Rio Tinto

Palabora Mining
Company Limited and its Subsidiaries

(a member of the Rio Tinto Group)

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

REVIEWED PROVISIONAL RESULTS AND DIVIDEND ANNOUNCEMENT

for the year ended 31 December 2009

COMMENTARY

Overview

Commenting on the full year results for Palabora, Managing Director Matthew Gili said, "Palabora's profit in 2009 is pleasing in light of the global financial crisis."

"Gross revenue was lower in 2009 compared with 2008 because of a 37% decrease in copper prices which was partially offset by a 35% increase in magnetite sales over 2008 and a 42% increase in magnetite pricing. In addition, net revenue was positively impacted by the reduction in hedge related costs.

Mr. Gili said repairs and maintenance in several mine production centers along with an increase in purchased cathode lead to higher cost of sales and increased production and sales of magnetite lead to an increase in selling and distribution costs.

"We remain cautiously optimistic markets will continue to strengthen in 2010, with demand for Copper and Magnetite remaining buoyant," Mr. Gili said.

The senior term facility was settled in 2009 with the final repayment of R80 million. The Company has outstanding debt totaling R102 million on its revolving credit facility.

A contractor at Palabora lost his life during 2009. Palabora is saddened by the fatality and management continues to focus its efforts to ensure a safe working environment by increasing management visibility and continued engagement and education of the work force about accepting personal responsibility towards safety.

The Board declared a dividend of R6.20 per share.

Group financial results

For the year ended	**Reviewed 31 December 2009**	Audited 31 December 2008
Net profit for the year	R284 million	R720 million
Basic earnings per share	587 cents	1 489 cents
Earnings before interest, income tax, depreciation and amortisation (EBITDA)	R1 128 million	R1 308 million
Headline earnings (note 8)	R289 million	R721 million
Headline earnings per share	598 cents	1 493 cents
Net cash (excluding hedge) (note 12)	R1 292 million	R555 million
Dividend per share (declared)	R6.20	R0.82

Net profit

The net profit for the year decreased from R720 million in 2008 to R284 million in 2009, or 1 489 cents per share in 2008 compared with 587 cents per share for 2009. Headline earnings per share also decreased from 1 493 cents per share in 2008 to 598 cents per share in 2009.

Sales revenue

Sales of products decreased by R352 million (6%) to R5 831 million in 2009, mainly as a result of the following:

- Lower average copper prices realised which resulted in a decrease of R1 320 million in sales (the realised average copper price was 231 USc/lb in 2009 compared with 317 USc/lb in 2008);
- A decrease of 26% in other by-products sales of R62 million from R238 million in 2008 to R176 million in 2009, mainly due to reduced industrial demand for sulphuric acid; and
- A decline of R13 million in sales due to vermiculite sales volumes decreasing by 3% from 188 825 tonnes in 2008 to 183 264 tonnes in 2009;

The decreases were partially offset by:

- An increase in sales of R395 million as a result of higher magnetite sales volumes. In 2009 magnetite sold were 2 569 thousand tonnes, a 35% increase compared with 1 899 thousand tonnes in 2008;
- Higher magnetite and vermiculite prices increased sales by R319 million and R24 million respectively. Magnetite prices increased due to changes in terms of sale from Freight-on-Board (FOB) to Cost-Freight-Insurance (CFI)/ Cost-Freight-Rail (CFR) for exported magnetite;
- Higher realised copper premiums increased revenue by R145 million;
- A marginal increase in cathode and copper rod sales volumes from 75 594 tonnes in 2008 to 76 673 tonnes in 2009 contributed an additional R83 million in revenue; and
- The weakening of the average Rand/US$ exchange rate for the year from 8.26 in 2008 to 8.33 in 2009 increased sales by R77 million.

Product sales as a % of total sales	**2009**	2008
Copper	64%	78%
Industrial minerals (vermiculite)	7%	6%
Magnetite	26%	12%
Other by-products	3%	4%
Total	**100%**	100%

The Group achieved an average realised selling price (post hedge) for copper rod and cathode of R36 307 per tonne (2008: R40 426) and R44 249 per tonne (2008: R40 433) respectively.

The sales revenue was further positively impacted by lower realised hedging losses resulting from the contractual reduction in the swap settlement terms from 42 thousand tonnes of copper in 2008 to 22 thousand tonnes in 2009. This resulted in a R1 031 million reduction in swap settlement costs in 2009.

Production and sales volumes

Copper cathode produced for sale decreased 9% from 75.9 thousand tonnes in 2008 to 69.4 thousand tonnes in 2009. Copper sales volumes increased 2.3% from 85 thousand tonnes in 2008 to 87 thousand tonnes in 2009. Magnetite sales volumes increased 35% from 1 898 thousand tonnes in 2008 to 2 568 thousand tonnes in 2009. Acid sales volumes decreased 22% from 109 thousand tonnes in 2008 to 85 thousand tonnes in 2009.

Cost of sales

The Group adopted a cost containment and cash flow preservation strategy in response to the world economic recession. Discretionary spending was curtailed and new labour recruits restricted to critical areas only. The total Group cost of sales increased by 13%, from R2 761 million in 2008 to R3 106 million in 2009. The increase in cost of sales was largely impacted by:

- An increase in cathodes purchased. In light of production difficulties faced during the second half of the year, 7 085 tonnes of cathodes were purchased at a cost of R343 million, of which 6 231 tonnes were converted into rod and 854 tonnes were sold directly. In 2008 Palabora purchased 753 tonnes of copper cathode at a cost of R49 million.
- Increased plant maintenance costs. Plant breakdown-related expenses increased repairs and maintenance costs by 8% to R645 million in 2009 compared with R595 million in 2008. This was as a result of smelter breakdowns, failure on one of the auto mill motors and a breakdown of the north winder drum;
- Employee costs increased by R84 million, an increase of 12%. Although a hiring freeze of non-critical positions was imposed, the annual salary increase and retention strategies introduced during the previous financial year impacted on the costs;
- Depreciation expense (a non-cash charge) increased by R81 million compared with the 2008 year, representing a 17% increase from R470 million in 2008 to R551 million in 2009. This is attributed to the additions during the second half of 2008 and during the current year, as well as an escalated depreciation factor based on the lower copper yield as was assessed in the annual ore reserve statement at the end of the previous financial year;
- Increases in power tariffs. The 27% tariff increase by Eskom in July 2009 increased costs by R38 million.

Changes in inventory of finished goods and work in progress of R210 million in 2009, compared with a credit of R240 million in 2008, resulted in an increase of R450 million in cost of sales.

The Group saved R509 million on supplementary copper concentrate purchases due to the lower copper prices paid in addition to the 44% reduction in volumes purchased of 8 569 tonnes in 2009 compared with 15 396 tonnes in 2008.

