

# IMPLATS

## The platinum investment of choice

Investor Presentation

May 2003



## 2003 – not without its challenges

- **Dollar platinum market held up well – 20-year highs of over \$700/oz in March 2003**
- **Rand one of the world's strongest performing currencies**
- **Minerals Act, Mining Charter and Royalty Bill**
- **Gencor unbundling proceeding apace**
- **Strike at Impala resolved without mass dismissal**

# Who we are

- **Focussed PGM business – second largest producer in the world**
  - 3 Moz PGMs per annum; 1.6 Moz platinum per annum
- **Primary listing JSE Securities Exchange**
  - Also, LSE and US (sponsored ADR)
- **Significant reserves and resources in SA and Zimbabwe; active exploration programme underway**



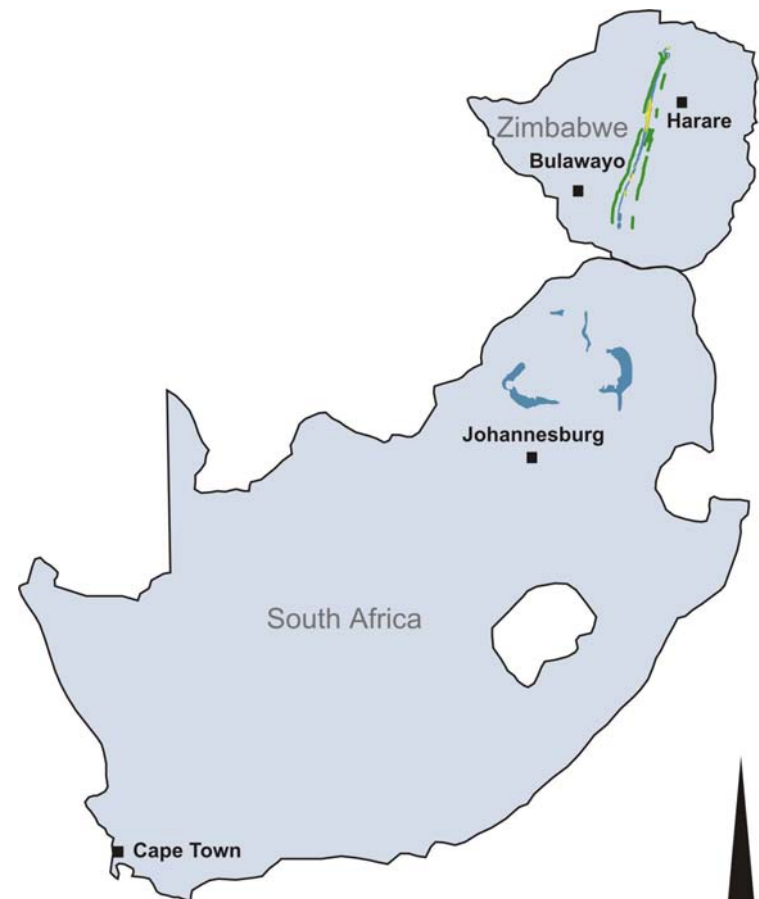
# Where we are

## Operations:

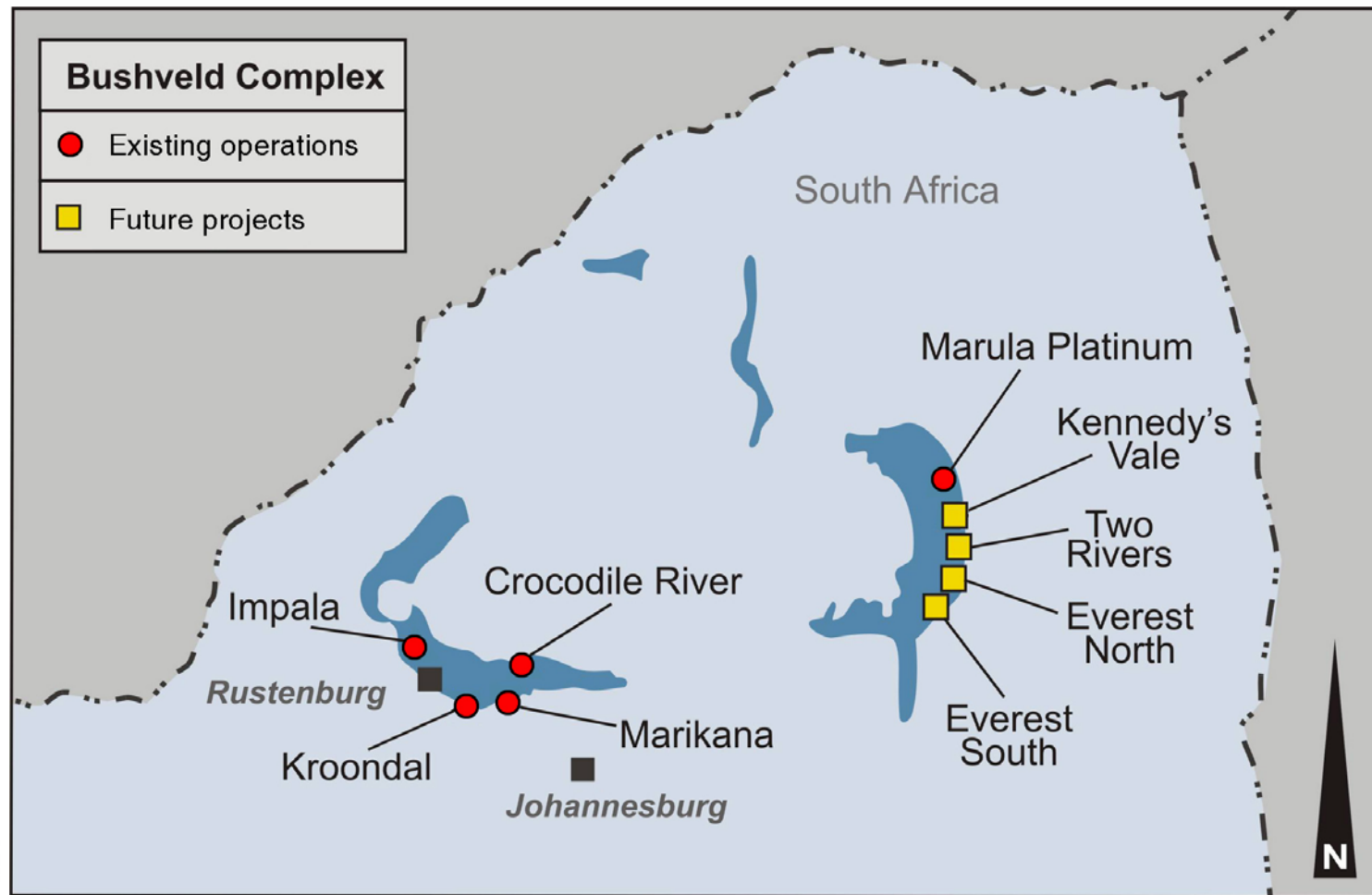
- **South Africa**
  - **Bushveld Complex – Western and Eastern limbs**
- **Zimbabwe**
  - **The Great Dyke**

