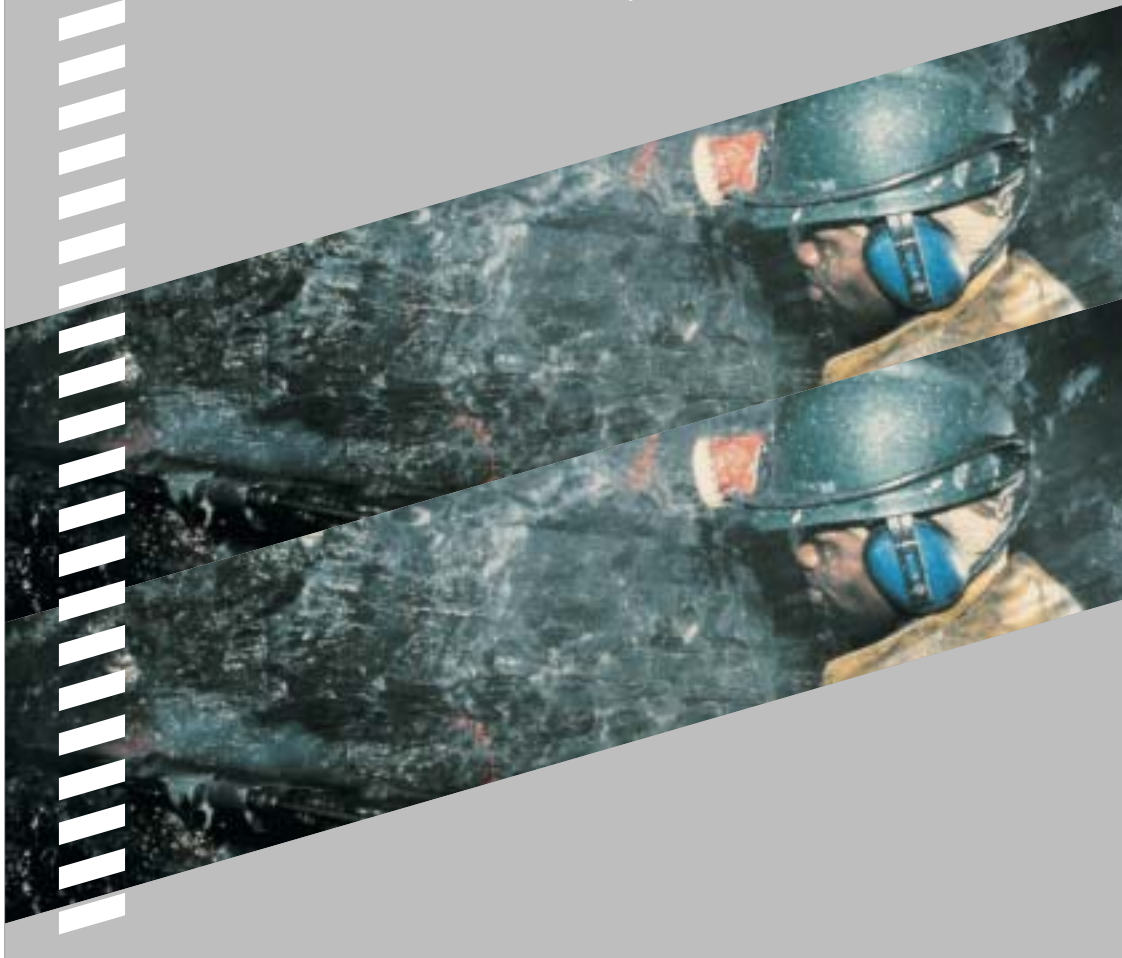


Interim  
results  
for the six  
months ended  
31 December  
2002



**IMPLATS**  
IMPALA PLATINUM  
HOLDINGS LIMITED

(Incorporated in the Republic of South Africa)  
Registration No. 1957/001979/06  
Share code: IMP  
ISIN: ZAE 000003554  
("Implats")



A copy of this Report is available on the Internet web site:

