

Notes to the company financial statements Impala Platinum Holdings Ltd – Year ended 30 June 2005

(All amounts in rand millions unless otherwise stated)

Year ended 30 June
2005 2004

1 Investments in subsidiaries, associates and joint venture

Associates	861.5	1,046.7
Subsidiaries and joint venture (Annexure A)	1,119.7	1,093.6
	<u>1,981.2</u>	<u>2,140.3</u>
Associates		
At cost		
Zimbabwe Platinum Mines (Private) Limited (formerly Makwiro Platinum Mines (Private) Limited)	–	247.0
Two Rivers Platinum (Proprietary) Limited	399.1	316.8
Aquarius Platinum (South Africa) (Proprietary) Limited	462.4	482.9
Total investments in associates	<u>861.5</u>	<u>1,046.7</u>

2 Deferred income tax

Deferred income tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred income taxes relate to the same fiscal authority. The offset amounts are as follows:

Deferred tax (liability)/assets:		
– Deferred tax asset to be recovered after more than 12 months	<u>(4.0)</u>	9.4

Deferred income taxes are calculated at the prevailing tax rates of the different fiscal authorities where the asset or liability originates.

The movement on the deferred income tax account is as follows:

At the beginning of the year	9.4	–
Tax (charge)/credit to equity (Note 7)	<u>(13.4)</u>	9.4
Net deferred tax (liability)/assets at the end of the year	<u>(4.0)</u>	9.4

3 Available-for-sale financial investments

Investments in listed shares

Comprise shares in the following listed company

Aquarius Platinum Limited

Beginning of the year	171.7	229.7
Exchange differences	38.7	(27.7)
Share price movement	<u>51.3</u>	<u>(30.3)</u>
End of the year	<u>261.7</u>	171.7

During the year, the group maintained its strategic shareholding in Aquarius Platinum Limited, holding 7,141,966 shares (2004: 7,141,966) which amounts to approximately 8.6% (2004: 8.6%) of the issued share capital of that company. The shares are listed on the Australian Stock Exchange and the London Stock Exchange. The fair value of these shares as at the close of business on 30 June 2005 by reference to stock exchange quoted prices and closing exchange rates was R261.7 million (2004: R171.7 million).

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3 Available-for-sale financial investments (continued)

Investment in unlisted shares

Shares beneficially owned in the undermentioned concern at fair value:

Silplat (Proprietary) Limited	14.7	14.7
	276.4	186.4

4 Trade and other receivables

Other receivables	88.8	8.4
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5 Cash and cash equivalents

For the purposes of the cash flow statement, the cash and cash equivalents comprise cash and bank balances.

0.0	0.0
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6 Share capital

Authorised amount	20.0	20.0
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The total authorised ordinary share capital comprise 100 million (2004: 100 million) shares with a par value of 20 cents each. All issued shares are fully paid.

	Number of shares issued (million)	Ordinary shares (R million)	Share premium (R million)	Total (R million)
At 30 June 2003	66.594	13.3	604.5	617.8
Adjustment for IFRS2			10.9	10.9
Restated opening balance 30 June 2003	66.594	13.3	615.4	628.7
Issued in terms of the share option scheme	0.027		9.5	9.5
Equity compensation plans			21.7	21.7
At 30 June 2004	66.621	13.3	646.6	659.9
Issued in terms of the share option scheme	0.224	0.1	99.4	99.5
Equity compensation plans			22.3	22.3
At 30 June 2005	66.845	13.4	768.3	781.7

Up to 10% of the unissued shares may be issued by the directors at their discretion until the next annual general meeting.

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7 Other reserves

Fair value adjustment investments

Balance 1 July 2003	200.6	393.4
Revaluation – gross (Note 3)	(48.6)	(192.8)
Balance 30 June 2004	152.0	200.6
Revaluation – gross (Note 3)	90.0	(58.0)
Revaluation – tax (Note 2)	(13.4)	9.4
Balance 30 June 2005	228.6	152.0

8 Trade and other payables

Trade payables	26.1	10.2
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9 Other expenses

Exploration expenditure	(6.4)	(8.9)
Restructuring of investment in associate	(2.1)	–
Provision for write-down of investment in subsidiary	(248.2)	–
Professional fees	(6.2)	(26.0)
Net foreign exchange transaction gains	0.9	–
Other	(7.3)	(8.7)
	(269.3)	(43.6)

10 Other gains

Other gains consist of the following principal categories:

Interest income	1.8	26.2
Dividends received – investments	0.7	2.8
Dividends received – subsidiaries	1,456.4	1,455.2
	1,458.9	1,484.2

11 Profit before tax

The following items have been charged in arriving at profit before tax:

Auditors' remuneration		
Fees for audit services	0.5	0.3
Professional fees	6.2	26.0

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12 Income tax expense

Current tax		
Charge for the year	1.3	7.5

The tax of the company's profit differs as follows from the theoretical charge that would arise using the basic tax rate:

	%	%
Normal tax rate for companies	29.0	30.0
Adjusted for:		
Disallowable expenditure	6.6	0.8
Exempt income	(35.5)	(30.3)
Effective tax rate	0.1	0.5

13 Dividends per share

At the Board meeting on 26 August 2005, a final dividend in respect of 2005 of 1,800 cents per share amounting to a total dividend of R1,203.2 million was approved. Secondary Tax on Companies (STC) on the dividend will amount to R150.4 million.

These financial statements do not reflect this dividend and related STC payable. The dividend will be accounted for in shareholders' equity as an appropriation of retained earnings in the year ending 30 June 2006.

Dividends paid

Final dividend No. 73 for 2004 of 1,600 (2003: 1,750) cents per share	1,065.8	1,165.4
Interim dividend No. 74 for 2005 of 500 (2004: 500) cents per share	333.4	332.6
	<u>1,399.2</u>	<u>1,498.0</u>

14 Cash generated from operations

Reconciliation of net profit to cash generated from operations:

Profit	1,188.3	1,433.1
Adjustments for:		
Income tax expense (Note 12)	1.3	7.5
Interest income (Note 10)	(1.8)	(26.2)
Dividend income (Note 10)	(0.7)	(2.8)
Changes in working capital:		
Trade and other receivables	(80.4)	34.2
Trade and other payables	15.9	7.1
Cash generated from operations	<u>1,122.6</u>	<u>1,452.9</u>