Impala Platinum Holdings Limited - Condensed Audited Consolidated Annual Results Year Ended 30 June 2012

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Condensed audited consolidated annual results
year ended 30 June 2012

IMPALA PLATINUM HOLDINGS LIMITED
(Incorporated in the Republic of South Africa)
Registration No. 1957/001979/06
JSE share code: IMP   ISIN: ZAE 000083648
LSE: IPLA   ADR's: IMPUY
("Implats" or "the Company" or "the Group")

Condensed audited consolidated annual results
Year ended 30 June 2012

Highlights

Safety
Mixed performance and a new cultural transformation model required

Production and costs
Six week strike contributes to a 21% reduction in platinum produced to 1.45 million ounces and a 24% increase in unit costs to R13 450 per platinum ounce

Profit
Gross profit reduced by 40% to R6.9 billion and net profit by 37% to R4.3 billion

Capex
Capital investment, primarily on major long-term projects, increased by 38% to R7.3 billion

Earnings and dividend
Headline earnings 38% lower and the final dividend reduced to 60 cps

Market
The market for PGMs under pressure although automotive demand remains resilient

Commentary

Introduction
The period under review has been dominated by a weakening macro-economic environment driven primarily by the Eurozone crisis. This crisis has, in particular, led to lower platinum group metals (PGM) prices which are now impacting the platinum mining industry. At the same time, the South African platinum mining industry has seen the emergence of a new labour union which is impacting workplace dynamics and in turn operational performance. Disappointingly, the six week illegal strike at the Impala operations had a significant impact on the production of PGMs and the financial performance of the Group in FY2012. Cash preservation strategies have been implemented to manage the economic downturn and operations are continually being assessed to ensure profitability. A full review of the capital spend has been completed and spend for FY2013 has been reduced to R6.4 billion as compared to the R7.3 billion spent in the current year. Impala's three new shaft projects, with a collective further investment of R10.2 billion over the next five years, remain on track for future replacement production. The US$460 million phase 2 expansion at Zimplats continues to make progress. The conclusion of indigenisation negotiations with the Zimbabwe government remains outstanding for both Zimplats and Mimosa.

Safety
A major new initiative is required to change safety performance at the South African operations. It is with regret that seven employees and five contractors died in work-related accidents during FY2012. Eleven of these accidents happened at the Impala operations in Rustenburg and there was one accident at Marula. The Group fatal injury frequency rate for the year was 0.087 per million hours worked and regressed by 64% compared to FY2011. The lost time injury rate at 4.96 per million man hours worked for FY2012 remained at similar levels to FY2011 and the total injury frequency rate improved by 17% to 11.9 per million man hours worked.

There were a number of notable safety milestone achievements in the year. At Impala, major achievements in terms of fatality free shifts were as follows: #1 shaft: five million, #12 shaft: three million, #11 shaft: two million, #14 shaft and #16 shaft one million each. Refineries progressed to 8.8 million fatality free shifts and Marula also achieved two million fatality free shifts. Zimplats reached eight million fatality free shifts and achieved its lowest ever lost time injury frequency rate of 0.21 per million man hours worked. Zimplats' Ngwarati and Rukodzi Mines, Impala's opencast mining section, as well as Zimplats' Processing section all achieved zero lost time injuries over the 12 month period.

There are a number of major safety initiatives underway. These include the implementation of new policies, the development and implementation of a new cultural transformation framework, improved hazard identification and risk assessment systems, increased training for middle managers, full accredited training for 3 200 safety representatives by 2014 and driving the DuPont STOP process. The South African operations have committed to installing safety nets in addition to hanging wall bolts on both the Merensky and UG2 stoping horizons and installing proximity warning devices on mobile trackless mining equipment. Implats has also joined the Chamber of Mines as a full member with a view to participating in, and contributing to, tripartite industry health and safety initiatives.

Market review
Events influencing PGM markets were centred around macro-economic events rather than fundamentals for the metals themselves. The recovery seen in world markets post the 2008/9 global financial crisis has been impacted by the financial woes currently being experienced in Europe.

Record average prices for platinum (US$1 732 per ounce) and palladium (US$734 per ounce) during 2011 deflated sharply in September 2011 when first Greece and then Italy's fiscal problems became known. Investor sentiment shifted to one of lowering risk through heavily liquidating forward markets. As a result, platinum prices fell from a high of US$1 880 per ounce in September 2011 to a low of US$1 538 per ounce in that month an 18% decline. In the same month, palladium prices fell from a high of US$786 per ounce to a low of US$626 per ounce a reduction of 20%.

