

# BMO Nesbitt Burns February 2005



## About Implats .... the premier platinum investment





## Key statistics

### Implats

- Has operations located on two prime PGM deposits:
  - the Bushveld Complex in South Africa (Impala and Marula) and
  - the Great Dyke in Zimbabwe (Zimplats and Mimosa)
- Produced 1.96Moz of platinum in FY2004 (0.88Moz in first half FY2005)
- Generated sales revenue of \$1.716 billion in FY2004 – up 32% (\$1 billion in first half FY2005)



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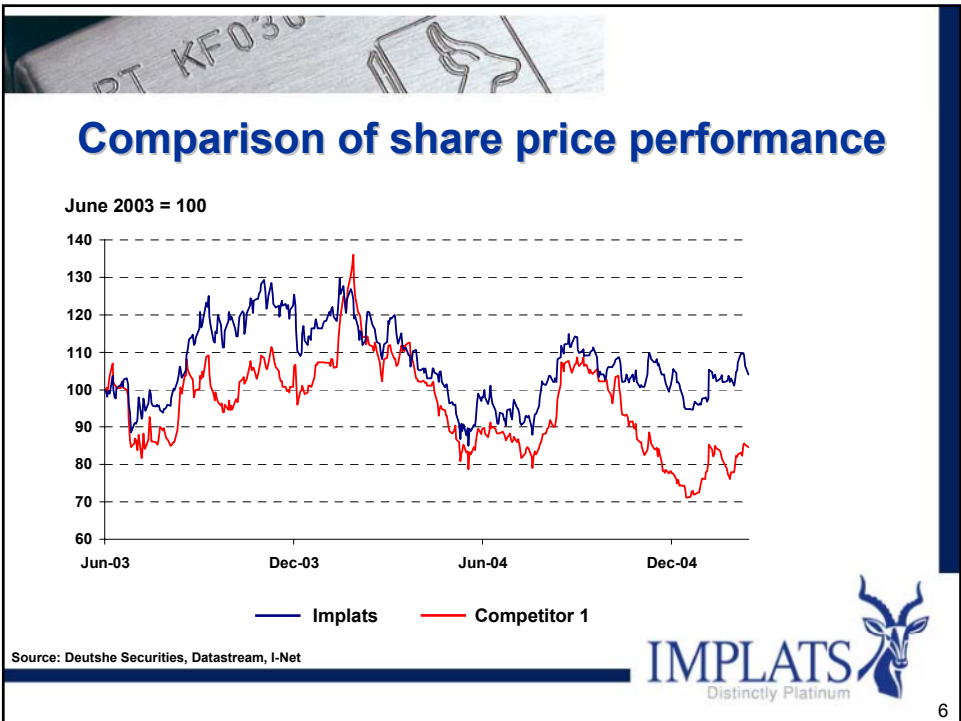
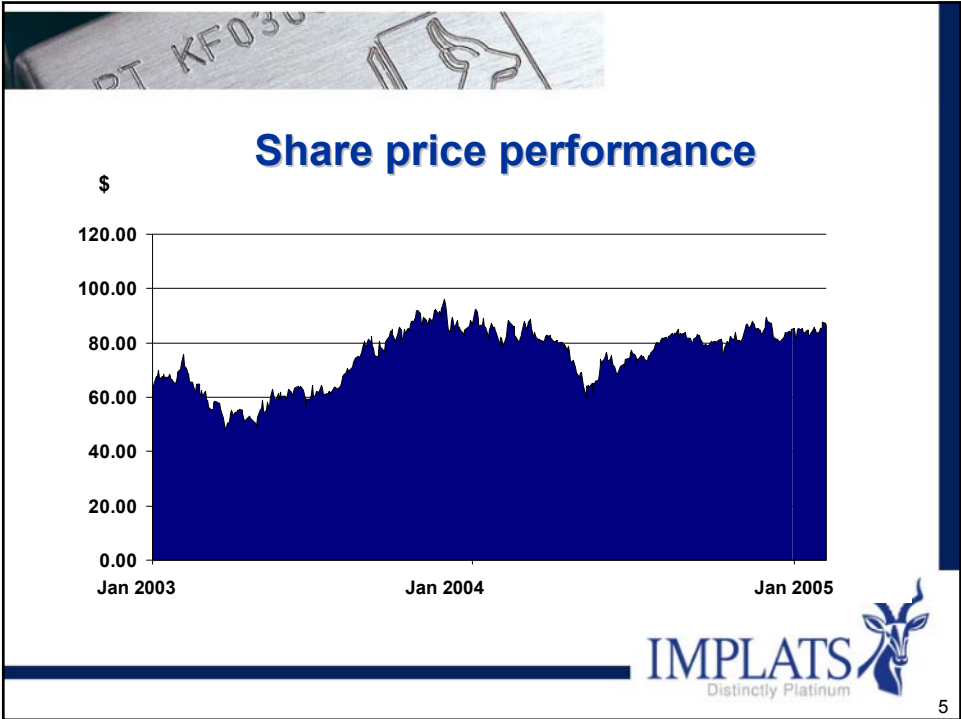


