

## Annual Results

for the year ended 30 June 2012



## Forward-looking statement



Certain statements contained in this presentation other than the statements of historical fact contain forward-looking statements regarding Implats' operations, economic performance or financial condition, including, without limitation, those concerning the economic outlook for the platinum industry, expectations regarding metal prices, production, cash costs and other operating results, growth prospects and the outlook of Implats' operations, including the completion and commencement of commercial operations of certain of Implats' exploration and production projects, its liquidity and capital resources and expenditure, and the outcome and consequences of any pending litigation or enforcement proceedings. Although Implats believes that the expectations reflected in such forward-looking statements are reasonable, no assurance can be given that such expectations will prove to be correct. Accordingly, results may differ materially from those set out in the forward-looking statements as a result of, among other factors, changes in economic and market conditions, success of business and operating initiatives, changes in the regulatory environment and other government actions, fluctuations in metal prices and exchange rates and business and operational risk management. For a discussion on such factors, refer to the risk management section of the company's Annual Report. Implats is not obliged to update publicly or release any revisions to these forward-looking statements to reflect events or circumstances after the dates of the Annual Report or to reflect the occurrence of unanticipated events. All subsequent written or oral forward-looking statements attributable to Implats or any person acting on its behalf are qualified by the cautionary statements herein.


## Agenda



- Overview -  
Terence Goodlace
- Safety and Operational review -  
Terence Goodlace
- Financial review -  
Brenda Berlin
- Market Review -  
Derek Engelbrecht
- Conclusion -  
Terence Goodlace

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## Remembrance



### All Please Stand for a Minute's Silence

We remember all those who have passed on in the  
South African Mining Industry.  
Our thoughts, prayers and sympathies are with the families,  
friends and loved ones of those who have died.  
We must never forget and we are poorer for their passing.

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## Key features - operational



- A significant intervention is required to improve our safety culture
- The six week illegal strike severely impacted performance
- Gross refined platinum production declined by 21% to 1.45 million ounces
  - Mine-to-market down 13%
  - IRS down 50%
- Group unit costs increased by 24% to R13 450 per refined platinum ounce



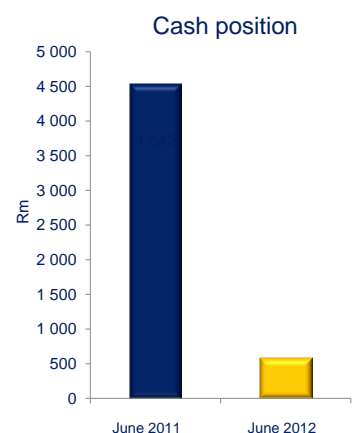
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## Key features - financial



- Revenue down 17% to R27.6 billion
- Gross profit fell by 40% to R7.0 billion
- Headline earnings declined by 37% to R4.2 billion equivalent to R6.85 per share
- Group capital expenditure increased by 38% to R7.3 billion
- Cash decreased from R4.5 billion to R0.6 billion
- Final dividend of 60 cents per share and 195 cents for the year



