



## Results for the year ended 30 June 2004



IMPLATS

## Today's presentation



- Highlights
- Market Review
- Finance Review
- Operational Review
- Corporate Issues
- Prospects

## Highlights - financial ... (1)



[www.implats.co.za](http://www.implats.co.za)

- Dollar basket price per platinum ounce 19% higher
- Rand/dollar exchange rate 24% stronger
- Rand basket price per platinum ounce 9% lower
- Platinum sales volumes up 9%
- Sales revenue maintained at R11.81 billion



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## Highlights - financial ... (2)



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Earnings	Profit	EPS	% change
Basic	R2.96m	4 450c	(13)
Headline	R2.64m	3 966c	(23)

- Total dividend for the year of R21.00 (down 21%)
- Margin still a healthy 36%

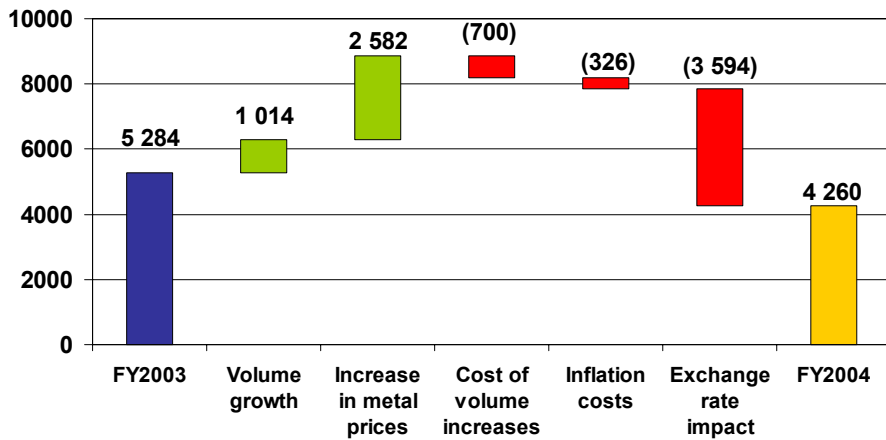
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## Gross profit analysis (Rm)



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FY2003 versus FY2004:

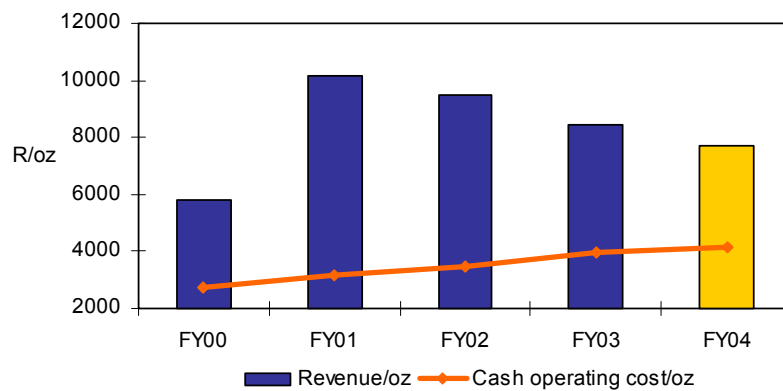


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## Rand revenue/Pt oz versus costs



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## Highlights - financial (US\$)



- Sales revenue up 32% to \$1.72 billion
- Profit up 15% to \$428 million
- Dividend of \$3.06 – up 4%



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## Highlights - operational



- Improved safety performance:
  - Fatal accidents declined by 23%
  - Lost-time injuries down 15%
- Gross platinum production up 17% to 1.96 Moz
  - Headline production up 14% to 1.729 Moz
  - 1.09 Moz from Impala lease area
- Metallurgical recoveries improved by 1.5%
- Impala productivity up 8%/Pt oz
- Increases in group unit costs/Pt oz contained to 4.1%

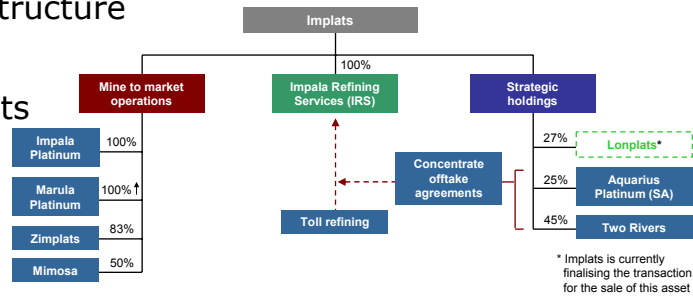
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## Highlights - corporate