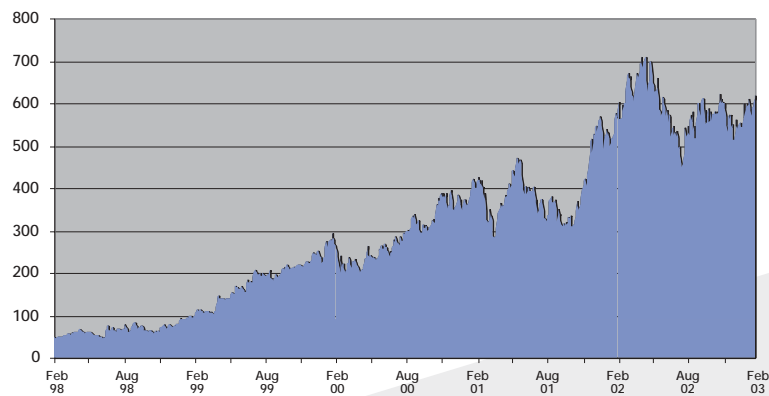
***<http://www.implats.co.za>***

Alternatively please contact the Group Secretary,  
via e-mail at [alan.snashall@implats.co.za](mailto:alan.snashall@implats.co.za) or by post at  
P.O. Box 61386, Marshalltown 2107, South Africa.  
Telephone: (011) 481 3900

# Highlights

- Turnover up 21%
- Operating income up 18%
- On-mine cost well contained
- Platinum production up 14%
- BEE partner for Two Rivers Project
- Growth strategy on track
- Attributable income of R2 billion down 8% due to translation losses
- Interim dividend of R9 per share

## IMPLATS SHARE PRICE





## Income Statement

Rand million	Six months to 31 December 2002 (Unaudited)	Six months to 31 December 2001 (Unaudited)	% change	Year to 30 June 2002 (Audited)
<b>Turnover</b>	<b>6 410.7</b>	5 300.6	20.9	11 901.5
<b>Cost of sales</b>	<b>3 375.9</b>	2 719.3	(24.1)	5 764.9
On-mine operations	1 591.9	1 251.0	(27.3)	2 567.5
Concentrating and smelting operations	376.6	297.4	(26.6)	642.6
Refining operations	202.1	171.9	(17.6)	354.7
Amortisation of mining assets	176.1	139.4	(26.3)	248.8
Metals purchased	843.7	1 015.2	16.9	1 883.4
Other costs	140.6	77.8	(80.7)	203.9
Decrease/(increase) in metal inventories	44.9	(233.4)	(119.2)	(136.0)
<b>Operating income</b>	<b>3 034.8</b>	2 581.3	17.6	6 136.6
Exchange rate translation (loss)/gain	(210.9)	274.4	(176.9)	130.8
Net other expense	(25.2)	(43.0)	41.4	(98.0)
Net financial income	168.7	136.2	23.9	265.5
Share of pre-taxation income from associates	635.5	606.3	4.8	1 102.9
Royalty expense	(394.1)	(338.1)	(16.6)	(804.4)
<b>Income before taxation</b>	<b>3 208.8</b>	3 217.1	(0.3)	6 733.4
Taxation	1 160.2	1 019.8	(13.8)	2 142.0
<b>Income after taxation</b>	<b>2 048.6</b>	2 197.3	(6.8)	4 591.4
Outside shareholders' interest	37.6	5.5	-	9.9
<b>Attributable income</b>	<b>2 011.0</b>	2 191.8	(8.2)	4 581.5
Earnings per share (cents)				
- basic	3 021	3 303	(8.5)	6 902
- diluted	2 982	3 281	(9.1)	6 839
Headline earnings per share (cents)				
- basic	3 042	3 315	(8.2)	6 877
- diluted	3 002	3 292	(8.8)	6 814
Cash earnings per share (cents)				
- basic	4 207	2 742	53.4	8 462
- diluted	4 151	2 723	52.4	8 385
Weighted average number of shares in issue (millions)	66.6	66.3	0.3	66.4

## Balance Sheet

Rand million	As at 31 December 2002 (Unaudited)	As at 31 December 2001 (Unaudited)	As at 30 June 2002 (Audited)
<b>ASSETS</b>			
Fixed assets	7 947.8	5 612.4	6 218.4
Investments	2 274.8	2 165.3	2 990.0
Other non-current assets	265.1	249.4	115.7
Current assets	4 650.2	3 541.7	5 448.3
<b>Total assets</b>	<b>15 137.9</b>	<b>11 568.8</b>	<b>14 772.4</b>
<b>EQUITY AND LIABILITIES</b>			
Capital and reserves	9 148.2	7 394.1	9 284.0
Outside shareholders' interest	574.7	24.7	61.6
Provision for long-term responsibilities	212.3	200.0	207.5
Borrowings	154.1	98.3	86.3
Deferred taxation	1 483.2	1 233.2	1 389.6
Current liabilities	3 565.4	2 618.5	3 743.4
<b>Total equity and liabilities</b>	<b>15 137.9</b>	<b>11 568.8</b>	<b>14 772.4</b>