Earnings before interest, income tax, depreciation and amortisation (EBITDA)

The Group achieved earnings before interest, income tax expense, depreciation and amortisation (EBITDA) of R1 128 million in 2009 compared with R1 308 million in 2008. EBITDA is calculated by adding depreciation and amortisation charges (refer to note 4) to the profit before net finance costs and tax as reported on the face of the income statement.

Selling and distribution costs

Selling and distribution costs increased by R599 million. The increase in the selling and distribution costs from R587 million in 2008 to R1 185 million for 2009 is mainly as a result of higher magnetite volumes sold, the change in magnetite shipping terms from FOB to CFI/CFR and increased freight and railage-to-port rates. Administration costs increased by R44 million.

Earnings before Interest and taxes (EBIT)

The Group's profit before interest and tax was R577 million compared with R838 million in 2008, a decrease of R261 million.

Finance costs

Net finance cost increased by R116 million due to higher foreign exchange losses on revaluations of financial instruments.

Income taxes

The effective tax rate increased from 13.3% to 37.3% in 2009 mainly as a result of the tax legislation changes (Royalty Act) that impacted the recognition of deferred tax on the State share in 2008. (Refer to notes 6 & 10).

Cash flow

For the year ended 31 December 2009, the Group recorded net cash inflows of R745 million compared with net cash outflows of R175 million in 2008, mainly due to lower dividend and tax payments, pension fund surplus received, decrease in investing activities due to the postponement of non-critical capital projects until market conditions improve, and lower repayments on borrowings.

Cash generated from operations during the year totalled R1 073 million. After receiving the pension surplus of R241 million, tax payments of R253 million, funding the dividend payments of R119 million, net investing activities of R111 million, repayment of borrowings of R80 million, net interest payments of R6 million and excluding exchange losses of R97 million, the closing cash position was R1 395 million (compared with R747 million in 2008).

Capital investment of R132 million was primarily spent on the underground mine (R65 million), concentrator (R24 million) and the smelter (R26 million). The main capital costs spent in 2009 for the underground mine relate to committed development costs of the Western Extension (R27 million), replacement of 4 LHD's (R15 million) and winder costs (R14 million). The concentrators main capital projects for 2009 consisted of the construction of the south paddock tailings dams (R10 million), re-medial work at the dams (R6 million) and improvements to the Magnetite load out and booster station (R5 million), whilst the smelter's capital costs consisted of statutory replacements of waste heat boilers one and two. The net cash outflow was offset by other investing activities of R22 million.

The R80 million used in financing activities was for the final repayment of the senior term facility.

Net cash

Net cash increased from R555 million in 2008 to R1 292 million in 2009 as a result of an increased emphasis on preserving cash through dedicated focus on the working capital management and efficiency programme. Palabora finally received the employer's portion of the pension fund surplus in October 2009, amounting to R241 milllion.

Black Economic Empowerment (BEE)

It is presently envisaged that 26% of a newly formed, special purpose subsidiary of Palabora, which subsidiary will acquire all or an appropriate part of Palabora's business under the potential broad based BEE transaction ("the transaction"), will be held by a combination of (i) the consortium, (ii) Palabora employees and (iii) a trust established for the communities of the Ba-Phalaborwa area, with the remaining 74% held by Palabora. Mr. George Negota is leading a consortium of entrepreneurs ("the consortium") to acquire an equity interest not exceeding 6%. Due to the potential conflict of interest, Mr. Negota was recused from Board discussions relating to the Transaction at the Board meeting held on 23 February 2009, and resigned from the Board with effect from 24 March 2009.

On 30 April 2009, Palabora signed and submitted a Transaction Framework Agreement (TFA) bearing the signatures of its Broad Based Black Economic Empowerment (BBBEE) partners to the Department of Minerals and Resources (DMR) in Polokwane. The negotiations to finalise terms of the agreement have entered final stages and the new structure is projected to be concluded during 2010.

Declaration of dividend

A cash dividend of R6.20 per share has been declared. Payment in South African Rand will be made on Monday, 8 March 2010 to shareholders recorded in the register of Palabora on 5 March 2010. The last day to trade to qualify for the dividend will be Friday, 26 February 2010 and the shares will trade ex-dividend from Monday, 1 March 2010. Share certificates may not be dematerialised or rematerialised between Monday, 1 March 2010 and Friday, 5 March 2010, both days inclusive.

This financial report does not reflect this dividend payable, which will be recognised in shareholders' equity as an appropriation of retained earnings in the year ending 31 December 2010. Refer to note 14 for details on the dividends paid during the year.

Corporate Governance

Mr. George Negota resigned as a non-executive director and Chairman of the Board, with effect from 24 March 2009 (see BEE).

With effect from 24 March 2009, Mr. Clifford Zungu has been appointed as interim Chairman of the Board. Mr. Zungu has been an independent non-executive director of Palabora since April 2002 and held the chairmanship during the 2006 financial year.

Mr. Clive Latcham resigned as a non-executive director of the Board, with effect from 31 July 2009. With effect from 1 August 2009, Mr. Lindsay Kirsner was appointed as a non-executive director of the Board. Mr. Kirsner has in excess of 19 years mining industry experience in a range of roles in mineral exploration, business development, resource development and projects. Mr. Kirsner holds a science degree (geology & chemistry) and an MBA, both from the University of Melbourne and has been with the Rio Tinto Group since 2000. Presently, he holds the role of Mining Executive, Copper.

Mr. Philip J. Robinson resigned as an alternate non-executive director of the Board, with effect from 18 September 2009. With effect from 21 September 2009, Mrs Jo-Ann S. Yuen was appointed as an alternate non-executive director. Jo-Ann is Australian and was based in Rio Tinto's London office from 2003 to March 2008 and has been based in North America since April 2008. She is currently the Chief Adviser Finance to Rio Tinto Copper group and previously the Chief Financial Officer of Rio Tinto copper projects. Jo-Ann is a chartered accountant with a master of business administration from the University of Western Australia, together with a diploma in applied finance from the Securities Institute of Australia.

