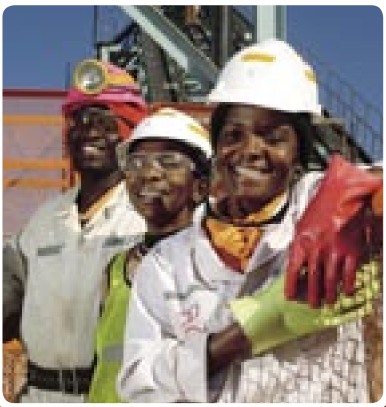
IMPALA PLATINUM HOLDINGS LIMITED

(Incorporated in the Republic of South Africa)
Registration No. 1957/001979/06
Share code: IMP ISIN: ZAE 000003554
LSE: IPLA ADR's IMPUY
Issuer code: IMPO

("Implats" or "the company")



CONSOLIDATED INTERIM RESULTS
FOR THE SIX MONTHS ENDED 31 DECEMBER 2006


Record
earnings of
R4.3 billion
for
six months

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KEY FEATURES

GROUP PLATINUM PRODUCTION UP 8.5% TO 1.02 MILLION OUNCES

MARGIN IMPROVES TO 47%

HEADLINE EARNINGS RISE BY 135% TO R8.24 PER SHARE

SAFETY UNSATISFACTORY

DIVIDEND COVER LOWERED TO 1.7

LOWER MERENSKY VOLUMES AFFECTS UNIT COST AT IMPALA PLATINUM

Income statement

(All amounts in rand million unless otherwise stated)	**Six months to 31 December 2006 (Unaudited)**	Six months to 31 December 2005 (Unaudited)	% change	Year to 30 June 2006 (Audited)
Sales	**14,860.2**	7,920.2	87.6	17,500.2
On-mine operations	**(2,814.5)**	(2,313.5)	(21.7)	(4,722.7)
Concentrating and smelting operations	**(634.6)**	(566.8)	(12.0)	(1,129.6)
Refining operations	**(319.3)**	(282.4)	(13.1)	(545.2)
Amortisation of mining assets	**(373.4)**	(334.0)	(11.8)	(622.5)
Metals purchased	**(4,865.6)**	(1,633.6)	(197.8)	(4,326.2)
Increase in metal inventories	**1,138.2**	514.8	121.1	1,161.0
Cost of sales	**(7,869.2)**	(4,615.5)	(70.5)	(10,185.2)
Gross profit	**6,991.0**	3,304.7	111.5	7,315.0
Net foreign exchange transaction gains/(losses)	**16.9**	(76.5)	122.1	177.8
Other operating expenses	**(219.1)**	(154.7)	(41.6)	(340.0)
Other expenses	**(42.5)**	(125.1)	66.0	(147.6)
Interest and other gains – net	**256.4**	168.6	52.1	303.8
Finance costs	**(39.6)**	(10.2)	(288.2)	(58.5)
Share of profit of associates	**131.6**	40.8	222.5	114.8
Royalty expense	**(825.6)**	(379.1)	(117.8)	(851.8)
BEE compensation charge	**–**	–	–	(95.3)
Reversal of impairment of assets	**–**	–	–	583.1
Profit before tax	**6,269.1**	2,768.5	126.4	7,001.3
Income tax expense	**(1,876.2)**	(942.8)	(99.0)	(2,616.2)
Profit for the period	**4,392.9**	1,825.7	140.6	4,385.1
Profit attributable to:				
Equity holders of the company	**4,347.0**	1,814.7	139.5	4,345.4
Minority interest	**45.9**	11.0	317.3	39.7
	4,392.9	1,825.7	140.6	4,385.1
Earnings per share (expressed in cents per share)				
– basic	**824**	345	138.8	826
– diluted	**821**	344	138.7	824
Weighted average number of shares in issue (millions)	**527.9**	525.3	0.5	526.1