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## Safety Review

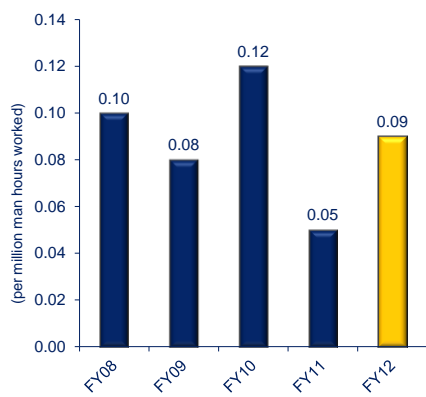
Terence Goodlace



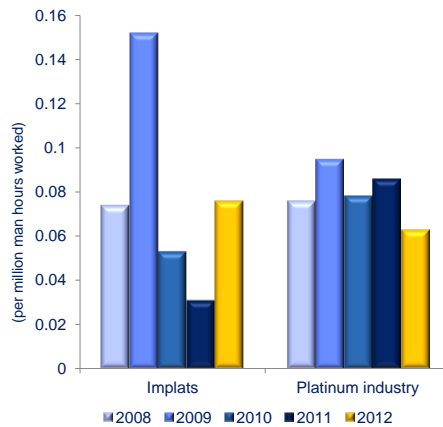
## Group safety



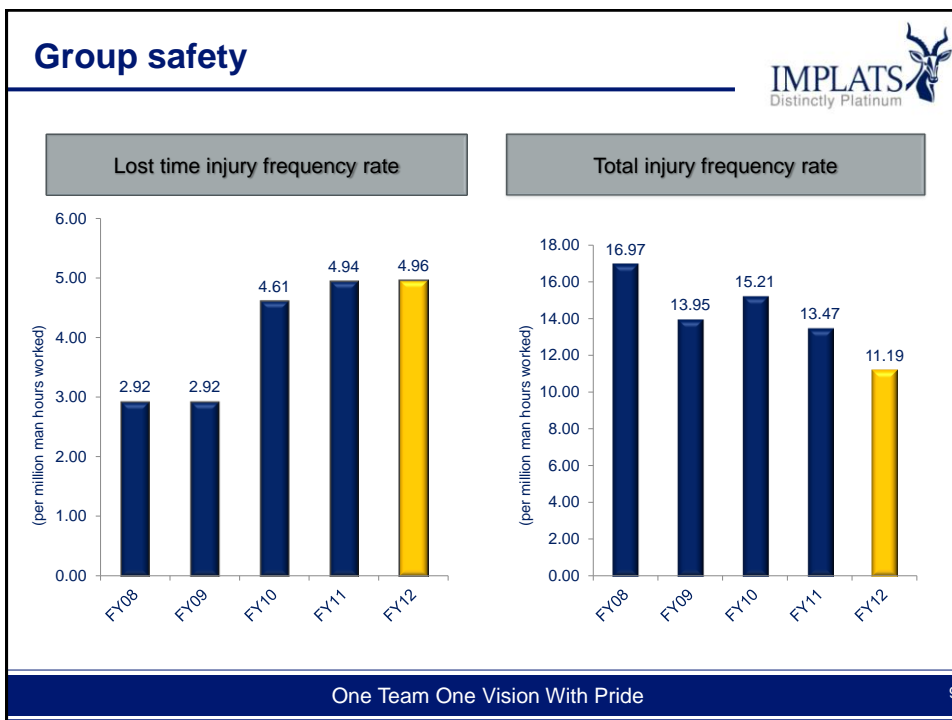
Fatal injury frequency rate



Industry comparison\*



\*Calendar year statistics reported to the DMR



## Safety – the way forward

- Companies get the safety performance they demonstrate they are prepared to accept
- Now fully committed to industry initiatives which include:
  - The cultural transformation framework
  - The adoption of best practices
    - ✓ Safety nets and in stope bolting
    - ✓ Proximity Devices on trackless mobile machinery
    - ✓ Shaft Safety Devices
    - ✓ The training of 3 200 safety representatives by 2014
- Internal safety stoppages to increase until we get it right