## Segmental Report

Summary of business segments for the half year ended 31 December 2002:

Rand million	Impala Platinum	Barplats	Zimbabwe Operations	Impala Refining Services	Inter Segmental Adjustment	Total
Sales revenue	6 217.4	107.8	270.8	1 498.5	(1 683.8)	6 410.7
Cost of sales	3 501.2	107.3	165.2	1 284.3	(1 682.1)	3 375.9
<b>Operating income</b>	<b>2 716.2</b>	<b>0.5</b>	<b>105.6</b>	<b>214.2</b>	<b>(1.7)</b>	<b>3 034.8</b>

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
Cost of sales	2 751.8	96.9	–	794.9	(924.3)	2 719.3
<b>Operating income</b>	<b>2 335.0</b>	<b>27.2</b>	<b>–</b>	<b>219.7</b>	<b>(0.6)</b>	<b>2 581.3</b>



## Statement of Changes in Equity

Rand million	Share capital	Share premium	Other reserves	Retained earnings	Total
<b>Balance at 31 December 2001</b>	13.3	562.8	350.9	6 467.1	7 394.1
Dividends paid				(730.2)	(730.2)
Net profit attributable to ordinary shareholders				2 398.5	2 398.5
Issue of share capital	–	26.8			26.8
Market value and currency adjustment of listed investments			41.0		41.0
Currency and translation adjustment on foreign investments and subsidiaries			153.8		153.8
<b>Balance at 30 June 2002</b>	13.3	589.6	545.7	8 135.4	9 284.0
Dividends paid				(1 730.7)	(1 730.7)
Net profit attributable to ordinary shareholders				2 011.0	2 011.0
Issue of share capital	–	0.5			0.5
Market value and currency adjustment of listed investments			(122.9)		(122.9)
Currency and translation adjustment on foreign investments and subsidiaries			(293.7)		(293.7)
<b>Balance at 31 December 2002</b>	13.3	590.1	129.1	8 415.7	9 148.2

## Cash Flow Statement

Rand million	Six months to 31 December 2002 (Unaudited)	Six months to 31 December 2001 (Unaudited)	Year to 30 June 2002 (Audited)
Net cash from operating activities	1 648.2	414.9	4 155.2
Net cash used in investing activities	(876.4)	(886.9)	(1 735.5)
Net cash used in financing activities	(1 603.3)	(1 591.6)	(2 307.0)
Decrease in cash and cash equivalents	(831.5)	(2 063.6)	112.7
Cash at the beginning of the period	3 150.3	3 037.6	3 037.6
Cash at the end of the period	2 318.8	974.0	3 150.3

## Statistics

		Six months to 31 December 2002	Six months to 31 December 2001	% change	Year to 30 June 2001
<b>Gross refined platinum production</b>					
Total	('000 oz)	773	680	13.7	1 387
Impala	('000 oz)	545	507	7.5	1 025
IRS	('000 oz)	228	173	31.8	362
<b>Group consolidated statistics</b>					
Average exchange rate achieved	(R/\$)	10.09	9.06	11.4	10.16
Closing rate on 31 December/30 June	(R/\$)	8.56	12.00	(28.7)	10.32
Revenue per platinum ounce sold	(\$/oz)	927	936	(1.0)	934
	(R/oz)	9 353	8 480	10.3	9 489
Tons milled ex-mine	('000 t)	8 900	7 970	11.7	15 607
Pgm refined production	('000 oz)	1 486	1 292	15.0	2 639
Capital expenditure	(Rm)	727	528	37.6	1 250
<b>Impala business segment</b>					
Tons milled ex-mine	('000 t)	7 897	7 519	5.0	14 850
Total costs per ton milled	(R/t)	253	226	(12.2)	239
	(\$/t)	25	24	(3.5)	24
Pgm refined production	('000 oz)	1 019	931	9.5	1 895
Cost per pgm ounce refined	(R/oz)	1 964	1 824	(7.6)	1 872
	(\$/oz)	196	197	0.6	185
Cost per platinum ounce refined	(R/oz)	3 672	3 350	(9.6)	3 459
	(\$/oz)	367	360	(1.8)	341
Net of revenue received from other metals	(R/oz)	183	(515)	(135.5)	(708)
	(\$/oz)	18	(56)	(132.7)	(70)
Capital expenditure	(Rm)	464	409	(13.4)	1 009
Total Impala labour complement	('000)	28.6	27.9	(2.5)	27.9