## Exploration:

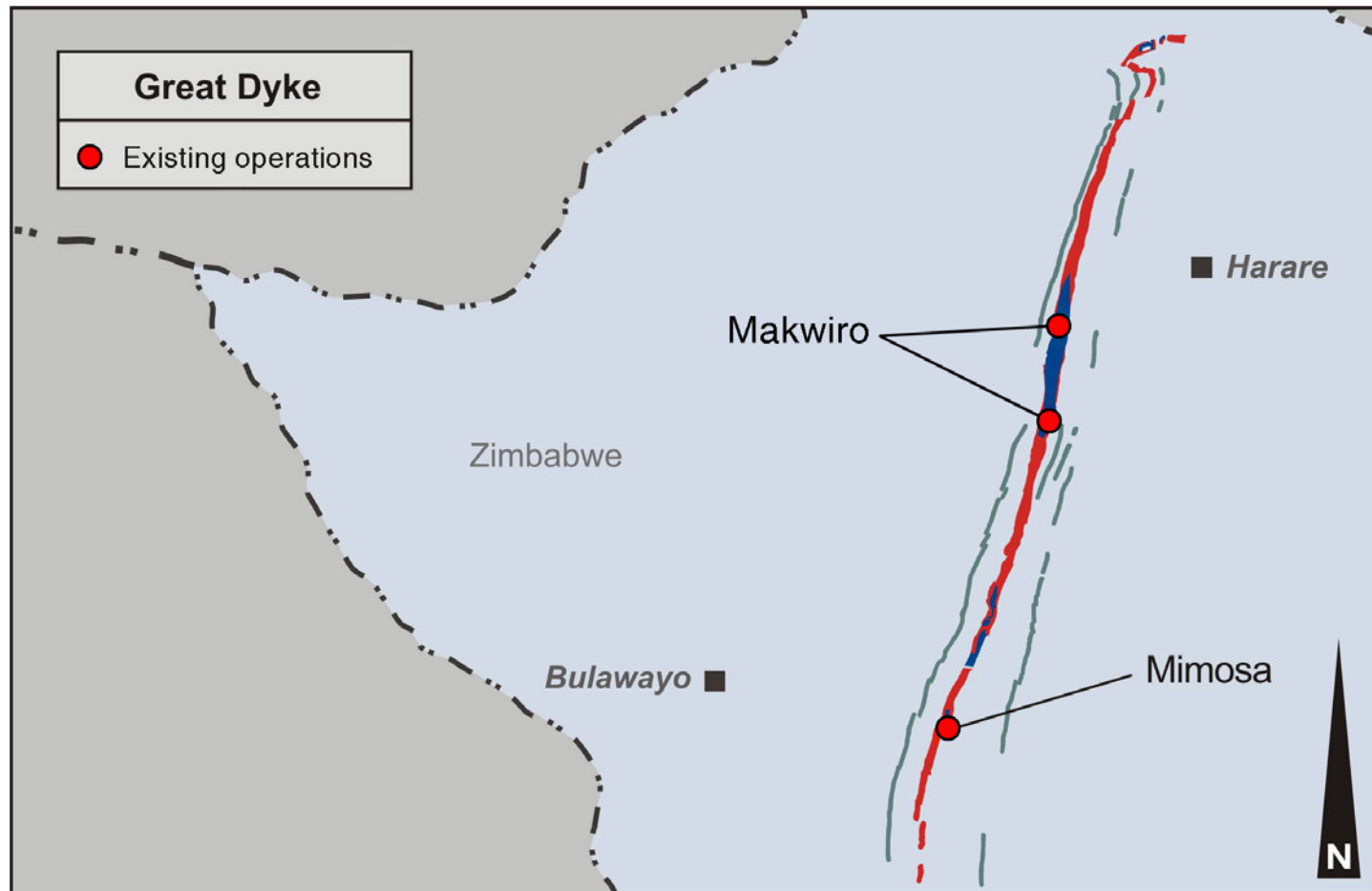
- **North America, South Africa, Australia, Brazil**