A short-term platinum price recovery was seen early in 2012 and this was driven by lower interest rates and the strike at Impala in Rustenburg. However, European concerns and negative investor sentiment saw platinum prices reduce from a high of US$1 700 per ounce in February 2012 to US$1 400 per ounce by the end of June 2012. Palladium was similarly affected and closed the year at US$568 per ounce. These prices, in conjunction with low productivity and high mining costs, have stressed the platinum mining industry.

AUTOMOTIVE DEMAND
When compared to 2010, light duty vehicle sales for 2011 increased by 4% to 75 million units. For the six months of 2012, in excess of 40 million vehicles were sold, pointing to an annualised rate of nearly 81 million units, driven primarily by increases in the US, China and Japan, offsetting the weakness in Europe. This level of sales underpins demand for PGMs.

JEWELLERY DEMAND
Platinum jewellery sales for 2011 increased by 2.5% when compared to sales in 2010. This increase was driven by Chinese purchasers taking advantage of lower platinum metal prices and its relative discount to the price of gold. Sales for the first half of 2012 have continued at these modest rates.

INVESTMENT DEMAND

On the physical exchange traded fund (ETF) market investment in platinum increased by 140 000 ounces during 2011 and continued to grow marginally to June 2012 with the current balance now totalling 1.45 million ounces. Palladium holdings reduced by over half a million ounces during 2011 to end at 1.74 million ounces. This has since recovered somewhat and the balance at the end of June 2012 was 2.06 million ounces.

However it is in the forward markets that most of the change has occurred. In September 2011 over 0.8 million ounces of platinum and 1.1 million ounces of palladium were liquidated and were the main drivers for the price reductions during that period. During the first six months of 2012 there has been a marginal increase in platinum holdings whilst palladium witnessed further liquidation.

Financial review
The financial performance of the Group for FY2012 was significantly affected by the six week strike at Impala during February and March 2012. Revenues, at R27.6 billion, were R5.5 billion lower from that achieved in FY2011. Reduced volumes contributed R6.1 billion of this and was made up as follows:

The strike reduced platinum production by 150 000 ounces, palladium production by 77 000 ounces, rhodium production by 19 000 ounces and nickel production by 900 tonnes. This reduced revenue by R2.8 billion.

A stock build-up in the current year, compared to a release in the previous year, resulted in lower revenue of R2.2 billion.

Other reductions in volumes at Impala, partially due to safety stoppages combined with lower volumes through IRS, resulted in lower revenues of R1.1 billion.

In total, lower dollar metal prices reduced revenues by R1.9 billion, primarily due to reduced US$ prices for platinum, rhodium and nickel which each reduced by 5%, 30% and 19% respectively. This was more than offset by the weaker rand of R7.71 (previous year of R7.03) which resulted in revenues increasing by R2.4 billion.
Group unit costs increased by 24% from R10 867 per platinum ounce to R13 450 per ounce and were affected by:

Group inflation of 13.9% comprising:
Inflation for the South African operations of 12.3% due to:

normal wage increases of 10.0%;

once off additional wage adjustments of 3.9%;

consumables increasing by 7.4%; and

an increase in the price of utilities of 22.8%.

Inflation at the Zimbabwean operations of 23.1% comprising dollar inflation of 11.2% compounded by a weaker rand. The dollar inflation was mainly due to:-

wage increases of 7.2%;

consumables increasing by 5.4%; and

electricity price increases of 47.8%.

The lower volumes due to the strike (marginally offset by reduced costs) resulted in unit costs increasing by 10.9%. Other reductions in volumes accounted for a further 3% increase in unit costs, which was offset by the change in the accounting estimate for the capitalisation of development costs.

Cash generated from operations amounted to R5.0 billion (FY2011: R8.3 billion). Cash utilised on capital expenditure amounted to R7.3 billion (FY2011: R5.3 billion) mainly on #20, #16 and #17 shafts at Impala and the Ngezi phase 2 project at Zimplats. Cash reduced from R4.5 billion to R0.6 billion and total borrowings in the Group increased by R1.2 billion to R3.0 billion, leaving the Group in a net borrowed position at the year end. As a result, and given expected continued pressure on margins, the Board has resolved to increase the dividend cover to 3.5 times earnings, thereby limiting the final dividend to 60 cents per share.

