IMPLATS

IMPALA PLATINUM HOLDINGS LIMITED

Registration No. 1957/001979/06

Share code: ("IMP") ISIN code: ZAE 000003554

Interim Results

for the six months ended 31 December 2001

Highlights

- **Attributable income up 2.4% despite 35% lower metal prices**
- **Sales volumes 13% higher**
- **Total platinum production increased by 3.2%**
- **Solid operational performance**
- **Growth projects on track**

Consolidated income statement

Rand million	Six months to 31 December 2001 (Unaudited)	Six months to 31 December 2000 (Unaudited)	% change	Year to 30 June 2001 (Audited)
Turnover	**5 300.6**	5 383.8	(1.5)	11 969.1
Cost of sales	**2 719.3**	2 335.8	(16.4)	5 120.3
On-mine operations	**1 251.0**	1 142.2	(9.5)	2 330.1
Concentrating and smelting operations	**297.4**	232.4	(28.0)	492.5
Refining operations	**171.9**	164.6	(4.4)	333.3
Amortisation of mining assets	**139.4**	91.1	(53.0)	212.2
Metals purchased	**1 015.2**	1 022.6	0.7	1 968.8
Other costs	**77.8**	53.8	(44.6)	117.1
Increase in metal inventories	**(233.4)**	(370.9)	(37.1)	(333.7)
Operating income	**2 581.3**	3 048.0	(15.3)	6 848.8
Other income and expense	**231.4**	30.7	653.7	94.5
Net financial income	**136.2**	195.4	(30.3)	383.3
Share of pre-taxation income from associates	**606.3**	493.5	22.9	1 031.4
Royalty expense	**(338.1)**	(447.0)	24.4	(890.3)
Income before taxation	**3 217.1**	3 320.6	(3.1)	7 467.7
Taxation	**1 019.8**	1 181.3	13.7	2 815.2
Income after taxation	**2 197.3**	2 139.3	2.7	4 652.5
Outside shareholders' interest	**5.5**	(0.2)	-	5.4
Attributable income	**2 191.8**	2 139.5	2.4	4 647.1
Earnings per share (cents)				
– basic	**3 303**	3 238	2.0	7 024
– diluted	**3 281**	3 205	2.4	6 970
Headline earnings per share (cents)				
– basic	**3 303**	3 238	2.0	7 024
– diluted	**3 281**	3 205	2.4	6 970
Cash earnings per share (cents)				
– basic	**2 742**	4 252	(35.5)	10 030
– diluted	**2 723**	4 209	(35.3)	9 953
Weighted average number of shares in issue (millions)	**66.3**	66.1	0.4	66.2

Consolidated balance sheet

Rand million	As at 31 December 2001 (Unaudited)	As at 31 December 2000 (Unaudited)	As at 30 June 2001 (Audited)
ASSETS			
Fixed assets	**5 612.4**	4 654.2	5 230.6
Investments	**2 165.3**	1 229.6	1 291.0
Other non-current assets	**249.4**	78.6	311.8
Current assets	**3 541.7**	4 801.1	5 162.3
Total assets	**11 568.8**	10 763.5	11 995.7
EQUITY AND LIABILITIES			
Capital and reserves	**7 394.1**	7 175.9	6 715.6
Outside shareholders' interest	**24.7**	13.6	19.2
Provision for long-term responsibilities	**200.0**	171.8	196.0
Borrowings	**98.3**	123.6	113.1
Deferred taxation	**1 233.2**	988.1	1 156.1
Current liabilities	**2 618.5**	2 290.5	3 795.7
Total equity and liabilities	**11 568.8**	10 763.5	11 995.7

Consolidated statement of changes in equity

Rand million	Share capital	Share premium	Other reserves	Retained earnings	Total
Balance previously reported at 31 December 2000	13.2	542.1	(0.3)	6 276.4	6 831.4
Change in accounting policy in respect of: adopting IAS 39			344.5		344.5
Restated balance at 31 December 2000	13.2	542.1	344.2	6 276.4	7 175.9
Dividends declared				(2 929.6)	(2 929.6)
Net profit attributable to ordinary shareholders				2 507.6	2 507.6
Translation differences on foreign subsidiary			(0.2)		(0.2)
Revaluation of listed investments			(58.9)		(58.9)
Issue of share capital	0.1	20.7			20.8
Restated balance at 30 June 2001	13.3	562.8	285.1	5 854.4	6 715.6
Dividends paid				(1 579.1)	(1 579.1)
Net profit attributable to ordinary shareholders				2 191.8	2 191.8
Revaluation of listed investments			66.8		66.8
Translation differences on foreign subsidiary			(1.0)		(1.0)
Balance at 31 December 2001	13.3	562.8	350.9	6 467.1	7 394.1

