

Impala Platinum Holdings Limited

(Incorporated in the Republic of South Africa)

(Registration No. 1957/001979/06)

ISIN: ZAE000083648

JSE Share Code : IMP

LSE Share Code : IPLA

ADR Code : IMPUY

("Implats" or "the Company")

Royal Bafokeng Nation

("RBN")

Royal Bafokeng Holdings (Pty) Limited

(Incorporated in the Republic of South Africa)

(Registration number 2006/006906/07)

("RBH")

JOINT ANNOUNCEMENT REGARDING THE FULFILLMENT OF THE CONDITIONS PRECEDENT RELATING TO THE EMPOWERMENT TRANSACTION WITH THE ROYAL BAFOKENG NATION AND THE FINALISATION OF THE FAIR MARKET VALUE OF THE RBN ROYALTY

1. The Royalty Transaction

Shareholders of Implats approved the empowerment transaction with the RBN on 29 November 2006 (the "Royalty Transaction"), conditional on:

- o the signature by the Minister of Land Affairs of the Notarial Royalty Payment Agreement; and
- o the enactment of the necessary legislation to allow for the tax deductibility, on a life-of-mine basis, of the pre-payment of all royalties due and payable to the RBN for the 31-year period from 1 July 2007 ("Royalties").

The Minister of Land Affairs signed the Notarial Royalty Payment Agreement on 28 February 2007. Based on the Draft Taxation Laws Amendment Bill, 2007, released for comment on 27 February 2007, and representations made by National Treasury, Implats has agreed to waive the second condition precedent.

The Royalty Transaction has therefore become unconditional and will be implemented in accordance with its terms. Accordingly, 75 115 200 new Implats shares will be issued to Royal Bafokeng Impala Investment Holding Company (Pty) Limited ("RBIH") and Royal Bafokeng Tholo Investment Holding Company (Pty) Limited ("RBTIH") on 6 March 2007 (the "Effective Date"). These shares will rank for the dividend declared by the Company on 15 February 2007, being the interim dividend of 275 cents per Implats share, in respect of the half-year ended 31 December 2006.

2. Fair Market Value

International Financial Reporting Standards require that the Royalties be reflected at fair market value as at the Effective Date (“FMV”). In light of the improved market conditions in the platinum sector, as reflected in the Implats share price, and in order to align the transaction documents and the tax and accounting treatment with the FMV, the parties to the Royalty Transaction have agreed to amend the Royalty Transaction to reflect the FMV of the Royalties at R12 483 million (the “Revised Transaction”).

3. The Revised Transaction

3.1 Key terms

The Revised Transaction provides that:

- Impala Platinum Limited (“Impala”) will pay an additional amount of approximately R1 898 million, being the difference between the FMV of the Royalties of R12 483 million at the Effective Date and the R10 585 million determined at the time the Royalty Transaction was entered into; and
- The RBN, through RBTIH and RBIIH, will subscribe for four shares in Implats at an aggregate subscription price of R1 898 million (the “Adjustment Shares”).

If the Revised Transaction is approved by shareholders of Implats, the RBN group will have subscribed for 75 115 204 Implats shares for an amount of R12 483 million (“the Royalty Payment”). In the event that the Revised Transaction is not approved by Implats shareholders, the Royalty Transaction will remain unaffected and RBTIH and RBIIH will continue to hold 75 115 200 Implats shares, for a subscription amount of R10 585 million.

The Adjustment Shares will be subject to the same terms as the shares issued under the Royalty Transaction, and will be issued five days after the fulfillment of the condition precedent set out in paragraph 3.2 below.

3.2 Condition precedent

The Revised Transaction is subject to approval by the shareholders of Implats by 30 April 2007, or such later date as the Parties may agree in writing.

4. Implats General Meeting

Implats will seek shareholder approval for the specific issue of the Adjustment Shares and the Revised Transaction contemplated in the agreements between the parties. RBH, RBTIH and RBIIH are existing shareholders in Implats and, because they have an interest in the Revised Transaction, will not vote on any resolutions at the general meeting.

5. Effects of the Revised Transaction

5.1 Effects on shareholding

RBH, RBIIH and RBTIH would, in terms of the Royalty Transaction, hold 13.4% of the fully diluted issued ordinary share capital of Implats. If the Revised Transaction is implemented, these parties will still hold 13.4% of the fully diluted issued ordinary share capital of Implats.