# Where we are



# Where we are



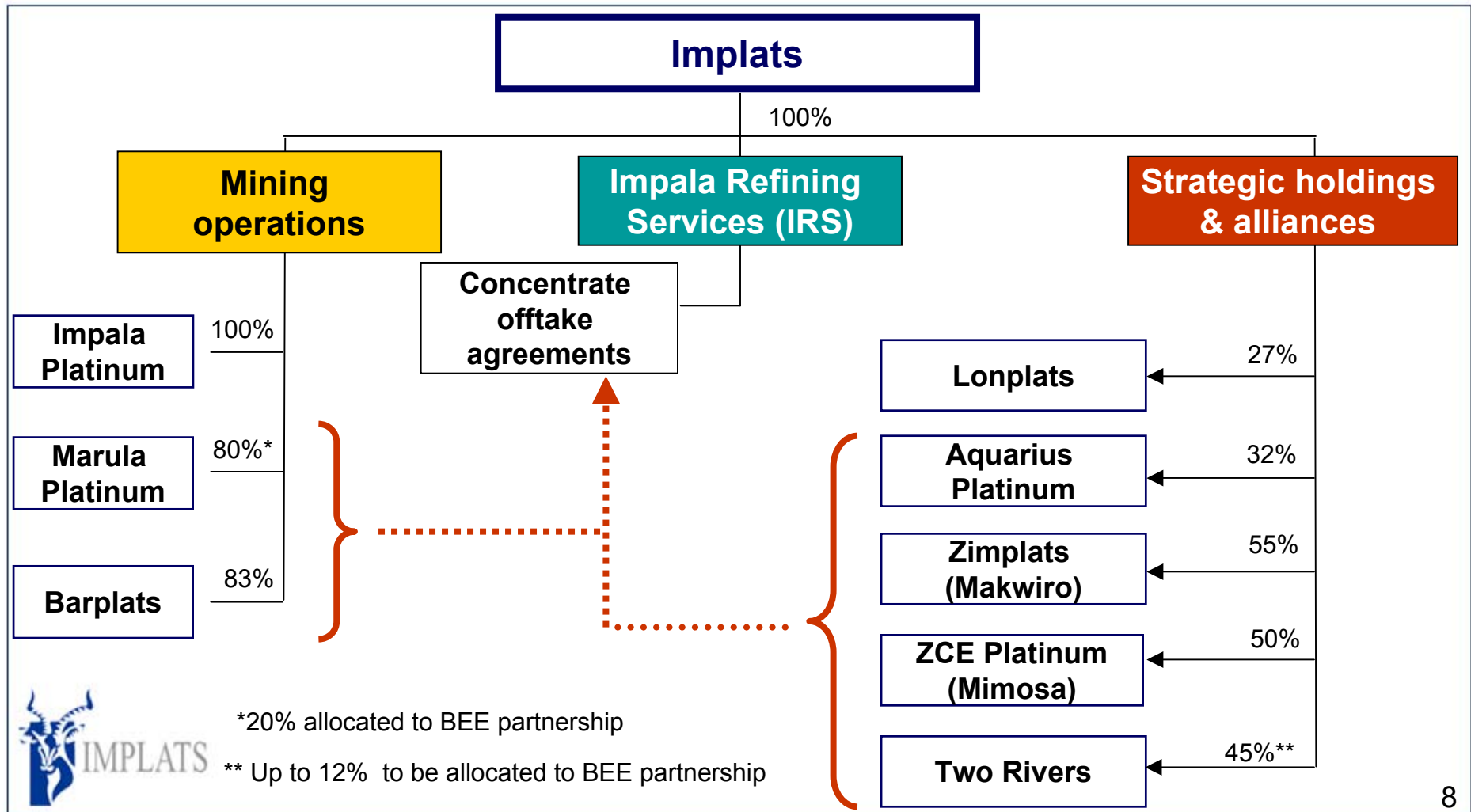
# What we have

## Platinum ounces

- Reserves: 23.8Moz
- Resources: 75.4Moz
- Attributable ounces (JVs and strategic investments):  
50.4Moz
- Total resources: 149.6Moz