At 31 December 2009 the Palabora Board was constituted as follows:

DIRECTORS	ALTERNATE DIRECTORS
1. Clifford N. Zungu (Chairman)	-
2. Matthew D. Gili (Managing Director)*+	-
3. Charles A. Asubonten +	-
4. Shelley Thomas	-
5. Johan C. Posthumus	-
6. Kay S. Priestly+	Jo-Ann S. Yuen^
7. Lindsay W. Kirsner^	Coen H. Louwarts#

* Executive Directors +American ^ Australian # Dutch

The following changes occurred since 31 December 2009:
Mr. Charles A. Asubonten's secondment contract as Chief Financial Officer from Rio Tinto to the Company ended on 31 December 2009. Charles remains a board member until further notice. With effect from 1 January 2010, Mr. Marshall Bruce Snyder has been appointed in the interim as acting Chief Financial Officer whilst a comprehensive recruitment process for a suitable candidate is undertaken. Bruce is American and was based in Rio Tinto's Salt Lake City office from 2002. He is currently a Business Development Executive for Rio Tinto in the Copper Group. He has had previous Finance, Accounting, Treasury and Investor relations roles with several New York Stock Exchange publicly held real estate operating companies. Bruce holds BBA Accounting and MBA Finance and Investment degrees from the George Washington University.

During his tenure, Charles Asubonten focused on value and risk management in improving the balance sheet of Palabora. He was instrumental in the initial structuring of a Black Economic Empowerment transaction to fit the economics of Palabora, surrounding communities, and the employees.

Commenting on Charles' tenure as CFO, Clifford Zungu, Chairman of the board stated: "Charles leaves behind an improved balance sheet with an enhanced cash position and we appreciate his efforts."

With effect from 11 January 2010, Mr. Ray Abrahams and Ms Francine Ann du Plessis were appointed as Independent Non Executive Directors. He joins the Company with significant practical experience in operations, design, construction, maintenance and projects within the mechanical engineering fields of opencast mining, petrochemical, utilities and manufacturing industries. Mr. Abrahams is a member of several professional organizations including the Institute of Directors, Engineering Council of South Africa, Black Management Forum and Future Leaders Forum. He holds a BSc (Mech Eng) from Wits University, He is a registered professional engineer and also holds Government Certificates of Competency in Mining and Factories from the Departments of Labor and Minerals and Energy respectively. Ms. Du Plessis joins the Company with extensive experience as a Director. She has held several positions as director as well as serving on Board committees in many listed and non listed companies including SAA (Pty) Ltd, KWV Limited, Sanlam Limited, Naspers Limited. She was admitted as an Advocate of the High Court of South Africa (Cape Town) in 1994 and she was a Senior Lecturer at the University of Stellenboch, Department of Accounting Faculty of Commerce and Department of Commercial Law, Faculty of Law in 1985 to 1993. Ms. Du Plessis is a qualified Chartered Accountant and holds B Comm (Hons) (Taxation), LLB, and B Comm (Law) degrees from the University of Stellenbosch.

Appreciation

Once again we offer our thanks and appreciation to all stakeholders for their continued assistance in Palabora's quest to deliver value.

CN Zungu	**MD Gili**	**MB Snyder**
Chairman	***Managing Director***	***Chief Financial Officer (Acting)***

8 February 2010

REVIEWED PROVISIONAL CONDENSED GROUP RESULTS

CONDENSED CONSOLIDATED INCOME STATEMENT

for the year ended 31 December 2009

	Note	**Reviewed 31 December 2009 R'000**	Audited 31 December 2008 R'000
Sales of products		**5 830 552**	6 183 013
Hedge loss realised		**(546 677)**	(1 578 433)
Revenue		**5 283 875**	4 604 580
Cost of sales		**(3 105 894)**	(2 760 701)
Gross Profit		**2 177 981**	1 843 879
Other income		**70 569**	83 844
Exploration cost	2	**(17 866)**	(3 283)
Impairment loss	3	**(8 830)**	-
Selling and distribution costs		**(1 185 195)**	(586 595)
Administration expenses		**(447 708)**	(403 734)
Other expenses		**(11 930)**	(96 007)
Profit before net finance costs and tax	4	**577 021**	838 104
Finance costs - Net	5	**(123 671)**	(8 024)
Finance cost		**(189 743)**	(126 284)
Finance income		**66 072**	118 260
Profit before income tax		**453 350**	830 080
Income tax expense	6	**(169 513)**	(110 541)
Profit for the year		**283 837**	719 539
Profit attributable to:			
Equity holders of parent		**283 837**	719 539
Earnings per share from continuing operations attributable to the equity holders of the company during the year (expressed in cents per share):			
- Basic and diluted earnings per share	7	**587c**	1 489c

The notes on pages 11 to 23 are an integral part of these provisional condensed group results.

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
for the year ended 31 December 2009

	Note	**Reviewed 31 December 2009 R'000**	Audited 31 December 2008 R'000
Profit for the year		**283 837**	719 539
Other comprehensive (loss) / income:			
Available-for-sale investments:			
- Valuation gain / (loss) taken to equity		**16 348**	(11 811)
Exchange differences on translation of foreign operations		**(35 749)**	14 919
Cash flow hedges:			
- (Loss) / profit arising during the year		**(2 100 197)**	276 040
- Hedge ineffectiveness		**2 840**	86 741
- Transferred to profit or loss for the year		**546 677**	1 578 433
Actuarial gain / (loss) on defined benefit plans		**4 546**	(2 491)
Income tax relating to components of other comprehensive income	6	**408 559**	(688 925)
Other comprehensive (loss) / income for the year, net of tax		**(1 156 976)**	1 252 906
Total comprehensive (loss) / income for the year		**(873 139)**	1 972 445
Total comprehensive (loss) / income attributable to:			
Equity holders of the parent		**(873 139)**	1 972 445

The notes on pages 11 to 23 are an integral part of these provisional condensed group results.

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
as at 31 December 2009

	Note	**Reviewed 31 December 2009 R'000**	Audited 31 December 2008 R'000
Assets			
Non-current assets		**4 252 699**	4 226 751
Property, plant and equipment	9	**2 990 083**	3 413 767
Intangible assets		**4 871**	4 105
Other financial assets		**360 383**	313 988
Deferred income tax asset	10	**897 362**	494 891
Current assets		**2 755 215**	2 357 953
Stores		**115 226**	115 416
Product inventories		**618 713**	837 059
Trade and other receivables		**626 286**	658 464
Cash and cash equivalents	12	**1 394 990**	747 014
Total assets		**7 007 914**	6 584 704
Equity			
Equity attributable to owners of parent			
Share capital and premium		**629 551**	629 551
Other reserves		**(2 150 042)**	(923 910)
Retained earnings		**3 200 071**	2 966 385
Total equity		**1 679 580**	2 672 026
Non-current liabilities		**3 692 211**	2 775 816
Derivative financial instrument	11	**2 334 899**	1 363 206
Provisions:			
- Close-down and restoration costs		**432 526**	391 330
- Post retirement medical benefits		**157 334**	154 603
Deferred income tax liabilities	10	**767 452**	866 677
Current liabilities		**1 636 123**	1 136 862
Trade and other payables		**426 833**	451 771
Derivative financial instrument	11	**877 403**	321 348
Borrowings	12	**102 871**	192 015
Current income tax liabilities		**66 790**	56 862
Related party payables		**162 226**	114 866
Total liabilities		**5 328 334**	3 912 678
Total equity and liabilities		**7 007 914**	6 584 704

The notes on pages 11 to 23 are an integral part of these provisional condensed group results.