Consolidated cash flow statement

Rand million	Six months to 31 December 2001 (Unaudited)	Six months to 31 December 2000 (Unaudited)	Year to 30 June 2001 (Audited)
Net cash from operating activities	**414.9**	2 020.8	5 682.6
Net cash used in investing activities	**(886.9)**	(1 174.6)	(1 878.3)
Net cash used in financing activities	**(1 591.6)**	(949.2)	(3 873.4)
Decrease in cash and cash equivalents	**(2 063.6)**	(103.0)	(69.1)
Cash at the beginning of the period	**3 037.6**	3 106.7	3 106.7
Cash at the end of the period	**974.0**	3 003.7	3 037.6

Segment information

Rand million	Impala Platinum	Barplats*	Impala Refining Services	Inter Segmental Adjustment	Total
Summary of business segments for the half year ended 31 December 2001					
Sales revenue	5 086.8	124.1	1 014.6	(924.9)	**5 300.6**
Segmental cost of sales	2 751.8	96.9	794.9	(924.3)	**2 719.3**
Operating income	2 335.0	27.2	219.7	(0.6)	**2 581.3**
Summary of business segments for the half year ended 31 December 2000					
Sales revenue	5 157.4		926.8	(700.4)	**5 383.8**
Segmental cost of sales	2 265.0		771.2	(700.4)	**2 335.8**
Operating income	2 892.4		155.6	0.0	**3 048.0**

* Not in production as at 31 December 2000

Statistics

		Six months to 31 December 2001	Six months to 31 December 2000	% change	Year to 30 June 2001
Gross refined platinum production					
Total	('000 oz)	**680**	659	3.2	1 291
Impala	('000 oz)	**507**	516	(1.7)	1 002
IRS	('000 oz)	**173**	143	21.0	289
Group consolidated statistics					
Free market price index	($/oz)	**827**	1 272	(35.0)	1 266
Achieved price index	($/oz)	**864**	1 243	(30.5)	1 254
	(R/oz)	**7 829**	9 049	(13.5)	9 543
Tons milled ex-mine	('000 tons)	**7 970**	7 818	1.9	15 184
Pgm refined production	('000 oz)	**1 292**	1 254	3.0	2 464
Capital expenditure	(Rm)	**528**	458	15.4	2 090
Impala business segment					
Tons milled ex-mine	('000 tons)	**7 519**	7 818	(3.8)	14 840
Total costs per ton milled	(R/ton)	**226**	200	(13.2)	213
	($/ton)	**24**	27	11.0	28
Pgm refined production	('000 oz)	**931**	974	(4.4)	1 877
Cost per pgm ounce refined	(R/oz)	**1 824**	1 602	(13.9)	1 685
	($/oz)	**197**	220	10.4	221
Cost per platinum ounce refined:					
Cash cost	(R/oz)	**3 350**	3 024	(10.8)	3 156
	($/oz)	**360**	416	13.4	415
Net of revenue received from other metals:	(R/oz)	**(515)**	(1 354)	(62.0)	(1 879)
	($/oz)	**(56)**	(186)	(70.1)	(247)
Capital expenditure	(Rm)	**409**	422	(3.1)	978
Total Impala labour complement	('000)	**27.9**	28.0	0.4	28.0

Dividend

	Six months to 31 December 2001	Six months to 31 December 2000	% change	Year to 30 June 2001
Dividends per share declared (including special dividend for the year ended 30 June 2001) (cents)	**2 380**	1 420	67.6	5 840
Dividends per share proposed (including special dividend for the year ended 30 June 2001) (cents)	**1 100**	1 420	(22.5)	6 800

Notes

The interim financial statements have been prepared using accounting policies consistent with those of the annual financial statements for the year ended 30 June 2001, as set out below, and conform with IAS 34 on Interim Financial Reporting. In addition, the group adopted the provisions of IAS 39 (Financial Instruments: Recognition and Measurement). Under this statement, listed investments were previously carried at cost and are now carried at market value. This does not include equity accounted or consolidated listed investments. The effect of the change has been disclosed in the consolidated statement of changes in equity.

The comparitives have been further adjusted to take into account the adoption of IAS 10 (revised) (Events after the balance sheet date). The effect of this adoption on the December 2000 income statement was a R105.6 million increase in the secondary taxation on companies (STC) charge, as the STC charge is only being recorded in the period in which the dividend is declared and relates to the June 2000 final dividend.

