NEWS RELEASE

25 August 2011

Implats delivers excellent financial results on the back of improved operational performance

EMBARGO: For immediate release

Ticker symbols:
JSE: Imp
LSE: Ipla
ADRs: Impuy

www.implats.co.za

Queries:

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Impala Platinum Holdings Limited (Implats) announced results for the full year ended 30 June 2011 today.

Key features

- Safety improved but remains a priority
- Gross platinum production increased by 5.5% to 1.84 million ounces.
- Revenue rose 30% to R33.1 billion
- Costs per platinum ounce (excluding share based payments) were up by 8% to R10 867
- Capital expenditure at R5.5 billion
- Total dividend per share increased by 46% to R5.70 (final of R4.20 per share)

Implats CEO David Brown says "This was a positive year for Implats which delivered a solid operational and financial performance. We improved our gross production supported by our Rustenburg and Zimplats operations who achieved their targets. Costs were reasonably controlled given the cost inflation experienced by the industry whilst improved metals demand and US Dollar pricing environments enhanced the solid operational performance. However, this favourable pricing environment was dampened somewhat by the strong Rand."

Safety

While safety improved as evidenced by the 11% improvement in the Total Injury Frequency Rate, regrettably eight employees lost their lives during the year. The Board, Management and the entire Implats team extend their sincere condolences to the families and friends of our colleagues who died. To realise our vision of zero-harm in the workplace we will, firstly, pay closer attention to addressing the supervision gap by focusing on leadership training and, secondly, ensuring compliance to Implats' defined safety standards and procedures.

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Market

The global macro economy showed tentative signs of recovery in late 2009 and throughout 2010. While developed markets remained under pressure, emerging markets continued to demonstrate strong growth rates. As a result the automotive sector recovered dramatically during 2010. The launch of the US platinum and palladium Exchange Traded Funds (ETFs) saw a significant uptake of physical metal into these products. The increased automotive and investment demand was balanced by a decline in Chinese jewellery offtake resulting in the platinum market remaining in balance for the year.

Operational performance

At **Impala** the year under review can be termed one of recovery with tonnes milled increasing by 4% to 14.1 million. Merensky ore mined improved from 40 to 42% resulting in a 3% improvement in the overall platinum yield. As a result refined platinum production rose by 8% to 941 200 ounces. The higher volumes positively influenced unit costs, which rose 8% to R10 801 per platinum ounce excluding share-based-payments. Despite 20 Shaft delivering first production this year, it has become apparent that stoping would jeopardise the tight project completion schedule and it has been decided to delay the production ramp-up for one year.

Zimplats delivered an exceptional performance which marked the first year of full production following the commissioning of the Phase 1 expansion in FY2010. A 3% increase in tonnes milled coupled with good grade control and improved concentrator recoveries resulted in platinum in matte production improving by 5% to 182 100 ounces. Unit costs rose by 16% to US$1 171 per platinum ounce in matte due to a combination of internal inflation, the strong rand and higher maintenance costs at the Ngezi concentrator. The Phase 2 expansion which will increase production by 90 000 to 270 000 ounces of platinum in FY2014, is on schedule.

At **Marula** platinum production in concentrate remained constant at 70 600 ounces despite an increase in financial, labour and equipment resources. In light of this performance, a strategic review was undertaken in May where it was decided to maintain production at the current level for the next two years to enable the completion of the conversion project. A further strategic review will be undertaken in FY2013.

Mimosa completed its second year of steady state throughput with platinum production in concentrate of 104 900 ounces. Unit costs were adversely impacted by higher labour costs, materials usage and consumable costs as well as the influence of the stronger rand. As a result unit costs per platinum ounce in concentrate rose by 15% to US$ 1 377.

At **Two Rivers** the combination of higher mill throughput and improved recoveries boosted in platinum production in concentrate to 145 300 ounces.

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Overall **IRS** refined platinum production increased by 3% to 895 000 ounces. Production from mine-to-market operations increased by 8% to 487 000 ounces primarily due to the first full year of steady-state production at Zimplats. Third party purchases and toll business declined by 3% to 408 000 ounces.

Prospects

Not withstanding the macro challenges faced by developed economies, the resilience displayed in emerging markets should continue to drive demand for all commodities. Growing demand for vehicles in emerging economies, together with tighter legislation throughout the world is likely to underpin strong fundamental demand for PGM's in the medium term. A challenging supply environment will result in tight market conditions going forward.

CEO David Brown concludes "Implats continues to invest in our future while maintaining a strong balance sheet and our strategy is firmly focused on organic growth and the delivery of low cost / high margin ounces. Mining is a long-term undertaking and requires capital expenditure to avoid reserve availability issues impacting on future production. The Group is positioning itself to take advantage of the medium- to long-term fundamentals for our metals by ensuring a stable, long-term production platform."

[ends]