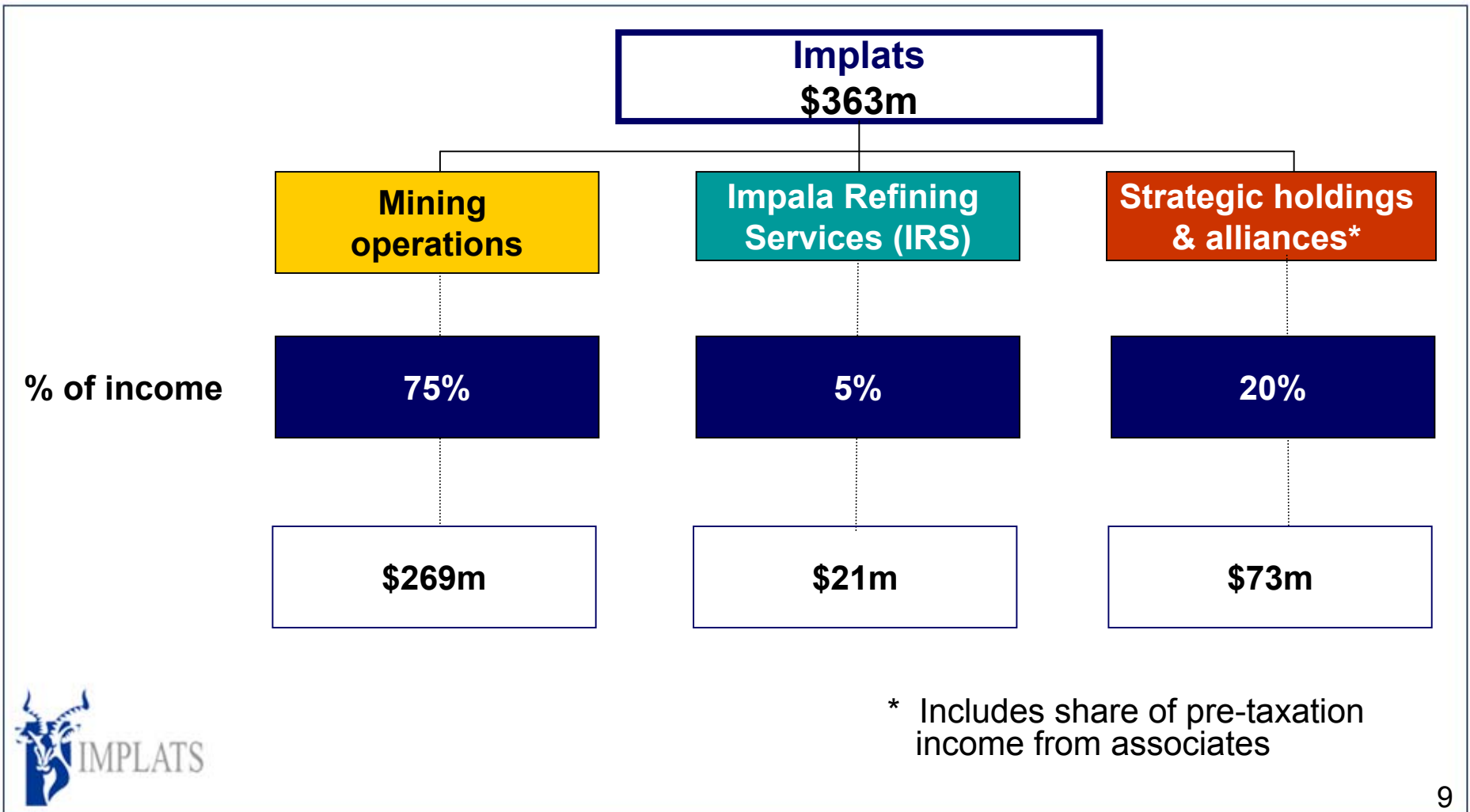
As at 30 June 2002

# What we do



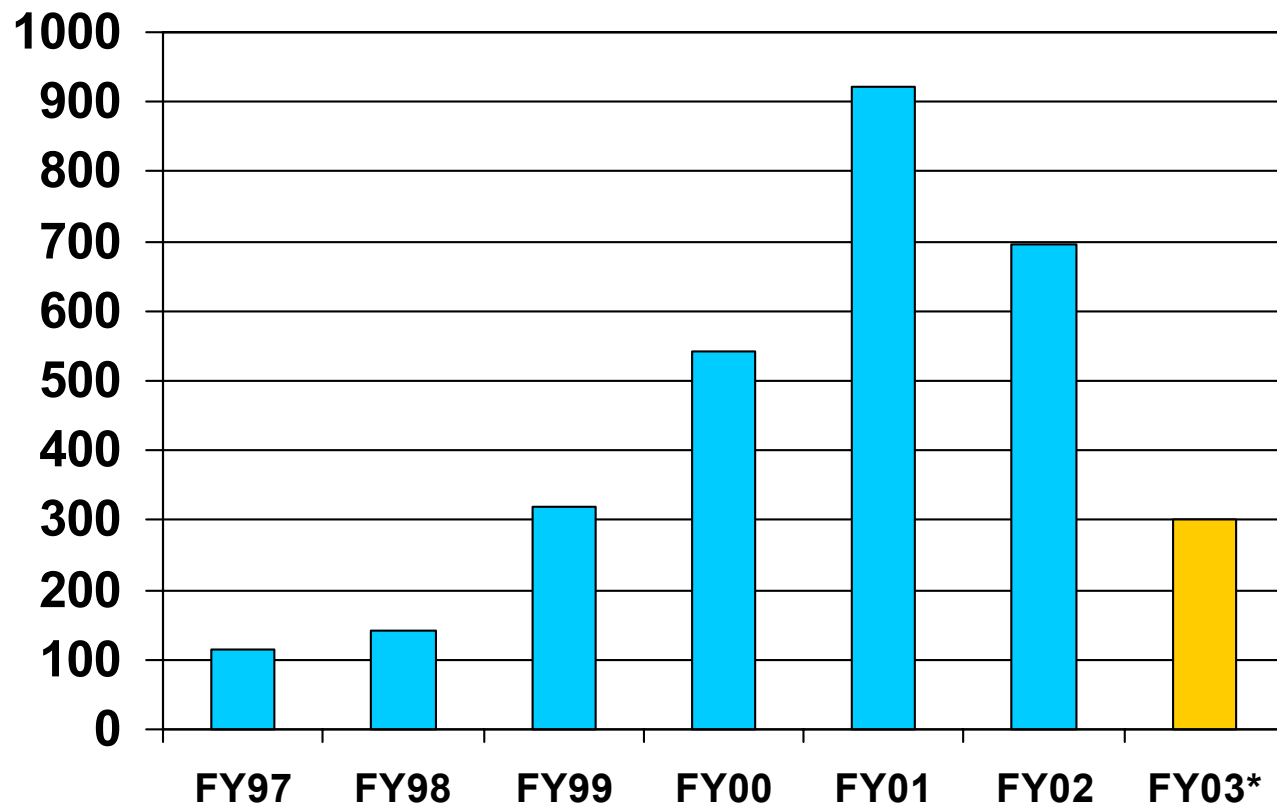


# Where our operating income comes from – half year to Dec 2002



# How we have performed – earnings

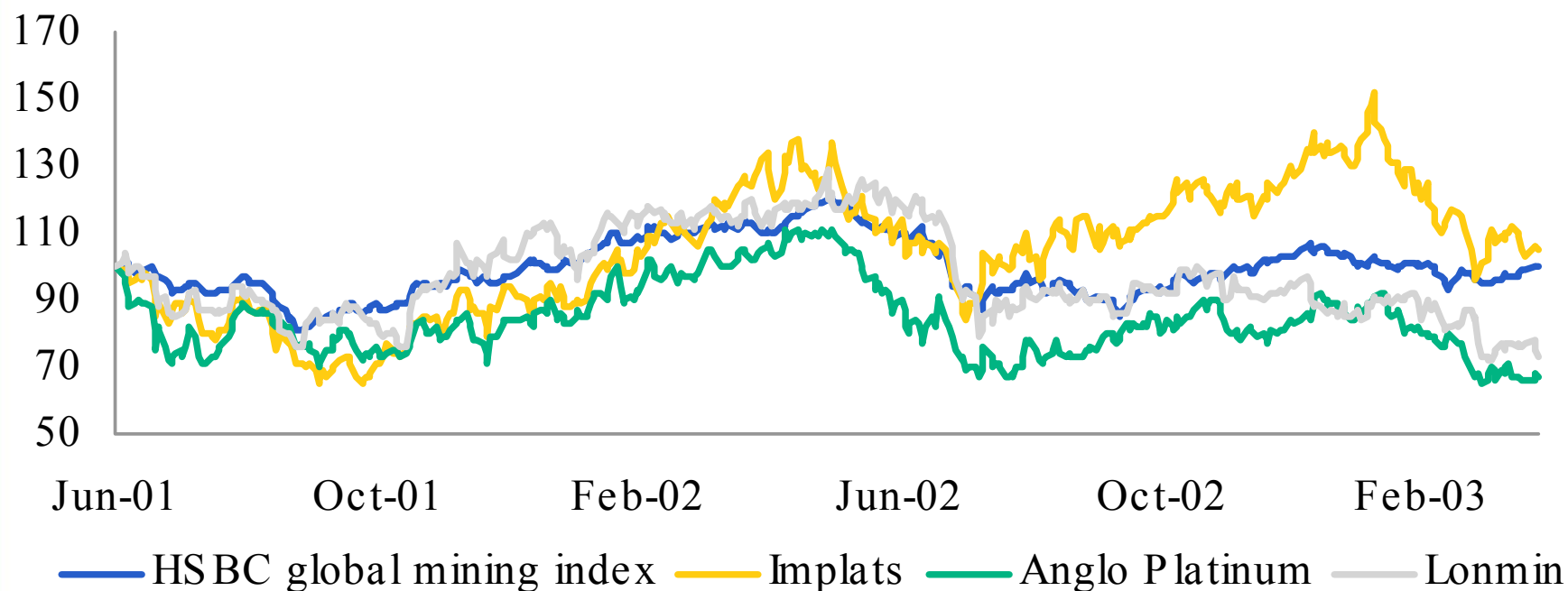
US cents/share



\* Interim 6 months

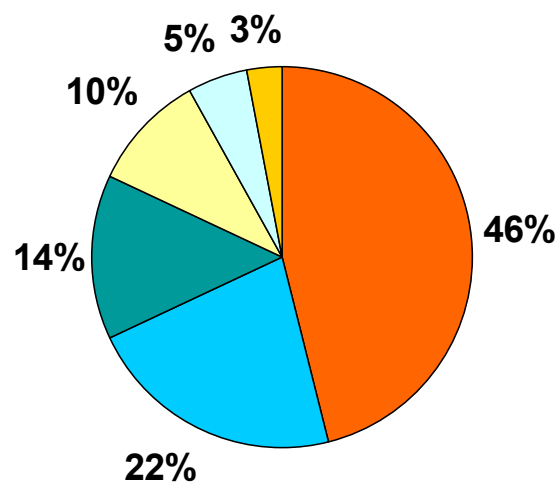
# How we have performed – share price

**Implats has outperformed global mining index by 5.67% since July 01**



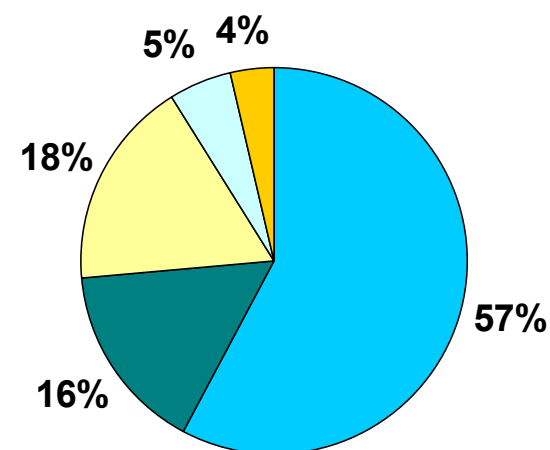
Source: Reuters

# Our shareholders



Implats only

- Gencor
- South Africa
- USA
- Eng & Wales
- Other countries
- Unknown/Below threshold



Implats post Gencor unbundling



Source: Cazenove

# Supply and demand (000 oz)

Calendar years	2001	2002	2003 (forecast)
<b><u>Platinum</u></b>			
Total demand	6,365	7,085	6,615
Total supply	6,250	6,560	6,680
Net supply deficit	(115)	(525)	65
<b><u>Palladium</u></b>			
Total demand	8,050	6,815	6,610
Total supply	8,920	7,280	6,610
Net supply surplus	870	465	0