Operational review
IMPALA
Performance at Impala was adversely affected by the six week illegal strike in February and March 2012 and the slow build-up of mining volumes once the strike had ended. The strike was caused by rock drill operators' dissatisfaction with their wages. Initiatives are underway to normalise employee relations and engender respect throughout the organisation.

Volumes mined reduced by 24% to 10.65 million tonnes for FY2012 while headgrade reduced to 4.38 g/t and 1.71 million tonnes of low grade surface material was processed. Production from the Merensky Reef horizon increased marginally to 43.4%. Conventional development metres, again mainly as a result of the strike, reduced by 28% to 70.6 kilometres and this reduction has had a negative effect on ore reserve flexibility. Overall, Impala had a 20% reduction in refined platinum production to 750 100 ounces. Unit costs per refined platinum ounce excluding share-based payments increased by 29% to R13 913 primarily due to the low production volumes.

Capital expenditure increased by 24% to R5.3 billion, the bulk of which was spent on the new #20, #16, and #17 shaft development projects and decline brownfield projects. It is pleasing to report that #20 shaft has now commenced with its production build-up. The equipping of the #16 shaft commenced during the year and underground development continues via the ventilation shaft. At #17 shaft, sinking has reached a position of 1 609m below surface and the Merensky Reef intersection is being excavated and supported prior to the resumption of sinking. Development on the 22nd level continued through the ventilation shaft. The refrigeration plant construction is progressing well and commissioning is planned for the December 2012 quarter.

A project to replace the final metals processing facility of the precious metals refining plant has been approved for R2.1 billion. Subject to legislative approvals, the project will start during FY2013 and is planned for completion by 2019.

ZIMPLATS
Zimplats once again delivered an excellent operational performance. Tonnes milled increased by 4% from FY2011 to 4.39 million resulting in a 3% increase in platinum matte production of 187 100 ounces. Unit cost per platinum ounce in matte increased by 6% to US$1 239, driven by steep increases in power tariffs and wages.

The phase 2 expansion project remained on track. The concentrator and related infrastructure development are on schedule for commissioning in April 2013, whilst the tailings dam will be completed in September this year.

A new indigenisation plan presented to the Government of Zimbabwe in March 2012 was accepted in principle.

Management remains in discussions with the Government to finalise certain critical details of the plan.

MIMOSA
Mimosa had a marginal increase in tonnes milled, grade and recoveries to 2.32 million, 3.9 g/t and 77.3% respectively. This resulted in a 1% increase in platinum production in concentrate to 105 950 ounces. Unit costs per platinum ounce in concentrate increased by 6% to US$1 453 due to a combination of higher wage and power costs. The indigenisation plan is being advanced with the Goverment of Zimbabwe and is receiving priority attention.

MARULA
Tonnes milled at Marula increased by 2.4% to 1.58 million tonnes which was in line with planned levels. Grade declined by 4.8% to 4.18 g/t due to a higher proportion of development tonnage in the latter part of the financial year. With recoveries unchanged at 85.2%, platinum production in concentrate was 69 100 ounces. Unit costs per platinum ounce in concentrate, excluding share based compensation, declined by 2.4% to R16 483.

TWO RIVERS
Tonnes milled at Two Rivers increased by 5.2% to 3.1 million tonnes. Whilst the processing of the Merensky Reef trial mining reduced the headgrade by 2.1% to 3.86g/t, recoveries improved to 84.3%. The increase in tonnes milled boosted

platinum production to 149 900 ounces in concentrate. Unit costs increased by 12.5% to R10 814 per platinum ounce which was in line with planned levels.

IMPALA REFINING SERVICES (IRS)
Refined platinum production declined by 22% to 698 000 ounces due to a fall in the third party and toll treatment contracts over which the Group has no control. This was due to a combination of the once-off toll treatment for Lonmin in the corresponding period a year ago, the closures at Aquarius Platinum and operational challenges at Eastern Platinum.

AFPLATS
It is pleasing to announce that the Implats Board has approved the first phase of the Leeuwkop capital project located on the Afplats property. The mine is designed to produce 2.16 million tonnes per annum and 145 000 ounces of platinum per annum from the UG2 Reef horizon between 1 000m and 1 800m below surface. First production is planned in 2021 and will be sustained for a period of 19 years. The UG2 will be mined at a relatively wide average 137cm channel width. The total capital required in real terms is R9.8 billion of which R261 million has been approved for the sinking of the 10m diameter Main Shaft down to 330m below surface during the next financial year.

