

NEWS RELEASE

30 August 2007

Record production exceeding 2 million ounces of platinum

EMBARGO: For immediate release

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| <p>Ticker symbols: JSE: Imp LSE: Ipla ADRs: Impuy</p> <p>www.implats.co.za</p> <p>Queries:</p> <p>David Brown +27 11 731 9042 +27 83 254 4084</p> <p>Dawn Earp +27 11 731 9070 +27 82 827 8773</p> <p>Les Paton +27 11 731 9018 +27 82 448 7102</p> <p>Bob Gilmour +27 11 731 9013 +27 82 453 7100</p> | <p>Impala Platinum Holdings Limited (Implats) today (30 August 2007) announced results for the year ended 30 June 2007. The company's annual report including the corporate responsibility report will be posted to shareholders today.</p> <p>Key features of the annual results</p> <ul style="list-style-type: none"> • Record platinum production exceeding 2 million ounces • Sales revenue up 80% to a record R31.5 billion • Headline earnings up 75% to R13.12 per share • Unit cost per platinum ounce up 21% (excluding share based payments) • Improvement of margins to 46% • Capital expenditure of R2.9 billion • Final dividend of R7.00 per share bringing total dividend to R9.75 per share <p>Implats today reported a 10% rise in production to 2.03 million ounces of platinum. Earnings were boosted by the continued strong metal prices, increased production and a weaker rand which resulted in sales for the year rising to a record R31.5 billion. The overall margin increased to 46%. Controlling increases in costs remained a challenge and the group unit cost per platinum ounce increased by 21% (or 27% if share based payments are included). Lower production volumes at Impala Rustenburg were the driver behind the above average cost increase. The net result was a 67% increase in profit to R7.3 billion and a 113% increase in normalised headline earnings per share to R16.36.</p> <p>Implats CEO David Brown says "We are delighted to have broken through the 2 million platinum ounce horizon for the first time. This achievement, despite the disappointing performance at Impala Rustenburg, puts us firmly on track to achieve 2.5 million ounces of platinum per year by 2012 and clearly highlights the valuable contributions of all our operating units to our growth profile going forward."</p> <p style="text-align: right;">[more]</p> |
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Market review

During the past year the platinum market continued to be driven by automotive growth, particularly in the diesel sector, at the expense of the more price elastic jewellery market. The palladium market once again showed a substantial supply surplus due to stock sales but nonetheless experienced price robustness primarily due to the general strength of investor interest in precious metals. The price of rhodium rose sharply as the increasing needs of the automotive sector resulted in demand exceeding supply.

Operating performance

Safety has been disappointing with the fatality frequency rate having deteriorated. The number of fatal incidents rose for the first time in five years with 13 fatal incidents during the year compared to seven in the previous reporting period. The lost-time injury frequency rate remained flat.

The group has taken steps to re-vitalise the fall of ground prevention campaign and increase focus on visible, felt leadership. A great deal of emphasis is also being placed on training, particularly of new employees, and on behaviour-based initiatives. David Brown says, "Implats remains committed to a policy of "zero harm" in the longer term and is pursuing this challenge with vigour."

Production at Impala Rustenburg declined by 6% to 1.055 million ounces due to grade and volume issues. As a result unit costs increased by 22%. Several initiatives have been put in place to counter these issues and are already bearing fruit.

Production at Marula increased as the ramp up of this operation continued. The conversion to conventional mining remains on schedule. Investigations are currently being undertaken on mining the Merensky Reef. This project will yield 115,000 ounces of refined platinum annually.

The Afplats acquisition at a cost of R4.2 billion will boost the group's South African resource and growth profile. Development of the 160,000 platinum ounce Leeuwkop project is scheduled to begin during this financial year at a cost of some R3 billion.

Production commenced at Two Rivers and full production of 120,000 ounces of platinum on an annualised basis is scheduled for FY2009.

In Zimbabwe, Zimplats had another excellent year from a safety perspective and, in addition, had record production of 96,500 ounces of platinum in matte. The conversion from opencast to underground mining continues and the original underground trial mine is now fully operational. The Phase 1 expansion is well underway and combined full production of 160,000 ounces platinum is expected by 2010. Mimosa produced 78,200 ounces of platinum in concentrate an increase over the previous year.

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FY2007 was another record year in both operating and financial terms for Impala Refining Services. Refined platinum production rose 35% to 971,000 ounces as a result of the increase in material from Lonmin together with the continued ramp up at the group's operations.

Transformation

During the year, Implats enhanced their BEE ownership levels when in April 2007 the group finalised a deal with the Royal Bafokeng Holdings (Pty) Limited (RBH). In terms of this transaction Impala Platinum agreed to pay the Royal Bafokeng Nation (RBN) all future royalties due to them thus effectively discharging any further obligation to pay royalties. In turn the RBN purchased 75.1 million Implats shares giving them a 13.4% holding in the company.

A further component of this transformation initiative was the Employee Share Ownership Programme (ESOP) that was implemented early in the financial year. Some 28,000 employees will benefit from the appreciation in value of some 3% of the group's equity.

Prospects

CEO David Brown comments that "Fundamentals for PGMs remain robust going forward. In the light of this we have significantly increased our capital expenditure to accommodate our growth plans."

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