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

for the year ended 31 December 2009

	Attributable to owners of the parent				
	Share Capital R'000	**Share premium R'000**	**Retained earnings R'000**	**Other Reserves R'000**	**Total R'000**
Balance at 1 January 2008	48 337	581 214	2 398 853	(2 179 307)	849 097
Total comprehensive income for the year	-	-	717 048	1 255 397	1 972 445
Profit for the year	-	-	719 539	-	719 539
Other comprehensive income:					
Revaluation of available-for-sale investments	-	-	-	(11 811)	(11 811)
Currency translation differences	-	-	-	14 919	14 919
Net gain on cash flow hedges	-	-	-	276 040	276 040
Hedge loss recycled to profit and loss	-	-	-	1 578 433	1 578 433
Over hedged ineffectiveness	-	-	-	86 741	86 741
Actuarial loss on defined benefit plan	-	-	(2 491)	-	(2 491)
Tax on other comprehensive income Items	-	-	-	(688 925)	(688 925)
Dividends paid	-	-	(149 846)	-	(149 846)
Unclaimed dividends	-	-	330	-	330
Balance at 31 December 2008	**48 337**	**581 214**	**2 966 385**	**(923 910)**	**2 672 026**
Total comprehensive income/(loss) for the year	**-**	**-**	**287 110**	**(1 160 249)**	**(873 139)**
Profit for the year	**-**	**-**	**283 837**	**-**	**283 837**
Other comprehensive income:					
Revaluation of available-for-sale investments	**-**	**-**	**-**	**16 348**	**16 348**
Currency translation differences	**-**	**-**	**-**	**(35 749)**	**(35 749)**
Net loss on cash flow hedges	**-**	**-**	**-**	**(2 100 197)**	**(2 100 197)**
Hedge loss recycled to profit and loss	**-**	**-**	**-**	**546 677**	**546 677**
Over hedged ineffectiveness	**-**	**-**	**-**	**2 840**	**2 840**
Actuarial gain on defined benefit plan	**-**	**-**	**4 546**	**-**	**4 546**
Tax on other comprehensive income Items	**-**	**-**	**(1 273)**	**409 832**	**408 559**
Dividends paid	**-**	**-**	**(119 394)**	**-**	**(119 394)**
Unclaimed dividends	**-**	**-**	**1 335**	**(1 248)**	**87**
Transfer of deferred tax on items included in other reserves	**-**	**-**	**64 635**	**(64 635)**	**-**
Balance at 31 December 2009	**48 337**	**581 214**	**3 200 071**	**(2 150 042)**	**1 679 580**

The notes on pages 11 to 23 are an integral part of these provisional condensed group results.

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

for the year ended 31 December 2009

	Note	**Reviewed 31 December 2009 R'000**	Audited 31 December 2008 R'000
Cash flows from operating activities		**936 527**	404 091
Cash generated from operating activities		**1 072 899**	868 484
Pension fund surplus received		**241 293**	-
Interest paid		**(35 288)**	(31 791)
Interest received		**29 738**	91 180
Dividends paid	14	**(119 394)**	(149 846)
Income tax paid		**(252 721)**	(373 936)
Cash flows from investing activities		**(111 093)**	(295 418)
Acquisition of property, plant and equipment	9	**(131 532)**	(308 262)
Acquisition of intangible assets		**(2 286)**	(4 656)
Proceeds on disposal of property, plant and equipment		**258**	1 256
Invested in available-for-sale financial assets		**(30 048)**	(10 467)
Interest received		**27 137**	23 802
Dividends received		**25 378**	2 909
Cash flows from financing activities		**(79 947)**	(283 479)
Borrowings repaid		**(79 947)**	(283 479)
Net increase / (decrease) in cash and cash equivalents		**745 487**	(174 806)
Cash and cash equivalents at beginning of year		**747 014**	841 110
Effects of exchange rate changes on the balance of cash held in foreign currencies		**(97 511)**	80 710
Cash and cash equivalents at end of year	12	**1 394 990**	747 014

The notes on pages 11 to 23 are an integral part of these provisional condensed group results.

CORPORATE INFORMATION

Palabora extracts and beneficiates copper, magnetite and vermiculite from its mines in the Limpopo Province. It is the primary aim of the Company, a member of the worldwide Rio Tinto Group, to achieve excellence in all aspects of its activities and to develop the Company's resources and assets in a socially and environmentally responsible way for the maximum benefit of its shareholders, employees, customers and the community in which it operates. It is the Company's firm belief that efficient and profitable operations go hand-in-hand with high quality products and comprehensive and effective safety, health and environmental protection programmes.

The condensed consolidated provisional financial statements of Palabora for the year ended 31 December 2009 were authorised for issue in accordance with a resolution of the Board of Directors passed on 8 February 2010.

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

NOTES TO THE PROVISIONAL RESULTS

1. BASIS OF PREPARATION AND ACCOUNTING POLICIES

Basis of preparation
The condensed consolidated provisional financial report for the year ended 31 December 2009 has been prepared in compliance with the South African Companies Act, 61 of 1973, as amended, the Listings Requirements of the JSE Limited and International Accounting Standard 34 (Interim Reporting). The condensed consolidated provisional financial report has been prepared in accordance with International Financial Reporting Standards.

Audit review
The provisional financial statements have been reviewed by the company's auditors, PricewaterhouseCoopers Inc. Their unmodified review opinion is available for inspection at the company's registered office.

Significant accounting policies
The condensed consolidated financial report has been prepared in accordance with the historical cost convention except for certain financial instruments, which are stated at fair value, and is presented in Rand, which is Palabora's functional and presentation currency.

Except as disclosed below, the accounting policies and methods of computation and presentation applied in the preparation of the condensed consolidated provisional financial report are consistent with those applied in the most recent audited annual financial statements for the year ended 31 December 2008.

The following new standards and amendments to standards are mandatory for the first time for the financial year beginning 1 January 2009.

- IAS 1 (revised), 'Presentation of financial statements'. The revised standard prohibits the presentation of items of income and expenses (that is 'non-owner changes in equity') in the statement of changes in equity, requiring 'non-owner changes in equity' to be presented separately from owner changes in equity. All 'non-owner changes in equity' are required to be shown in a performance statement.

  Entities can choose whether to present one performance statement (the statement of comprehensive income) or two statements (the income statement and statement of comprehensive income). The group has elected to present two statements: an income statement and a statement of comprehensive income.