## Sales, profit and earnings

\$m	2004	2003	2002	2001	2000
Sales	1 716	1 303	1 184	1 573	1 108
Net profit	428	373	462	611	357
HEPS	571	561	693	924	538



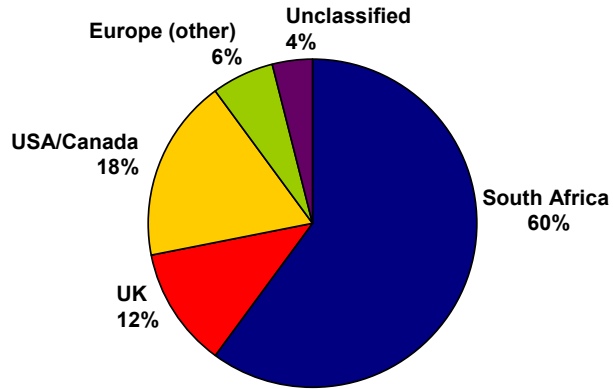
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Source: Deutsche Securities, Datastream, I-Net



## Current shareholding



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## We believe in platinum



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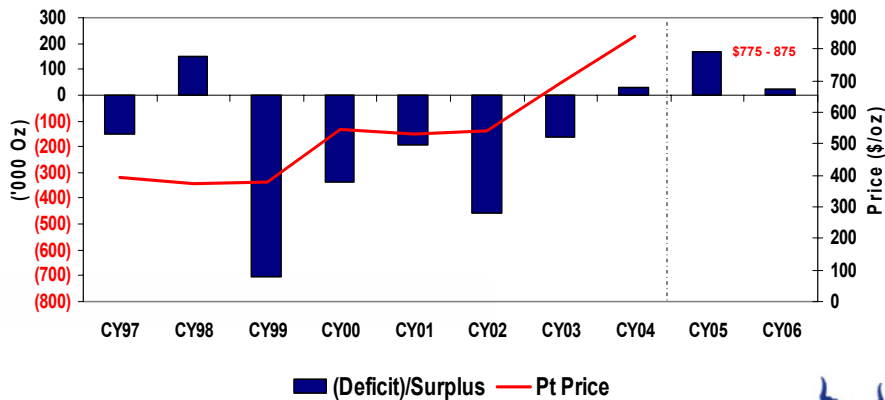


## Overview – platinum

- Fundamentals remain firm
  - Solid and growing demand in automotive sector
  - Jewellery market down but resilient
- First surplus registered in six years



## Platinum supply/demand balance





## Platinum supply and demand (000oz)

Calendar years	2002	2003	2004	2005	2006
Automobile	2 615	2 735	2 800	3 215	3 675
Jewellery	2 845	2 500	2 185	2 270	2 315
Industrial	1 545	1 485	1 585	1 645	1 645
Investment	80	15	10	10	10
<b>Total demand</b>	<b>7 085</b>	<b>6 735</b>	<b>6 580</b>	<b>7 140</b>	<b>7 645</b>
<b>Total supply</b>	<b>6 625</b>	<b>6 570</b>	<b>6 610</b>	<b>7 305</b>	<b>7 670</b>
<b>Balance</b>	<b>-460</b>	<b>-165</b>	<b>30</b>	<b>165</b>	<b>25</b>

