PEOPLE

PRODUCT

PLANET

IMPLATS

Distinctly Platinum

Consolidated interim results (reviewed) for the six months ended 31 December 2012

IMPLATS
Distinctly Platinum

Implats' vision

To be the world's best platinum-producing company, delivering superior returns to shareholders relative to our peers.

Implats' values

- Safeguarding the health and safety of our employees, and caring for the environment in which we operate
- Acting with integrity and openness in all that we do and fostering a workplace in which honest and open communication thrives
- Promoting and rewarding teamwork, innovation, continuous improvement and the application of best practice by being a responsible employer, developing people to the best of their abilities and fostering a culture of mutual respect among employees
- Being accountable and responsible for our actions as a company and as individuals
- Being a good corporate citizen in the communities in which we live and work.

Impala Platinum Holdings Limited
(Incorporated in the Republic of South Africa)
Registration No. 1957/001979/06
Share code: JSE: IMP ISIN: ZAE000083648
ADRs: IMPUY
("Implats" or "the Company" or "the Group")

Registered Office
2 Fricker Road, Illovo, 2196
(Private Bag X18, Northlands 2116)

Transfer Secretaries
South Africa: Computershare Investor Services (Pty) Ltd
70 Marshall Street, Johannesburg, 2001
(PO Box 61051, Marshalltown, 2107)
United Kingdom: Computershare Investor Services plc
The Pavilions, Bridgwater Road, Bristol, BS13 8AE

Sponsor
Deutsche Securities SA (Pty) Limited

Directors
KDK Mokhele (Chairman), TP Goodlace (Chief Executive Officer), B Berlin (Chief Financial Officer), HC Cameron, PA Dunne, MSV Gantsho, AS Macfarlane*, AA Maule, TV Mokgatlha, B Ngonyama, NDB Orleyn, OM Pooe.

**British*

Note: Mr AS Macfarlane was appointed with effect from 1 December 2012.

Safety

- Remains a key priority

Platinum production

- Gross production up 2% to 865 000 ounces
- Impala Rustenburg down 25%

Costs

- Lower refined volumes at Impala increased Group unit costs significantly

Revenue

- Decreased marginally by 2% to R15.2 billion

Earnings and dividend

- Headline earnings decreased by 78% to R776 million
- Dividend of 35 cents per share

Market

- Market moved into a deficit

Commentary

The South African platinum industry witnessed significant labour disruptions during the period under review. Despite these events, adequate above-ground stocks coupled with an anaemic macro-economic environment resulted in no respite for platinum group metal prices and have thus placed the industry under considerable stress with many shafts now being in a loss-making situation. The first of the new major capital projects at Rustenburg, 20 Shaft, has commenced production. The other two, namely 16 and 17, as well as the Phase 2 expansion at Zimplats, remain on track. Indigenisation plans for both Zimplats and Mimosa have been submitted and accepted by the Government of Zimbabwe.

Market review

Calendar year 2012 has proven to be a watershed year in the platinum industry, as significant labour disruptions at Impala Rustenburg, and subsequently at other platinum producers, reduced South African platinum production by in excess of 600 000 ounces. Above inflationary increases particularly in wages and power costs, together with declining productivity have forced some South African PGM miners to review their capital plans and cut back on unprofitable shafts.

Turning to the major demand sectors, the automotive industry continued to perform well, following the devastating events in Japan in March 2011 and the floods in Thailand some months later. Europe was an obvious exception where sales were down some 8%. The US market witnessed growth of 13% in passenger vehicle sales and China, in spite of hard landing fears, continued to post a healthy 7% growth. Globally, passenger vehicle sales increased by more than 5%, to exceed 80 million units for the year. This has clearly benefitted the demand for our metals, particularly palladium due to the greater prevalence of gasoline-powered vehicles in the US and China. Jewellery markets also experienced growth primarily driven out of China and India where platinum is becoming much more accepted as a jewellery metal.

This has resulted in the platinum market moving into a deficit in the region of half a million ounces. In the case of palladium, where supplies were further impacted by considerably lower Russian stock sales, the market deficit was closer to one million ounces. The dearth of recent capital investment will have a dramatic impact on future metal availability, and will result in tight market conditions for both metals going forward.

Safety review

Safety remained unsatisfactory with six fatalities during the half year ended December 2012. All the incidents occurred at Impala Rustenburg. Two were due to a blasting incident and the others were as a result of a truck-and-tramming, a flammable gas burn, a loading chute inundation and a scraper incident. It is encouraging to report that there were no fall-of-ground fatalities during the period under review. The Board, Management and all of the Implats team extend their sincere condolences to the families and friends of those who have died.

The Lost Time Injury Frequency Rate improved marginally to 4.88 per million man hours worked. Impala and Marula improved by 1.7% to 5.64 and 40.4% to 6.83 respectively, whilst Zimplats deteriorated to 1.03. Mimosa improved to 0.50. The Total Injury Frequency Rate deteriorated from 11.2 to 12.2 per million man-hours worked.

Our safety strategy is focused on a cultural transformation framework, closing the supervision gap and a number of new technical initiatives being implemented.

Operational review

Gross refined platinum production increased by 2% to 865 000 ounces for the first half of the financial year 2013 compared to the corresponding period a year ago. Mine-to-market output declined by 16% to 621 000 ounces of platinum primarily due to the lower volumes at Impala Rustenburg, whilst non-managed production increased by 126% to 244 000 ounces as a result of a large increase in once-off toll receipts. The lower volumes at Impala negatively impacted on Group unit costs which rose by 42% to R15 983 per platinum ounce.