Balance sheet

(All amounts in rand million unless otherwise stated)	**As at 31 December 2006 (Unaudited)**	As at 31 December 2005 (Unaudited)	As at 30 June 2006 (Audited)
ASSETS			
Property, plant and equipment	**13,213.8**	10,564.9	12,270.1
Investments	**2,516.8**	1,482.0	2,037.2
Other non-current assets	**635.8**	625.6	611.3
Current assets	**12,766.4**	9,393.4	8,386.0
Total assets	**29,132.8**	22,065.9	23,304.6
EQUITY			
Capital and reserves attributable to the equity holders of the company	**17,127.6**	14,886.0	13,850.1
Minority interest	**255.2**	160.2	214.8
Total equity	**17,382.8**	15,046.2	14,064.9
Provision for long-term responsibilities	**532.2**	341.6	522.9
Borrowings	**457.2**	14.9	11.3
Deferred income tax liabilities	**3,141.6**	2,546.7	2,922.8
Derivative financial instruments	**–**	–	38.2
Current liabilities	**7,619.0**	4,116.5	5,744.5
Total equity and liabilities	**29,132.8**	22,065.9	23,304.6

Segment information

Summary of business segments for the half year ended **31 December 2006:**

(All amounts in rand million unless otherwise stated)	Mining segment				Total mining segment	Refining services segment	Investment and other segment	Inter segment adjustment	Total
	Impala	Marula	Zimplats	Mimosa					
Sales	14,115.4	583.3	765.3	403.8	**15,867.8**	5,789.9		(6,797.5)	**14,860.2**
Segment operating expenses	8,626.6	309.2	362.0	108.3	**9,406.1**	5,164.0		(6,700.9)	**7,869.2**
Profit/(loss) from operations	5,488.8	274.1	403.3	295.5	**6,461.7**	625.9		(96.6)	**6,991.0**
Profit for the half year	3,114.3	216.1	353.1	245.7	**3,929.2**	484.6	75.7	(96.6)	**4,392.9**
Summary of business segments for the half year ended **31 December 2005**:									
Sales	7,606.9	201.9	451.7	204.3	**8,464.8**	2,571.3		(3,115.9)	**7,920.2**
Segment operating expenses	4,925.7	203.3	297.8	104.7	**5,531.5**	2,179.6		(3,095.6)	**4,615.5**
Profit/(loss) from operations	2,681.2	(1.4)	153.9	99.6	**2,933.3**	391.7		(20.3)	**3,304.7**
Profit for the half year	1,592.7	(8.9)	87.3	75.4	**1,746.5**	223.6	(123.0)	(21.4)	**1,825.7**

Statement of changes in shareholders' equity

(All amounts in rand million unless otherwise stated)	Share capital	Other reserves	Retained earnings	Total	Minority interest	**Total equity**
	Attributable to equity holders of the company					
Balance at 31 December 2005	263.5	(506.3)	15,128.8	14,886.0	160.2	**15,046.2**
Fair value gains, net of tax:						
– Available-for-sale financial investments		314.2		314.2		**314.2**
Currency translation differences, net of tax		210.7		210.7	25.8	**236.5**
Net income recognised directly in equity		524.9		524.9	25.8	**550.7**
Profit for the half year			2,530.7	2,530.7	28.7	**2,559.4**
Total recognised income for the half year		524.9	2,530.7	3,055.6	54.5	**3,110.1**
Employee share option scheme:						
– Proceeds from shares issued	77.7			77.7		**77.7**
– Fair value of employee service	21.4			21.4		**21.4**
Interim dividend relating to 2006			(661.9)	(661.9)		**(661.9)**
Special dividend			(3,624.1)	(3,624.1)		**(3,624.1)**
Share in revaluation reserve in associate		0.2		0.2		**0.2**
BEE compensation charge from sale of shares in Marula Platinum (Pty) Limited		95.3		95.3		**95.3**
Transactions with minorities						
Purchase of additional share in Zimplats Holdings Limited		(0.1)		(0.1)	0.1	**–**
	99.1	95.4	(4,286.0)	(4,091.5)	0.1	**(4,091.4)**
Balance at 30 June 2006	362.6	114.0	13,373.5	13,850.1	214.8	**14,064.9**
Fair value gains, net of tax:						
– Available-for-sale financial investments		303.8		303.8		**303.8**
Currency translation differences, net of tax		(34.9)		(34.9)	(5.5)	**(40.4)**
Net income recognised directly in equity		268.9		268.9	(5.5)	**263.4**
Profit for the half year			4,347.0	4,347.0	45.9	**4,392.9**
Total recognised income for the half year		268.9	4,347.0	4,615.9	40.4	**4,656.3**
Employee share option scheme:						
– Proceeds from shares issued	17.8			17.8		**17.8**
– Fair value of employee service	95.5			95.5		**95.5**
Final dividend relating to 2006			(1,451.7)	(1,451.7)		**(1,451.7)**
	113.3		(1,451.7)	(1,338.4)		**(1,338.4)**
Balance at 31 December 2006	475.9	382.9	16,268.8	17,127.6	255.2	**17,382.8**