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## Overview – palladium and rhodium

### Palladium

- Increased usage in automotive sector
- Penetration into Chinese jewellery market
- Growing supply and inventory caps prices

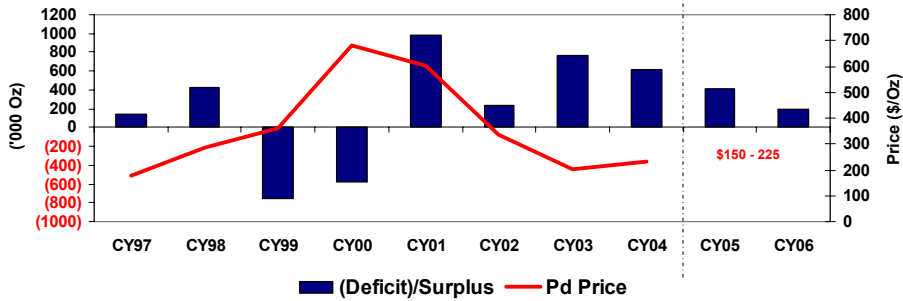
### Rhodium

- Moving closer to balance
- Prices significantly higher

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## Palladium supply/demand balance

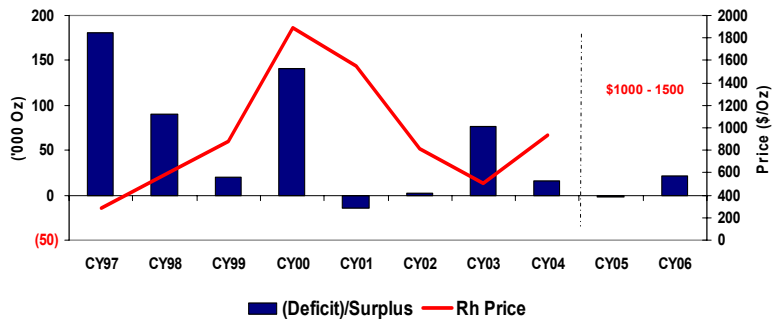


## Palladium supply and demand (000oz)

Calendar years	2002	2003	2004	2005	2006
Automobile	4 530	4 325	4 535	4 760	5 110
Other	2 370	2 310	2 990	2 765	2 680
<b>Total demand</b>	<b>6 900</b>	<b>6 635</b>	<b>7 525</b>	<b>7 525</b>	<b>7 790</b>
<b>Total supply</b>	<b>7 140</b>	<b>7 405</b>	<b>8 140</b>	<b>7 940</b>	<b>7 990</b>
<b>Balance</b>	<b>240</b>	<b>770</b>	<b>615</b>	<b>415</b>	<b>200</b>



## Rhodium supply/demand balance



## Rhodium supply and demand (000oz)

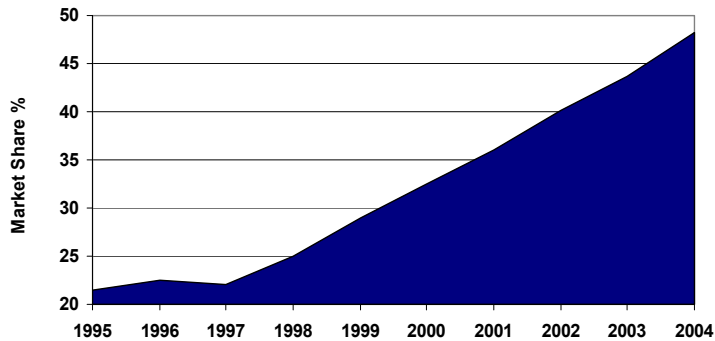
Calendar years	2002	2003	2004	2005	2006
Automobile	632	620	671	734	790
Other	92	102	112	123	116
<b>Total demand</b>	<b>724</b>	<b>722</b>	<b>783</b>	<b>857</b>	<b>906</b>
<b>Total supply</b>	<b>726</b>	<b>799</b>	<b>799</b>	<b>855</b>	<b>927</b>
<b>Balance</b>	<b>2</b>	<b>77</b>	<b>16</b>	<b>-2</b>	<b>21</b>