IMPALA PLATINUM

Impala Rustenburg continued to be impacted by the complex changing labour environment experienced since the strike and the subsequent events in the region. The operation has also been impacted by company and DME safety stoppages, a lack of ore reserve flexibility and mining quality. As a consequence tonnes milled decreased by 10% to 6.18 million. However, refined platinum production declined by 25% to 368 000 ounces exacerbated by a 22 000 ounce pipeline lockup. Unit costs per platinum ounce refined excluding share based payments rose by 52% to R16 674 primarily due to the lower production volumes.

The focus at Rustenburg remains on the development of the three new major shafts. First production commenced at 20 Shaft, while at 16 shaft equipping is in progress with first production scheduled for FY2014. Sinking at the 17 Shaft complex remains on target. Capital expenditure decreased by 28.1% to R2.2 billion in line with the company's cash preservation plan.

Labour relations continue to receive management's highest attention. Following the derecognition of the NUM, we are now embarking on a new labour dispensation. Our approach in this regard is based on an inclusive rather than an exclusive one that enables representation of multiple unions.

ZIMPLATS

Tonnes milled remained flat period on period at 2.2 million. A fire in the smelter during November and a subsequent run out in December impacted on platinum in matte production which declined by 20% to 73 400 ounces. Concentrates stockpiled during the furnace outages (18 000 ounces) will be smelted before the end of the financial year.

Unit costs per platinum ounce in matte increased by 26.3% to US$1 670 primarily due to a combination of lower smelter throughput and inflation. In rand terms, unit costs increased by 41.3% to R14 142 per platinum ounce in matte exacerbated by the weakening of the rand.

The Phase 2 expansion which will increase production by 90 000 to 270 000 ounces of platinum in FY2015 remains on schedule.

Zimplats concluded a non-binding term sheet with the Government of Zimbabwe on 11 January 2013 which stipulates the key terms of its indigenisation plan. It is envisaged that binding agreements and all the conditions precedent in terms of this transaction will be completed by 30 June 2013.

MARULA

Tonnes milled increased by 2.4% to 0.83 million and platinum production in concentrate rose 0.8% to 36 300 ounces. This is in line with planned production of 70 000 ounces of platinum in concentrate. Mining inflation, a productivity intervention and additional development labour affected unit cost which rose by 27% to R19 118 per ounce in concentrate.

The strategic review, as previously indicated, has been completed and has proved the operation's ability to sustain a minimum of 70 000 ounces of platinum per annum and it's capacity through the optimisation of the existing infrastructure to accommodate an increase in production to 90 000 ounces of platinum over the medium-term.

Commentary *(continued)*

MIMOSA

Mill throughput increased by 3.9% to 1.2 million tonnes whilst platinum production in concentrate rose 4.4% in line with this to 54 700 ounces. Unit costs per platinum ounce in concentrate increased by 9.8% to US$1 649 and by 22.8% to R13 967 in rand terms primarily due to dollar mining inflation and the increased use of plant reagents and mining consumables. The rand costs were impacted by the weaker rand.

Discussions on indigenisation were concluded in December and a non-binding term sheet setting out the key details of the indigenisation plan was signed on 14 December 2012. It is expected that all agreements should be finalised by the end of March 2013.

TWO RIVERS

Tonnes milled rose by 2% to 1.6 million, and together with improved recoveries due to a higher feed grade and metallurgical efficiencies, resulted in an 8.6% increase in platinum production in concentrate to 83 200 ounces. Unit costs per platinum ounce in concentrate rose by 5.8% to R10 829.

IMPALA REFINING SERVICES (IRS)

Refined platinum production increased by 39.7% to 497 100 ounces as lower third party deliveries were more than offset by a significant increase in once-off tolling treatment receipts.

MINERAL RESOURCES AND MINERAL RESERVES

There has been a no material change to the technical information or legal title relating to the group's mineral reserves and resources, as disclosed in the Annual Report for the financial year ended 30 June 2012.

Financial review

The financial performance of the Group for the six months to December 2012 was significantly affected by reduced mine to market ounces mainly as a result of lower production at Impala Rustenburg, above inflation cost increases and the impairment of a long-term receivable during this reporting period.

Revenues, at R15.2 billion, were R251 million lower than those achieved in the six months to December 2011.

- Reduced volumes accounted for R225 million. This comprised of lower mine to market volumes (mainly Impala Rustenburg) of R475 million, which was partially offset by higher toll refining volumes of R250 million due to once-off concentrates received.
- In total, lower dollar metal prices reduced revenues by R1.7 billion, primarily due to reduced US$ prices for platinum, palladium, rhodium and nickel which each reduced by 7.9%, 12.1%, 35.9% and 19.9% respectively.
- The lower dollar metal prices were offset by the weaker rand of R8.48 (previous year of R7.55) which gave rise to a positive R1.7 billion in revenues.

Group unit costs increased from R11 283 per platinum ounce to R15 983 per ounce and were affected by:

- Group inflation of 14.5% comprising:

  Inflation for the South African operations of 13.4% due to:

  – wage increases of 17.6%;

  – consumables increasing by 6.6%; and

  – an increase in the price of utilities of 16.3%.