Prospects
The global economic climate is finely balanced between a gradual recovery, supported in some measure by further government stimulus packages, and an unwelcome visit back to recession, driven by the inability of world leaders, particularly those in Europe, to find sustainable solutions to their financial woes. Whilst the former scenario, coupled with meaningfully reduced South African supply would see the markets move towards tighter conditions thereby supporting prices, the latter would result in further reduction in margins and a reassessment of capital plans going forward.

KDK Mokhele	TP Goodlace	Johannesburg
Chairman	Chief Executive Officer	23 August 2012

Declaration of final cash dividend
Notice is hereby given that a gross final dividend of 60 cents per share for the year ended 30 June 2012 has been declared payable to shareholders of ordinary shares. The dividend has been declared out of income reserves. The number of ordinary shares in issue at the date of this declaration is 631.99 million. The dividend will be subject to a local dividend tax rate of 15% which will result in a net dividend, to those shareholders who are not exempt from paying dividend tax, of 51 cents per share. There are no Secondary Tax on Companies (STC) credits to be set off against the dividend tax. The Company's tax reference number is 9700/178/71/9. The salient dates relating to the payment of the dividend are as follows:

Last day to trade cum dividend on the JSE	Friday, 7th September 2012
First trading day ex dividend on the JSE	Monday, 10th September 2012
Record date	Friday, 14th September 2012
Payment date	Monday, 17th September 2012

The dividend is declared in the currency of the Republic of South Africa. Payments from the London transfer office will be made in United Kingdom currency at a spot rate of exchange ruling on Thursday, 13th September 2012, or on the first day thereafter on which a rate of exchange is available.

A further announcement stating the Rand/GBP conversation will be released through the relevant South African and United Kingdom news services on Friday, 14th September 2012.

No share certificates may be dematerialised or rematerialised between Monday, 10th September 2012 and Friday, 14th September 2012, both days inclusive. Dividends in respect of certificated shareholders will be transferred electronically to shareholders' bank accounts on the payment date. In the absence of specific mandates, dividend cheques will be posted to shareholders. Shareholders who hold dematerialised shares will have their accounts at their Central Securities Depository Participant ("CSDP") or broker credited on 17 September 2012.

By order of the Board

A Parboosing	Johannesburg
Company Secretary	23 August 2012

Operating statistics

		Year ended 30 June 2012	Year ended 30 June 2011
Gross refined production			
Platinum	(000oz)	1 448	1 836
Palladium	(000oz)	950	1 192
Rhodium	(000oz)	210	262
Nickel	(000t)	15.4	16.3
IRS metal returned (toll refined)			
Platinum	(000oz)	121	220
Palladium	(000oz)	148	210
Rhodium	(000oz)	25	42
Nickel	(000t)	3.1	3.4
Sales volumes			
Platinum	(000oz)	1 368	1 665
Palladium	(000oz)	765	1 011
Rhodium	(000oz)	183	221
Nickel	(000t)	13.9	15.5
Prices achieved			
Platinum	(US$/oz)	1 614	1 691
Palladium	(US$/oz)	687	670
Rhodium	(US$/oz)	1 601	2 275
Nickel	(US$/t)	19 513	23 965
Consolidated statistics			
Average exchange rate achieved	(R/US$)	7.71	7.03
Closing exchange rate for the period	(R/US$)	8.17	6.77
Revenue per platinum ounce sold	(US$/oz)	2 601	2 799
	(R/oz)	20 054	19 677
Tonnes milled ex-mine	(000t)	17 788	20 974
PGM refined production	(000oz)	3 016	3 772
Capital expenditure	(Rm)	8 142	5 540
Group unit cost per platinum ounce:	(US$/oz)	1 737	1 545
Excluding share based cost	(R/oz)	13 450	10 867
Group unit cost per PGM ounce:	(US$/oz)	848	761
Excluding share based cost	(R/oz)	6 564	5 350

Additional statistical information is available on the Company's internet website.

Approval of the financial statements

The directors of the Company are responsible for the maintenance of adequate accounting records and the preparation of the financial statements and related information in a manner that fairly presents the state of the affairs of the Company. These financial statements are prepared in accordance with International Financial Reporting Standards and incorporate full and responsible disclosure in line with the accounting policies of the Group which are supported by prudent judgements and estimates.

The financial statements have been prepared under the supervision of the Chief Financial Officer Ms B Berlin, CA(SA).