- IFRS 8, ‘Operating segments’. IFRS 8 replaces IAS 14, ‘Segment reporting’. It requires a ‘management approach’ under which segment information is presented on the same basis as that used for internal reporting purposes. This has resulted in an increase in the number of reportable segments presented, as the previously reported Copper by-products segment has been split into Joint-products: Magnetite, and By-products: Other segments. Magnetite has changed from a by-product to a joint-product due to the increase in sales value year on year. The costs for the mining and relevant concentrate processes were allocated on an equivalent revenue per unit basis. The comparatives were updated to reflect this change. Operating segments are reported in a manner consistent with the internal reporting provided to the executive directors. The chief operating decision-maker has been identified as the executive directors, assisted by the general managers.
- IFRS 7 (amendment), ‘Amendments to IFRS 7 – Financial Instruments disclosures: Improving disclosures about financial instruments’. The improved disclosures will effectively be seen in the annual financial statements for the year ended 31 December 2009.
- Annual improvement project: 26 November 2009. Various changes to the different standards, will only impact on disclosures in the annual report of the financial year ended 31 December 2009.

The following new standards, amendments to standards and interpretations are mandatory for the first time for the financial year beginning 1 January 2009, but are not currently relevant for the group:

- IAS 23 (amendment), ‘Borrowing costs - Revised’;
- IFRS 2 (amendment), ‘Amendment to IFRS 2 Share-based payment: Vesting conditions and cancellations’;
- IAS 32 and IAS 1 (amendment), ‘Amendment to IAS 32 Financial instruments: Presentation and IAS 1 Presentation of financial statements – Puttable Financial Instruments and Obligations Arising on Liquidation’;
- IFRS 1 and IAS 27 (amendment), ‘Amendment to IFRS 1 First-time adoption of International Financial Reporting Standards and IAS 27 Consolidated and separate Financial Statements: Cost of an Investment in a Subsidiary, Jointly Controlled Entity or Associate’;
- IFRIC 13, ‘Customer loyalty programmes’;
- IFRIC 15, ‘Agreements for the construction of real estate’;
- IFRIC 16, ‘Hedges of a net investment in a foreign operation’;
- IFRS 3, Amendment, ‘Business combinations and consequential amendments’;
- IFRIC 12, ‘Service concession arrangements.

The Group has early adopted the Improvements to IFRS 8 - Operating Segments where a measure of segment assets is only required to be disclosed if the measure is regularly provided to the chief operating decision maker.

Changes in estimates

Post retirement medical liability

The cost of post employment medical benefits is determined using actuarial valuations. The actuarial valuation involves making assumptions about discount rates, mortality rates and income at retirement. Due to the long term nature of these plans, such estimates are subject to significant uncertainty. The net employee liability at 31 December 2009 is valued at R157 million compared with R155 million at 31 December 2008. The main assumptions are summarised below:

Valuation Date	31 December 2009	31 December 2008
Discount Rate	9.50% p.a.	9.00% p.a.
Health Care Cost Inflation	8.00% p.a.	7.50% p.a.
CPI Inflation	6.00% p.a.	5.50% p.a.
Expected Retirement Age	58	58
Membership Discontinued at Retirement	0%	0%

The valuation resulted in an actuarial gain of R4.5 million before tax (2008: R2 million loss) being recognised in the statement of comprehensive income.

Provision for Close-down and Restoration cost

The provision for close-down and restoration costs was impacted by the following movements during the year ended 31 December 2009:

- A R1 million increase due to a revised present closure obligation;
- An increase in the long-term inflation rate from 5.8% to 7.1% resulted in a R2 million increase in the provision; and
- Finance charges (unwinding of discount) through the income statement resulted in an increase of R38 million in the provision.

Presentation changes

Related parties

Key management, as referred to in *IAS 24 Related Party Disclosures,* has been identified as the executive directors. Disclosures were updated to reflect this change.

Income statement

Dividends received on the available-for-sale asset of R2 909 thousand, which was presented as part of “Finance income” in the previous year, was reclassified and reflected as part of “Other income” on the income statement in line with *IAS18 Revenue recognition*. This resulted in a change in previous reported amounts on the face of the income statement as follows:

	As reported currently R’000	**As reported previously** R’000
For the year ended 31 December 2008		
Other income	**83 844**	80 935
Profit before tax and net finance costs	**838 104**	835 195
Finance cost – net	**(8 024)**	(5 115)
Finance Income	**118 260**	121 169

Statement of cash flow

The effects of the exchange rate changes on the balance of cash flow held in foreign currencies is now separately disclosed from the net increase / (decrease) in cash in cash equivalents as per *IAS 7 Statement of cash flows* requirement.

This presentation change only effects the statement of cash flow, as follows:

	31 December 2009 R’000	31 December 2008 R’000
Cash flows from operating activities – as previously reported	**839 016**	484 801
Effects of exchange rate change on the balance of cash held in foreign currencies	**97 511**	(80 710)
Cash flows from operating activities – restated	**936 527**	404 091
Cash generated from operating activities – as previously reported	**975 388**	949 194
Effects of exchange rate change on the balance of cash held in foreign currencies	**97 511**	(80 710)
Cash generated from operating activities - restated	**1 072 899**	(868 484)

Net increase/ (decrease) in cash and cash equivalents – as previously reported	**647 976**	(94 096)
Effects of exchange rate change on the balance of cash held in foreign currencies	**97 511**	(80 710)
Net increase/ (decrease) in cash and cash equivalents activities – restated	**745 487**	(174 806)

Property, plant and equipment note

The asset categories disclosed in the property, plant and equipment note were changed from "Mine development and infrastructure" and "Land, mineral rights and rehabilitation assets" to the following categories listed below, as it is believed it improves the quality of the notes to the annual financial statement:

- Land and buildings;
- Plant and equipment;
- Capital works in progress; and
- Decommissioning asset.

This disclosure change does not have any effect on the carrying value of property, plant and equipment. See note 9 for details.

2. EXPLORATION COST

	Year ended 31 December 2009 R'000	Year ended 31 December 2008 R'000
Exploration cost	**(17 866)**	(3 283)

The exploration costs refer to expenditure incurred on the Lift II pre-feasibility drilling. The area known as Lift II is the copper mineralisation area below the current footprint. This area is very large and requires considerable diamond drilling to confirm its tonnage and grade. The Lift II area has the potential to add at least ten years to the life of mine.

3. IMPAIRMENT LOSS

	Year ended 31 December 2009 R'000	Year ended 31 December 2008 R'000
Impairment loss	**(8 830)**	-

A write off of unrecoverable costs accumulated up to date on the magnetite feasibility project relating specifically to the pipeline study, was recognised during the year.