Inflation at the Zimbabwean operations of 20.1 % comprising dollar inflation of 7.3% compounded by a weaker rand. The dollar inflation was mainly due to:

– wage increases of 13.0%;

– consumables increasing by 2.5%; and

– electricity price increases of 10.0%.

- The lower volumes were the main contributor to the increase in unit cost contributing 24% to the increase. The bulk of this was due to production from Impala Rustenburg being 25% lower than the comparable period.

During the period under review an impairment charge of R603 million was taken, of which R550 milion was for the potential non-recovery of a portion of the outstanding receivable amount from a recycling toll refining customer.

Profit for the period was further negatively affected by a once-off charge of R129.3 million due to a provision for a prior year tax adjustment for Zimplats.

Cash generated from operations amounted to R3.1 billion (December 2011: R3.1 billion). Cash utilised on capital expenditure amounted to R3.2 billion (December 2011: R3.5 billion) mainly on 20, 16 and 17 shafts at Impala Rustenburg and the Ngezi phase 2 project at Zimplats. The cash generated for the six months under review was enhanced by the following two items not in the normal course of operations, namely:

– Debtor receipts from sale of houses R503 million; and

– Realisation of the metal received as part repayment of loans due by a recycling customer of R482 million.

Cash reduced from R3.3 billion (December 2011) to R0.4 billion mainly impacted by the reduced closing balance at the end of June 2012. Total borrowings in the Group (including finance leases) increased by R0.3 billion to R3.0 billion, leaving the Group in a net borrowed position at December 2012 of R2.6 billion.

As part of its continued cash conservation strategy, the Board has resolved to maintain the dividend cover at the year to 30 June 2012 level, after adjusting for R550 million of the impairment charge. The Board has consequently resolved to declare an interim dividend of 35 cents per share.

Prospects

The fundamentals for PGMs remain robust as a result of tight South African supply and on-going firm demand by the automotive industry. This should have a positive impact on PGM prices. The operating environment in South Africa continues to be challenging as a result of the changing labour dynamics and increased stakeholder expectations. Cost pressures will remain high as a result of proposed power increases and potential wage demands, which could be mitigated to some extent by a recovery at Impala Rustenburg. Implats takes a long-term view on the business and will continue to invest in replacement shafts in South Africa and the growth project in Zimbabwe.

KDK Mokhele
Chairman

TP Goodlace
Chief Executive Officer

Johannesburg
14 February 2013

Declaration of interim cash dividend

Notice is hereby given that a gross interim dividend of 35 cents per share for the half year ended 31 December 2012 has been declared payable to shareholders of ordinary shares. The dividend has been declared out of income reserves. The number of ordinary shares in issue at the date of this declaration is 632.21 million. The dividend will be subject to a local dividend tax rate of 15% which will result in a net dividend, to those shareholders who are not exempt from paying dividend tax, of 29.75 cents per share. There are no Secondary Tax on Companies (STC) credits to be set off against the dividend tax. The Company's tax reference number is 9700/178/71/9. The salient dates relating to the payment of the dividend are as follows:

Last day to trade cum dividend on the JSE	Friday, 1 March 2013
First trading day ex dividend on the JSE	Monday, 4 March 2013
Record date	Friday, 8 March 2013
Payment date	Monday, 11 March 2013

The dividend is declared in the currency of the Republic of South Africa. Payments from the United Kingdom transfer office will be made in United Kingdom currency at a spot rate of exchange ruling on Thursday, 7 March 2013, or on the first day thereafter on which a rate of exchange is available.

A further announcement stating the Rand/GBP convertion rate will be released through the relevant South African and United Kingdom news services on Friday, 8 March 2013.

No share certificates may be dematerialised or rematerialised between Monday, 4 March 2013 and Friday, 8 March 2013, both days inclusive. Dividends in respect of certificated shareholders will be transferred electronically to shareholders' bank accounts on the payment date. In the absence of specific mandates, dividend cheques will be posted to shareholders. Shareholders who hold dematerialised shares will have their accounts at their Central Securities Depository Participant ("CSDP") or broker credited on 11 March 2013.

A Parboosing
Company Secretary

Johannesburg
14 February 2013

Approval of the interim financial statements

The directors of the Company are responsible for the maintenance of adequate accounting records and the preparation of the Interim Financial Statements and related information in a manner that fairly presents the state of the affairs of the Company. These Interim Financial Statements are prepared in accordance with International Financial Reporting Standards and incorporate full and responsible disclosure in line with the accounting policies of the Group which are supported by prudent judgements and estimates.

The interim financial statements have been prepared under the supervision of the Chief Financial Officer Ms. B Berlin, CA(SA).

The directors are also responsible for the maintenance of effective systems of internal control which are based on established organisational structure and procedures. These systems are designed to provide reasonable assurance as to the reliability of the Interim Financial Statements, and to prevent and detect material misstatement and loss.

The Interim Financial Statements have been prepared on a going-concern basis as the directors believe that the Company and the Group will continue to be in operation for the foreseeable future.