Cash flow statement

(All amounts in rand million unless otherwise stated)	**Six months to 31 December 2006 (Unaudited)**	Six months to 31 December 2005 (Unaudited)	Year to 30 June 2006 (Audited)
Net cash from operating activities	**4,413.9**	2,398.7	4,902.7
Net cash used in investing activities	**(1,121.5)**	(845.1)	(1,824.5)
Net cash used in financing activities	**(999.3)**	(1,028.3)	(5,236.9)
Increase/(decrease) in cash and cash equivalents	**2,293.1**	525.3	(2,158.7)
Cash and cash equivalents at beginning of the period	**1,864.4**	3,984.3	3,984.3
Effects of exchange rate changes on monetary assets	**(15.2)**	(10.9)	38.8
Cash and cash equivalents at end of period	**4,142.3**	4,498.7	1,864.4

Notes

The interim financial statements have been prepared using accounting policies consistent with those as described in the annual financial statements for the year ended 30 June 2006 with the exception of those listed below and have been prepared in accordance with IAS 34 Interim Financial Reporting. This interim financial report should be read in conjunction with the annual financial statements for the year ended 30 June 2006.

The following standards, amendments to standards and interpretations were adopted as from 1 July 2006:

- IAS 19 Employee Benefits (revised January 2006). The adoption of this accounting statement had no material impact on the results of the group.
- IFRIC 10 Interim Financial Reporting and Impairment. The implementation of this interpretation had no material impact on the results of the group.
- IFRIC 11 Group and Treasury Share Transactions. The implementation of this interpretation had no material impact on the results of the group.

The following new standards, amendments to standards and interpretations have been issued but are not effective for 2006 and have not been early adopted:

IFRS 7, 'Financial Instruments: Disclosures' and IAS 1, 'Amendments to Capital Disclosures', effective for annual periods beginning on or after 1 January 2007. The group assessed the impact of IFRS 7 and the amendment to IAS 1 and concluded that the main additional disclosures will be the sensitivity analysis to market risk and capital disclosures required by the amendment of IAS 1. The group will apply IFRS 7 and the amendment to IAS 1 from the financial year beginning 1 July 2007.

	Six months to 31 December 2006 (Unaudited)	Six months to 31 December 2005 (Unaudited)	Year to 30 June 2006 (Audited)
1. Headline earnings per share			
– basic (expressed in cents per share)	**824**	351	751
– diluted (expressed in cents per share)	**821**	350	749
Headline earnings per share is calculated on profit attributable to equity holders of the company without adjustments (2005: profit adjusted for: profit on sale of Spitzkop prospecting right of R94.9 million, profit on the sale of the investment in Teba of R4.7 million and a write off of the investment in Ambatovy of R127.1 million.)			