The directors are also responsible for the maintenance of effective systems of internal control which are based on established organisational structure and procedures. These systems are designed to provide reasonable assurance as to the reliability of the financial statements, and to prevent and detect material misstatement and loss.

The financial statements have been prepared on a going-concern basis as the directors believe that the Company and the Group will continue to be in operation in the foreseeable future.

The financial statements have been approved by the Board of directors and are signed on their behalf by:

KDK Mokhele	TP Goodlace	Johannesburg
Chairman	Chief Executive Officer	23 August 2012

Consolidated statement of financial position

R millions	Notes	As at 30 June 2012	As at 30 June 2011
Assets			
Non-current assets			
Property, plant and equipment	5	40 169	33 137
Exploration and evaluation assets		4 294	4 294
Intangible assets		1 018	1 018
Investment in associates		1 021	904
Available-for-sale financial assets		32	15
Held-to-maturity financial assets		49	61
Loans	6	1 227	2 236
Prepayments		11 129	11 143
		58 939	52 808
Current assets			
Inventories		7 081	5 471
Trade and other receivables		4 305	3 989
Loans	6	538	232
Prepayments		571	562
Cash and cash equivalents		1 193	4 542
		13 688	14 796
Total assets		72 627	67 604
Equity and liabilities			
Equity attributable to owners of the Company			
Share capital		15 187	14 228
Retained earnings		34 949	34 136
Other components of equity		32	(801)
		50 168	47 563
Non-controlling interest		2 307	2 047
Total equity		52 475	49 610
Liabilities			
Non-current liabilities			
Deferred tax liability		9 625	8 337
Borrowings	7	2 882	1 698
Liabilities		812	831
Provisions		757	614
		14 076	11 480
Current liabilities			
Trade and other payables		4 858	5 656
Current tax payable		176	226
Borrowings	7	121	144
Bank overdraft		606	
Liabilities		315	488
		6 076	6 514
Total liabilities		20 152	17 994
Total equity and liabilities		72 627	67 604

Consolidated statement of comprehensive income

R millions	Notes	Year ended 30 June 2012	Year ended 30 June 2011
Revenue		27 593	33 132
Cost of sales	8	(20 641)	(21 490)
Gross profit		6 952	11 642
Other operating expenses		(696)	(645)
Royalty expense		(664)	(804)
Profit from operations		5 592	10 193
Finance income		314	343
Finance cost		(305)	(530)
Net foreign exchange transaction gains/(losses)		520	(448)
Other income/(expenses)		12	(235)
Share of profit of associates		117	238
Profit before tax		6 250	9 561
Income tax expense		(1 951)	(2 751)
Profit for the period		4 299	6 810
Other comprehensive income, comprising items subsequently reclassified to profit or loss:			
Available-for-sale financial assets		(3)	6
Deferred tax thereon			
Exchange differences on translating foreign operations		1 356	(692)
Deferred tax thereon		(379)	195
Other comprehensive income, comprising items not subsequently reclassified to profit or loss:			
Actuarial loss on post-employment medical benefit		(4)	
Deferred tax thereon		1	
Total comprehensive income		5 270	6 319
Profit attributable to:			
Owners of the Company		4 180	6 638
Non-controlling interest		119	172
		4 299	6 810
Total comprehensive income attributable to:			
Owners of the Company		5 010	6 213
Non-controlling interest		260	106
		5 270	6 319
Earnings per share (cents per share)			
Basic		690	1 105
Diluted		689	1 104

For headline earnings per share and dividend per share refer notes 9 and 10.

Consolidated statement of changes in equity

	Number of shares issued	Ordinary	Share	Share-based payment	Total share	Retained	Fair value	Foreign currency translation	Total other components

R millions	(million)*	shares	premium	reserve	capital	earnings	reserve	reserve	of equity
Balance at 30 June 2011	600.99	15	12 223	1 990	14 228	34 136	(9)	(792)	(801)
Shares issued									
Share option scheme	0.13		8		8				
Employee Share Ownership Programme	5.45	1	868	82	951				
Total comprehensive income						4 177	(3)	836	833
Dividends						(3 364)			
Balance at 30 June 2012	606.57	16	13 099	2 072	15 187	34 949	(12)	44	32
Balance at 30 June 2010	600.44	15	12 146	1 990	14 151	30 017	(15)	(361)	(376)
Shares issued									
Share option scheme	0.11		7		7				
Employee Share Ownership Programme	0.44		70		70				
Total comprehensive income						6 638	6	(431)	(425)
Dividends						(2 519)			
Balance at 30 June 2011	600.99	15	12 223	1 990	14 228	34 136	(9)	(792)	(801)