Other income includes an amount of R274 million for exchange adjustments.

During the period under review, the company paid for a number of acquisitions which have been reflected as investments in the balance sheet:

- the payment of a 30% stake in Zimplats' Makwiro Platinum Mines (Private) Limited, which comprises the Ngezi open-cast mine and the Hartley joint venture for R247.0 million (US $30 million),
- the payment of a 35% stake in ZCE Platinum Limited which owns Mimosa for R246.3 million (US $30 million) and
- the purchase of a 45% stake in the Two Rivers Platinum project for R247.5 million.

Investments are both listed and unlisted. The directors have valued the unlisted investments at book value (R1 690 million) and the listed investments are valued at market value, by reference to stock exchange quoted prices and closing exchange rates.

Borrowings consist of debentures secured by a pledge of freehold properties, included in mining assets, with a book value of R178 million. Half of the debentures bear interest at a fixed rate of 18.9% per annum, with the other half bearing current interest at 11.6% per annum. All are repayable before 30 June 2004.

Capital expenditure approved at 31 December 2001 amounted to R2 937 million, of which R671 million is already committed. This expenditure, over a period of five years, will be funded internally and, if necessary, from borrowings.

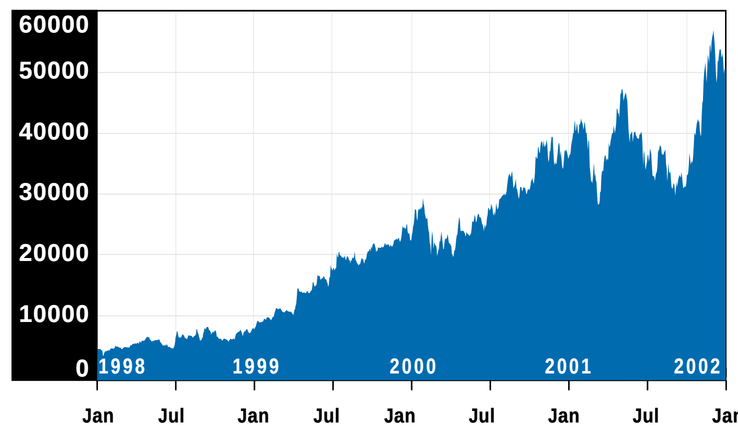
Contingent liabilities at 31 December 2001, arising mainly from collateral security for employee housing, amounted to R10 million.

Certain guarantees were in place as at 31 December 2001:

- A guarantee of up to 30% of the facility made available by ABSA to Makwiro Platinum Mines (Private) Limited. As at 31 December 2001, the guarantee was R68.9 million (US $5.7 million). The guarantee is set to expire by September 2004.
- A guarantee was given to Investec Bank Limited on behalf of Aquarius Platinum (South Africa) (Pty) Limited for a loan facility. As at 31 December 2001, the guarantee was R553.4 million. It was previously stated that this guarantee would expire by 31 December 2001. Aquarius Platinum Limited is in the process of finalising a refinancing package to repay the loan. It is expected that this will be completed and the guarantee will now expire prior to the financial year end.

Interim dividend no 68 of 1 100 cents per share, amounting to R729.8 million, was approved by the board of directors on 5 February 2002; STC on this dividend will amount to R81.0 million.

Implats share price (Rand)



REVIEW

Compared to the corresponding period last year:

- Attributable income and headline earnings per share for the six months to December 2001 increased by 2% to R2 191.8 million and 3 303 cps respectively.
- Turnover decreased by only 1.5% to R5.3 billion despite substantially lower dollar metal prices.
- Cash operating cost per ounce of platinum ex-mine rose by 10.8% due mainly to above inflation wage settlements, exceptional higher insurances and dollar expenses relating to promotional (marketing) expenditure.
- Impala Refining Services' contribution to operating income up 41% to a high of R220 million.
- Implats' 27% shareholding in Lonplats contributed R606 million equity-accounted pre-tax income, including a dividend of R325 million (2000: R244 million) was received. Higher Rand prices and production contributed to Lonplats' improved results for the six month period ended September 2001.
- Capital expenditure amounted to R528 million, mainly on mining decline projects and processing capacity increases.
- The cash position net of short-term debt decreased to R947 million as a result of the payment of various acquisitions and taxation related to previous years. An increase in working capital requirements resulted in lower cash earnings per share.