	Six months to 31 December 2006 (Unaudited)	Six months to 31 December 2005 (Unaudited)	Year to 30 June 2006 (Audited)
2. Capital expenditure (R million):			
Opening net book amount	**12,270**	10,035	10,035
Additions	**1,356**	948	2,248
Disposals	**(11)**	(17)	(106)
Exchange adjustment on translation of foreign subsidiaries and joint venture	**(35)**	(69)	129
Depreciation, amortisation, impairment and other movements	**(366)**	(332)	(36)
Closing net book amount	**13,214**	10,565	12,270
Capital expenditure approved at 31 December 2006 amounted to R11.51 billion (2005: R10.9 billion), of which R2.58 billion (2005: R2.23 billion) is already committed. This expenditure will be funded internally and if necessary, from borrowings.			
3. Contingent liabilities and guarantees (R million):			
Contingencies in respect of the South African Revenue Services and BTX Mining, as reported in the financial statements ending 30 June 2006, still remain.			
Certain guarantees and contingent liabilities were in place as at 31 December 2006 in respect of bank and other guarantees and contingencies arising in the ordinary course of business from which it is anticipated that no material liabilities will arise:			
Guarantees			
On behalf of Two Rivers Platinum (Proprietary) Limited (related party)	**331**	99	211
Collateral security for employee housing and loans	**2**	3	3
Department of Minerals and Energy	**297**	288	297
Eskom	**17**	17	17
Registrar of Medical Aids	**5**	5	5
Total guarantees	**652**	412	533
4. Related party transactions (R million):			
The following transactions were carried out with related parties:			
Sales of goods and services to associates	**14**	6	0
Purchases of goods and services from associates	**3,166**	1,412	2,541
Payables arising from sales/purchases of goods/services	**1,837**	581	689
Loans to related parties	**549**	203	107
Key management compensation	**54**	26	63

A subdivision of shares was approved at the annual general meeting held on 12 October 2006.

The ordinary shares of the company were subdivided whereby each ordinary share of 20 cents was subdivided into eight ordinary shares of 2.5 cents each. The subdivided shares commenced trading on the JSE Limited on 6 November 2006.

The earnings and dividends per share reported for the previous financial years were recalculated, using the subdivided number of shares, to enable comparison with the current reporting period.

The authorised share capital of the holding company after the subdivision is as follows:

	Rand million
800,000,000 ordinary shares of 2.5 cents each	20.0
44,008,000 "A" ordinary shares of 2.5 cent each	1.1
	21.1

During the period under review 16.4 million shares (2.1 million shares pre subdivision) were issued in terms of an approved Employee Share Ownership Programme. The associated share based payment costs for the half year under review amounted to R67.4 million which is included in cost of sales.

Borrowings consist of a term loan from Standard Bank Limited amounting to R401.2 million, which carries interest at the Johannesburg Interbank Acceptance Rate (JIBAR) plus 90 basis points and a revolving credit facility amounting to R56.0 million, which carries interest at JIBAR plus 100 basis points. The loans are repayable over 8.5 years.

Interim dividend no. 78 of 275 cents per share, amounting to R1.66 billion based on shares in issue as at 31 December 2006, inclusive of shares to be issued in terms of the RBN transaction, was approved by the board of directors on 15 February 2007; Secondary Tax on Companies on this dividend will amount to R207.4 million.

Operating statistics

		Six months to 31 December 2006	Six months to 31 December 2005	% change	Year to 30 June 2006
Gross refined platinum production					
Impala	(000oz)	**545**	591	(7.8)	1,125
IRS	(000oz)	**473**	347	36.3	721
Total	(000oz)	**1,018**	938	8.5	1,846
IRS metal returned (toll refined)					
Platinum	(000oz)	**93**	145	(35.9)	246
Palladium	(000oz)	**81**	104	(22.1)	190
Rhodium	(000oz)	**18**	23	(21.7)	42
Sales volumes					
Platinum	(000oz)	**909**	833	9.1	1,582
Palladium	(000oz)	**422**	440	(4.1)	896
Rhodium	(000oz)	**108**	93	16.1	193
Nickel	(000t)	**8.6**	6.7	28.4	14.8
Prices achieved					
Platinum	($/oz)	**1,164**	911	27.8	988
Palladium	($/oz)	**320**	207	54.6	258
Rhodium	($/oz)	**4,664**	2,260	106.4	3,015
Nickel	($/t)	**28,526**	14,218	100.6	15,343
Consolidated statistics					
Average rate achieved	(R/$)	**7.25**	6.49	11.7	6.37
Closing rate	(R/$)	**7.04**	6.31	11.6	7.16
Revenue per platinum ounce sold	($/oz)	**2,234**	1,452	53.9	1,721
	(R/oz)	**16,197**	9,423	71.9	10,963
Tonnes milled ex-mine	(000t)	**10,714**	10,394	3.1	20,197
PGM refined production	(000oz)	**1,915**	1,773	8.0	3,490
Capital expenditure	(Rm)	**1,356**	948	43.0	2,248
Group unit cost per platinum ounce:					
Excluding share based remuneration	($/oz)	**781**	722	(8.2)	769
	(R/oz)	**5,647**	4,690	(20.4)	4,912
Including share based remuneration	($/oz)	**823**	732	(12.4)	788
	(R/oz)	**5,954**	4,749	(25.4)	5,032
Dividend (relating to reporting period earnings):					
Ordinary	(cps)	**275**	125	120.0	400
Special	(cps)		688		688