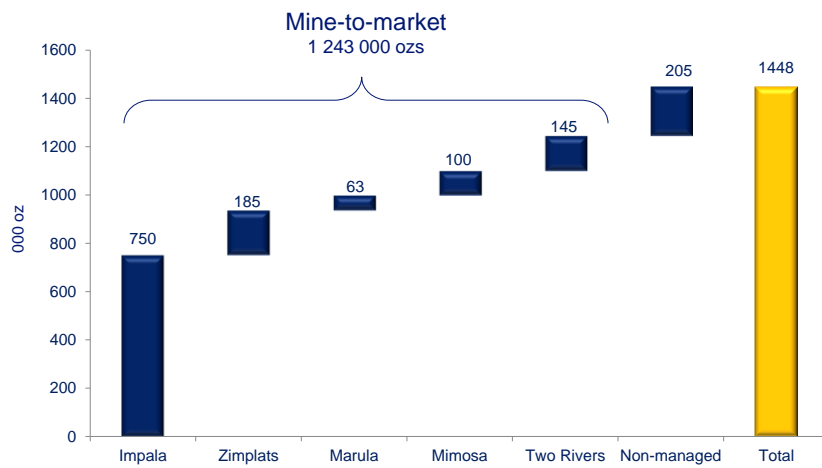
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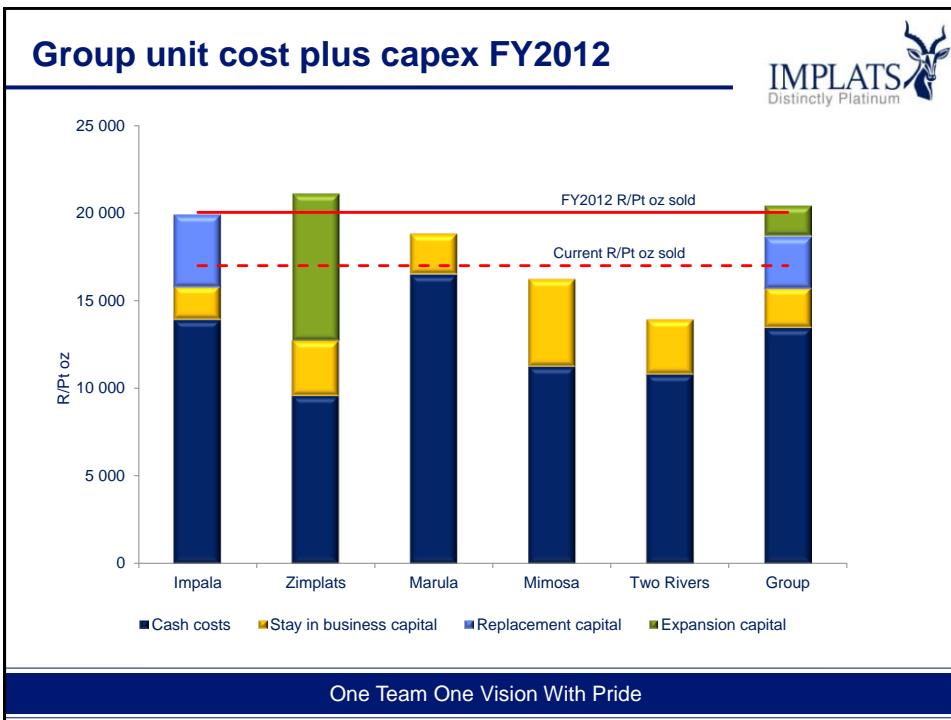
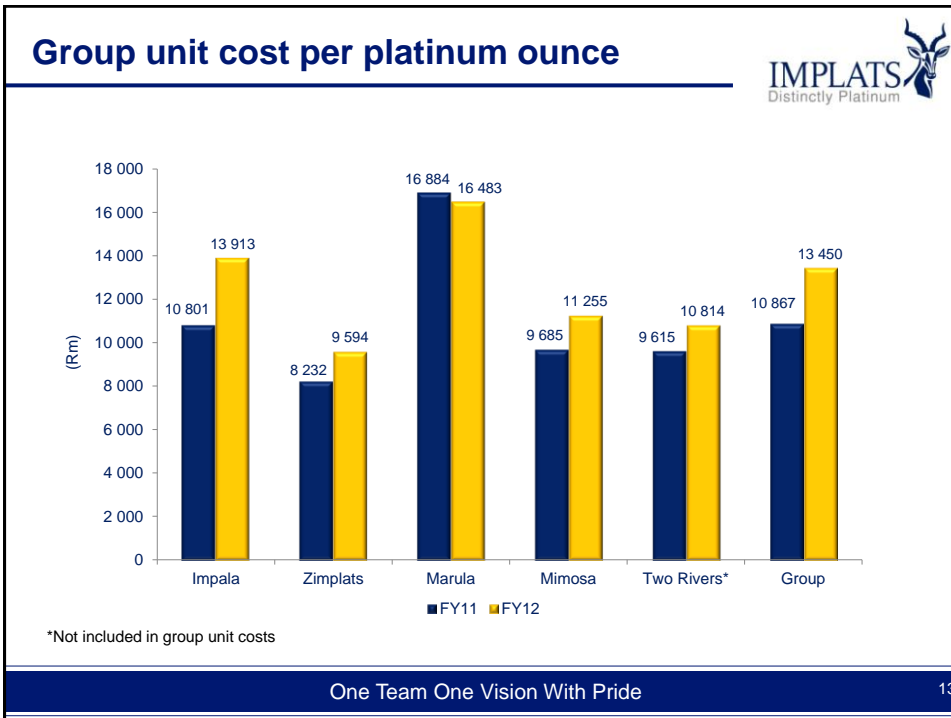
# Operational Review

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## Group refined platinum production





## Six week strike at Impala



- RDO wage demand and a refusal to deal through official structures
- Ended up in a six week illegal strike with high levels of violence and intimidation
- Mass resignations from NUM and the emergence of AMCU
- Current position
  - Increased communication with employees and industry
  - Ongoing meetings with interim workers committees
  - Working with all parties and honouring NUM's threshold agreement
  - Striving for a new dispensation for employee participation
  - Uncertain labour environment across the industry
  - Performance at Impala remains below planned levels

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## Zimbabwe indigenisation update