The Interim Financial Statements as set out on pages 8 to 19, have been approved by the Board of directors and are signed on its behalf by:

KDK Mokhele
Chairman

TP Goodlace
Chief Executive Officer

Johannesburg
14 February 2013

Consolidated statement of financial position

R million	Notes	As at 31 December 2012 (Reviewed)	As at 31 December 2011 (Reviewed)	As at 30 June 2012 (Audited)
Assets				
Non-current assets				
Property, plant and equipment	5	**42 660**	37 114	40 169
Exploration and evaluation assets		**4 294**	4 294	4 294
Intangible assets		**1 018**	1 018	1 018
Investment in associates		**1 100**	956	1 021
Available-for-sale financial assets		**36**	15	32
Held-to-maturity financial assets		**51**	64	49
Loans	6	**850**	2 322	1 227
Prepayments		**10 967**	11 027	11 129
Deferred tax asset		**129**	60	148
		61 105	56 870	59 087
Current assets				
Inventories		**7 675**	6 275	7 081
Trade and other receivables		**3 733**	4 337	4 305
Loans	6	**192**	71	538
Prepayments		**415**	563	571
Cash and cash equivalents		**1 568**	3 334	1 193
		13 583	14 580	13 688
Total assets		**74 688**	71 450	72 775
Equity and liabilities				
Equity attributable to owners of the Company				
Share capital		**15 202**	15 172	15 187
Retained earnings		**35 396**	35 072	34 949
Other components of equity		**212**	(22)	32
		50 810	50 222	50 168
Non-controlling interest		**2 356**	2 255	2 307
Total equity		**53 166**	52 477	52 475
Liabilities				
Non-current liabilities				
Deferred tax liability		**10 120**	9 413	9 773
Borrowings	7	**2 883**	2 624	2 882
Liabilities		**1 100**	999	812
Provisions		**893**	681	757
		14 996	13 717	14 224
Current liabilities				
Trade and other payables		**4 380**	4 663	4 858
Current tax payable		**375**	196	176
Borrowings	7	**87**	77	121
Bank overdraft		**1 160**	—	606
Liabilities		**524**	320	315
		6 526	5 256	6 076
Total liabilities		**21 522**	18 973	20 300
Total equity and liabilities		**74 688**	71 450	72 775

The notes on pages 14 to 19 are an integral part of this condensed interim financial information.

Consolidated statement of comprehensive income

R million	Notes	**Six months ended 31 December 2012 (Reviewed)**	Six months ended 31 December 2011 (Reviewed)	Year ended 30 June 2012 (Audited)
Revenue		**15 161**	15 412	27 593
Cost of sales	8	**(12 560)**	(10 949)	(21 337)
Gross profit		**2 601**	4 463	6 256
Other operating (expenses)/income	9	**(655)**	418	111
Royalty expense		**(344)**	(464)	(664)
Profit from operations		**1 602**	4 417	5 703
Finance income		**111**	182	314
Finance cost		**(293)**	(131)	(305)
Net foreign exchange transactions gains		**290**	608	520
Other expenses	10	**(90)**	(10)	(99)
Share of profit of associates		**73**	60	117
Profit before tax		**1 693**	5 126	6 250
Income tax expense		**(885)**	(1 567)	(1 951)
Profit for the period		**808**	3 559	4 299
Other comprehensive income, comprising items subsequently reclassified to profit or loss:				
Available-for-sale financial assets		**4**	(2)	(3)
Deferred tax thereon		**–**	–	–
Exchange differences on translating foreign operations		**288**	1 267	1 356
Deferred tax thereon		**(81)**	(355)	(379)
Other comprehensive income, comprising of items not subsequently reclassified to profit or loss:				
Actuarial loss on post-employment medical benefit		**–**	–	(4)
Deferred tax thereon		**–**	–	1
Total comprehensive income		**1 019**	4 469	5 270
Profit attributable to:				
Owners of the Company		**813**	3 482	4 180
Non-controlling interest		**(5)**	77	119
		808	3 559	4 299
Total comprehensive income attributable to:				
Owners of the Company		**993**	4 261	5 010
Non-controlling interest		**26**	208	260
		1 019	4 469	5 270
Earnings per share (cents per share)				
Basic		**134**	575	690
Diluted		**134**	575	689

For headline earnings per share and dividend per share refer note 11 and 12.
The notes on pages 14 to 19 are an integral part of this condensed interim financial information.

Consolidated statement of changes in equity

R million	**Number of shares issued (million)***	Ordinary shares	Share premium	Share based payment reserve
Balance at 30 June 2012	**606.57**	**16**	**13 099**	**2 072**
Shares issued				
Implats Share Incentive Scheme	**0.16**	**–**	**9**	**–**
Share-based compensation				
Long-term Incentive Plan	**–**	**–**	**–**	**6**
Total comprehensive income	**–**	**–**	**–**	**–**
Transaction with non-controlling shareholders	**–**	**–**	**–**	**–**
Dividends (note 12)	**–**	**–**	**–**	**–**
Balance at 31 December 2012 (Reviewed)	**606.73**	**16**	**13 108**	**2 078**
Balance at 30 June 2011	600.99	15	12 223	1 990
Shares issued				
Implats Share Incentive Scheme	0.08	–	5	–
Employee Share Ownership Programme	5.37	1	855	83
Total comprehensive income	–	–	–	–
Dividends (note 12)	–	–	–	–
Balance at 31 December 2011 (Reviewed)	606.44	16	13 083	2 073
Balance at 30 June 2011	600.99	15	12 223	1 990
Shares issued				
Implats Share Incentive Scheme	0.13	–	8	–
Employee Share Ownership Programme	5.45	1	868	82
Total comprehensive income	–	–	–	–
Dividends (note 12)	–	–	–	–
Balance at 30 June 2012 (Audited)	606.57	16	13 099	2 072

**The table above excludes the treasury shares, Morokotso Trust and the Implats Share Incentive Scheme as these special purpose entities are consolidated.*

The notes on pages 14 to 19 are an integral part of this condensed interim financial information.