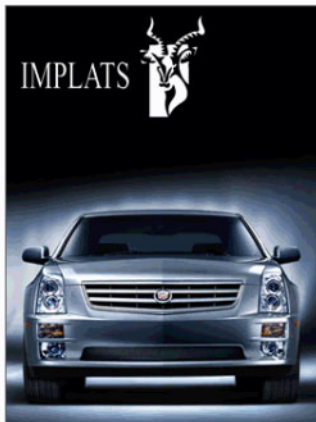
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- Zimplats acquisition
- Sale of Barplats for R389 million
- Lonplats transaction
- Corporate structure
- New board appointments



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## Market Review



## Sales volumes rise



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	FY2004	FY2003	% change
Platinum (000oz)	<b>1 495</b>	1 373	9
Palladium (000oz)	<b>733</b>	688	7
Rhodium (000oz)	<b>179</b>	193	(7)
Nickel (000t)	<b>15.8</b>	13.9	14



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## Average dollar prices achieved ...



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	FY2004	FY2003	% change
Platinum (\$/oz)	<b>773</b>	597	29
Palladium (\$/oz)	<b>223</b>	264	(16)
Rhodium (\$/oz)	<b>548</b>	646	(15)
Nickel (\$/t)	<b>11 843</b>	7 664	55
Revenue/Pt oz (\$)	<b>1 116</b>	935	19
Revenue/Pt oz (R)	<b>7 678</b>	8 471	(9)

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## Platinum market remains robust ...



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- Strong support for platinum price
  - Demand fundamentals sound
  - Weak dollar and equity markets
  - Perception that supply may not meet demand
  - Increased global speculative activity



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## Platinum supply and demand (000oz)



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Calendar years	2004	2003	2002	2001	2000
Automobile	2 800	2 735	2 615	2 205	1 950
Jewellery	2 170	2 500	2 845	2 590	2 830
Industrial	1 660	1 590	1 565	1 560	1 490
Investment	10	15	80	90	(60)
<b>Total demand</b>	<b>6 640</b>	<b>6 840</b>	<b>7 105</b>	<b>6 445</b>	<b>6 210</b>
<b>Total supply</b>	<b>6 765</b>	<b>6 665</b>	<b>6 630</b>	<b>6 270</b>	<b>5 865</b>
Surplus/(deficit)	125	(175)	(475)	(175)	(345)

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## Platinum .... (1)



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### Jewellery sector:

- Remains resilient in the face of high prices, but
  - Another year of decline expected in China
  - Other markets steady
- Recovery anticipated in lower price environment as witnessed by Shanghai buying patterns



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## Platinum .... (2)



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- Automotive sector
  - Diesel applications continue to stimulate demand
  - Underpinned by emission legislation in the rest of the world
- Industrial demand
  - Strong growth in the glass industry



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## Other metals ...



### Palladium

- Automotive
  - CY2003 the last year of volume decline
  - Potential palladium substitution in diesel – muted impact
- Price and supply stability positive for demand in the longer term

### Rhodium

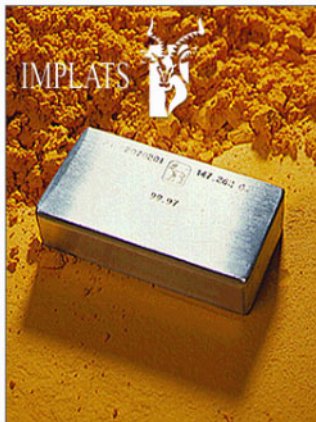
- Market in surplus
- Short-term speculative activity

### Nickel

- Strong demand and limited supply growth in short-medium term

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## Financial Review



## Income statement



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R million	FY2004	FY2003	% change
Sales	<b>11 809</b>	11 807	0
Cost of sales	<b>(7 549)</b>	(6 523)	(16)
Gross profit	<b>4 260</b>	5 284	(19)
Gross margin	<b>36%</b>	45%	(20)
Net forex transaction (losses)	<b>(216)</b>	(329)	34
Share of results of associates after tax	<b>328</b>	725	(55)
Royalty expense	<b>(414)</b>	(598)	31
Profit before tax	<b>4 122</b>	5 060	(19)
Profit	<b>2 963</b>	3 415	(13)

