	350 351	202 883
	2010	22 179	15 739	349 076	62 161
	2011	21 795	15 739	343 033	65 823
	2012	21 072	15 739	331 653	69 884
	2013	14 566	15 739	229 255	51 729
Total		190 567		3 412 977	2 453 332
Less: Non-Current portion					1 410 363
Current portion					1 042 969

SEGMENT REPORTING				
Year ended 31 December 2006	**Copper**	**Industrial Minerals**	**Copper By-Products**	**Total**
Segment Revenue	**3 255 727**	**355 755**	**370 397**	**3 981 879**
Segment Results	**1 221 513**	**25 462**	**176 781**	**1 423 756**
Year ended December 2005				
Segment Revenue	1 855 734	302 574	206 300	2 364 608
Segment Results	99 881	60 603	72 755	233 239

GROUP SELECTED STATISTICS		**2006**	2005
Revenue			
Copper (net of hedge loss)	*R' million*	**3,256**	1,949
By-products	*R' million*	**370**	232

Vermiculite	*R' million*	**356**	277
Net profit/ (loss) before tax	*R' million*	**738**	(75)
Copper			
Ore hoisted	*millions of tonnes*	**10,82**	10,03
Average copper grade	*% Cu*	**0.714**	0.715
Copper in concentrates produced	*'000 of tonnes*	**59,7**	61,2
Cathode produced	*'000 of tonnes*	**81,2**	80,3
LME Copper Price	*USc/lb*	**302.8**	166.9
Average rand/dollar exchange rate	*R/US$*	**6.77**	6.37
Average copper price realised	*R/tonne*	**47,237**	24,188
Average copper price realised	*USc/lb*	**316.5**	169.5
Net cash cost	*R/tonne*	**16,863**	14,382
Net cash cost	*USc/lb*	**112.7**	102.4
Copper Rod			
Unit selling price pre hedge	*USc/lb*	**316.2**	172.1
Unit selling price post hedge	*USc/lb*	**240.1**	167.8
Sales	*tonnes*	**72,590**	69,543
Cathode			
Unit selling price pre hedge (local)	*USc/lb*	**312.1**	168.3
Unit selling price post hedge (local)	*USc/lb*	**237.0**	164.2
Sales (local)	*tonnes*	**6,695**	4,089
Unit selling price pre hedge (export)	*USc/lb*	**345**	170
Unit selling price post hedge (export)	*USc/lb*	**261.8**	166.3
Sales (export)	*tonnes*	**1,701**	5,021
Vermiculite			
Vermiculite sold	*tonnes*	**181,422**	171,097
Average vermiculite prices realised	*R/tonne*	**1,547**	1,404
Operational cash cost	*R/tonne*	**401.6**	325.9
Magnetite			
Magnetite sold	*tonnes*	**1,021,887**	759,203
Average magnetite prices realised	*R/tonne*	**215**	127
Imported concentrate			
Volumes	*Tonnes copper*	**16,625**	24,530
Cost	*R' million*	**753.6**	531.4
Unit purchased price	*R/tonne of copper*	**45,328**	21,664
Marginal ore concentrate			
Volumes	*Tonnes copper*	**8,765**	8,121
Cost	*R' million*	**259.3**	137.1
Unit purchased price	*R/tonne of copper*	**29,579**	21,664
Costs			
Production cost (excluding concentrate purchases)	*R' million*	**1,400.5**	874.8
Cost of sales	*R' million*	**2,362.1**	1,740.2
Capital expenditure and commitments			
Capital expenditure	*R' million*	**144**	136
Approved expenditure at end of each year	*R' million*	**194**	108
Contracts placed at end of each year	*R' million*	**33**	27
Investments			
Fair value of unlisted investments	*R' million*	**276**	211