



Creating a meaningful stake for BEE partners and the community – mining entrepreneur, Bridgette Radebe, CEO of Mmakau Mining, chosen as one of Implats' partners in the newly developed Marula Platinum mine. At inception, Implats allocated a 20% stake in the operation for BEE interests. Of this, 10% has been allocated to Mmakau Mining, with the remaining 10% to be shared equally between a local community trust and local business people.



Peter Joubert, Chairman

Chairman's letter to shareholders

Dear shareholder

During the year under review, significant production milestones and high platinum prices were overshadowed by the effects of the continued strength of the Rand, which resulted in earnings declining to R2 963 million (\$428 million). Increasingly, the strong Rand is broadly recognized as seriously hampering the economic growth of the country. In provinces which contain PGM orebodies and where there has been vigorous development in the platinum mining sector, GDP growth well above the national figure has been shown. The increasing pressure of the strong Rand has meant that many of the projects in these provinces are now being reviewed or slowed. The Chamber of Mines of South Africa has estimated that some R6 billion was lost in government taxes from the mining industry alone in 2003. The country needs a broader based macro-economic overview than prevails at present.

The industry's preoccupation with new legislation continues. The Minerals and Petroleum Resources Development Act came into effect on 1 May 2004. State royalties will now be imposed from 2009 in terms of the Royalties Bill. Following the discussions leading to the imposition of those royalties, it is to be hoped that eager investment will be solicited by setting a competitive level based on earnings.

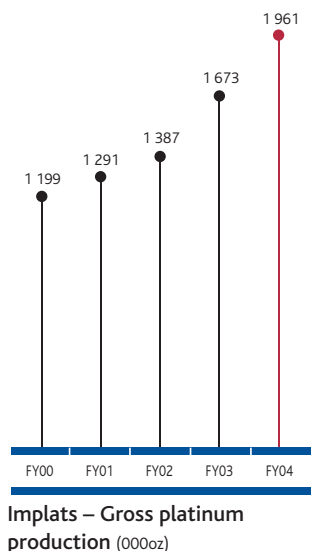
Implats' plans to meet both the letter and spirit of the draft Mining Charter are well underway and are discussed in further detail on pages 18 and 19 of this report. The conclusion of the Lonplats/Incwala transaction should see ownership credits of some 9% allocated to Implats and, together with the current 1.5% holding of Royal Bafokeng Resources (Pty) Limited, only approximately 4% to 5% ownership needs to be secured at the Impala lease area level over the next five years. We believe that we are well placed to achieve this and also to accommodate the further 11% required by 2014.

We have continued to develop a comprehensive response to all facets of the new mining legislation and are cognisant of, and prepared for, all elements of the Charter, such as skills development, employment equity, beneficiation and affirmative procurement.

The sale of our stake in Barplats and the proposed sale of our 27.1% interest in Lonplats have ensured that the group has made good progress on the corporate front realizing value for shareholders in line with our stated objectives. The Lonplats sale in particular will result in a significant cash injection into Implats that will more than comfortably provide for the capital expenditure requirements at Impala, Marula and the Zimbabwean operations over the next few years. Implats is committed to returning the benefits of any excess cash to shareholders, and several options are being reviewed.

Although Implats remains very positive about the potential of the Zimbabwean operations and is allocating capital there, both in the immediate future and the medium to long term, the group remains cautious in its approach. Every effort is being made to minimize any risk to shareholders, and we are extremely mindful of both the economic and moral dilemmas we face in doing business in Zimbabwe. That said, we are intent on maintaining our competitive advantage, having secured access to a substantial portion of the Great Dyke, which is the only significant known, unexploited platinum orebody in the world.

Driving the decision-making process within the group is the Implats board, which has been transformed markedly during the year. I extend a formal welcome to our new board members, Lex van Vught, Sifiso Dabengwa, Thandi Orleyn, Dr Khotso Mokhele and Dr Fred Roux. Their appointments come at an important time for our group and are in line with the broader process of transformation and the world-class levels of corporate governance to which we aspire. On the transformation front, an advisory committee reporting to the board has been



CHAIRMAN'S LETTER

formed with this particular responsibility. Insofar as corporate governance is concerned, not only are we committed to meeting the requirements of King II, but also those practices that support an increasingly internationalized shareholder base.

Having made progress in concluding a range of corporate activities in the past few years, and having progressed our United States offering to a level 1 sponsored American Depositary Receipt (ADR) programme, we continue to explore the notion of a full United States listing. Should our plans proceed as expected, shareholders could expect such a move to take place in the 2006 financial year.

In conclusion, I extend my thanks to the board for the leadership and dedication they have displayed during the year. I also extend the board's thanks to the CEO, Keith Rumble, and his management team for their continued vision and efforts during the year.

It is with sadness that I have decided not to make myself available for re-election to the Implats board as I am retiring from many such duties. It has been a privilege to be a part of the group for many years as it has transformed itself from being what many considered the underdog in the industry to the investment of choice in the platinum sector. I take my leave knowing that management will continue to propel the group along the right path, supported by a diverse and strong board, under the leadership of Dr Fred Roux as a very able chairman.



Peter Joubert
Chairman

27 August 2004