## Dividend

		Six months to 31 December 2002	Six months to 31 December 2001	% change	Year to 30 June 2002
Dividends per share declared and paid	(cents)	2 600	2 380	9.2	3 480
Dividends per share proposed	(cents)	900	1 100	(18.2)	3 700

## 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 2002 and conform with IAS 34 on Interim Financial Reporting.

The increase in amortisation is as a result of higher production volumes and commencement of production from capacity extension projects.

Higher secondary taxation on companies (STC) for the period ended 31 December 2002, due to lower dividend income and higher dividend payments, contributed to increased taxation.

During the period under review, the group acquired additional shareholdings as follows:

- a further 21% in Zimbabwe Platinum Mines Limited for R209.2 million (AU \$35.3 million) Consequently the company's results were consolidated from September 2002 (whereas previously results had been equity accounted), and
- an additional 15% stake in ZCE Platinum Limited, which owns Mimosa, for R130.4 million (GBP 8.0 million) which increased the holding to 50% and consequently the company's results were proportionally consolidated from July 2002 (whereas previously results had been equity accounted).

The impact of the increased shareholdings resulted in the following changes to the group's balance sheet:

- Fixed assets increased by approximately R1 billion.
- Long-term loans increased by R68 million.
- Outside shareholders' interest in these companies amounts to R513 million.

Investments are both listed and unlisted. The directors have valued the unlisted investments at book value (R1 975 million) and the listed investments are valued at market value (R300 million), by reference to stock exchange quoted prices and the closing exchange rate.

Accounting convention dictates that the group's investment in Lonplats is carried on the balance sheet at a book value of R1 171 million. By using the market capitalisation of its holding company (Lonmin Plc), and applying the same references as above, the Implats 27.1% holding reflects a value of approximately R5.9 billion.

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 15.4% per annum. All are repayable on 30 June 2004.



Capital expenditure approved at 31 December 2002 amounted to R3 642 million, of which R1 194 million is already committed. This expenditure, over a period of 5 years, will be funded internally and, if necessary, from borrowings.

Contingent liabilities at 31 December 2002, arising mainly from collateral security for employee housing, amounted to R8.4 million.

Certain guarantees were in place as at 31 December 2002:

- The company has provided a guarantee up to 30% of a facility, made available by ABSA to Makwiro Platinum Mines (Private) Limited. As at 31 December 2002, the guarantee amounted to R82.9 million (US\$9.7 million). The guarantee is set to expire by September 2004.
- The company has provided a guarantee to Investec Bank Limited on behalf of Aquarius Platinum (South Africa) (Proprietary) Limited for a loan facility granted of R175.0 million, of which R124.8 million has been utilised at 31 December 2002. This guarantee is set to expire upon completion of certain project completion tests, relating to the Marikana project, which is expected to be no later than the end of calendar year 2004.
- A loan facility of R92.8 million has been guaranteed in favour of banking institutions, available for utilisation by Lonplats (comprising Western Platinum Limited and Eastern Platinum Limited). The full amount has been utilised at 31 December 2002. The guarantee is set to expire by September 2005.

Currency and translation reserves were adjusted primarily as a result of the stronger Rand as at 31 December 2002.

The *market value and currency adjustment of listed investments* relates primarily to a currency adjustment with respect to the group's holding in Aquarius Platinum Limited.

The calculation of headline earnings per share has been changed to conform with the JSE Securities Exchange South Africa requirements. Headline earnings per share reflects an adjustment for the amortisation of goodwill, which amounts to R13.5 million (2001: R7.4 million).

Interim dividend no. 70 of 900 cents per share, amounting to R599.1 million, was approved by the board of directors on 11 February 2003; STC on this dividend will amount to R64.7 million.