- Indigenisation Plans submitted for both Zimplats and Mimosa
- Plans comply with the Indigenisation Law (51%) and are constructed as follows:-
  - 10% - Community Trust
  - 10% - Employees Trust
  - 31% - Broad based indigenous Zimbabwean groupings
- Plans have been accepted in principle by the Government
- Zimplats commencing with implementation of the Community and Employee Trusts
- Discussions are on-going to finalise the details of the sale of the 31% for both companies

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## Major capital projects



	20 shaft	16 shaft	17 shaft	Zimplats Ph II
<b>Capital Spend for FY2012</b>	R997m	R960m	R581m	US\$176m
<b>Remaining Capital Spend</b>	R3.2bn	R4.1bn	R8.3bn	US\$240m
<b>Full production date</b>	FY2018	FY2018	FY2020	FY2015
<b>Steady-state throughput</b>	1.7mtpa	2.7mtpa	2.7mtpa	2.0mtpa
<b>Steady-state platinum production</b>	125kozpa	185kozpa	180kozpa	90kozpa
<b>Current primary activities</b>	Development of the ancillary inclines and declines. Production build up has commenced with 26koz planned for FY2013	Main shaft equipping underway. Development towards reef has commenced from the ventilation shaft	Sinking of the main and ventilation shafts and excavating Merensky Reef shaft pillars	Construction of the concentrator plant, development of Portal 3 and associated infrastructure

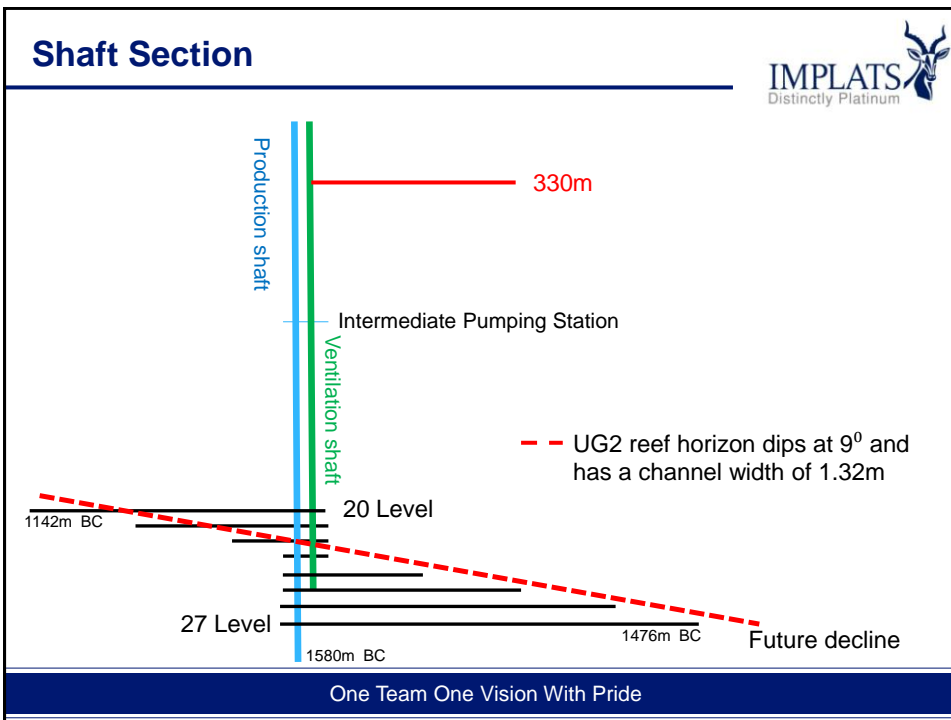
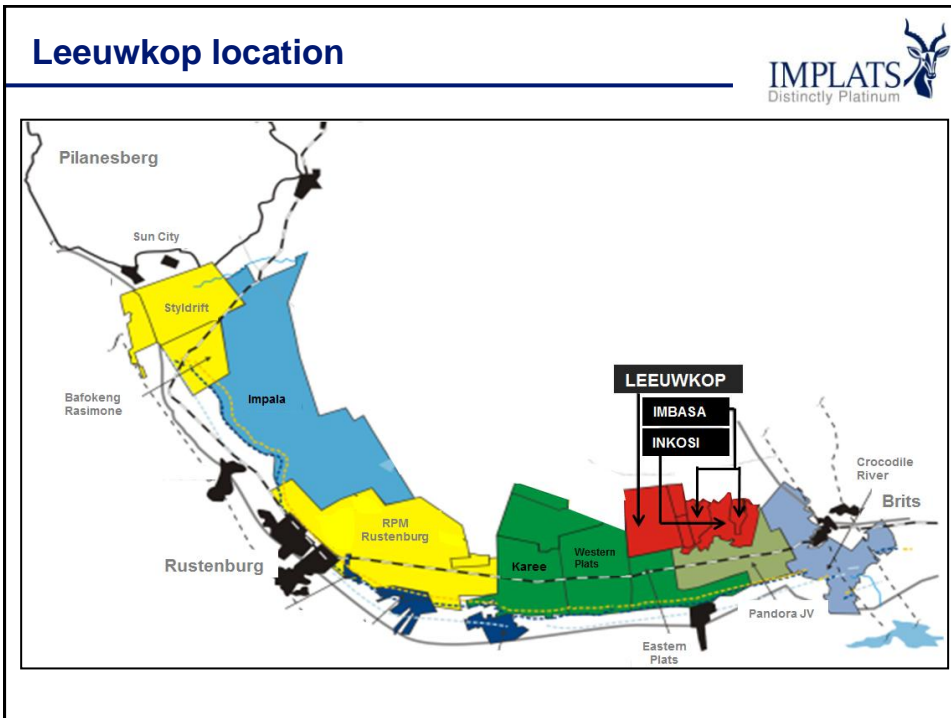
## Leeuwkop Project