*The table above excludes the treasury shares, Morokotso Trust and the Implats share incentive scheme as these special purpose entities are consolidated

Consolidated statement of cash flows

R millions	Year ended 30 June 2012	Year ended 30 June 2011
Cash flows from operating activities		
Profit before tax	6 250	9 561
Adjustments to profit before tax	1 499	1 107
Cash from changes in working capital	(1 133)	(371)
Exploration costs	(63)	(44)
Finance cost	(150)	(179)
Income tax paid	(1 425)	(1 805)
Net cash from operating activities	4 978	8 269
Cash flows from investing activities		
Purchase of property, plant and equipment	(7 284)	(5 293)
Proceeds from sale of property, plant and equipment	52	4
Purchase of investment in associate	(5)	(55)
Payment received from associate on shareholders' loan	22	272
Loans granted	(120)	(33)
Loan repayments received	509	394
Prepayment made	(233)	
Prepayments refunded	11	
Finance income	281	250
Dividends received	9	5
Net cash used in investing activities	(6 758)	(4 456)
Cash flows from financing activities		
Issue of ordinary shares	877	77
Lease liability repaid	(44)	(19)
Repayments of borrowings	(197)	(836)
Proceeds from borrowings	464	253
Dividends paid to Company's shareholders	(3 364)	(2 519)
Net cash used in financing activities	(2 264)	(3 044)
Net (decrease)/increase in cash and cash equivalents	(4 044)	769
Cash and cash equivalents at beginning of year	4 542	3 858
Effect of exchange rate changes on cash and cash equivalents held in foreign currencies	89	(85)
Cash and cash equivalents at end of year	587	4 542

Segment information

The Group distinguishes its segments between mining operations, refining services (which include metals purchased and toll refined) and other.

Management has determined the operating segments based on the business activities and management structure within the Group. Operating segments have consistently adopted the consolidated basis of accounting and there are no differences in measurement applied.

Capital expenditure comprises additions to property, plant and equipment (note 5), including additions resulting from acquisitions through business combinations.

Sales to the two largest customers in the Impala mining segment comprised 10% and 12% (2011: 10% each) of total sales.

The statement of comprehensive income shows the movement from gross profit to total profit before income tax.

Summary of business segments:

	2012		2011	
R millions	Revenue	Gross profit	Revenue	Gross profit
Mining				
Impala	27 029	3 289	32 030	7 511
Mining	13 009	3 284	18 441	7 486
Metals purchased	14 020	5	13 589	25
Zimplats	3 665	1 784	3 709	2 133
Marula	1 197	(80)	1 300	(41)
Mimosa	1 201	518	1 284	717
Afplats*		(1)		(1)
Inter-segment adjustment	(5 796)	140	(5 975)	(34)
External parties	27 296	5 650	32 348	10 285
Refining services	14 069	1 372	14 273	1 419
Inter-segment adjustment	(13 772)	(70)	(13 489)	(62)
External parties	297	1 302	784	1 357
Total external parties	27 593	6 952	33 132	11 642

R millions	Capital expenditure	Total assets	Capital expenditure	Total assets
Mining				
Impala	5 269	45 149	4 240	43 500
Zimplats	2 137	8 394	840	5 568
Marula	223	3 268	242	3 317
Mimosa	248	1 979	186	1 593
Afplats*	265	7 514	32	7 264
Total mining	8 142	66 304	5 540	61 242

Refining services		4 972		5 330
Other		1 351		1 032
Total	8 142	72 627	5 540	67 604

*Includes Imbasa and Inkosi.

Notes to the financial information

1. General information
Impala Platinum Holdings Limited (Implats) is a primary producer of platinum and associated platinum group metals (PGMs). The Group has operations on the Bushveld Complex in South Africa and the Great Dyke in Zimbabwe, the two most significant PGM-bearing ore bodies globally.

The Company has its primary listing on the Johannesburg Stock Exchange and a secondary listing on the London Stock Exchange.

The condensed consolidated financial information was approved for issue on 23 August 2012 by the Board of directors.

2. Audit opinion
The consolidated statement of financial position at 30 June 2012 and the related consolidated statement of comprehensive income, statement of changes in equity and cash flow statement for the year then ended was audited by the Group's auditors, PricewaterhouseCoopers Inc. The individual auditor assigned to perform the audit is Mr JP van Staden. Their unqualified audit opinion is available for inspection at the Company's registered office.