## Platinum demand – automotive

- Automotive demand – up 5%
- Another surge in European diesel automotive car sales



Source: Schmidt

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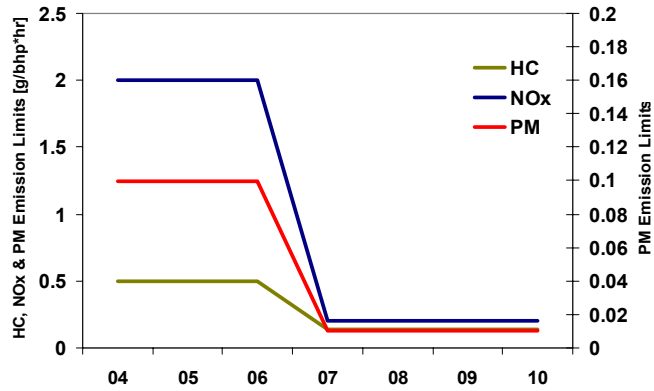
## Demand drivers

- Diesel emission control catalysts
- Emission legislation
  - Continuous tightening of existing standards worldwide
  - Adoption of standards in other countries
  - Spread of legislation to off-road and marine
- Rest of world vehicle sales

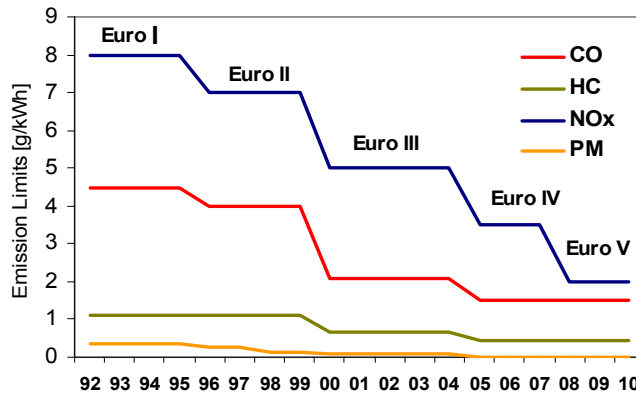
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## US heavy duty diesel standards



## European heavy duty diesel emission standards

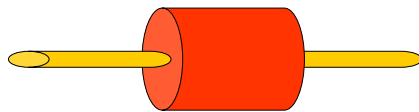




## Current diesel emission control catalysts

- Require use of oxidation catalyst to convert hydrocarbons and carbon monoxide
- Optional use of diesel particulate filters (DPF) to eliminate soot
- Removes hydrocarbons, carbon monoxide and components of particulate matter