Leeuwkop	
Capital Spend for FY2013	R261m
Remaining Capital Spend	R9800m
First production date	FY2021
Full production date	≈FY2026
Steady-state throughput	2.16mtpa
Steady-state platinum production	145kozpa
Current primary activities	Single shift sinking of the main shaft to 330m below surface

- Board has approved R1.4 billion for phase 1 but has restricted spend to R261 million for FY2013
- Approvals to be sought on an ongoing basis and dependent upon market conditions and the Implats balance sheet

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## Financial Review

Brenda Berlin

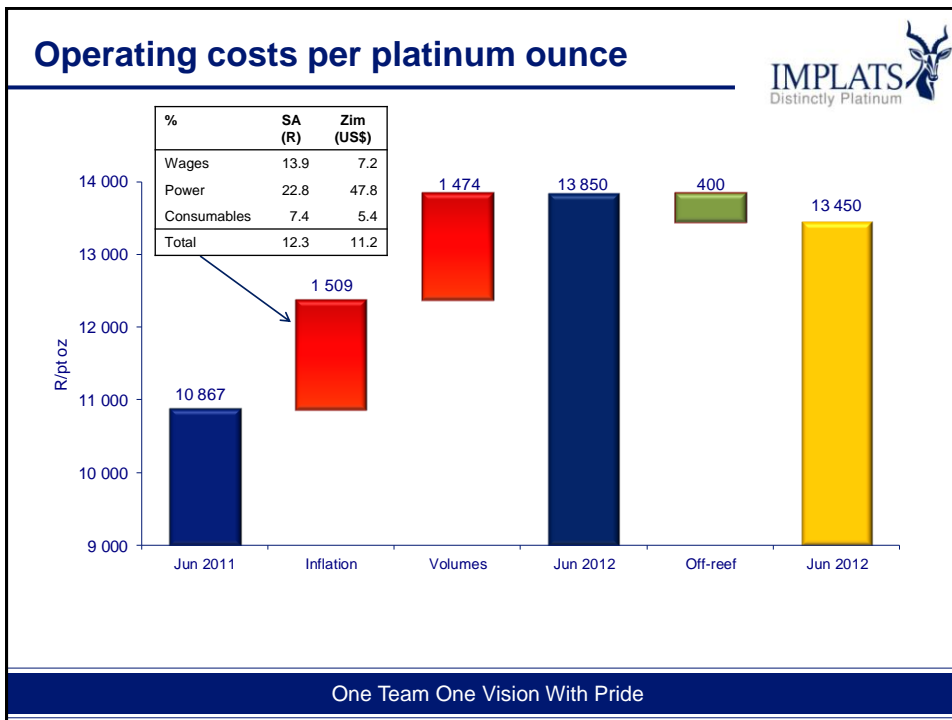
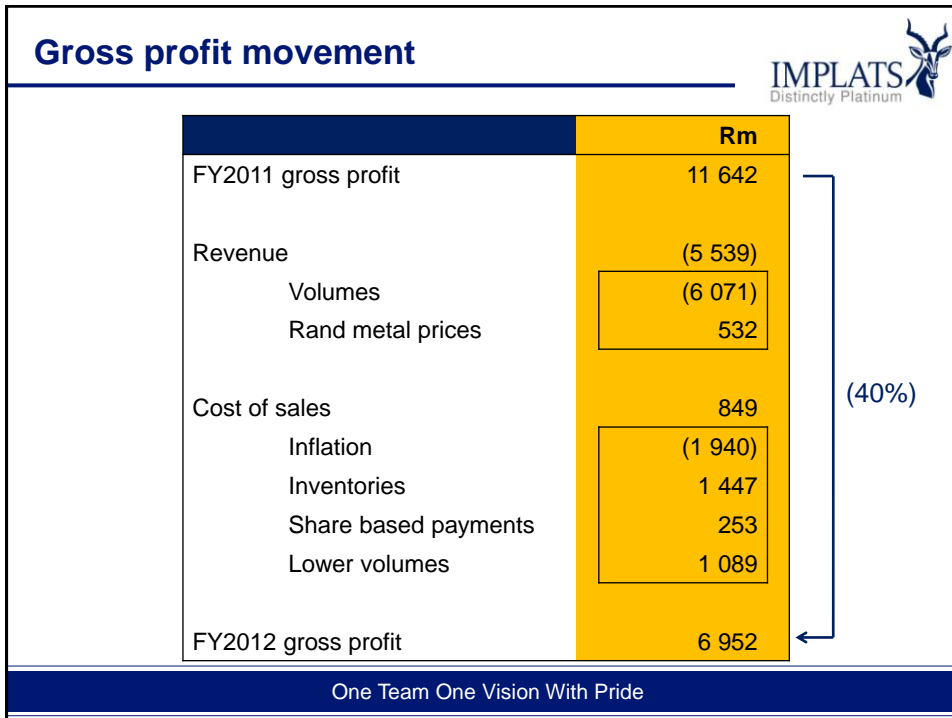


