

NEWS RELEASE

25 August 2006

Implats reports record sales revenues up 40% to R17.5 billion

Excellent results on the back of a strong market for platinum group metals

EMBARGO: For immediate release

<p>Ticker symbols: JSE: Imp LSE: Ipla ADRs: Impuy</p> <p>www.implats.co.za</p> <p>Queries:</p> <p>David Brown +27 11 481 3926 +27 83 254 4084</p> <p>Bob Gilmour +27 11 481 3913 +27 82 453 7100</p>	<p>Impala Platinum Holdings Limited (Implats) today (25 August 2006) reported results for the year ended 30 June 2006. The company's annual report will be posted to shareholders today.</p> <p>Key features of the annual results</p> <ul style="list-style-type: none"> • Safety levels improve to record lows • Gross platinum production steady at 1.846 million ounces with PGM production at 3.49 million ounces • Record production at Impala of 1.125 million ounces of platinum (2.003 million ounces of PGMs) • 40% growth in sales revenues to R17.5 billion • Group unit cost per platinum ounce refined up by 8.7% (excluding share-based payments as per IFRS2) • Gross margins for the Group increase from 34% to 42% while Impala improved from 42% to 53% • Headline earnings per share rose by 39% to 6,006 cents • Final dividend of R22.00 per share, bringing the total dividend for the year to R87.00 <p>Says CEO, Keith Rumble, "The 2006 financial year was characterised by high levels of profitability assisted by higher metal prices and a strong market for platinum group metals. This resulted in record sales revenues of R17.5 billion (\$2.7 billion). The significant improvement in Group margins from 34 to 42%, and from 42 to 53% at Impala, bear testament to the strength of our underlying business fundamentals and the Group's determination that cost control remains a primary focus."</p> <p style="text-align: right;">[more]</p>
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Operating and financial performance

Results for the year were underpinned by the strength of the market for platinum group metals driven primarily by automotive demand. The price of platinum reached an all-time high of \$1,335 per ounce in May 2006, while rhodium exceeded \$6,000 per ounce in the same month. Dollar revenues per platinum ounce sold rose by 35% while rand revenues were 38% higher owing to the 3% depreciation of the currency. Operating profit was 73% higher at R7.3 billion. However, net profit decreased year-on-year to R4.4 billion due to the impact of the extraordinary profit from the Lonplats sale in the previous year.

Safety remains a key focus and this is reflected in another record safety performance by the Group. Keith Rumble comments "During my five year tenure at Implats safety has been very high on my agenda and I am particularly proud of our safety record where both LTIFR and FIFR have improved by approximately 60% over this period and are now at all time lows."

Group gross platinum production was virtually unchanged at 1.846 platinum ounces with record production at all mining operations. Impala Platinum reported record production of 1.125 million ounces of platinum contributing 61% toward gross production. However this was about 30,000 platinum ounces less than expected owing to a lower than anticipated grade, slower than envisaged improvements in mining efficiencies and three lost shifts due to COSATU stayaways.

Steady progress is being made at Marula Platinum with the interim mining rapidly approaching steady state. Platinum production increased by 34% to 40,000 ounces and full production of 136,000 ounces of platinum in concentrate is expected by the end of FY2009.

The Two Rivers Platinum commenced mining this year and first concentrate was dispatched to IRS on 15th August 2006. Full production will be reached in FY2008 adding significant growth to Implats' portfolio over the next five years.

Zimplats delivered an excellent performance increasing production by 4% to 90,300 ounces of platinum-in-matte while limiting cost increases to just over 3% on the previous year supporting the move from more expensive opencast tonnages to underground production. Margins have improved by 109% over the period to 42%. The approval of Phase 1 of the long-term expansion plan will require the investment of US\$258 million and will see production increase to 160,000 ounces of platinum per annum by FY2010.

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Production at Mimosa continues to exceed expectations and was up 8% to a record 72,200 ounces in concentrate. The expansion project to 85,000 ounces of platinum was completed on time and under budget. Incremental expansions continue to be considered.

Although production at IRS declined due largely to movements in pipeline stocks, financially its performance exceeded expectations increasing by 53% and contributing 18% to group headline profit.

Group unit costs per platinum ounce refined excluding share-based payments were up 8.7% over the period in part as a result of the 6.5% wage and benefits increase and static production volumes.

Black Economic Empowerment

Black Economic Empowerment has been a key focus during the year for the Group. On conclusion of these transactions Impala would have exceeded the ten-year (2014) and Marula the five-year (2009) BEE equity ownership targets set by legislation whilst at the same time ensuring affordable, sustainable and broad-based compliance.

At the Impala Platinum level three separate transactions have been entered into, namely the creation of Incwala Resources, an agreement with the Royal Bafokeng Group and the creation of an Employee Share Ownership Programme (ESOP). When fully implemented and calculated as an interest in Impala Platinum these will account for a BEE equity ownership of around 26%.

At Marula Platinum agreements have been concluded with three equal partners for a combined stake of 22.5% in the operation.

The market

The platinum market remained in balance for 2005 as demand was driven mainly by the automotive sector, offset by a further decline in jewellery demand which is now at a ten year low. As has been the case in recent years tightening diesel emission legislation coupled with further growth in European diesel car sales were the main drivers in this sector.

Despite another surge in jewellery demand the palladium market registered a fifth consecutive year of substantial surplus in 2005. The automotive sector remains the backbone of demand and accounted for in excess of 50% of usage in 2005. It is on the supply side where substantial de-stocking by the Russians resulted in the market remaining over-supplied.

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The Rhodium market moved into deficit in 2005 as a result of strong demand from the automotive industry as a result of the tightening NOx emission legislation. Demand was also aided by the ongoing expansion of the glass industry.

Prospects

Says Keith Rumble, "Prospects for PGMs remain sound, and we continue our consistent growth in production, targeting 2.3 million ounces of platinum by FY2010. Production in FY2007 is anticipated to exceed 2 million ounces of platinum.

"Costs and productivity remain the core focus for the Group. Capital expenditure is set to continue to rise to R2.94 billion in FY2007, due mainly to the 16 and 20 shaft projects, the smelter upgrade at Impala Platinum, and the Phase 1 expansion at Zimplats. In line with anticipated market conditions and an increase in production, headline earnings are expected to be higher in the 2007 financial year."

Ends