

Directors' report

Profile

Business of the company

Impala Platinum Holdings Limited (Implats/company/group) is principally in the business of producing and supplying platinum group metals (PGMs) to industrial economies. The company's holdings in various mining and exploration activities as at 30 June 2009 are described below:

Company	Short name	Effective interest %	Activity
Impala Platinum Limited	Impala	100	PGM mining processing and refining
Impala Refining Services Limited	IRS	100	Purchase of concentrate and/or smelter matte. Processing of concentrate and matte by the smelting, refining and sale of resultant PGMs and base metals, and toll refining.
Afplats (Pty) Limited	Afplats	74	PGM mining (project phase)
Marula Platinum (Pty) Limited	Marula	73	PGM mining
Zimplats Holdings Limited	Zimplats	86.9	PGM mining
Mimosa Investments Limited	Mimosa	50	PGM mining
Two Rivers Platinum (Pty) Limited	Two Rivers	45	PGM mining

Capital

Authorised and issued share capital

The authorised share capital of the company as at 30 June 2009 was R21 100 200, divided into 844 008 000 ordinary shares of 2.5 cents each.

As at 30 June 2009, the issued share capital stood at 631 578 772 ordinary shares of 2.5 cents each (2008: 631 578 772 ordinary shares of 2.5 cents each).

The Share Incentive Scheme held sufficient shares to meet the current year commitments in terms of the scheme, and accordingly no additional shares were issued during the financial year.

Treasury shares

The group holds 16 233 994 ordinary shares of 2.5 cents each (2008: 10 671 449) of its own shares in terms of an approved share buy-back scheme. During the year, a further 5 562 545 shares were acquired. The share buy-back arrangement was however suspended in November 2008 as part of a cash preservation programme. The shares are held as "treasury shares" by a subsidiary.

*Directors' report (continued)***Share-based payments**

Details of participation in the share option scheme are set out in note 15 of the financial statements.

The trustees of the scheme are Ms NDB Orleyn and Messrs JM McMahon and DS Phiri.

The group no longer offers employees any further options under the existing Share Incentive Scheme, but pays relevant employees a fully taxable bonus based on the increase in the share price. (Refer to note 18 of the financial statements.) Employees' interests will still be aligned with those of shareholders but without any dilutionary effect.

The rules governing the quantum and timing of benefits to be delivered to employees under the bonus scheme are no different from those under the Share Incentive Scheme.

Shareholding in the company

The issued capital of the company held by public and non-public entities as at 30 June 2009 was as follows:

	No. of shares (000)	%
Public	516 537	81.7
Non-public	115 042	18.3
Directors	173	0
Trustees of share schemes	15 520	2.5
Implats Share Option Scheme	127	0
Morokotso Share Trust	15 393	2.5
Right to appoint a director	83 115	13.2
Treasury shares	16 234	2.6
Total	631 579	100.0

The following shareholders beneficially hold more than 5% of the issued share capital:

Shareholders	No. of shares (000)	%
Royal Bafokeng Holdings (Pty) Limited	83 115	13.2
Public Investment Corporation	53 962	8.5
Blackrock Investment Management (UK) Ltd	42 855	6.8

Investments

Zimplats Holdings Limited (Zimplats)

The company owns 86.9% of Zimplats Holdings Limited ("Zimplats"). Zimbabwe Platinum Mines (Pvt) Limited is a wholly owned subsidiary of Zimplats.

Mimosa Holdings (Private) Limited (Mimosa)

The company holds a 50% shareholding in Mimosa with the balance held by Aquarius Platinum Limited ("Aquarius").

Two Rivers Platinum (Proprietary) Limited (Two Rivers)

The company owns a 45% interest in Two Rivers with the balance held by African Rainbow Minerals Limited ("ARM").

Marula Platinum (Proprietary) Limited (Marula)

The company owns a 73% interest in Marula.

A 9% equity stake in Marula is held by each of the following BEE companies:

- Tubatse Platinum (Pty) Limited ("Tubatse")
- Mmakau Mining (Pty) Limited ("Mmakau")
- Marula Community Trust ("the Trust")

Implats has consolidated the BEE interest as the vendor finance is guaranteed by Implats.