	Total share capital	**Retained earnings**	Fair value reserve	Foreign currency translation reserve	**Total other components of equity**	Attributable to: Owners of the Company	Non controlling interest	**Total equity**
	15 187	**34 949**	**(12)**	**44**	**32**	**50 168**	**2 307**	**52 475**
	9	**—**	**—**	**—**	**—**	**9**	**—**	**9**
	6	**—**	**—**	**—**	**—**	**6**	**—**	**6**
	—	**813**	**4**	**176**	**180**	**993**	**26**	**1 019**
	—	**—**	**—**	**—**	**—**	**—**	**23**	**23**
	—	**(366)**	**—**	**—**	**—**	**(366)**	**—**	**(366)**
	15 202	**35 396**	**(8)**	**220**	**212**	**50 810**	**2 356**	**53 166**
	14 228	34 136	(9)	(792)	(801)	47 563	2 047	49 610
	5	—	—	—	—	5	—	5
	939	—	—	—	—	939	—	939
	—	3 482	(2)	781	779	4 261	208	4 469
	—	(2 546)	—	—	—	(2 546)	—	(2 546)
	15 172	35 072	(11)	(11)	(22)	50 222	2 255	52 477
	14 228	34 136	(9)	(792)	(801)	47 563	2 047	49 610
	8	—	—	—	—	8	—	8
	951	—	—	—	—	951	—	951
	—	4 177	(3)	836	833	5 010	260	5 270
	—	(3 364)	—	—	—	(3 364)	—	(3 364)
	15 187	34 949	(12)	44	32	50 168	2 307	52 475

Consolidated statement of cash flows

R million	**Six months ended 31 December 2012 (Reviewed)**	Six months ended 31 December 2011 (Reviewed)	Year ended 30 June 2012 (Audited)
Cash flows from operating activities			
Profit before tax	**1 693**	5 126	6 250
Adjustments to profit before tax	**2 373**	437	1 499
Cash from changes in working capital	**(278)**	(1 307)	(1 133)
Exploration costs	**(20)**	(32)	(63)
Finance cost	**(187)**	(70)	(150)
Income tax paid	**(481)**	(1 104)	(1 425)
Net cash from operating activities	**3 100**	3 050	4 978
Cash flows from investing activities			
Purchase of property, plant and equipment	**(3 213)**	(3 479)	(7 284)
Proceeds from sale of property, plant and equipment	**58**	7	52
Purchase of investment in associate	**–**	–	(5)
Payment received from associate on shareholders' loan	**–**	23	22
Loans granted	**(6)**	(15)	(120)
Loan repayments received	**180**	476	509
Prepayment made	**–**	–	(233)
Prepayments refunded	**47**	–	11
Finance income	**98**	110	281
Dividends received	**5**	4	9
Net cash used in investing activities	**(2 831)**	(2 874)	(6 758)
Cash flows from financing activities			
Issue of ordinary shares	**9**	861	877
Lease liability repaid	**(65)**	(12)	(44)
Repayments of borrowings	**(34)**	(172)	(197)
Proceeds from borrowings	**–**	374	464
Dividends paid to Company's shareholders	**(366)**	(2 546)	(3 364)
Net cash used in financing activities	**(456)**	(1 495)	(2 264)
Net decrease in cash and cash equivalents	**(187)**	(1 319)	(4 044)
Cash and cash equivalents at beginning of year	**587**	4 542	4 542
Effect of exchange rate changes on cash and cash equivalents held in foreign currencies	**8**	111	89
Cash and cash equivalents at end of period*	**408**	3 334	587

**Net of bank overdraft.*

The notes on pages 14 to 19 are an integral part of this condensed interim financial information.

Segment information

The Group distinguishes its segments between mining operations, refining services (which include metals purchased and toll refined) and other.

Management has determined the operating segments based on the business activities and management structure within the Group. Operating segments have consistently adopted the consolidated basis of accounting and there are no differences in measurement applied.

Capital expenditure comprises additions to property, plant and equipment (note 5), including additions resulting from acquisitions through business combinations.

Sales to the two largest customers in the Impala mining segment comprised 11% and 11% (December 2011: 10% and 10%) (June 2012: 10% and 12%) of total sales.

The statement of comprehensive income shows the movement from gross profit to total profit before income tax.