# Fundamentals remain sound

## o **Platinum**

- o Good fundamental demand supports positive outlook

*World-wide auto sales at satisfactory levels*

*European diesel sales growing*

*Ever stricter emission legislation worldwide*

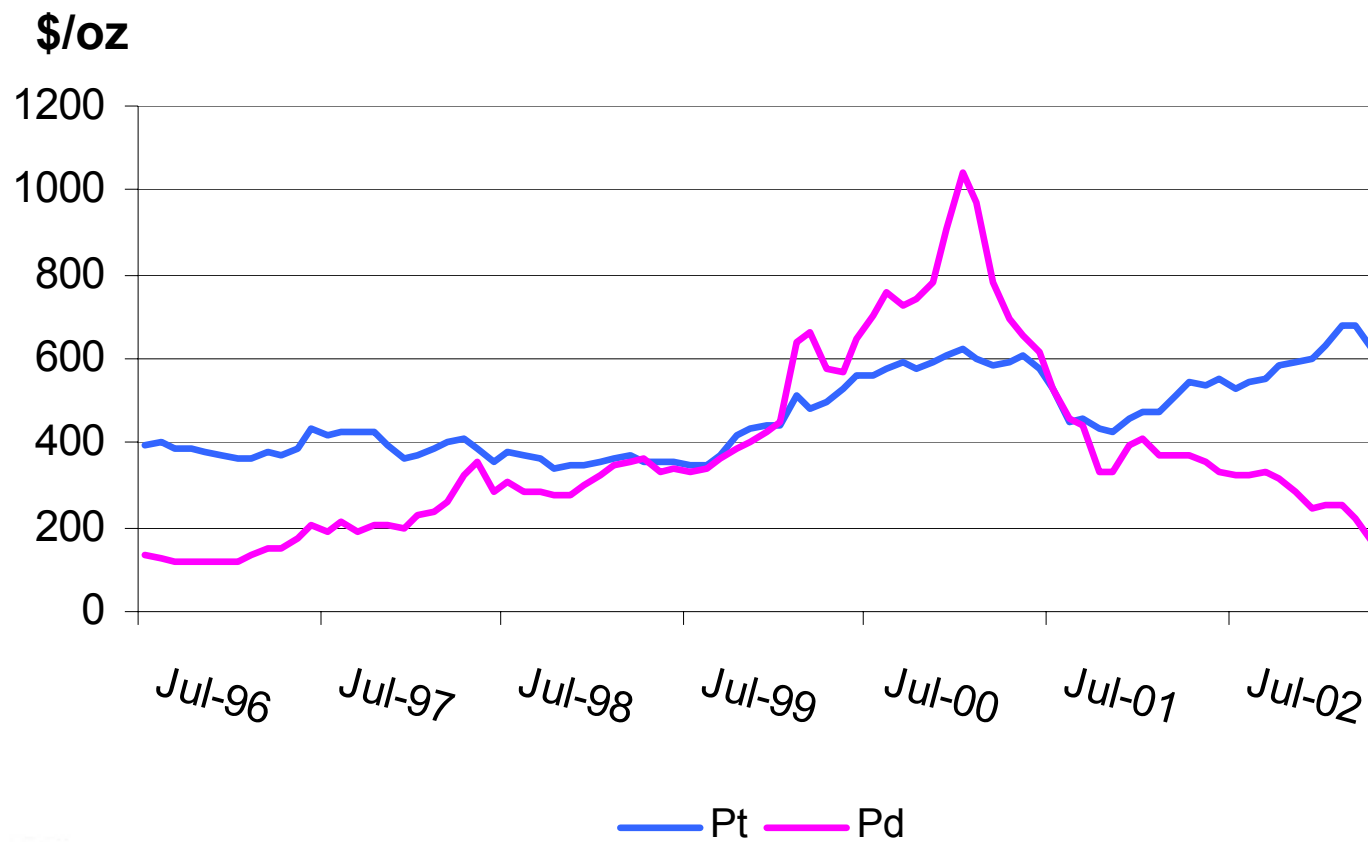
*Strong Chinese jewellery demand although high metal prices and SARS could have an impact*

## o **Palladium**

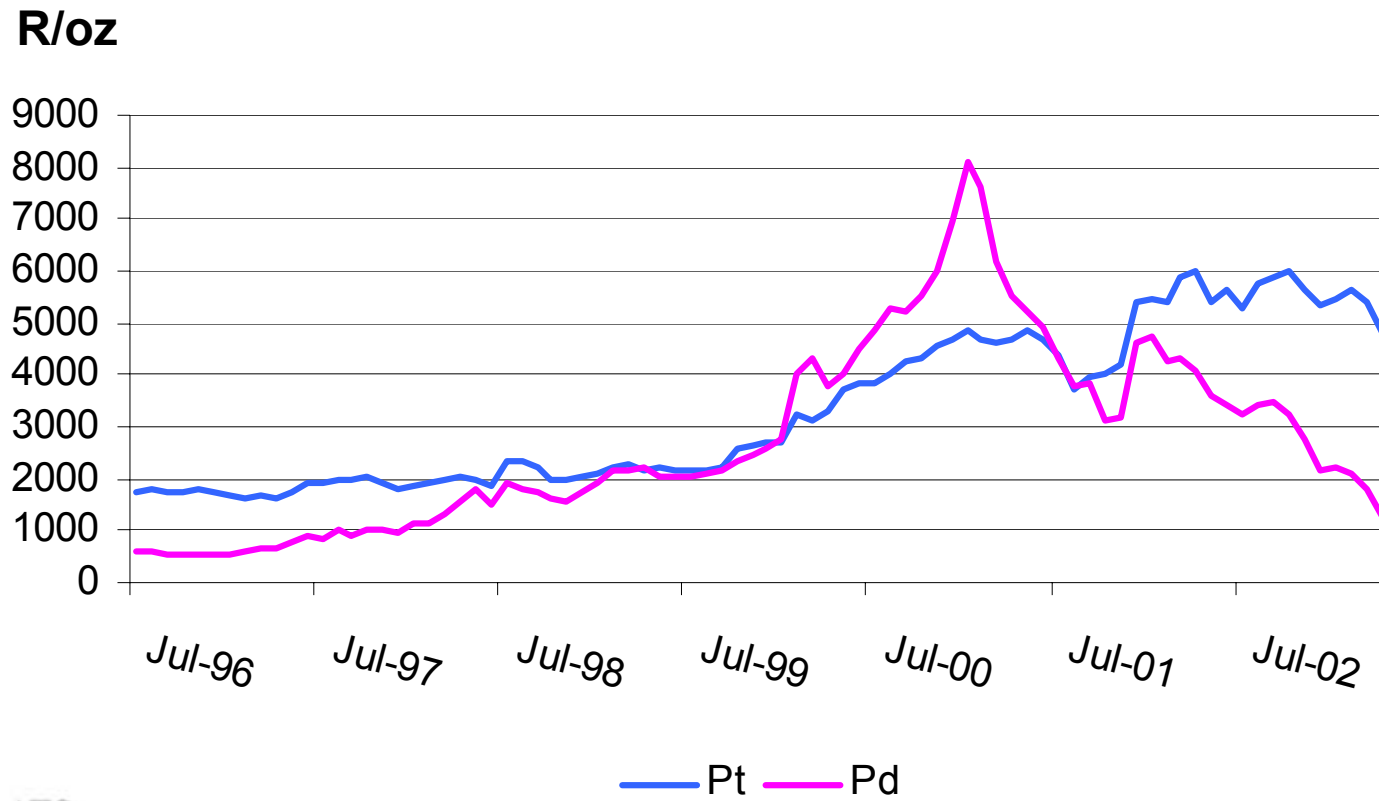
- o In medium term, plentiful supply and weaker price may encourage swing back to palladium by automotive users