Additional statistical information is available on the company's internet website.

Review of operations

Safety remains of paramount importance to the group. Despite the lost time injury frequency rate (LTIFR) having improved by 4% compared to the financial year ended 30 June 2006, there were regrettably seven fatal accidents throughout the group of which 6 occurred at the Impala Platinum operation. The Implats Board and management extend their condolences to the families and colleagues of the deceased, and remain committed to eliminate fatalities at work.

The increase in fatal injuries is primarily as a result of falls of ground. In addition to the ongoing Tsibogo safety training campaign, a Major Hazard Action Plan consisting of various projects was implemented during the period.

Production by the Implats group was up 8.5% period on period for the six months ended December 2006 to a near record 1.02 million ounces of platinum due to a combination of higher production at IRS and the group's operating units other than Impala Platinum which more than offset lower production at the Impala Platinum operation.

Impala Platinum Limited (Impala Platinum) – 100%

Platinum production was down 7.8% to 545,000 ounces as a result of a reduction in ore and grade mined from the Merensky Reef which was partially offset by lower yield opencast UG2 ore. Tonnes milled were virtually the same as in the comparable financial period.

The action plan communicated to the market in October 2006 to address the issue of the decline in headgrade focused on a back-to-basics mining plan to reduce mining dilution parameters. The key elements in mining contributing to the reduction have been identified and are being addressed. A new bonus scheme for the panel teams focusing on efficiencies, face advance and sweepings was implemented in November 2006, which yielded some positive results in the last month of this reporting period. In addition UG2 grade has shown an improvement as a result of these interventions.

The refining operation continued to excel and gross refined platinum production increased by 8.5% to 1.02 million ounces with PGM production up by 8.0% to 1.92 million ounces.

The unit cost per platinum ounce was 22.1% (28.2% inclusive of share-based payment cost) higher at R5,369. This increase is mainly due to the lower platinum production aggravated by inflationary increases, safety initiatives (EZ stopers), and more expensive opencast tonnes.

Sinking at the two major capital projects, namely 16 and 20 shafts, remained on schedule. The capital approved for these projects is R6.65 billion of which R1.21 billion has been spent to date. At the end of December 2006 sinking of 16 and 20 shafts had reached depths of 714 and 933 metres respectively and both are currently ahead of schedule and below budget. A feasibility study for a third fourth generation shaft is currently in progress.

Marula Platinum (Proprietary) Limited (Marula) – 77.5%

Marula achieved one million fatality free shifts on 11 October 2006 and continues to maintain this safety record. Two lost time injuries occurred during the first half of the financial year.

Tonnes milled improved by 59.6% to 739,000, with platinum in concentrate up 75.7% to 33,200 ounces. Unit costs decreased by 10.1% to R8,452 per platinum ounce, period on period, despite the harmonisation of wages within the South African operations and the build up of their labour complement.

The implementation of the new mining plan continues to exceed expectations and is currently ahead of schedule and under budget. Plans remain on schedule to achieve full production of 136,000 ounces of platinum in concentrate per annum by the end of the 2009 financial year.

Zimbabwe Platinum Mines Limited (Zimplats) – 86.9%

The safety performance remained excellent with one lost time injury during the reporting period.

Tonnes milled increased by 3.7% to 1.03 million with recovery rates improving to 84.4%. Production rose to 46,100 ounces of platinum in matte. Unit costs per platinum ounce in matte increased by 4.3% in rand terms mainly due to the weakening of the rand against the US dollar.