3. Basis of preparation
The condensed consolidated financial information for the year ended 30 June 2012 has been prepared in accordance with International Financial Reporting Standards (IFRS) of the International Accounting Standards Board (in particular IAS 34, Interim financial reporting'), the AC 500 standards as issued by the Accounting Practices Board or its successor, requirements of the South African Companies Act, 2008 and Listings Requirements of the JSE Limited.

The condensed consolidated financial information should be read in conjunction with the annual financial statements for the year ended 30 June 2011, which have been prepared in accordance with IFRS.
The condensed consolidated financial information has been prepared under the historical cost convention except for certain financial assets, financial liabilities and derivative financial instruments which are measured at fair value and liabilities for cash-settled share-based payment arrangements which are measured with a binomial option model.

The condensed consolidated financial information is presented in South African rand, which is the Company's functional currency.

4. Accounting policies
The principal accounting policies applied are in terms of IFRS and are consistent with those of the annual financial statements for the previous year, except for the adoption of various revised and new standards. The adoption of these standards had no impact on the financial results of the Group, except as indicated below:

IAS 1 (amendment) Presentation of Financial Statements (effective 1 July 2012). Amendment requiring items of other comprehensive income being grouped into those that will subsequently not be reclassified to profit and loss and those that will. This amendment required disclosure in the statement of comprehensive income indicating that all items will subsequently be reclassified to profit and loss.

IAS 19 (amendment) Employee Benefits (effective 1 January 2013). The amendments eliminates the option to defer the recognition of actuarial gains and losses, streamlines the presentation of changes in assets and liabilities arising from defined benefit plans including the requirement that remeasurements be presented in other comprehensive income, and enhances the disclosure requirements for defined benefit plans to provide better information about the characteristics of defined benefit plans and the risks that entities are exposed to through participation in those plans.

IAS 34 Interim Financial Reporting (effective 1 January 2013). Consequential amendment from IFRS 13 requiring additional disclosure for Financial Instruments in the Interim Financial Report.

5. Property, plant and equipment

R millions	2012	2011
Opening net book amount	33 137	29 646
Additions	8 104	5 539
Interest capitalised	38	1
Disposals	(579)	(54)
Depreciation	(1 708)	(1 372)
Exchange adjustment on translation	1 177	(623)
Closing net book amount	40 169	33 137

Capital commitment
Capital expenditure approved at 30 June 2012 amounted to R23.3 billion (2011: R25.5 billion), of which R4.3 billion (2011: R2.0 billion) is already committed. This expenditure will be funded internally and, if necessary, from borrowings.

6. Loans

R millions	2012	2011
Summary Balances		
Shanduka Resources		176
Employee housing	39	30
Advances	1 402	1 923
Reserve Bank of Zimbabwe (RBZ)	308	339
Contractors	16	
	1 765	2 468
Short-term portion	(538)	(232)
Long-term portion	1 227	2 236
Summary Movement		
Beginning of the year	2 469	2 558
Loans granted during the year	123	912
Present value adjustment		(284)
Interest accrued	76	140
Impairment	(378)	(87)
Repayment received	(963)	(446)
Exchange adjustments	438	(325)
End of the year	1 765	2 468

7. Borrowings

R millions	2012	2011
Summary Balances		

Standard Bank Limited BEE Partners Marula	882	885
Standard Bank Limited Loan 1 Zimplats expansion		102
Standard Bank Limited Loan 2 Zimplats expansion	637	244
Stanbic & Standard Chartered	63	
Finance leases	1 421	611
	3 003	1 842
Short-term portion	(121)	(144)
Long-term portion	2 882	1 698
Summary Movement		
Beginning of the year	1 842	2 128
Proceeds	464	253
Leases capitalised	769	373
Interest accrued	210	168
Repayments	(372)	(1 029)
Exchange adjustments	90	(51)
End of the year	3 003	1 842

8. Cost of sales

Included in cost of sales:		
On-mine operations	9 906	9 862
Wages and salaries	5 811	5 590
Share-based compensation*	(307)	(90)
Materials and consumables	3 697	3 781
Utilities	705	581
Concentrating and smelting operations	2 777	2 601
Wages and salaries	561	517
Materials and consumables	1 375	1 355
Utilities	841	729
Refining operations	855	833
Wages and salaries	390	358
Share-based compensation	(28)	8
Materials and consumables	392	383
Utilities	101	84
Depreciation of operating assets (note 5)	1 708	1 372
Metals purchased	6 855	6 835
Change in metal inventories	(1 460)	(13)
	20 641	21 490
The following disclosure items are included in cost of sales:		
Repairs and maintenance expenditure on property, plant and equipment	1 119	1 038
Operating lease rentals	49	28