4. OPERATING PROFIT

	Reviewed 31 December 2009 R'000	Audited 31 December 2008 R'000
Operating profit is stated after charging:		
Depreciation on property, plant and equipment	**(549 404)**	(469 068)
Amortisation on intangible assets	**(1 520)**	(551)
Employee benefit expense	**(788 056)**	(704 510)

5. NET FINANCE COST

	Reviewed 31 December 2009 R'000	Audited 31 December 2008 R'000
Finance cost	**(189 743)**	(126 284)
Interest expense on borrowings	**(35 288)**	(31 791)
Unwinding of discount on close-down and restoration costs	**(38 177)**	(26 899)
Net foreign exchange loss	**(116 278)**	(67 594)
Finance income	**66 072**	118 260
Interest income on short-term bank deposits	**29 736**	45 361
Interest income on pension surplus fund	**22 547**	23 802
Interest income on available-for-sale financial asset	**4 590**	3 279
Interest income on accounts receivable balances	**2**	427
Net foreign exchange gain	**9 197**	42 942
Other finance income	**-**	2 449
Net finance cost	**(123 671)**	(8 024)

6. INCOME TAX

The effective tax rate increased from 13.3% at 31 December 2008 to 37.3% at 31 December 2009.

The major components of income tax expense in the consolidated income statement are:

	Reviewed 31 December 2009 R'000	Audited 31 December 2008 R'000
Current income tax		
South African		
- Mining tax: current period	**(243 435)**	(284 847)
- Mining tax: prior period	**355**	4 267
- Non-mining tax: current period	**(7 599)**	(8 784)
- Non-mining tax: prior period	**-**	(2 040)
Foreign		
- Current taxation	**(11 970)**	(19 657)
Deferred income tax		
Relating to origination and reversal of temporary differences :		
- South African	**93 413**	200 456
- Foreign	**(277)**	64
Income tax expense reported in the income statement	**(169 513)**	(110 541)

The tax (charge)/credit relating to components of other comprehensive income are as follows:

	Before tax R'000	Tax (charge) / credit R'000	After tax R'000
Year ended 31 December 2009			
Available-for-sale investments:			
- Valuation gain / (loss) taken to equity	**16 348**	**(4 578)**	**11 770**
Exchange differences on translation of foreign operations	**(35 749)**	**-**	**(35 749)**
Cash flow hedges	**(1 550 680)**	**414 410**	**(1 136 270)**
Actuarial gain / (loss) on defined benefit plans	**4 546**	**(1 273)**	**3 273**
Other comprehensive income	**(1 565 535)**	**408 559**	**(1 156 976)**
Current tax		**-**	
Deferred tax		**408 559**	
Income tax relating to components of other comprehensive income		**408 559**	
Year ended 31 December 2008			
Available-for-sale investments:			
- Valuation gain / (loss) taken to equity	(11 811)	-	(11 811)
Exchange differences on translation of foreign operations	14 919	-	14 919
Cash flow hedges	1 941 214	(688 925)	1 252 289
Actuarial gain / (loss) on defined benefit plans	(2 491)	-	(2 491)
Other comprehensive income	1 941 831	(688 925)	1 252 906
Current tax		-	
Deferred tax		(688 925)	
Income tax relating to components of other comprehensive income		(688 925)	

7. EARNINGS PER SHARE

	Reviewed 31 December 2009 R'000	Audited 31 December 2008 R'000
Reconciliation of net profit for earnings per share		
Net profit attributable to equity holders from continuing operations	**283 837**	719 539
Net profit attributable to ordinary shareholders from basic and diluted earnings per share	**283 837**	719 539
Reconciliation of weighted average number of ordinary shares		
Weighted average number of ordinary shares for basic and diluted earnings per share	**48 337**	48 337
Earnings per share	**587 cents**	**1 489 cents**

8. RECONCILIATION OF HEADLINE EARNINGS

	Profit before tax R'000	Taxation and lease consideration R'000	Profit after tax R'000
Year ended 31 December 2009			
Net profit per income statement	**453 350**	**(169 513)**	**283 837**
Profit on disposal of property, plant and equipment	**(256)**	**96**	**(160)**
Impairment loss	**8 830**	**(3 302)**	**5 528**
Headline earnings	**461 924**	**(172 719)**	**289 205**
Headline earnings per share			**598 cents**
Year ended 31 December 2008			
Net profit per income statement	830 080	(110 541)	719 539
Loss on disposal of property, plant and equipment	2 208	(294)	1 914
Headline earnings	832 288	(110 835)	721 453
Headline earnings per share			1 493 cents

9. PROPERTY, PLANT AND EQUIPMENT

	Land and buildings R'000	Plant and equipment R'000	Capital work in progress R'000	Decommis-sioning asset R'000	Total R'000
Carrying value – 1 January 2008	211 791	3 085 313	166 749	112 628	3 576 481
Cost	1 061 909	5 134 661	166 749	161 542	6 524 861
Accumulated depreciation	(850 118)	(2 049 348)	-	(48 914)	(2 948 380)
Additions	301	138 791	168 639	1 557	309 288
Disposals	(2)	(3 462)	-	-	(3 464)
Currency translation adjustment	-	530	-	-	530
Depreciation	(30 446)	(427 191)	-	(11 431)	(469 068)
Reclassification	2 241	147 525	(149 766)	-	-
Carrying value – 31 December 2008	**183 885**	**2 941 506**	**185 622**	**102 754**	**3 413 767**
Cost	**1 064 421**	**5 414 791**	**185 622**	**163 099**	**6 827 933**
Accumulated depreciation	**(880 536)**	**(2 473 285)**	**-**	**(60 345)**	**(3 414 166)**
Additions	**214**	**65 375**	**65 910**	**3 019**	**134 518**
Disposals	**(1)**	**-**	**-**	**-**	**(1)**
Impairment loss	**-**	**-**	**(8 830)**	**-**	**(8 830)**
Currency translation adjustment	**-**	**33**	**-**	**-**	**33**
Depreciation	**(29 106)**	**(509 898)**	**-**	**(10 400)**	**(549 404)**
Reclassification	**(643)**	**60 235**	**(69 598)**	**10 006**	**-**
Carrying value – 31 December 2009	**154 349**	**2 557 251**	**173 104**	**105 379**	**2 990 083**
Cost	**1 063 990**	**5 550 440**	**181 934**	**166 118**	**6 962 482**
Accumulated depreciation	**(909 641)**	**(2 993 189)**	**(8 830)**	**(60 739)**	**(3 972 399)**

10. DEFERRED TAX

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred income taxes relate to the same fiscal authority.

Deferred income taxes are calculated at the tax rates prevailing in the different fiscal authorities where the asset or liability originates.