## The Market

Sales held up well, despite the global economic malaise. Platinum prices rose 23% in dollar terms and by 32% in rand terms compared to the corresponding period under review. However, the dollar revenue per platinum ounce sold was down 1%.

The strength of the market was particularly marked for platinum, where robust automotive sales – which were incentive-driven in the US – belied poor economic conditions in first world markets. The threat of war and escalating oil prices, as well as the delays in Anglo Platinum's expansion program has assisted in supporting the price further.

Chinese jewellery consumption grew by nearly 20% in 2002. Should platinum prices remain at the current high levels, this trend could be reversed.

The overall outlook for platinum remains positive as the fundamentals remain sound.

Palladium's woes continued with ample supply outstripping demand as consumer destocking continued and the full effects of substitution were felt. A swing back to palladium in the automotive industry in the long term has become a reality, as users are encouraged by lower prices and abundant supply.

Producer selling continued to put pressure on the rhodium price, although demand continued to hold firm. This trend is likely to continue as rhodium demand remains underpinned by the automotive industry.



## Financial Review

Compared to the corresponding period last year which now includes the results of the Zimbabwe operations:

- Turnover rose by close on 21% to R6 410.7 million on the back of a 13% increase in sales volumes and higher rand metal prices.
- Cost of sales increased by 24% to R3 375.9 million as a result of a 15% rise in PGM production and inflation-related increases. However, unit costs for the Impala Lease Area more truly represent the underlying performance of the company, rising by only 9.6% overall – this was lower than the CPIX which was 12.4% for the same period.
- The exchange rate translation loss for the period amounted to R211 million versus a gain of R274 million the previous six months. The net variance was R485 million. At the date of the previous valuation of debtors/advances on 31 December 2001, the rand dollar exchange rate was 12.00 This compares with a corresponding rate of 8.56 on 31 December 2002.
- The cash position net of short-term debt decreased to R2.2 billion from R3.1 billion as at 30 June 2002.
- Capital expenditure for the period was R727 million (2001: R528 million), and is anticipated to be R1.2 billion in the second half of the year.

**Contributions to attributable income from the various companies are listed below: Rm**

Impala Platinum Limited	1 544
Lonplats (comprising Western Platinum Limited and Eastern Platinum Limited)	368
Aquarius Platinum (South Africa) (Proprietary) Limited	34
Zimbabwe Platinum Mines Limited/ Makwiro Platinum Mines (Private) Limited	30
Impala Refining Services Limited	17
ZCE Platinum Limited (Mimosa)	11
Barplats Investments Limited	7
	<hr/>
	2 011
	<hr/>

## Mining and refining activities

Implats' business is managed in two core areas of activity, namely mining operations and Impala Refining Services (IRS), which undertakes life of mine offtake refining and toll refining services.

Contributions to attributable platinum production from the various companies are listed below ('000 oz):

	31 December 2002	31 December 2001
Impala	545	507
IRS	228	173
Barplats	16	21
Zimplats/Makwiro	35	1
Mimosa	8	8
Aquarius	66	55
Other	103	88
Lonplats (27%)	114	112
Total ounces in which Implats group has an economic interest	887	792
Less: Lonplats	(114)	(112)
Gross Implats production	773	680
Less: Returned metal for IRS toll contracts	(86)	(83)
Retained for sale by Implats group	687	597

### Impala Platinum

Safety efforts continued during the year with some degree of success as key safety indicators continued in a downward trend. Particularly notable was the success of the Fall of Ground safety campaign which was launched during the past year, and which has resulted in a dramatic improvement. The incidence of large falls of ground has decreased by almost 95%. This vindicates the drastic steps taken by Impala in May 2002 when the company voluntarily closed 11 shaft to undertake stringent safety audits.

Sadly and despite the increased emphasis on safety which resulted in a 40% reduction in the lost-time injury frequency rate, three employees lost their lives during the period due to mining-related accidents. The Board and management of Implats extend their condolences to the families and colleagues of the deceased.

On an operational front, mining operations on the Impala Lease Area progressed well with tonnes mined up by some 9.6%.

Tonnes milled rose by some 5%, with platinum production reaching 545 000oz for the half-year. On-mine unit costs were well-contained, rising by 9.6% per platinum ounce and 7.6% per PGM ounce.



On the growth front, the decline projects remain on track and within budget. Capital expenditure totalled R464 million on the lease area for the period.