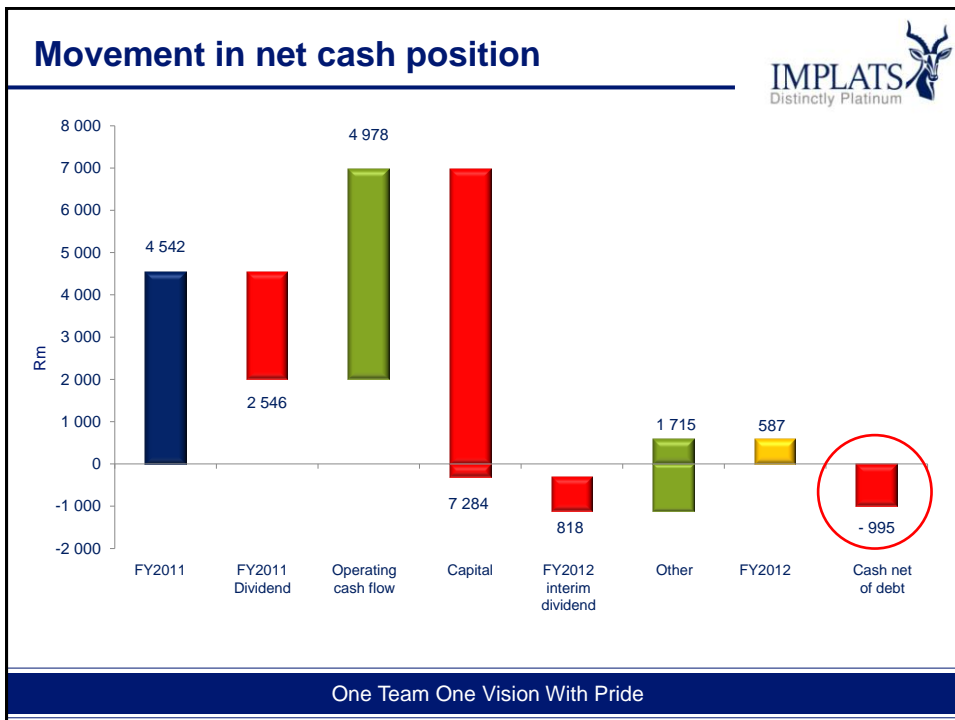
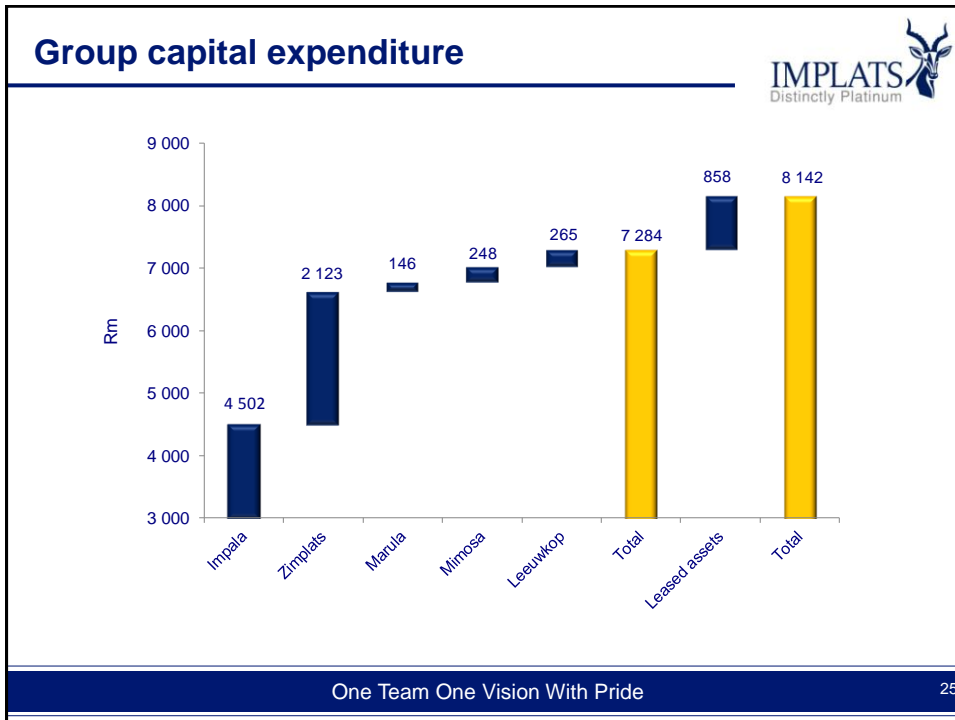
## Group Income Statement