# Platinum, palladium prices in Dollars



# Platinum, palladium prices in Rands





# Impala Platinum

## Fast facts:

13-shaft system employing 27,000 people

Annual production of 1Moz pa

+ 30-year life-of-mine

- **\$500 million mining capex programme aimed at maintaining production at 1.1Moz platinum pa – to be spent over five years**
- **Refinery expansion to capacity of 1.65Moz platinum complete, scoping of possible expansion to 2.5Moz platinum**



# Marula Platinum

## Fast facts:

New project under development

Annual production of 103,000 Pt oz annum – expandable to 200,000 Pt oz pa

Capex of \$175,000

30-year life-of-mine

- **Decline development on track**
- **Concentrator start-up in FY2004**
- **Full production in FY2005**



# Marula Platinum

Operational  
performance



**Fast facts:**

27% stake in Lonplats

Annual production of 750,000oz platinum in FY02

Attributable earnings of \$71m in FY02

- **Strong cash generator**

# Aquarius

**Fast facts:**

32% effective stake

Annual production of 122,000oz platinum in FY02

- **Kroondal at full production**
- **Marikana in ramp-up**
- **Bankable feasibility underway at Everest South**

# Two Rivers

Operational  
performance

## Fast facts:

45% stake

Potential production of 98,000 platinum oz pa

- **Feasibility study underway**
- **BEE deal with Tiso Capital in Jan 2003**

# Zimplats (Makwiro)

Operational  
performance

## Fast facts:

55% effective stake

Production of 90,000 platinum oz pa

- **Project ramping up**
- **Life-of-mine offtake agreement with IRS**
- **Potential expansion of 400,000 platinum oz pa**  
– investigation underway



# ZCE (Mimosa)

## Fast facts:

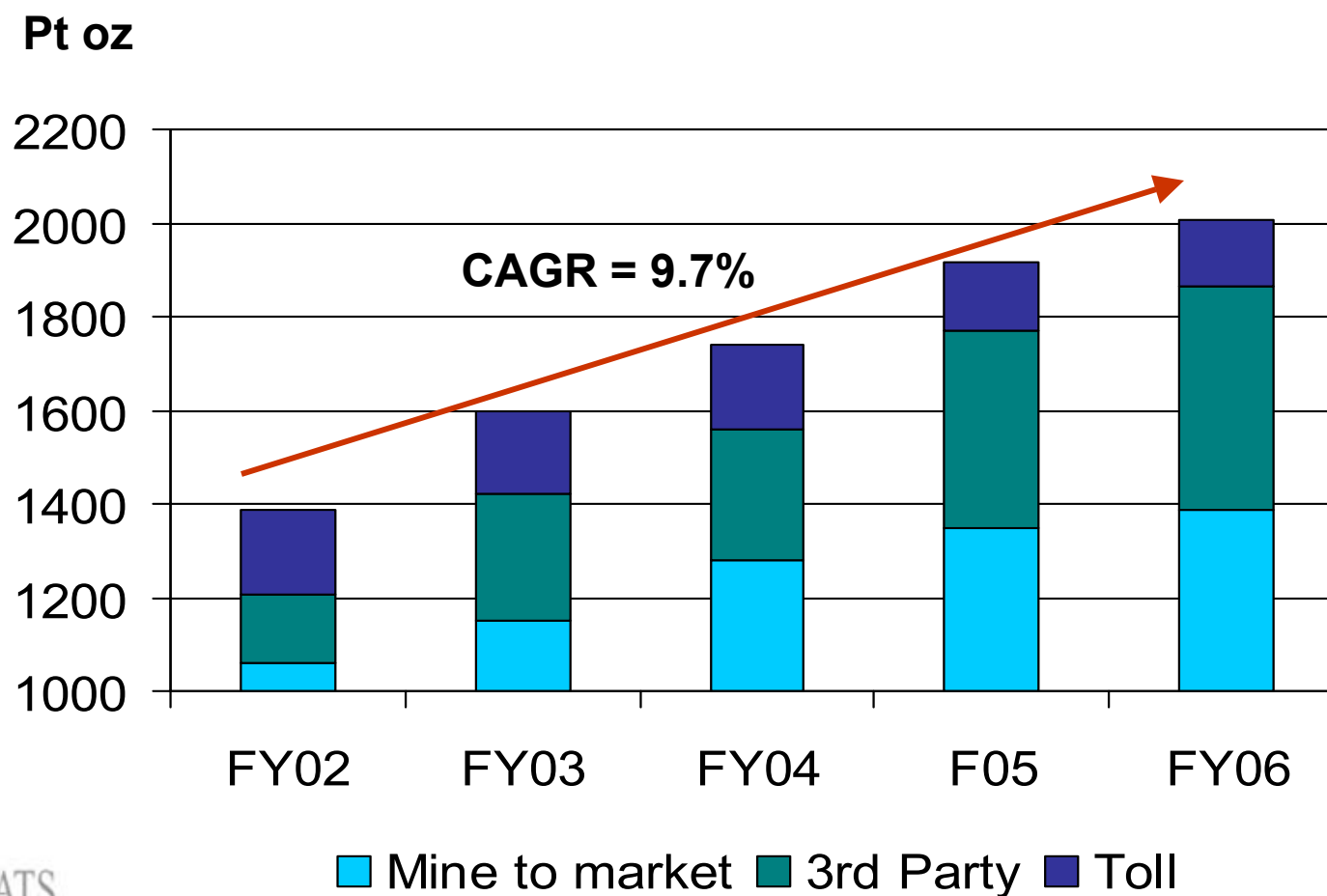
50% stake

Production of 65,000 platinum oz per annum

- **Ramp-up on schedule**
- **Life-of-mine offtake agreement with IRS**



# Production growth remains on track



# Minerals legislation

- **Mineral Resources and Petroleum Development Act and Mining Empowerment Charter promulgated**
- **Scorecard requires:**
  - Ownership (15%) →
    - **RBN – 1.5% equity in Implats**
    - **Marula Platinum – 20%**
    - **Two Rivers – 26%**
  - Employment equity
  - Training
  - Social investment
  - Affirmative procurement