Deferred income tax assets are recognised to the extent that future taxable benefits are generated against which the deferred tax asset can be realised. At 31 December 2009 the company had no unredeemed capital expenditure (2008: nil).

	Reviewed 31 December 2009 R'000	Audited 31 December 2008 R'000
The gross movement on the deferred income tax account is as follows:		
At 1 January	**(371 786)**	116 619
Tax charged to equity	**408 560**	(688 925)
Income statement charge	**93 136**	200 520
Net deferred tax asset/ (liability)	**129 910**	(371 786)
Deferred taxation relating to temporary differences is made up as follows:		
Assets		
Provisions	**77 625**	86 387
Derivative financial instrument	**896 740**	482 330
STC credits	**622**	12 561
Other	**-**	10 768
	974 987	592 046
Liabilities		
Property, plant and equipment	**(841 674)**	(1 071 245)
Change in tax legislation	**-**	107 413
Other	**(3 403)**	-
	(845 077)	(963 832)
Net deferred tax asset/ (liability)	**129 910**	(371 786)
Included in the balance sheet as follows:		
Deferred tax asset	**897 362**	494 891
Deferred tax liability	**(767 452)**	(866 677)
Net deferred tax asset/ (liability)	**129 910**	(371 786)

11. OTHER FINANCIAL LIABILITIES

Derivative Financial Instrument – Cash flow hedge

At 31 December 2009, the Group held a commodity swap contract designated as a hedge of expected future sales under which the Group receives a fixed price in Rand in relation to a monthly notional quantity of copper sales as detailed below and pays a floating price based on the arithmetic average (mean) of the US$ LME Cash Settlement Price. The net receipt/payment is converted to Rand at the average Rand/US$ exchange rate for the calculation period. The cash flows paid under the terms of the hedging instrument are designed to reduce variability in the Rand proceeds of the copper sales as set out in the table below.

A hedge is considered to be highly effective if the results of the retrospective and prospective effectiveness tests are within the range of 80% - 125%. Even if the effectiveness calculation falls within the 80% - 125% range, an ineffectiveness portion may arise if the change in the hedging instrument exceeds the change in the hedged item (over-hedge). The ineffective portion of the change in the fair value of the hedging instrument is recognised directly in the income statement. As at 31 December 2009 the cashflow hedges of the expected future sales were assessed to be highly effective and R2.8 million over-hedged ineffectiveness was recognised in the income statement.

The combined hedged book amounts to 81 480 tonnes of copper for a total amount of R3 212 million as at 31 December 2009 spread over 3.75 years.

The terms of the contracts are as follows:

Table of terms: 2009 **Maturity Year**	**Quantity (t)**	**Average hedged price ZAR/t**	**Hedged value R'000**	**Derivative liability R'000**
2010	22 188	15 739	349 219	**862 803**
2011	21 825	15 739	343 500	**867 077**
2012	21 137	15 739	332 668	**832 824**
2013	16 330	15 739	256 998	**627 851**
	81 480		1 282 385	**3 190 555**
Unamortised component of non-observable inception gain				**21 747**
Total of derivative financial instrument				**3 212 302**
Comprising of:				
Non-current portion				
Derivative financial instrument				**2 327 752**
Unamortised component of non-observable inception gain				**7 147**
Total non-current portion				**2 334 899**
Current portion				
Derivative financial instrument				**862 802**
Unamortised component of non-observable inception gain				**14 601**
Total current portion				**877 403**
Total of derivative financial instrument				**3 212 302**

Table of terms: 2008

Maturity Year	Quantity (t)	Average hedged price ZAR/t	Hedged value R'000	Derivative liability R'000
2009	22 265	15 739	350 427	310 964
2010	22 188	15 739	349 219	336 128
2011	21 825	15 739	343 500	350 372
2012	21 137	15 739	332 668	355 761
2013	16 330	15 739	256 998	283 808
	103 745		1 632 812	1 637 033
Unamortised component of non-observable inception gain				47 521
Total of derivative financial instrument				1 684 554
Comprising of:				
Non-current portion				
Derivative financial instrument				1 326 070
Unamortised component of non-observable inception gain				37 136
Total non-current portion				1 363 206
Current portion				
Derivative financial instrument				310 963
Unamortised component of non-observable inception gain				10 385
Total current portion				321 348
Total of derivative financial instrument				1 684 554

12. NET CASH

	Effective interest rate %	Maturity	**Reviewed 2009 R'000**	Audited 2008 R'000
Current				
Senior Term Facility	Libor+2.0%/ Jibar+2.35%	30.06.2009	**-**	74 351
Revolving credit facility	Libor+2.0%/ Jibar+2.35%	Semi-annually	**102 871**	117 664
Total borrowings			**102 871**	192 015
Cash and cash equivalents			**(1 394 990)**	(747 014)
Net cash			**(1 292 119)**	(554 999)

Net cash consist of borrowings and cash and cash equivalents. It is calculated consistently year on year.

Approximately 54% of the group's existing borrowings is denominated in US$ for a total amount of US$7.5 million. The terms of repayments are consistent with the information disclosed in the December 2008 annual financial statements.

Senior term facility agreement
Total principal repayments of R80 million were made on the senior term facility during the year. This was for the final and complete settlement of the senior term facility balance.

Loan covenants
No defaults were declared.

13. RELATED PARTY TRANSACTIONS

	Reviewed 31 December 2009 R'000	Audited 31 December 2008 R'000
The following transactions were carried out with related parties:		
Recovery of travel and staff costs	**7**	3 695
Purchases of goods and services	**492 810**	170 124
Key management compensation (executive directors)	**10 976**	7 250
Management fee (Rio Tinto London)	**29 076**	26 777

The increase in purchased goods and services is due to the increased use of Rio Tinto Shipping to accommodate the increased magnetite tonnages shipped.

14. DIVIDENDS PAID

The following dividends were paid during the year:

	Reviewed 31 December 2009 R'000	Audited 31 December 2008 R'000
Previous year final dividend:		
82 cents per qualifying ordinary share (2008: 310 cents)	**39 637**	149 846
Interim dividend:		
165 cents per qualifying ordinary share	**79 757**	-
Dividends paid	**119 394**	149 846

15. SEGMENT REPORTING

For management purposes, the Group is organised into operating segments based on the nature of the products and services provided, and has four reportable operating segments as follows:

- Copper – produces and markets refined copper.
- Joint-product: Magnetite – markets processed current arisings and built-up stockpiles of magnetite, a joint-product from the copper mining process.
- By-products: Other – includes anode slimes, sulphuric acid and nickel sulphate.
- Industrial Minerals – produces and markets vermiculite.