Oxidation catalyst

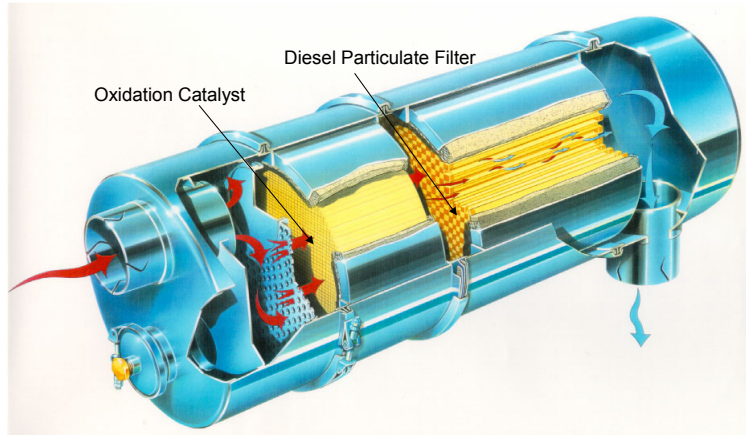


## Diesel emission control catalysts

- Particulate matter
- NO<sub>x</sub> emissions

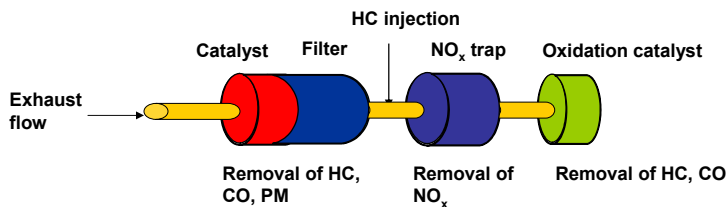


## Diesel particulate filter technology



## NO<sub>x</sub> traps

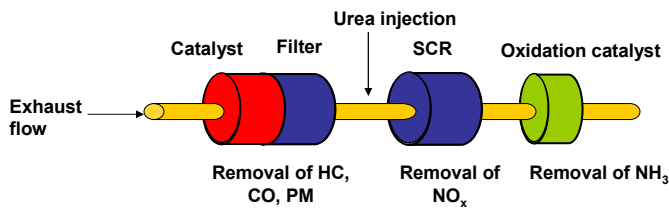
- Absorbs NO<sub>2</sub> during storage mode and subsequently reduces it to nitrogen
- Oxidation catalyst required downstream to convert unburned fuel





## Selective catalytic reduction (SCR)

- Proven method used since 1980 in stationary applications
- System uses urea to reduce  $\text{NO}_x$  to nitrogen

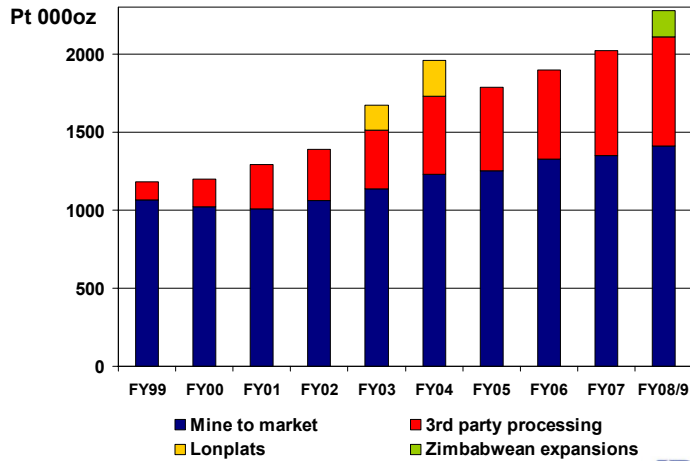


## Implats – well-placed to deliver growth and value





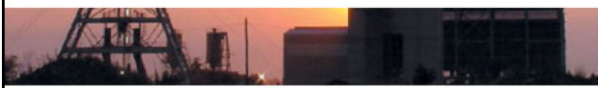
## Production growth to continue



## Focus on costs through technology



- Roll-out of drill jigs
- 150 Merensky panels by year-end; doubling by end of 2006
- Potential for 5-10% improvement in overall mining efficiencies



## Strong margins

(%)		FY2005 interim	FY2004 interim
Impala	Mine-to-market	40	38
Zimplats	Mine-to-matte	22	36
Mimosa	Mine-to-concentrate	28	63
IRS	Matte/concentrate to market	14	22
<b>Implats</b>		<b>33</b>	<b>34</b>



## Investing for the future

### Impala Platinum

- R6.6bn to be invested in two new shafts to ensure production at Impala of 1.1Moz platinum annually

### Marula Platinum

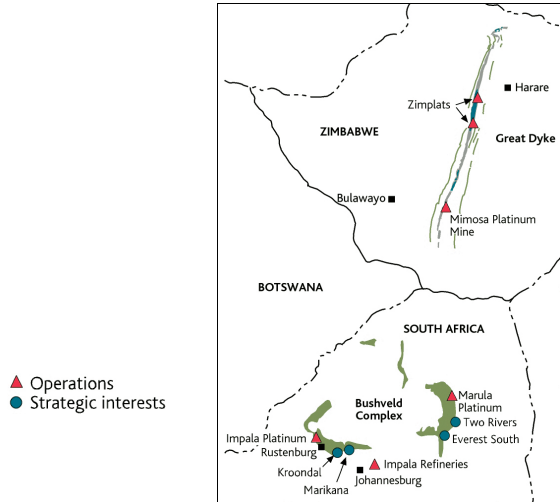
- Additional development expenditure of R830m approved
- Proposed output of 140 000 Pt ounces annually by FY2009