Summary of business segments:

R million	**Six months ended 31 December 2012 (Reviewed)**		Six months ended 31 December 2011 (Reviewed)		Year ended 30 June 2012 (Audited)	
	Revenue	**Gross profit**	Revenue	Gross profit	Revenue	Gross profit
Mining						
Impala	**14 657**	**1 538**	15 131	3 139	27 029	3 289
Mining	**7 540**	**1 389**	7 904	3 136	13 009	3 284
Metals purchased	**7 117**	**149**	7 227	3	14 020	5
Zimplats	**1 495**	**448**	1 746	826	3 665	1 784
Marula	**692**	**(130)**	600	(2)	1 197	(80)
Mimosa	**592**	**126**	597	275	1 201	518
Afplats*	**—**	**—**	—	—	—	(1)
Other	**53**	**13**	—	—	—	—
Inter-segment adjustment	**(2 653)**	**244**	(2 809)	204	(5 796)	140
External parties	**14 836**	**2 239**	15 265	4 442	27 296	5 650
Refining services	**7 314**	**403**	7 365	398	14 069	1 372
Inter-segment adjustment	**(6 989)**	**(41)**	(7 218)	(34)	(13 772)	(70)
External parties	**325**	**362**	147	364	297	1 302
Total external parties	**15 161**	**2 601**	15 412	4 806	27 593	6 952

R million	**Capital expenditure**	**Total assets**	Capital expenditure	Total assets	Capital expenditure	Total assets
Mining						
Impala	**2 168**	**47 915**	3 016	45 193	5 269	45 149
Zimplats	**808**	**9 350**	904	7 549	2 137	8 394
Marula	**64**	**3 168**	124	3 379	223	3 268
Mimosa	**62**	**1 981**	120	1 934	248	1 979
Afplats*	**125**	**7 603**	104	7 333	265	7 514
Total mining	**3 227**	**70 017**	4 268	65 388	8 142	66 304
Refining service	**—**	**3 223**	—	4 920	—	4 972
Other	**69**	**1 448**	—	1 082	—	1 351
Total	**3 296**	**74 688**	4 268	71 390	8 142	72 627

**Includes Imbasa and Inkosi.*

Notes to the interim financial information

1. General information

Impala Platinum Holdings Limited (Implats) is a primary producer of platinum and associated platinum group metals (PGMs). The Group has operations on the Bushveld Complex in South Africa and the Great Dyke in Zimbabwe, the two most significant PGM-bearing ore bodies globally.

The Company has its primary listing on the Johannesburg Stock Exchange.

The condensed consolidated interim financial information was approved for issue on 14 February 2013 by the Board of directors.

2. Independent review by the auditors

The consolidated statement of financial position at 31 December 2012 and the related consolidated statement of comprehensive income, statement of changes in equity and statement of cash flows for the six months then ended was reviewed by the Group's auditors, PricewaterhouseCoopers Inc. The individual auditor assigned to perform the review is Mr. J-P van Staden. Their unqualified review opinion is available for inspection at the Company's registered office.

3. Basis of preparation

The condensed consolidated interim financial information for the six months ended 31 December 2012 has been prepared in accordance with IAS 34, 'Interim financial reporting', the AC 500 standards as issued by the Accounting Practices Board or its successor, requirements of the South African Companies Act, 2008 and the Listings Requirements of the JSE Limited.

The condensed consolidated interim financial information should be read in conjunction with the annual financial statements for the year ended 30 June 2012, which have been prepared in accordance with IFRS.

The condensed consolidated interim financial information has been prepared under the historical cost convention except for certain financial assets, financial liabilities and derivative financial instruments which are measured at fair value and liabilities for cash-settled share-based payment arrangements which are measured with a binomial option model.

The condensed consolidated interim financial information is presented in South African rands, which is the Company's functional currency.

4 Accounting policies

The principal accounting policies applied are in terms of IFRS and are consistent with those of the annual financial statements for the year ended 30 June 2012. Various revised and new standards were adopted, the adoption of these standards had no impact on the financial results of the Group.

Taxes on income in the interim periods are accrued using the tax rate that would be applicable to expected total annual earnings.

5. Property, plant and equipment.

R million	**Six months ended 31 December 2012 (Reviewed)**	Six months ended 31 December 2011 (Reviewed)	Year ended 30 June 2012 (Audited)
Opening net book amount	**40 169**	33 137	33 137
Additions	**3 270**	4 255	8 104
Interest capitalised	**26**	13	38
Disposals	**(24)**	(557)	(579)
Depreciation (note 8)	**(1 080)**	(804)	(1 708)
Exchange adjustment on translation	**299**	1 070	1 177
Closing net book amount	**42 660**	37 114	40 169

Capital commitments

Capital expenditure approved at 31 December 2012 amounted to R21.6 billion (December 2011: R25.6 billion) (June 2012: R23.2 billion), of which R3.2 billion (December 2011: R4.8 billion) (June 2012: R4.3 billion) is already committed. This expenditure will be funded internally and, if necessary, from borrowings.

6. Loans

R million	**Six months ended 31 December 2012 (Reviewed)**	Six months ended 31 December 2011 (Reviewed)	Year ended 30 June 2012 (Audited)
Summary – Balances			
Employee housing	**42**	37	39
Advances	**730**	2 000	1 402
Reserve Bank of Zimbabwe (RBZ)	**265**	355	308
Contractors	**5**	—	16
	1 042	2 392	1 765
Short-term portion	**(192)**	(71)	(538)
Long-term portion	**850**	2 321	1 227
Summary – Movement			
Beginning of the year	**1 765**	2 469	2 469
Loans granted	**6**	17	123
Present value adjustment	**(1)**	(9)	—
Interest accrued	**30**	38	76
Impairment	**(603)**	(67)	(378)
Repayment received	**(199)**	(300)	(963)
Exchange adjustment	**44**	244	438
End of the year	**1 042**	2 392	1 765