Management monitors the operating results of its operating segments separately for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on operating profit or loss which in certain respects, as explained in the table below, is measured differently from operating profit or loss in the consolidated financial statements. Group financing (including finance costs and finance income) and income taxes are managed on a group basis and are not allocated to operating segments.

Transfer prices between operating segments are set on an arm's length basis in a manner similar to transactions with third parties.

Year ended 31 December 2009	**Copper R'000**	**Industrial Minerals R'000**	**Joint-product: Magnetite R'000**	**By-products: Other R'000**	**Total R'000**
Revenue					
Sales to external customers	**3 713 218**	**427 902**	**1 512 965**	**176 467**	**5 830 552**
Hedge loss realised	**(546 677)**	**-**	**-**	**-**	**(546 677)**
Segment Revenue	**3 166 541**	**427 902**	**1 512 965**	**176 467**	**5 283 875**
Results					
Segment results	**300 938**	**40 954**	**90 480**	**128 535**	**560 907**
Unallocated profit before net finance cost and tax					**16 114**
Profit from operations before tax and finance costs					**577 021**
Net finance costs					**(123 671)**
Profit before income tax					**453 350**
Income tax expense					**(169 513)**
Profit for the year					**283 837**

Year ended 31 December 2008	**Copper R'000**	**Industrial Minerals R'000**	**Joint-product: Magnetite R'000**	**By-products: Other R'000**	**Total R'000**
Revenue					
Sales to external customers	4 744 324	411 484	789 580	237 625	6 183 013
Hedge loss realised	(1 578 433)	-	-	-	(1 578 433)
Segment Revenue	3 165 891	411 484	789 580	237 625	4 604 580
Results					
Segment results	450 372	56 559	141 306	189 505	837 742
Unallocated profit before net finance cost and tax					362
Profit from operations before tax and finance costs					838 104
Net finance costs					(8 024)
Profit before income tax					830 080
Income tax expense					(110 541)
Profit for the year					719 539

16. COMMITMENTS

Commitments contracted for at balance sheet date were R93 million (2008: R86 million). Capital expenditure that was approved by the board, but not contracted for at 31 December 2009 amounts to R135 million (2008: R179 million).

17. CONTINGENT LIABILITIES

Various legal matters, including labour cases before the CCMA, are in progress. The potential exposure is approximately R34 million.

18. POST BALANCE SHEET EVENTS

Dividend declaration

The board resolved to declare a dividend of R6.20 per share at a meeting held on 4 February 2010. This financial report does not reflect this dividend payable, which will be recognised in shareholders' equity as an appropriation of retained earnings in the year ending 31 December 2010.

19. GROUP SELECTED STATISTICS

There have been no material changes to the information disclosed in the annual report in compliance with paragraph 8.63(m) for the year ended 31 December 2008.

		2009	2008
Revenue			
Copper (including hedge)	*R' million*	**3 167**	3 166
Copper by-products	*R' million*	**176**	237
Industrial Minerals	*R' million*	**427**	411
Magnetite	*R' million*	**1 513**	790
Net profit before tax	*R' million*	**453**	830
Copper			
Ore hoisted	*millions of tonnes*	**11.54**	11.76
Average copper grade	*% Cu*	**0.611**	0.601
Copper in concentrates produced	*'000 of tonnes*	**76.9**	84.6
Cathode produced	*'000 of tonnes*	**69.4**	75.9
Average copper price realised	*USc/lb*	**230.8**	316.6
LME Copper Price	*USc/lb*	**233.6**	315.5
Average sales rand/dollar exchange rate realised	*R/USD$*	**8.33**	8.26
Spot rand/dollar exchange rate	*R/USD$*	**7.40**	9.37
Average copper price realised (pre-hedge)	*R/tonne*	**47 373**	57 675
Average copper price realised (post-hedge)	*R/tonne*	**44 249**	40 433
Net cash cost	*R/tonne*	**16 855**	18 198
Copper Rod			
Unit selling price pre hedge	*USc/lb*	**232.0**	337.5
Unit selling price post hedge	*USc/lb*	**197.7**	222.0
Sales	*tonnes*	**48 445**	51 954
Cathode			
Unit selling price pre hedge (local)	*USc/lb*	**222.5**	319.5
Unit selling price post hedge (local)	*USc/lb*	**189.6**	211.1
Sales (local)	*tonnes*	**23 202**	15 989
Unit selling price pre hedge (export)	*USc/lb*	**257.0**	169.0
Unit selling price post hedge (export)	*USc/lb*	**219.5**	111.3
Sales (export)	*tonnes*	**5 026**	7 651
Vermiculite			
Vermiculite sold	*tonnes*	**183 264**	188 825
Average vermiculite prices realised	*R/tonne*	**2 352**	2 094
Operational cash cost	*R/tonne*	**782.1**	596.4
Production	*'000 of tonnes*	**2 845**	1 951
Magnetite			
Magnetite sold	*tonnes*	**2 568 564**	1 898 859
Average magnetite prices realised	*R/tonne*	**589**	416
Production	*'000 of tonnes*	**196**	199

Anode slimes			
Anode slimes sold	*tonnes*	**89**	105
Average anode slimes prices realised	*R/tonne*	**1 570 331**	1 412 871
Nickel sulphate			
Nickel sulphate sold	*tonnes*	**370**	173
Average nickel sulphate prices realised	*R/tonne*	**24 381**	45 503
Sulphuric acid			
Sulphuric acid sold	*tonnes*	**85 464**	109 178
Average sulphuric acid prices realised	*R/tonne*	**326**	747
Imported concentrate			
Volumes	*Tonnes copper*	**11 168**	13 562
Cost	*R' million*	**469**	708
Unit purchased price	*R/tonne of copper*	**42 035**	52 220
Marginal ore concentrate			
Volumes	*Tonnes copper*	**3 632**	1 834
Cost	*R' million*	**112**	68
Unit purchased price	*R/tonne of copper*	**30 842**	37 271
Cash flow			
Cash from operating activities	*R' million*	**937**	404
Cash in bank	*R' million*	**1 395**	747
Costs			
Production cost (excluding concentrate purchases)	*R' million*	**2 181**	2 091
Cost of sales	*R' million*	**3 106**	2 761
Capital expenditure and commitments			
Capital expenditure	*R' million*	**134**	313
Approved expenditure	*R' million*	**135**	179
Contracts placed	*R' million*	**93**	86
Investments			
Fair value of unlisted investments	*R' million*	**360**	314
Share capital			
Authorised ordinary shares of R1 each	*R'000*	**100 000**	100 000
Issued ordinary shares of R1 each	*R'000*	**48 337**	48 337
Net asset value per share	*R/share*	**34.75**	55.28
Employees			
Number of employees		**2 021**	2 191