MINING AND REFINING ACTIVITIES

Impala operations

- Despite an improvement in safety, four of our employees tragically lost their lives in work-related accidents. Three of these accidents were related to falls of ground. Several internal and external safety reviews have led to the decision to utilise DuPont, who are leaders in industrial safety, to assist Impala in implementing a Behavioural Safety Management Programme.

  The HIV prevalence rate on Impala is estimated at 17% which, although well below the rates reported in other mining companies, is cause for concern and our continued attention. The rate does however support our HIV impact models which show that the financial effect can be managed.
- Total platinum production of 680 000 ounces, which includes metal sourced from concentrates purchased from third parties increased by 3.2%. Platinum production from the Impala lease area decreased slightly by 1.7% to 507 000 ounces (931 000 ounces pgm) primarily as a result of the commissioning problems at the UG2 plant upgrade experienced in the first half of the period under review.
- Stoping productivity remained at $42m^2$ per employee, the same as in the corresponding period last year.
- The Refineries' performance for the period has been excellent. First pass yields on the primary metals are arguably the best in the industry.
- The UG2 plant upgrade was completed and the additional 30% throughput is being achieved although the expected improvement in recoveries of 3% has not materialised and may require further process enhancements.
- Processing of the surface stockpile commenced when the UG2 plant achieved steady state after the upgrade. After peaking at over 700 000 tons, the stockpile has been reduced to 570 000 tons.
- Tons milled were 3.8% less than last year, offset by a corresponding 3.0% improvement in the headgrade.

Crocodile River Mine

- Tons milled from the open-cast mining operation were on target at 450 000 tons for the six months.
- Concentrator recoveries from open-cast mining have steadily improved to above 70%.
- Work to establish the portals for the underground declines has commenced and the first underground ore will be delivered to the concentrator by April 2002.

THE MARKET

- The impact of slowing world economies compounded by the attacks on the USA in September 2001, has, to a great extent, been countered by resilience in Chinese jewellery and US and European car markets.
- Notwithstanding in excess of half a million ounce liquidation on Tocom, platinum demand have been supported by the continued growth of diesel vehicles in Europe, and a strong demand for platinum jewellery in China, both factors ameliorating the price decline for the metal.
- Palladium has suffered from substitution in the auto and electronics markets, substantial de-stocking following the correction in the IT industry, and Russian deliveries into an oversold market. This has resulted in a price plunge some 60% from highs recorded in January 2001. Rhodium prices have also been volatile following erratic selling by those holding large inventories.
- Considering the prevailing circumstances, the markets have performed satisfactorily, and it is our opinion that the fundamentals for platinum in the medium to long term remain good, whilst palladium's future hinges in the short term on Russia's attitude to price and deliveries.

PROSPECTS

- Given the general malaise in the world economy, the market for pgm's has held up better than may have been anticipated and the outlook for platinum, in particular, still looks fundamentally sound.
- The company has benefited from the recent weakness of the local currency but this has not fully compensated for the lower metal prices. As a result, attributable earnings are expected to be lower than the exceptional earnings of 2001 but significantly higher than in 2000.
- Implat's volume growth strategy of 5 to 10% per annum is on track. The development of a new mine in the Eastern Bushveld is progressing well and material sourced from our strategic partners (Aquarius, Zimplats, Mimosa, Messina etc) through Impala Refining Services are growing as expected. It is still anticipated that Implats will have an economic interest in over 2 million ounces of platinum per annum by 2006.
- A strong balance sheet and robust cash earnings will allow the company to fund the anticipated expansions and acquisitions. The interim dividend declared is in line with a dividend cover of 1.9 on attributable earnings and consistent with a policy of declaring around one-third of the anticipated full year dividend.

On behalf of the board

J M MCMAHON
K C RUMBLE *Directors*

6 February 2002

DECLARATION OF INTERIM DIVIDEND

An interim dividend of 1 100 cents per share has been declared in respect of the half-year ended 31 December 2001. The last day to trade ("cum" the dividend) in order to participate in the dividend will be Wednesday 27 March 2002. The share will commence trading "ex" the dividend from the commencement of business on Thursday 28 March 2002 and the record date will be Friday 5 April 2002.

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 the rate of exchange ruling on 28 March 2002 or on the first day thereafter on which a rate of exchange is available.

The dividend will be paid on Monday 8 April 2002.

Share certificates may not be lodged with the transfer secretaries for dematerialisation/rematerialisation during the period 20 March 2002 to 5 April 2002, both days inclusive.

By order of the board.

A M SNASHALL
Group Secretary

Johannesburg
6 February 2002