7. Borrowings

Summary – Balances			
Standard Bank Limited – BEE Partners Marula	**878**	882	882
Standard Bank Limited – Loan 1 Zimplats expansion	**—**	20	—
Standard Bank Limited – Loan 2 Zimplats expansion	**660**	404	637
Stanbic & Standard Chartered	**35**	—	63
Finance leases	**1 397**	1 395	1 421
	2 970	2 701	3 003
Short-term portion	**(87)**	(77)	(121)
Long-term portion	**2 883**	2 624	2 882
Summary – Movement			
Beginning of the period	**3 003**	1 842	1 842
Proceeds	**—**	182	464
Leases capitalised	**(20)**	769	769
Interest accrued	**132**	18	210
Repayments	**(171)**	(184)	(372)
Exchange adjustments	**26**	74	90
End of the period	**2 970**	2 701	3 003

Notes to the interim financial information *(continued)*

8. Cost of sales

R million	Six months ended 31 December 2012 (Reviewed)	Six months ended 31 December 2011 (Reviewed)	Year ended 30 June 2012 (Audited)
Included in cost of sales:			
On-mine operations	**6 239**	5 199	10 213
Wages and salaries	**3 574**	2 836	5 811
Materials and consumables	**2 241**	1 987	3 697
Utilities	**424**	376	705
Concentrating and smelting operations	**1 614**	1 474	2 777
Wages and salaries	**296**	278	561
Materials and comsumables	**835**	698	1 375
Utilities	**483**	498	841
Refining operations	**486**	442	883
Wages and salaries	**211**	192	390
Materials and comsumables	**216**	198	392
Utilities	**59**	52	101
Other costs/(income)	**781**	213	361
Corporate costs	**179**	187	415
Selling and promotional expenses	**153**	156	319
Share-based compensation	**449**	(130)	(373)
Chrome operation	**39**	–	–
Depreciation of operating assets (note 5)	**1 080**	804	1 708
Metals purchased	**3 031**	3 438	6 855
Change in metal inventories	**(710)**	(621)	(1 460)
	12 560	10 949	21 337
The following disclosure items are included in cost of sales:			
Repairs and maintenance expenditure on property, plant and equipment	**677**	550	1 119
Operating lease rentals	**23**	27	49

9. Other operating expenses/(income)

R million	Six months ended 31 December 2012 (Reviewed)	Six months ended 31 December 2011 (Reviewed)	Year ended 30 June 2012 (Audited)
Profit on disposal of property, plant and equipment	**(51)**	(13)	(40)
Rehabilitation provision – change in estimate	**14**	2	(1)
Impairment	**603**	66	378
Trade payables – commodity price adjustment	**48**	(473)	(511)
Community development expense	**37**	–	63
Other	**4**	–	–
	655	(418)	(111)

R million	**Six months ended 31 December 2012 (Reviewed)**	Six months ended 31 December 2011 (Reviewed)	Year ended 30 June 2012 (Audited)
10. Other expenses/(income)			
Exploration expenditure	**20**	32	63
Guarantee fees	**(17)**	—	(19)
Other	**87**	(22)	55
	90	10	99
11. Headline earnings			
Headline earnings attributable to equity holders of the Company arises from operations as follows:			
Profit attributable to owners of the Company	**813**	3 482	4 180
Adjustments:			
Profit on disposal of property, plant and equipment	**(51)**	(13)	(40)
Total tax effects of adjustments	**14**	4	11
Headline earnings	**776**	3 473	4 151
Weighted average number of ordinary shares in issue for basic earnings per share	**606.64**	605.89	606.21
Weighted average number of ordinary shares for diluted earnings per share	**607.05**	606.03	606.34
Headline earnings per share (cents)			
Basic	**128**	573	685
Diluted	**128**	573	685

12. Dividends

On 14 February 2013, a sub-committee of the Board declared an interim cash dividend of 35 cents per share amounting to R212 million for distribution in financial year 2013 in respect of financial year 2013. The dividend will be subject to a local dividend tax rate of 15% which will result in a net dividend, to those shareholders who are not exempt from paying dividend tax, of 29.75 cents per share.

R million	**Six months ended 31 December 2012 (Reviewed)**	Six months ended 31 December 2011 (Reviewed)	Year ended 30 June 2012 (Audited)
Dividends paid			
Final dividend No. 89 for 2012 of 60 (2011: 420) cents per share	**366**	2 546	2 546
Interim dividend No. 88 for 2012 of 135 cents per share			818
	366	2 546	3 364

Notes to the interim financial information *(continued)*

13. Contingent liabilities and guarantees

The Group has a contingent liability of US$34 million for Additional Profits Tax (APT) raised by ZIMRA (Zimbabwe Revenue Authority) consisting of an additional assessment of US$27 million in respect of the tax period 2007 to 2009 and a current APT amount of US$7 million based on the assumption that this amount would be payable should the Zimplats appeal against the ZIMRA interpretation of the APT provisions fail in the Special Court of Tax Appeals. Management, supported by the opinions of its tax advisors, strongly disagrees with the ZIMRA interpretation of the provisions.

As at the end of December 2012 the Group had bank and other guarantees of R854 million (June 2012: R750 million) from which it is anticipated that no material liabilities will arise.