Impala's processing and refining assets continued to deliver a superior performance. Not only were recoveries commendable, but unit costs increased by only 4% as gross throughput (which includes throughput through IRS) rose by 14%. A R200 million capital expenditure programme is underway at the refineries to cater for Implats longer term growth ambitions.

### **Marula Platinum**

At Marula Platinum, development is progressing well with commissioning proceeding on time and within budget. Stockpiles are currently being built up in anticipation of plant commissioning in September 2003, with the first stoping activities scheduled for October 2003.

### **Crocodile River Mine**

Crocodile River Mine, part of the Barplats group, which is 83% held by Implats, turned in a disappointing performance for the period. Shareholders are referred to a separate, fuller announcement made by Barplats in this regard. Tonnes milled decreased significantly as the mining operation encountered difficult geological conditions causing a decrease in volumes mined. Platinum ounces in concentrate fell by 25% to 16 290oz, with a resultant loss in attributable income of R17 million. The impact on Implats is minimal.

### **Impala Refining Services (IRS)**

IRS produced another sterling performance for the year, with platinum production increasing by 32%. Accordingly, revenue rose to R1 500 million. However, translation exchange rate losses of R148 million for the six months ended 31 December 2002 (2001: R212 million gain), relating to dollar advances to customers, had a major impact on attributable income.

### **Strategic interests and alliances**

Implats' relationships with and interests in strategic alliance partners remain an important element in the company's operating and growth strategy. Particularly good earnings continue to be made by Lonplats with a net contribution of R368 million. The group's interests in Zimbabwe continue to show good growth and operations are proceeding as planned. An issue of concern is the foreign exchange situation in Zimbabwe at present, which is being addressed by the Zimbabwe government. These investments remain of strategic importance in the longer term.

## Corporate issues/activity

A number of additional issues have had an impact on or have formed a part of the company's strategy during the period under review:

- Progress in the Gencor unbundling will have a major and positive impact on the group.
- Implats has made good progress with the implementation and measurement of its Black Economic Empowerment policy and scorecard. The company's BEE policy is founded on five key elements, namely equity ownership, employment equity, training and development, affirmative procurement and enterprise development. Another BEE initiative announced during the period was the agreement to sell up to 25% of the Two Rivers project to a BEE company, Tiso Capital. With this, and other initiatives in place or planned, Implats is well-placed to measure up to the BEE scorecard.
- On the issue of HIV/AIDS, Impala provides a comprehensive programme including the provision of anti-retroviral therapy (ART) to employees.
- Implats upgraded to a sponsored ADR programme in the US to enhance further the tradeability of its share in the largest global equity market.

## Prospects

- Implats anticipates that the platinum market will remain firmly underpinned by continued fundamental demand.
- The group's growth strategy is on track to deliver 2 million ounces of platinum by 2006 and is a high margin, cash generating business and remains well-placed to continue to deliver shareholders' value.
- Ongoing cost control, is a critical focus for the group.
- Given the current strength of the South African currency, the group anticipates earnings significantly down on 2002 levels.

**P G Joubert**  
*Chairman*

**K C Rumble**  
*Chief Executive Officer*

Johannesburg  
12 February 2003



## Declaration of Interim Dividend

An interim dividend of 900 cents per share has been declared in respect of the half-year ended 31 December 2002. The last day to trade ("cum" the dividend) in order to participate in the dividend will be Friday 7 March 2003. The shares will commence trading "ex" the dividend from the commencement of business on Monday 10 March 2003 and the record date will be Friday 14 March 2003.

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 12 March 2003 or on the first day thereafter on which a rate of exchange is available.

The dividend will be paid on Monday 17 March 2003. Share certificates may not be lodged with the transfer secretaries for dematerialisation/rematerialisation, nor may transfers between registers take place during the period Monday, 10 March 2003 to Friday, 14 March 2003, both dates inclusive.

By order of the board

A M SNASHALL  
*Group Secretary*

Johannesburg  
12 February 2003



**Registered Office**

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**Directors**

PG Joubert (*Chairman*), KC Rumble (*Chief Executive Officer*),  
DH Brown, CE Markus, JM McMahon\*, MV Mennell, L Molotlegi,  
DM O'Connor, MF Fleming, JV Roberts

\*British

**Secretary**

AM Snashall