The Portal 2 underground project was completed well within budget and the operation now accounts for approximately 50% of Zimplats' production at a much lower cost than at the opencast mine.

The expansion project commenced during the period and work on the two new underground mines, Portals 1 and 4, is progressing satisfactorily. The project is expected to increase production from the current 90,000 ounces to 160,000 ounces of platinum per annum by 2010. Capital expenditure totalled R270.7 million for the six months, an increase of 271.7%, largely due to feasibility studies and expansion projects being expedited.

Security of tenure over mining claims required for Zimplats' long term expansion programme was enhanced when the Government of Zimbabwe approved the extension of the Special Mining Lease to cover all of Zimplats' remaining mining claims in terms of the Release of Ground Agreement signed between Zimplats and the Government of Zimbabwe which took effect during the accounting period.

Mimosa Platinum (Private) Limited (Mimosa) – 50%

One fatal accident occurred during the reporting period due to a fall of ground. The LTIFR at 2.33 was disappointing.

Tonnes milled were up 9.0% to 833,000 tonnes, resulting in an increase of 5.2% in platinum production to 38,400 ounces of platinum in concentrate. Unit costs per platinum ounce in concentrate increased by 4.2% in rand terms mainly as a result of the weakening of the rand against the US dollar.

The R168.0 million Wedza Phase V expansion project commenced and will result in concentrator capacity increasing from 150,000 to 175,000 tonnes per month. As a result production will increase to 100,000 ounces of platinum in concentrate per annum by July 2007. Capital expenditure for the period amounted to R60.3 million.

Two Rivers Platinum (Proprietary) Limited (Two Rivers) – 45%

The joint venture between Implats and African Rainbow Minerals Limited is currently in ramp up phase. Full production of 120,000 ounces of platinum in concentrate is still expected to be reached by the end of 2007 despite strike action and delays in commissioning the plant. The plant is processing ore from the underground buildup and the surface stockpile. Capital expenditure amounted to R193 million.

Impala Refining Services Limited (IRS) – 100%

Production at IRS improved to 472,500 ounces of platinum resulting in a net profit of R484.6 million, a 116.5% improvement on the comparable reporting period and representing an 11.2% contribution to group net profit. Higher metal prices boosted net profit for this entity.

Aquarius Platinum (South Africa) (Proprietary) Limited (AQPSA) – 20%

AQPSA contributed R132.2 million to earnings for the period under review compared to R40.9 million for the comparable period. Both the Kroondal and Marikana operations performed well.

Market Review

Growth in overall platinum demand of around 5%, driven essentially by diesel automotive emission legislation, was met by a similar growth in supply, leaving the market balanced. Notwithstanding this, and a reduction of 40% of the net long position held by funds over the year, the price moved up by 10% during the course of calendar year 2006. Positive sentiment towards commodities in general, and platinum, in particular, contributed towards this price increase.

The palladium market recorded another year of significant surplus. The automotive sector continued to benefit from a combination of rapidly growing sales in countries outside of North America, Europe and Japan, and tightening legislation. Jewellery sales declined in 2006 as inventories were depleated and recycling increased. Notwithstanding the large inventory overhang, prices benefited from the improved sentiment in commodities and strengthened 20% over the year.

The rhodium market moved further into deficit in 2006 as the new emission standards for NOx being phased in world-wide required increased loadings on gasoline vechicles. Glass production continued to drive industrial usage due to the strong ongoing consumer demand for LCD and other flat panel devices. The combined impact on this highly illiquid market was a near doubling of the price over the year.

Corporate matters

BEE transaction

During the interim period Implats and Royal Bafokeng Holdings (Pty) Limited (RBH), wholly-owned by the Royal Bafokeng Nation (RBN), received shareholder approval for a black economic empowerment (BEE) transaction, which replaces the previously announced IRS transaction.

In terms of the new transaction known as the "royalty transaction", Impala will pay to RBH an amount of R10.6 billion, being all royalties due to the RBN from 1 July 2007 onwards in terms of the notarial mineral lease between Impala Platinum and the RBN. This amount will be used by the RBN to subscribe for 75.1 million shares (9.4 million pre share split) in Implats which together with the RBN's existing holding of 8 million shares (1 million pre share split), will result in a holding of 13.4% in Implats. The previously announced IRS transaction has been allowed to lapse.