# Proposed royalty legislation

- **Royalty Bill an issue for all resource companies**
- **Issues for Implats:**
  - Double royalty payment
  - Revenue and not profit-based
  - Beneficiation not encouraged

*Threatens black economic empowerment and future project*

- **Submission has been made to National Treasury**

# Implats post Gencor

- **Unbundling process underway**
  - Previously Gencor constrained liquidity
  - Anticipated ratio 8.78 Implats:100 Gencor shares
  - First date to trade – 10 June 2003
- **Dynamic and larger free float**
- **MSCI Emerging Markets Index**
- **Increase opportunity in the US – Level 1 Sponsored ADR programme a first step**



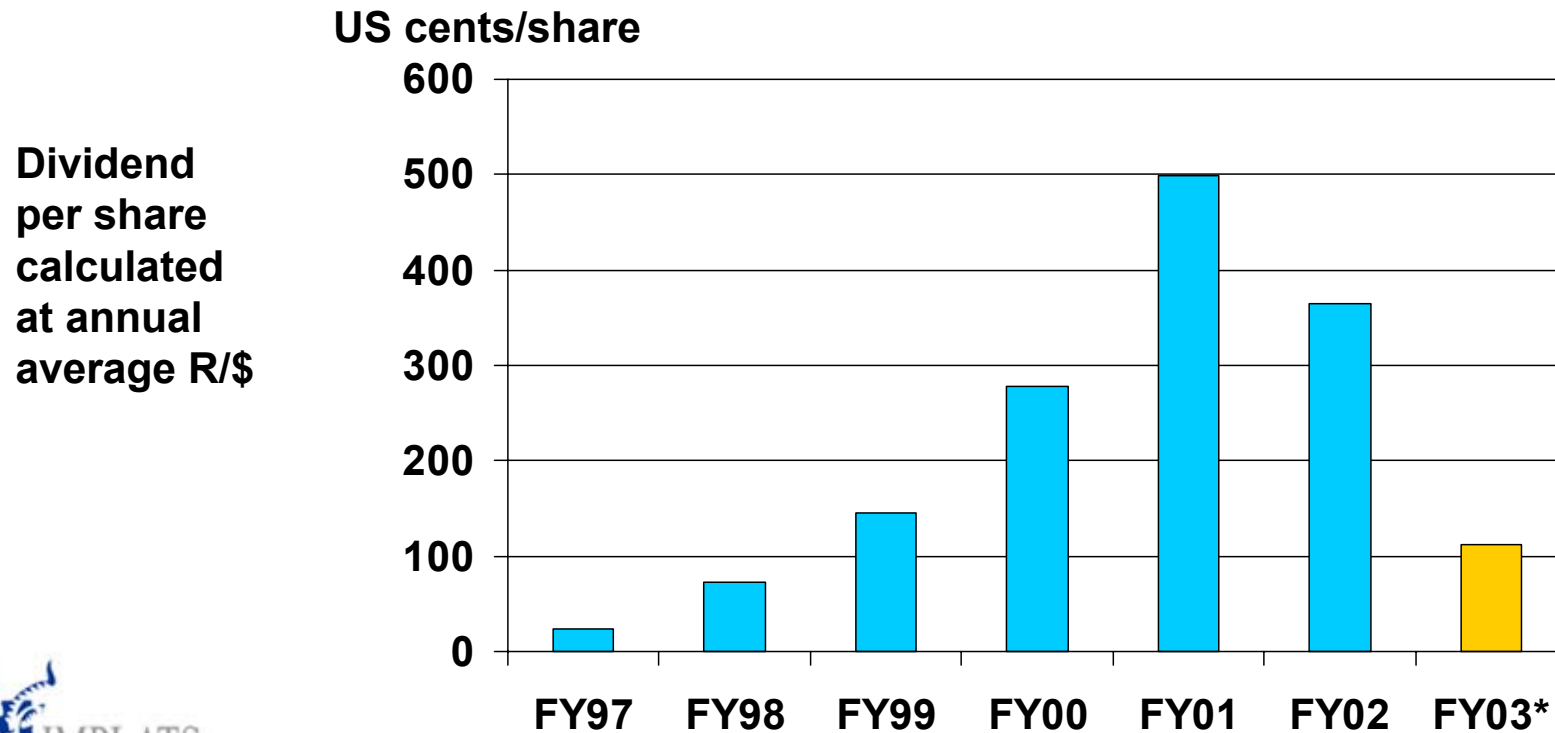
# Strong generator of cash

- **High margins – average of 47% across the business for interim FY2003**
- **Good, consistent returns**

<b>(in US\$)</b>	<b>FY03 Interims</b>	<b>FY02</b>
<b>Return on equity</b>	<b>44%</b>	<b>55%</b>
<b>Return on assets</b>	<b>34%</b>	<b>51%</b>

# Ongoing shareholder returns

- High dividend yield – 6.5% in FY2002 and half-year FY2003
- Dividend policy remains unchanged – cover of 1.9 times



\* Interim 6 months

# Outlook

- **Strong production growth – 10% pa**
- **Market fundamentals for platinum positive**
- **Strong cash generation with high dividend yield**

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