### Two Rivers

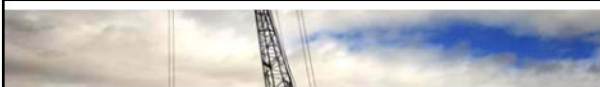
- Capital expenditure of R1.2bn proposed (45% attributable)
- Planned output of 120 000 Pt ounces annually at full production



## Location of Implats operations and interests

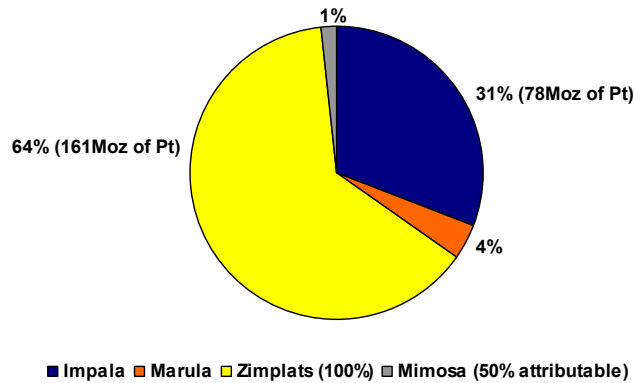


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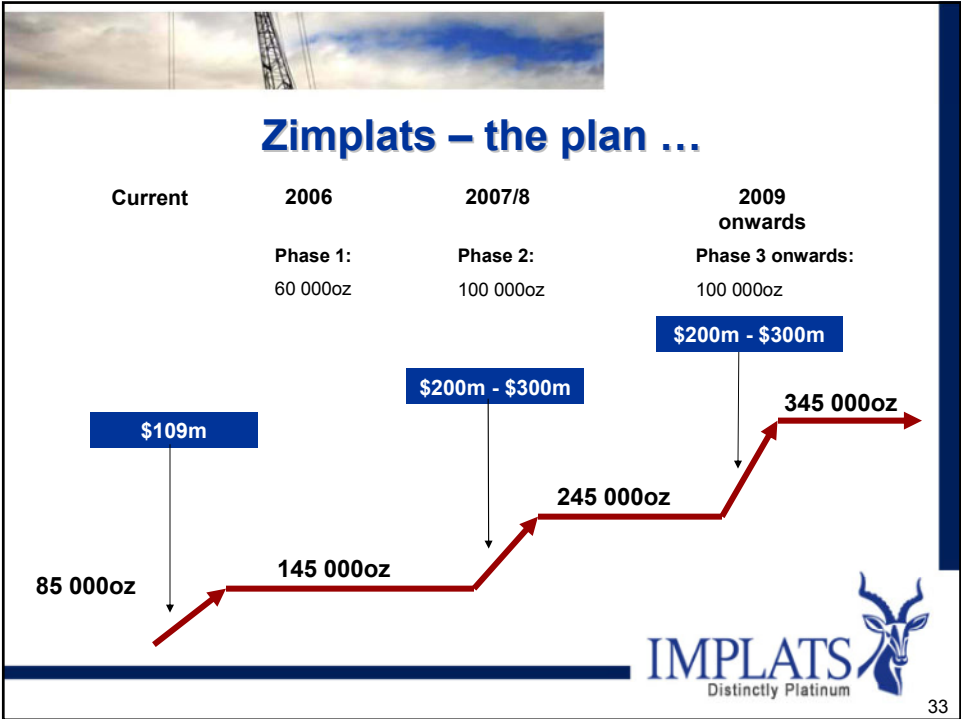
## Blue sky in Zimbabwe

### Distribution of group reserves and resources



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