

IMPLATS/RBH transaction

28 September 2006



The transaction



Previous transaction



- Original transaction – the IRS transaction was approved in July 2006
- In essence
 - RBN group were to acquire 49% of the business of IRS
 - Right to convert this within 10 years to a direct holding in Implats of about 7.44%
 - RBR were to raise R3.4 billion finance package to fund transaction - Implats would have received those funds

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Since then...



- Discussions with National Treasury suggest that Impala will probably not be able, under the coming revised draft Royalty Bill, to offset any existing royalties payable to the RBN against royalties payable to the state
- Potentially, the objectives of Implats and RBN not necessarily in alignment
- Not complete certainty of outcome
- Agreement to review transaction in light of new information in interests of both parties

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New “royalty” transaction

- Reinforces strategic relationship with RBN
 - RBN becomes Implats’ major shareholder
- IRS transaction will be allowed to lapse
- Impala to pay all royalties due and payable to RBN (1 July 2007 onwards) – R10.6 billion
- The RBN group to subscribe for 9.4 million Implats shares



Net effect

Impala have discharged its obligation to pay royalties to RBN and RBN will hold 13.4% of Implats

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Transaction is more efficient

- Implats retains 100% of cashflow and value from IRS
- Implats’ cashflow improves substantially
- Implats and RBN interests are aligned
- BEE compensation charge is similar to that of the previous transaction
- BEE compensation charge per 10% shareholding is significantly lower than previous transaction



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Compliance with Mining Charter



Effective holdings in Impala Platinum

RBN holding (existing)	2.1%
RBN group holding (from royalty transaction)	20.0%
Incwala transaction	7.1%
ESOP	4.4%
Total empowerment shareholding	33.6%

Implats is on target to meet other Charter requirements

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Undertakings by National Treasury



- Constructive engagement in anticipation of Royalty Bill
- Legislation put to Parliament to permit deduction of royalty payment by Impala for tax purposes on a life of mine basis
- Should the Bill allow an offset, Impala will receive credits

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Financial effects



	Before	After	% change
Basic EPS (cents)	6,607	4,084	(38%)
Diluted EPS (cents)	6,589	4,075	(38%)
Basic HEPS (cents)	6,006	3,558	(41%)
Diluted HEPS (cents)	5,989	3,550	(41%)
NAV per share (cents)	21,001	32,314	54%
NTAV per share (cents)	20,911	18,186	(13%)

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A win-win transaction



- Direct alignment of interests
- More than a BEE transaction – seeking to enhance value
- Fulfillment of letter and spirit of the Charter
- Settlement of the royalty issue – previously seen as a value trap
- Maintain 100% of IRS business

In short, greater certainty for shareholders at a lower cost

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The RBN perspective



In broad terms...



Dividends from the Implats shareholding will be the single largest contributor to RBN's investment in ongoing regional community development

More specifically...

- Strategic business alignment between Implats and RBN
- Reinforcement of regional partnership
- Fully funded, sustainable structure
- Secures long-term dividend income
- Provides funding enabling RBN to play a leading role in the continued development and growth of the Greater Bojanala and Rustenburg areas through the Bojanala Development Trust



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This Trust

- Jointly funded and managed
- Focusses on the empowerment of women
- Funding of R340 million available over the next decade
- Regional focus – not just on RBN



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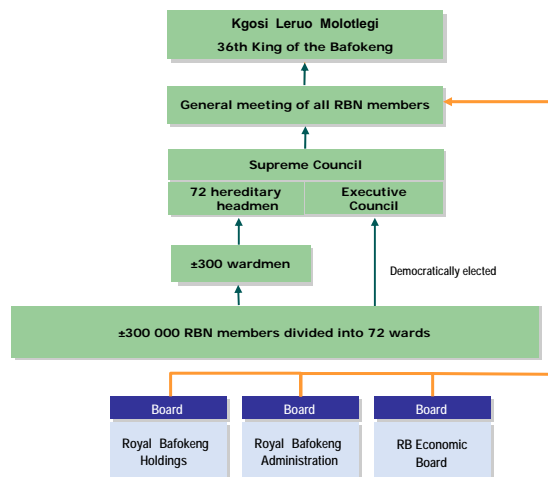
Who are the Royal Bafokeng?

- Community of approximately 300 000 people
- Led by Kgosi Leruo Molotlegi
- Inhabit RBN-owned land in the greater Bojanala area bordering Rustenburg
- 52% are women
- Substantial PGM mining investments
- Significant other business interests



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Democratic and transparent governance



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RBN's history of delivery in adversity



- Visionary land purchase programme led by Kgosi Mokgatle in 1860s
- PGMs discovered on RBN land in 1920s
- Mining becomes single biggest economic influence in region
- Sustained investment of PGM revenues into community development throughout apartheid period



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RBN's history of delivery in adversity cont'd



- R2 billion invested in:
 - Education
 - 49 schools
 - 250 tertiary education bursaries pa
 - educator skills development
 - 530 km of water reticulation, 24 reservoirs
 - Roads
 - Power
 - Sanitation
 - Social interventions
 - poverty alleviation
 - HIV/Aids
 - child feeding schemes



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The region benefits

- Significantly more non-Bafokeng than Bafokeng
 - children in RBN-built schools
 - residents on Bafokeng-owned land
- RBN-built infrastructure services
 - mines
 - other businesses
 - provincial and central government
- Joint infrastructural development initiatives with local and provincial government



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But, RBN still faces serious challenges

- Poor education results
- Malnutrition
- HIV/Aids
- Teenage pregnancies
- Unemployment
- Informal settlements
- Poor access to medical services
- Alcoholism
- Crime

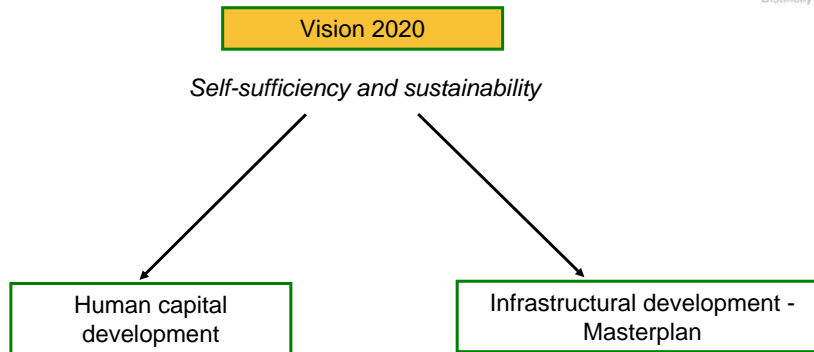


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Meeting the challenges: Vision 2020



Enhancing human dignity by creating economic self-sufficiency



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Masterplan: the basic principles



- Physical embodiment of Vision 2020
- “No more expensive to dream BIG than to dream small” – Kgosi
 - ambitious framework for delivery of realistic developmental goals
- Maintenance and development of current infrastructure
- Provision of further substantive infrastructure for sustainable regional growth

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Masterplan : key features



- Assesses regional opportunities, constraints
- Aims to raise living standards, attain community self-sufficiency
- Safeguards land for future use
- Envisages shift from mining dependence to a diversified economy
- Sets RBN development directions for 30 years ahead:
 - Trade
 - Transport
 - Manufacturing
 - Finance
- Determines structures required for implementation
- Three development phases: 2006 – 2015
2015 – 2025
2025 – 2035

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Conclusion



Commercial success fuels sustainable development. This transaction is the cornerstone of the RBN's delivery of sustainable development to its communities and the region as a whole.

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