

Anglo American Platinum Corp Ltd



Investec
Securities

SA: Investec Securities Ltd

29 November 2006

Platinum

South Africa

Buy

78326c

Caution - big wheel turning

Event:

Anglo Platinum surprised the market with a better than expected trading statement today. The company is guiding for a year-on-year increase of between 180% and 200% in HEPS or some 5120cps to 5485cps. This compares to our forecast of 4637cps and market consensus of 4813cps.

Impact:

Clearly, the long-awaited operational turnaround has started delivering. This is in line with our current Buy recommendation and view that the market will more than likely be surprised by the extent and the speed of the turnaround. In particular, this statement is likely to lead to further upgrades of the F2007 numbers, in our view.

Recommendation:

Following our preliminary adjustments for F2007 (not making any changes to our metal price and currency view at this stage), we believe the company could well deliver earnings in excess of 6000cps (compared to current consensus of 5720cps). This would put the company on a forward P/E multiple of about 13x. Given our view of a potential takeover by Anglo Platinum and the stock's long-term average rating of 16x, our current target price of 950 00cps and Buy recommendation is maintained.

Performance

Year End: 31 December	2004	2005	2006E	2007E	2008E
Turnover (Rm)	19,267	22,938	26,533	30,530	28,942
EBITDA (Rm)	5,753	7,558	16,676	17,727	15,404
Operating profit (Rm)	4,242	5,345	15,035	16,037	13,663
PBT (Rm)	3,632	5,942	15,488	16,583	14,378
Headline Net Profit (Rm)	2,722	4,916	11,857	13,160	11,369
HEPS - Fully Diluted (c)	1,260.1	2,250.8	5,429.3	6,026.0	5,205.9
DPS (c)	739.8	1,180.0	2,902.0	3,195.8	2,734.8

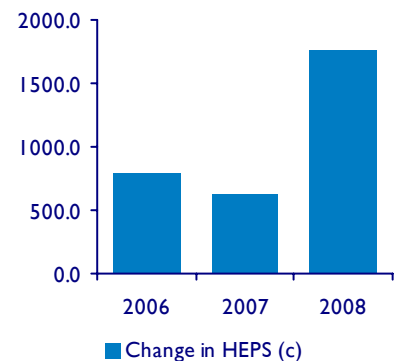
Source: Company Accounts/Investec Securities Estimates

Valuation

Year End: 31 December	2004	2005	2006E	2007E	2008E
Headline PE (x)	62.2	34.8	14.4	13.0	15.0
EV/EBITDA (x)	30.4	23.0	10.3	9.4	10.3
EV/EBITA (x)	41.3	32.5	11.4	10.3	11.7
Yield (%)	0.9	1.5	3.7	4.1	3.5
NPV - current	24,942.02				

Source: Company Accounts/Investec Securities Estimates

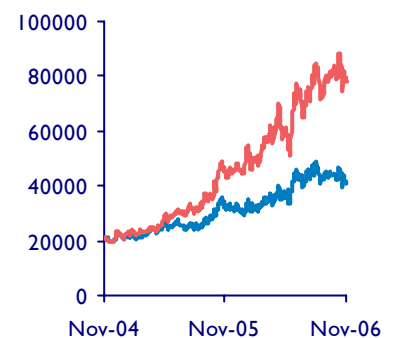
Impact On Estimates



Source: Investec Securities Estimates

Market Cap	R171,639m
JSE Code	AMS
Target Price/Risk	95000c/High
Total Return	21.3%

Share Price Performance



Source: JSE Securities Exchange

Analyst

Leon Esterhuizen
(+2711) 286 4878

lesterhuizen@investec.co.za

Equity Sales

SA

Hayden Smith / Rory Spangenberg
(+2721) 416 1401 / 31

UK

Antonia Bothner
(+4420) 7597 5050

USA

Ali Khalpey / Kevin Weller
(+1) 212 898 7783 / 6211

Refer to important disclosures starting on page 4.