*Includes concentrating and smelting

9. Headline earnings

R millions	2012	2011
Headline earnings attributable to equity holders of the Company arises from operations as follows:		
Profit attributable to owners of the Company	4 180	6 638
Adjustments:		
Profit on disposal of property, plant and equipment	(40)	(1)
Loss on disposal of investment		3
Total tax effect of adjustments	11	(1)
Headline earnings	4 151	6 639
Weighted average number of ordinary shares in issue for basic earnings per share (millions)	606.21	600.76
Weighted average number of ordinary shares for diluted earnings per share (millions)	606.34	601.10
Weighted average number of ordinary shares increased mainly due to the sale of 5.07 million shares held by the Morokotso Trust		
Headline earnings per share (cents)		
Basic	685	1 105
Diluted	685	1 104

10. Dividends

On 23 August 2012, a sub-committee of the Board declared a final dividend of 60 cents per share amounting to R364 million for distribution in financial year 2013 in respect of financial year 2012. The dividend will be subject to new dividend tax imposed by the South African Revenue Services authority which became effective 1 April 2012. Secondary Tax on Companies (STC) will not apply to the dividend. The new dividend tax will result in the shareholder being taxed on the dividend and not the Company.

R millions	2012	2011
Dividends paid		
Final dividend No 87 for 2011 of 420 (2010: 270) cents per share	2 546	1 622
Interim dividend No 88 for 2012 of 135 (2011: 150) cents per share	818	897
	3 364	2 519

11. Contingent liabilities and guarantees

The Group has a contingent liability of US$36 million for Additional Profits Tax (APT) raised by ZIMRA (Zimbabwe Revenue Authority) consisting of an additional assessment of US$27 million in respect of the tax period 2007 to 2009 and an APT amount of US$9 million for 2011 based on the assumption that this amount would be payable should the Zimplats appeal against the ZIMRA interpretation of the APT provisions fail in the Special Court of Tax Appeals. Management, supported by the opinions of its tax advisors, strongly disagrees with the ZIMRA interpretation of the provisions.

As at the end of June 2012 the Group had bank and other guarantees of R598 million (2011: R606 million) from which it is anticipated that no material liabilities will arise.

12. Related party transactions

The Group entered into purchase transactions of R2 469 million (2011: R2 292 million) with Two Rivers Platinum, an associate company, resulting in an amount payable of R607 million (2011: R652 million). It also received refining fees and interest to the value of R22 million (2011: R30 million). After capital repayment received during the period the shareholders loan amounted to R49 million (2011: R71 million). These transactions are entered into on an arm's length basis at prevailing market rates.

The Group entered into sale and leaseback transactions with Friedshelf, an associate company. A profit of R200 million (2011: R253 million) was made on the sale of the property which is deferred and amortised over the lease term. At the end of the year an amount of R1 202 million (2011: R373 million) was outstanding in terms of the lease liability. During the year interest of R80 million (2011: Rnil) was charged and a R20 million (2011: Rnil) repayment was made. The lease has an effective interest rate of 10.1% and 10.8% (2011: 10.8%).

Key management compensation:

R millions	2012	2011
Non-executive directors remuneration	7 435	6 201

Executive directors remuneration	25 532	28 320
Prescribed officers	9 777	11 708
Senior executives and Company Secretary	24 325	30 512
Total	67 069	76 741

13. Financial instruments

Financial assets carrying amount		
Loans and receivables	6 218	10 092
Financial instruments at fair value through profit and loss1	24	33
Held-to-maturity financial assets	49	61
Available-for-sale financial assets1	32	15
	6 323	10 201
Financial liabilities carrying amount		
Financial liabilities at amortised cost	7 777	7 255
Financial instruments at fair value through profit and loss1	24	33
	7 801	7 288

The carrying value of financial instruments is a reasonable approximation of fair value.

(1) Level 1 of the fair value hierarchy Quoted prices in active markets for the same instrument

Corporate information
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(Incorporated in the Republic of South Africa)
Registration No. 1957/001979/06
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LSE: IPLA ADR's: IMPUY
("Implats" or "the Company" or "the Group")

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