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## Profit by entity

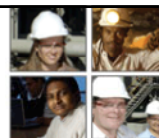


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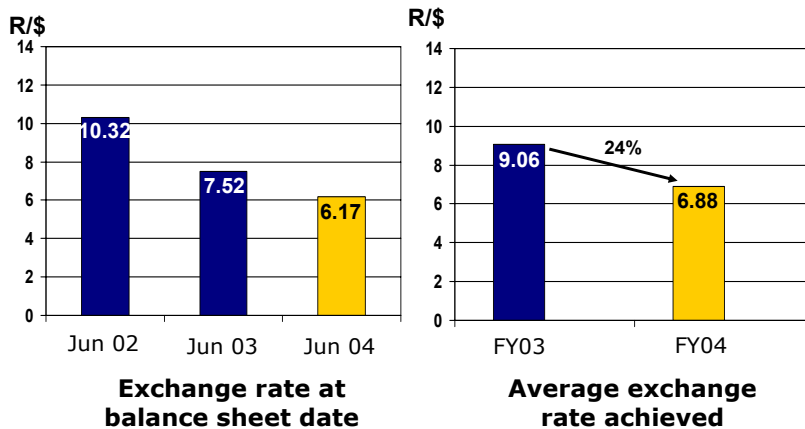
Rm	FY2004	FY2003	Affected by
Impala Platinum	<b>1 700</b>	2 563	Rand/dollar exchange rate
IRS	<b>394</b>	151	Lonplats metal/lower exchange losses
Marula Platinum	<b>(23)</b>	-	Ramp-up phase
Barplats	<b>295</b>	(35)	Profit on sale net of operating loss
Lonplats	<b>290</b>	646	Rand/dollar exchange rate
Mimosa	<b>112</b>	11	Nearing full production
Zimplats	<b>156</b>	46	Full production and an increasing equity stake
Aquarius Platinum	<b>39</b>	33	Marikana production in ramp-up phase
Total	<b>2 963</b>	3 415	

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## Exchange rate



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## Cost of sales



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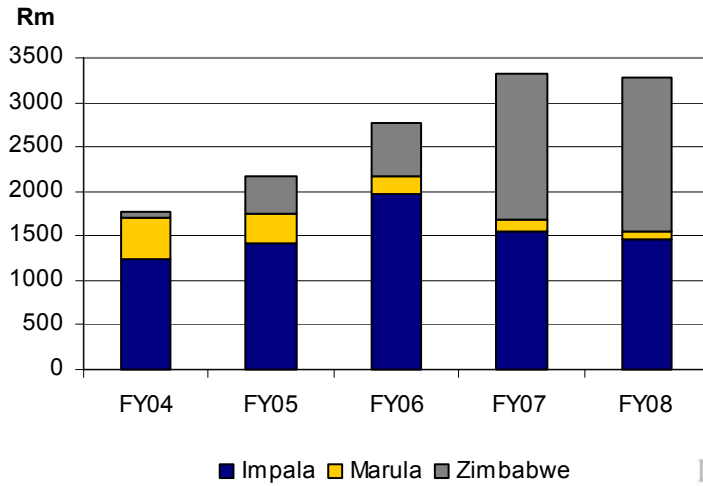
Rm	FY2004	FY2003	% change
On-mine operations	<b>3 668</b>	3 251	(13)
Concentrating and smelting	<b>967</b>	801	(21)
Refining	<b>477</b>	412	(16)
Amortisation	<b>572</b>	452	(27)
Metals purchased	<b>2 259</b>	1 474	(53)
(Increase)/decrease in stocks	<b>(394)</b>	133	
<b>Total</b>	<b>7 549</b>	6 523	(16)
Other operating costs	<b>241</b>	253	5

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## Group capex



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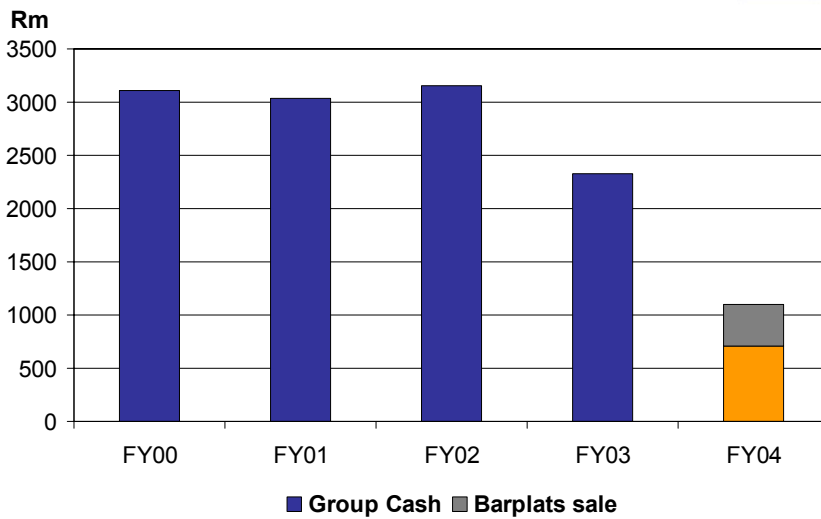


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## Gross cash position at year-end



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## Cash flows



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Rm	FY2004	FY2003
From operating activities	<b>1 813</b>	2 491
From investing activities	<b>(1 744)</b>	(826)
From financing activities	<b>(1 207)</b>	(2 491)
Net decrease in cash	<b>(1 138)</b>	(826)
Cash at year end	<b>1 187</b>	2 325
Cash net of short-term debt	<b>636</b>	2 120