R million	FY2012	FY2011	% change
Sales	27 593	33 132	(17)
Cost of sales	(20 641)	(21 490)	4
Gross profit	6 952	11 642	(40)
Gross margin %	25	35	(28)
Royalty expenses	(664)	(804)	17
Profit before tax	6 250	9 561	(35)
Profit	4 299	6 810	(37)
HEPS (cps)	685	1 105	(38)

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## Market Review

Derek Engelbrecht



## Sales Volumes by Metal



	FY2012	FY2011	% change
Platinum (000oz)	1 368	1 665	(18)
Palladium (000oz)	765	1 011	(24)
Rhodium (000oz)	183	221	(17)
Nickel (000t)	13.9	15.5	(10)

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## Average Prices Achieved – Major Metals



	FY2012	FY2011	% change
Platinum (\$/oz)	1 614	1 691	(5)
Palladium (\$/oz)	687	670	3
Rhodium (\$/oz)	1 601	2 275	(30)
Nickel (\$/t)	19 513	23 965	(19)
Basket (\$/Pt oz sold)	2 601	2 799	(7)
(R/Pt oz sold)	20 054	19 677	2
Exchange rate (R/\$)	7.71	7.03	10

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## Investments



Moz as at		1 Jan 2011	31 Dec 2011	30 Jun 2012
<b>Futures</b>	Platinum	2.14	1.21	1.26
	Palladium	1.68	0.60	0.43
<b>ETF</b>	Platinum	1.26	1.40	1.45
	Palladium	2.27	1.74	2.06

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## Light Duty Vehicle Sales



- Forecast for 2012 - 81.7 million units (+7%)
- July 2012 year to date vs 2011

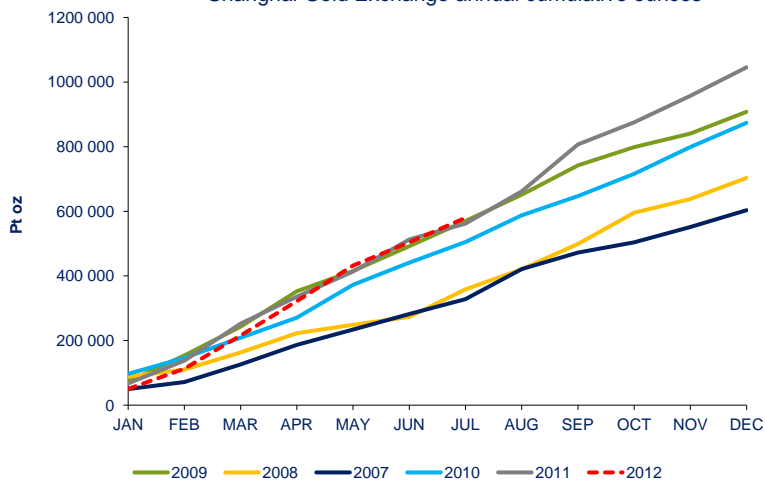
	%
US	14
China	7
Europe	(7)
India	9
Japan	53

