

NEWS RELEASE

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A challenging year impacted by the economic crisis

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 11 731 9042 +27 82 908 9630</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 (27 August 2009) announced results for the year ended 30 June 2009.</p> <p>Key features of the annual results</p> <ul style="list-style-type: none"> • Disappointing safety performance • Platinum production declined by 11% to 1.7 million ounces. • Revenue fell 31% to R26.1 billion • Cost per platinum ounce (excluding share based payments) up by 32% to R9 129 • Gross margin declined to 37% • Headline earnings 52% lower at R10.01 per share • Capex at R6.9 billion • Total dividend per share of R3.20 (final of R2.00 per share) <p>Implats CEO David Brown says, “FY2009 has been a challenging year with the second half being particularly difficult as the full impact of the economic crisis was felt. However, our operations weathered the storm and the Group remained in a healthy position.”</p> <p>Safety</p> <p>Implats experienced a poor safety year in terms of the targets it sets itself. Regrettably eleven employees lost their lives at work in FY2009 - ten at Impala Rustenburg and one at Marula. The tragedy involving nine employees in a fall of ground incident at 14 shaft post year-end was a disappointing blow for the group. This incident will intensify our resolve to achieve our vision of Zero Harm.</p> <p style="text-align: right;">[more]</p>
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Operational performance

Production at **Impala Platinum** declined by 9% to 950 000 platinum ounces due to development and volume issues. Costs were adversely affected by the sharp increase in input costs and lower volumes. Consequently, costs per platinum ounce rose by 31% to R8 559 (excluding share based payments).

In terms of capital projects 16 and 20 shafts remain under development whilst the sinking of 17 shaft has commenced. The smelter expansion to increase capacity to 2.8 million ounces of platinum per annum was completed.

At **Zimplats** output of platinum in matte rose to 96 000 ounces as the operation geared itself for the ramp-up in production from the Phase 1 expansion. This expansion will reach steady state output of 180 000 ounces of platinum in FY2010.

Production of platinum in concentrate at **Mimosa** increased by 20% to 91 000 ounces in line with the completion of the Phase V expansion. No further expansions are envisaged at this time.

In line with the completion of the ramp-up at **Two Rivers** production increased by 20% to 118 000 ounces of platinum in concentrate. Further plant optimizations will result in production increasing to 150 000 ounces of platinum by FY2013.

Despite a 5% increase in platinum production in concentrate to 74 000 ounces at **Marula**, this was well short of that planned due to limited mining flexibility, industrial action and safety stoppages. The year ahead remains challenging, particularly given the weak rhodium price.

Total refined platinum production through **Impala Refining Services (IRS)** declined by 13% to 754 000 ounces in FY2009. This was primarily as a result of lower deliveries following the anticipated cessation of the Kroondal contract in March 2008 and the suspension of operations at Everest.

Market review

CY2008 was a year of two halves with the first half dominated by supply concerns whilst the second half was a victim of the credit crisis. Demand from all the major platinum sectors was lower with the exception of physical investment and the Chinese jewellery market. Despite additional recycled metal coming from old Japanese jewellery, the lower supply primarily from South Africa resulted in a market essentially in balance. In the case of palladium steady demand coupled with a contraction in supply, mainly due to lower Russian deliveries, resulted in a market back to balance. The rhodium market registered a small surplus for the year primarily due to significant thrifting by the automotive companies.

Prospects

Implats CEO, David Brown says, “Despite the first tentative signs of an economic recovery and an improvement in sentiment, this has still not translated into sustainable consumer demand. As a consequence the year ahead remains challenging and our efforts will focus on safety, volumes and cash preservation. We anticipate platinum production increasing in FY2010 as our ramp-up projects continue to grow.”

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