5.2 Financial effects of the Revised Transaction

The unaudited pro-forma financial effects of the Revised Transaction for the six months ended 31 December 2006 are set out in the table below to assist Implats' ordinary shareholders to assess the impact of the Revised Transaction on Implats' basic earnings per share, headline earnings per share, fully diluted earnings and headline earnings per share, net asset value per share and tangible net asset value per share, based on the unaudited results for the six months ended 31 December 2006.

These unaudited pro-forma financial effects have been presented for illustrative purposes only and may not give a fair reflection of Implats' financial position nor the effect on future earnings post the implementation of the Revised Transaction. The directors of Implats are responsible for the preparation of the unaudited pro-forma financial effects.

	Before ⁽¹⁾	After ⁽²⁾	% change
Basic EPS (cents)	824	482	(42%)
Diluted EPS (cents)	821	481	(41%)
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Diluted HEPS (cents)	821	481	(41%)
NAV per share (cents)	3,247	4,813	51%
NTAV per share (cents)	3,235	2,768	(13%)

1. Extracted from the unaudited Implats consolidated interim results for the six months ended 31 December 2006.
2. Earnings and headline earnings per share after the Revised Transaction have been determined on a pro forma basis assuming that the Revised Transaction was implemented on 1 July 2006, as follows:
 - Eliminating the annual royalty charge under the Notarial Mineral Lease between the RBN and Impala amounting to R825,6 million before tax and R586,2 million after tax at 29%;
 - Amortising the Royalty Payment of R12,5 billion using the units of production basis (assuming a straight line charge over 31 years for the purposes of the pro-forma financial effects), amounting to R201,3 million before tax and R143,0 million after tax at 29% for the six month period. For statutory financial statement purposes, this amortisation will commence in financial year 2008, being the first year covered by the Royalty Payment. For purposes of the financial effects, the accounting and tax treatments are considered aligned. If not, deferred tax will be recognized on the difference;

- Charging an amount of R1,8 billion, being the difference between the value of the new ordinary shares issued (R14,3 billion) and the value of the Royalty Payment (R12,5 billion), as a BEE compensation charge;
- Creating an expense of R87,5 million (the present value of the estimated future payments) for the liability relating to the commitment to contribute up to R170 million up to 30 June 2017 to the Bafokeng Impala Development Trust;
- Charging R5,4 million, representing the impact of unwinding the discounted community development liability of R87.5 million noted above;
- Charging R8 million, representing the estimated transaction costs before tax (assumed that these costs will be tax deductible); and
- Issuing 75 115 204 new ordinary shares, increasing the weighted average number of shares in issue during the year to 602,967 million for basic earnings and headline earnings per share and to 604,334 million for diluted earnings and diluted headline earnings per share.

Net asset and tangible net asset value per share after the Revised Transaction have been determined assuming that the Revised Transaction was implemented on 31 December 2006, as follows:

- Raising a royalty asset of R12,5 billion, being the agreed value of the Royalties;
- Raising additional share capital at R14,3 billion, being the issue of 75 115 204 new ordinary shares at a price of R190 per share;
- Charging an amount of R1,8 billion to retained income, being the difference between the value of the new ordinary shares issued (R14,3 billion) and the value of the Royalty Payment (R12,5 billion), as a BEE compensation charge;
- Raising a R87,5 million community development liability relating to the commitment with regards to the Bafokeng Impala Development Trust (present value of estimated future payments) with a corresponding "community development expense" to retained earnings;
- Reducing "cash and equivalents" by R8 million and charging retained earnings with R5,7 million after tax, representing the estimated transaction costs;
- Issuing 75 115 204 new ordinary shares, increasing the total number of ordinary shares in issue to 613,270 million; and
- Treating the royalty asset of R12,5 billion as an intangible asset for the purposes of calculating the tangible net asset value per share.

6. Circular to shareholders

A circular setting out full details of the Revised Transaction, including a notice of general meeting, will be posted to shareholders by the end of March.

Johannesburg
6 March 2007

Financial adviser and transaction sponsor to Implats
Morgan Stanley South Africa (Pty) Limited

Legal and tax adviser to Implats
Deneys Reitz

Reporting accountants to Implats
PricewaterhouseCoopers Advisory Services (Pty) Limited

Corporate Tax Advisor to Implats
Dianne Dobson

Sponsor to Implats
Deutsche Securities (SA) (Pty) Limited

Legal adviser to RBH
Bell Dewar Hall