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## Chinese Jewellery



Shanghai Gold Exchange annual cumulative ounces



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## Platinum Supply / Demand Balance





000oz	2010	2011	2012 (Forecast)
<b>DEMAND</b>			
Automobile	3 270	3 400	3 470
Jewellery	2 260	2 415	2 420
Industrial	1 695	1 730	1 730
Investment	650	150	100
<b>Total Demand</b>	<b>7 875</b>	<b>7 695</b>	<b>7 720</b>
<b>SUPPLY</b>			
South Africa	4 745	4 735	4 360
Russian Sales	800	800	795
North America	230	375	380
Recycle - auto	1 020	1 110	1 180
Other – incl. jewellery recycle	1 015	1 020	975
<b>Total Supply</b>	<b>7 810</b>	<b>8 040</b>	<b>7 690</b>
<b>Balance</b>	<b>-65</b>	<b>345</b>	<b>- 30</b>

## Palladium Supply / Demand Balance



000oz	2010	2011	2012 (Forecast)
<b>DEMAND</b>			
Automobile	5 200	5 600	5 900
Industrial	3 155	3 160	3 100
Investment	1 055	-520	400
<b>Total Demand</b>	<b>9 410</b>	<b>8 240</b>	<b>9 400</b>
<b>SUPPLY</b>			
South Africa	2 580	2 595	2 425
Russian Sales	2 850	2 750	2 750
North America	665	860	930
Recycle - auto	1 370	1 500	1 700
Other	1 360	1 465	975
<b>Total Supply</b>	<b>8 825</b>	<b>9 170</b>	<b>8 780</b>
<b>Balance</b>	<b>-585</b>	<b>930</b>	<b>-620</b>

<b>Rhodium Supply / Demand Balance</b>			
			
<b>000oz</b>	<b>2010</b>	<b>2011</b>	<b>2012 (Forecast)</b>
<b>DEMAND</b>			
Automobile	750	760	790
Industrial	150	180	190
<b>Total Demand</b>	<b>900</b>	<b>940</b>	<b>980</b>
<b>SUPPLY</b>			
South Africa	650	635	600
Russian Sales	70	70	65
North America	14	20	19
Recycle - auto	230	265	275
Other	26	30	31
<b>Total Supply</b>	<b>990</b>	<b>1 020</b>	<b>990</b>
<b>Balance</b>	<b>90</b>	<b>80</b>	<b>10</b>

<b>Prospects</b>	
	
<ul style="list-style-type: none"> <li>▪ Fundamental demand holding steady</li> <li>▪ Emission legislation continues to drive demand           <ul style="list-style-type: none"> <li>▪ Euro 6 – 2014</li> <li>▪ California - LEV III phased in from 2014</li> <li>▪ China – full Euro 4 plus diesel in 2013</li> </ul> </li> <li>▪ Eurozone issues still a concern</li> <li>▪ US recovery uncertain</li> <li>▪ Emerging market growth robust</li> <li>▪ Southern African supply challenges will feature prominently</li> </ul>	
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## Conclusion

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## Conclusion



- Production
  - Impala to increase by between 80 and 100koz's of platinum
  - Marula will improve marginally on current production levels
  - Zimplats, Two Rivers and Mimosa to maintain current production levels
  - Third party suppliers stressed
- Costs pressures
  - Mining inflation to remain at current levels
  - Increasing development to create ore reserve flexibility
  - Safety initiatives
- Continued squeeze on operating margins

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## Conclusion



- Considerable "headwinds" facing the mining industry and platinum in particular
  - Rapidly escalating costs in a price taker environment
  - Unproductive operating environment
  - Community and industrial relations challenges
- Response
  - Strongly drive "Zero Harm" Health and Safety imperatives
  - Actively and collaboratively engage in dialogue at the highest levels to improve the operating environment
  - Continue to invest in current long term capital projects
  - Implement cash preservation initiatives to protect the balance sheet
- Long term business with market fundamentals intact

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## Annual results

for the year ended 30 June 2012