The new agreement followed discussions with the Department of National Treasury who indicated that Impala Platinum would probably not be able to offset any existing royalties payable to the RBN against royalties payable to the State under the new Royalty Bill. Should the final Royalty Act allow for an offset, Impala Platinum will be entitled to claim such offset. An amendment to the Income Tax Act, 1962, to permit the tax deductibility of the payment of royalties in advance is expected to be promulgated in February 2007. This amendment will allow Impala to deduct R10.6 billion in respect of the royalties in equal amounts over 31 years.

African Platinum plc (Afplats)

A binding agreement was signed with Afplats in terms of which Implats will acquire 29.9% of Afplats' South African assets. Funding acquired from the transaction will be used to develop the Leeuwkop Project in its initial phase and will allow the remaining project funding to be secured at a lower cost once the project has been significantly de-risked and mining has commenced. Implats' operational technical expertise will ensure that the project is successfully developed.

Exploration

Exploration activities continue in Canada, Botswana, Madagascar and China. Drilling in the Highbank Lake layered instrusive in Canada have not identified any significant mineralisation. In Madagascar three boreholes have been completed on the Ambodilafa anomaly. Assay results are outstanding. In Botswana the airborne EM survey identified certain anomalies which require ground follow up.

Financial Review

The interim period of the 2007 financial year was characterised by continued strong growth in headline earnings, principally as a result of higher US dollar metal prices coupled with increases in sales volumes and a weaker rand. Consequently, dollar revenue per platinum ounce sold was 53.9% higher and the corresponding rand revenue was 71.9% up.

Margins improved across the group with the gross margin increasing by 12.7% to 47.0%. Headline earnings per share, on a recalculated basis using the post share split number of shares, rose by 134.8% and basic earnings per share by 138.8% to 824 cents.

Sales for the period ending December 2006 increased by 87.6% to R14.86 billion (US$2.05 billion) for the half-year from R7.92 billion (US$1.22 billion) for the six month period ending December 2005. The variance analysis of the sales increase was as follows:

- **volumes** up by 11.0%, resulting in a positive sales variance of R871 million;
- **metal prices** of platinum, palladium, rhodium and nickel strengthened in both rand and dollar terms, exceeding expectations; with PGM prices and that of platinum especially reaching record levels, overall dollar prices improved by 57.1% contributing to a positive sales variance of R4.53 billion;
- **the rand/dollar exchange rate** weakened during the period and closed on 31 December 2006 at R7.04/$ compared to a close of R6.31/$ on 31 December 2005; the average exchange rate for the period under review was R7.25/$ versus R6.49/$ for the comparable period a year ago; this contributed 19.5% to increased sales, equivalent to R1.54 billion.

Cost of sales were up by 70.5% to R7.87 billion largely as a result of an increase in metals purchased and a rise in sales volumes. The group unit cost per platinum ounce produced was 20.4% higher at R5,647 per platinum ounce (excluding share-based payments).

Earnings contributions

As in previous years, Implats' income continued to be derived from three sources with the bulk coming from the mine-to-market operations (85.8%). The other two sources of income are IRS and equity income from investments.

Contribution to headline earnings (R million)

Entity	**Six months to 31 Dec 2006**	**% Contribution**	Six months to 31 Dec 2005	% Contribution
Impala	**3 080**	**70.8**	1 501	81.5
Marula	**85**	**2.0**	(9)	(0.5)
Zimplats	**299**	**6.9**	74	4.0
Mimosa	**267**	**6.1**	79	4.3
IRS	**485**	**11.2**	224	12.2
Aquarius	**132**	**3.0**	41	2.2
Two Rivers	**(1)**	**–**	–	–
Ambatovy	**–**	**–**	(68)	(3.7)
Headline earnings	**4 347**	**100.0**	1 842	100.0

- ***Mine-to-market operations:*** The mine-to-market operations owned by the Implats group are Impala Platinum, Marula Platinum in South Africa and Zimplats and Mimosa in Zimbabwe, which together contributed R3.73 billion (85.8%) to group headline profit. Gross profit at Impala Platinum rose by 107.9% to R5.51 billion with operating margins improving to 63.2% from 50.2%, raising the group's overall margin by 12.7% to 47.0%. Marula reported a positive contribution of R85.0 million which was a substantial improvement on the previously reported loss of R9.0 million. The Zimbabwe operations reported increases in margins due to higher US dollar receipts.