Financial affairs

Results for the year

The results for the year are fully dealt with in the financial statements forming part of the annual report. Refer to pages 127 to 219.

Dividends

An interim dividend (No 82) of 120 cents per share was declared on 19 February 2009, and a final dividend (No 83) of 200 cents per share was declared on 27 August 2009, payable on 21 September 2009 being a total of 320 cents per share (2008: 1 475 cents per share). These dividends amounted to R1 912 million for the year (2008:R8 928 million).

Capital expenditure

Capital expenditure for the year amounted to R6 923million (2008: R5 368 million).

The estimated R4 600 million capital expenditure by Implats envisaged for the 2010 financial year will be funded from internal resources and, if appropriate, borrowings.

Post-balance sheet events

No other material events have occurred between the date of these financial statements and the date of approval thereof, the knowledge of which would affect the ability of the users of these statements to make proper evaluations and decisions.

*Directors' report (continued)***Going concern**

The financial statements have been prepared using appropriate accounting policies, supported by reasonable and prudent judgements and estimates. The directors have a reasonable expectation that the group has adequate resources to continue as a going concern in the foreseeable future.

Associated and subsidiary companies

Information regarding the company's associated companies is given in note 8 of the financial statements and regarding subsidiaries on page 219.

Property

Details of the freehold and leasehold land and buildings of the various companies are contained in registers, which are available for inspection at the registered offices of those companies.

Directorate**Composition of the board**

During the year, Mr N Carroll was appointed as an alternate director to Mr TV Mokgatla. Mr LC van Vught resigned as an independent non-executive director, effective 30 June 2009. Mr van Vught also served as the chairman of the Remuneration Committee and as a member of the Audit Committee.

The directors who retire at the next general meeting are Ms D Earp, Dr K Mokhele and Ms NDB Orleyn. These directors are eligible and have offered themselves for re-election. Mr S Bessit retires at the meeting but does not avail himself for re-election.

Interest of directors

The interests of directors in the shares of the company were as follows and did not individually exceed 1 per cent of the issued share capital or voting control of the company.

30 June	Direct		Indirect	
	2009	2008	2009	2008
Beneficial				
Directors	172 784	192 264	44 304	23 928
DH Brown	90 896	90 000	–	–
MV Mennell	61 808	61 808	–	–
LJ Paton	20 000	40 376	41 104	20 728
S Phiri	80	80	–	–
LC van Vught	–	–	3 200	3 200
Senior management	224 600	189 940	–	–
Non-beneficial	–	–	–	–

Directors' remuneration

Details of the executive directors, non-executive directors and senior management remuneration are set out in the Remuneration Report on pages 120 to 127.

Directors' interests

No contracts of significance were entered into in which the directors of the company were materially interested, either during or at the end of the financial year. No material change in the foregoing interests has taken place between 30 June 2009 and the date of this report.

Special resolutions passed

During the year, the following special resolutions were passed by Implats and its subsidiaries:

Implats

Share buy-back

This allowed the company and its subsidiaries to acquire shares in the company, subject to the provisions of the Companies Act 1973 and the Listings Requirements of the JSE Limited, provided that the authority does not extend beyond 15 months from the date of the granting of that authority.

Impala

Loan to Gazelle Platinum in terms of section 38 of the Companies Act of 1973. The loan to Gazelle was capitalised by the issue of 43 ordinary shares to Impala.

Gazelle Platinum

Increase in the authorised share capital from R1 divided into 100 ordinary shares of one cent each to R2 divided into 200 ordinary shares of one cent each.

Financial, administrative and technical advisers

In terms of a service agreement, Impala Platinum Limited acts as financial, administrative and technical advisor to the Implats group during the year on a fee basis. Messrs S Bessit, DH Brown, IJ Paton and Ms D Earp had an interest in this contract to the extent that they are directors of Impala and of the company, but they do not beneficially own any shares in Impala.

Secretaries

Ms A Parboosing acts as Secretary to Implats and Impala. Impala acted as Secretaries to other subsidiaries in the Implats group. The business and postal addresses of the Secretaries are set out on the inside back page of this report.

United Kingdom Secretaries

The business and postal addresses of the United Kingdom Secretaries are set out on the inside back page.

Public Officer

Mr SF Naude acted as Public Officer to companies in the Implats group for the year under review.