14. Related party transactions

- The Group entered into PGM purchase transactions of R1 407 million (December 2011: R1 149 million) (June 2012: R2 469 million) with Two Rivers Platinum, an associate company, resulting in an amount payable of R720 million (December 2011: R605 million) (June 2012: R607 million). It also received refining fees and interest to the value of R13 million (December 2011: R10 million) (June 2012: R22 million). After capital repayment received during the period the shareholders loan amounted to R48 million (December 2011: R48 million) (June 2012: 49 million). These transactions are entered into on an arm's length basis at prevailing market rates.
- The Group entered into a sale and leaseback transaction with Friedshelf, an associate company. At the end of the period an amount of R1 212 million (December 2011: R1 163 million) (June 2012: R1 202 million) was outstanding in terms of the lease liability. During the period interest of R61 million (December 2011: R21 million) (June 2012: R80 million) was charged and a R52 milion (December 2011: R Nil) (June 2012: R20 million) repayment was made. The lease has an effective interest rate of 10.1% and 10.8%.
- The Group entered into PGM purchase transactions of R932 million (December 2011: R926 million) (June 2012: R1 866 million) with Mimosa Investments, a joint venture, resulting in an amount payable of R271 million (December 2011: R112 million) (June 2012: R172 million). It also received refining fees to the value of R77 million (December 2011: R63 million) (June 2012: R134 million). These transactions are entered into on an arm's length basis at prevailing market rates

Key management compensation:

R'000	**Six months ended 31 December 2012 (Reviewed)**	Six months ended 31 December 2011 (Reviewed)	Year ended 30 June 2012 (Audited)
Non-executive directors remuneration	**3 475**	3 642	7 435
Executive directors remuneration (fixed and variable)	**9 325**	16 448	25 532
Prescribed officers	**11 572**	8 509	13 947
Senior executives and Group Secretary	**13 329**	15 206	24 325
Total	**37 701**	43 805	71 239

R million	Six months ended 31 December 2012 (Reviewed)	Six months ended 31 December 2011 (Reviewed)	Year ended 30 June 2012 (Audited)
15. Financial instruments			
Financial assets – carrying amount			
Loans and receivables	**5 594**	9 084	6 218
Financial instruments at fair value through profit and loss[1]	**1**	17	24
Held-to-maturity financial assets	**51**	64	49
Available-for-sale financial assets[1]	**36**	15	32
	5 682	9 180	6 323
Financial liabilities – carrying amount			
Financial liabilities at amortised cost	**7 720**	7 034	7 777
Financial instruments at fair value through profit and loss[1]	**1**	17	24
	7 721	7 051	7 801

The carrying amounts of financial assets and financial liabilities approximate their fair values.

[1]*Level 1 of the fair value hierarchy – Quoted prices in active markets for the same instrument.*

16. Zimbabwe Indigenisation Transactions

On 14 December 2012 Implats announced that its 50% held joint venture Mimosa Investment Holdings ("Mimosa Investments") had concluded a non-binding term sheet in respect of a proposed indigenisation implementation plan ("IIP") with the Government of Zimbabwe (as represented by the Ministry of Youth Development, Indigenisation and Empowerment). On 11 January 2013 Implats further announced that its 87% held subsidiary, Zimplats Holdings Ltd. ("Zimplats Holdings"), had similarly concluded a non-binding term sheet in respect of a proposed IIP. The respective term sheets referred to above stipulate the key terms, subject to certain conditions precedent, for the sale by Mimosa Investments and Zimplats Holdings of an aggregate 51% equity ownership of Mimosa Holdings (Private) Limited and Zimbabwe Platinum Mines (Private) Ltd. respectively to select indigenous entities. At the date of this interim report the definitive transaction agreements have not yet been negotiated and concluded. This will critically affect the accounting treatment of these transactions. The effective date of these transactions will be the date on which the conditions precedent are fulfilled.

Operating statistics

		Six months ended 31 December 2012	Six months ended 31 December 2011	Year ended 30 June 2012
Gross refined production				
Platinum	(000oz)	**865**	846	1 448
Palladium	(000oz)	**575**	529	950
Rhodium	(000oz)	**115**	118	210
Nickel	(000t)	**7.7**	7.8	15.4
IRS metal returned (toll refined)				
Platinum	(000oz)	**173**	57	121
Palladium	(000oz)	**162**	74	148
Rhodium	(000oz)	**30**	12	25
Nickel	(000t)	**1.6**	1.6	3.1
Sales volumes				
Platinum	(000oz)	**733**	766	1 368
Palladium	(000oz)	**422**	431	765
Rhodium	(000oz)	**92**	97	183
Nickel	(000t)	**7.1**	6.3	13.9
Prices achieved				
Platinum	($/oz)	**1 541**	1 673	1 614
Palladium	($/oz)	**623**	709	687
Rhodium	($/oz)	**1 144**	1 784	1 601
Nickel	($/t)	**16 361**	20 426	19 513
Consolidated statistics				
Average rate achieved	(R/$)	**8.48**	7.55	7.71
Closing rate for the period	(R/$)	**8.46**	8.09	8.17
Revenue per platinum ounce sold	($/oz)	**2 399**	2 650	2 601
	(R/oz)	**20 344**	20 008	20 054
Tonnes milled ex-mine	(000t)	**9 779**	10 396	17 788
PGM refined production	(000oz)	**1 767**	1 715	3 016
Capital expenditure	(Rm)	**3 296**	4 268	8 142
Group unit cost per platinum ounce	($/oz)	**1 887**	1 490	1 738
	(R/oz)	**15 983**	11 283	13 450

Additional statistical information is available on the Company's internet website