Operating margins (%)

Entity	**Six months to 31 Dec 2006**	Six months to 31 Dec 2005
Impala	**63.2**	50.2
Marula	**47.0**	(0.7)
Zimplats	**52.7**	34.1
Mimosa	**73.2**	48.8
IRS	**10.8**	15.2
Implats group	**47.0**	41.7

- ***IRS,*** the accounting entity housing Implats' third-party refining services, contributed R484.6 million to group headline profit, an increase of 116.5%. Given the lower risks and capital requirements of IRS, margins at this entity are lower than at other operations within the group. Margins for the 2007 interim period were 10.8% compared to the 15.2% of the previous period mainly due to the purchase of material previously toll refined at current high metal prices. Sales for the period rose by 125.2% to R5.79 billion with a 36.0% increase in platinum production through IRS to 472,500 ounces.
- ***Equity income*** from investments came from Implats' holding in Aquarius Platinum. This increased to R132.2 million largely due to higher rand metal prices.

Earnings attributable to the equityholders of the company rose by 139.5% to R4.35 billion mainly as a result of higher rand metal prices.

Balance sheet, structure and cash flow

The emphasis on maintaining a strong balance sheet continues so as to ensure that there is sufficient funding for the group's planned future capital expenditure over the next five years. Cash from operating activities during the interim period totalled R4.41 billion and the net increase after accounting for investing and financing activities was R2.29 billion. After funding the capital expenditure programmes, dividends and investments to 31 December 2006, the net closing cash position was R4.14 billion.

The dividend cover for the group has been adjusted to 1.7 times (previously 1.9 times) earnings. The rationale for this adjustment to the dividend policy is the cash savings from the RBN transaction which will see the elimination in future of the royalty payment and the anticipated improved cash generating ability of the group.

Capital expenditure

Group capital expenditure for the 2007 interim period totalled R1.36 billion compared to R948.0 million in the previous interim period. The bulk of this capital expenditure, R903 million, was spent at Impala Platinum on the development of 16 and 20 shafts. The Zimbabwean operations accounted for capital expenditure of R301 million, and Marula, R152 million.

Prospects

The fundamentals for platinum remain firm due to tightening automotive emission legislation which now incorporates heavy duty vehicles and continuing growth in diesel market share in Europe. While the outlook for palladium continues to improve, Russian stock sales will determine price levels. The rhodium market is forecast to remain extremely tight in the medium term due to the adoption of stricter NOx emission legislation. Sustainability of the current nickel price is unlikely.

Implats' growth plan to reach 2.3 million ounces of platinum by 2010 remains on track. The group is investigating further expansion plans to increase production to 2.8 million ounces of platinum.

FJP Roux
Chairman

D H Brown
Chief Executive Officer

Johannesburg
15 February 2007

DECLARATION OF INTERIM DIVIDEND

An interim dividend of 275 cents per share has been declared in respect of the half year ended 31 December 2006. The last day to trade ("cum" the dividend) in order to participate in the dividend will be **Friday, 9 March 2007**. The share will commence trading "ex" the dividend from the commencement of business on **Monday, 12 March 2007** and the record date will be **Friday, 16 March 2007**.

The dividend is declared in the currency of the Republic of South Africa. Payment from the London transfer office will be made in United Kingdom currency at the rate of exchange ruling on **14 March 2007** or on the first day thereafter on which a rate of exchange is available.

The dividend will be paid on **Monday, 19 March 2007**. Share certificates may not be dematerialised/ rematerialised during the period **Monday, 12 March 2007** to **Friday, 16 March 2007**, both dates inclusive.

By order of the board

R Mahadevey
Group Secretary

Johannesburg
15 February 2007

A copy of this Report is available on the Internet web site:

http://www.implats.co.za

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