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## Operational Review

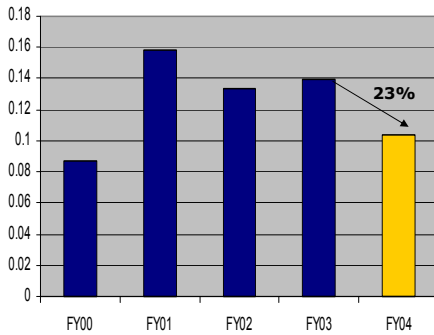


## Group safety

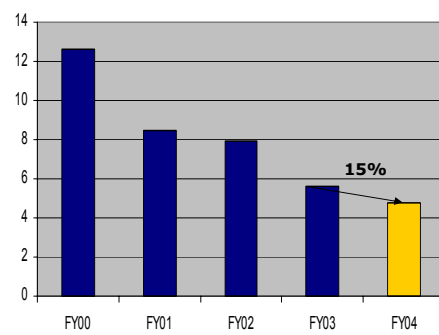


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### FIFR – per million man hours



### LTIFR - per million man hours



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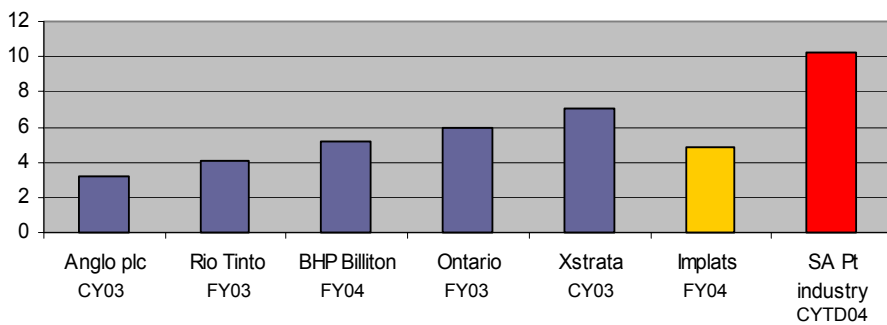
## Safety comparison ... (1)



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A comparison of lost-time injury rates:

### LTIFR – per million man hours



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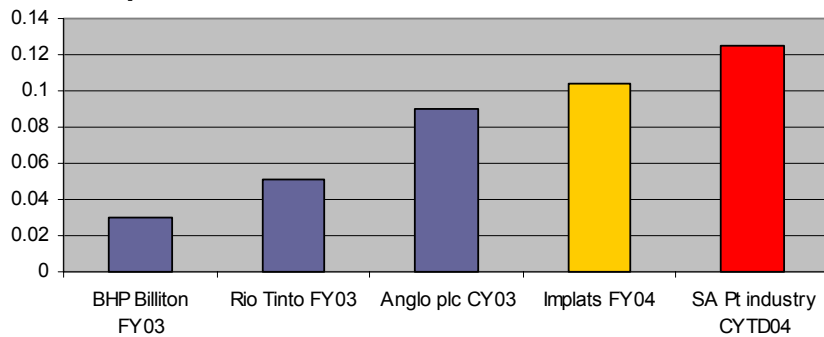
## Safety comparison ... (2)



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A comparison of fatal injury rates:

**FIFR – per million man hours**



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## Refined platinum production



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000oz	FY2004	FY2003	% change
Headline production	<b>1 729</b>	1 514	14
<i>Mine-to-market</i>	<b>1 228</b>	1 137	8
<i>Other IRS</i>	<b>501</b>	377	33
Lonplats – toll	<b>232</b>	159	46
<b>Total</b>	<b>1 961</b>	1 673	17



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## Group statistics



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	FY2004	FY2003	% change
Tonnes milled (000 t)	<b>19 065</b>	17 483	9
Pt produced (000oz)	<b>1 961</b>	1 673	17
On-mine cost per tonne (R)	<b>192</b>	186	3
Unit cost (R/Pt oz)	<b>4 132</b>	3 970	4



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## Group unit costs (R/Pt oz)



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	FY2004	FY2003	% change
On-mine operations <sup>1</sup>	<b>2 987</b>	2 859	(4.5)
Concentrating <sup>1</sup>	<b>569</b>	513	(10.9)
Smelting <sup>2</sup>	<b>137</b>	130	(5.4)
Refining <sup>2</sup>	<b>243</b>	246	1.2
Other operating expenses <sup>1</sup>	<b>196</b>	222	11.7
Total	<b>4 132</b>	3 970	(4.1)

<sup>1</sup> Divided by mine-to-market ounces

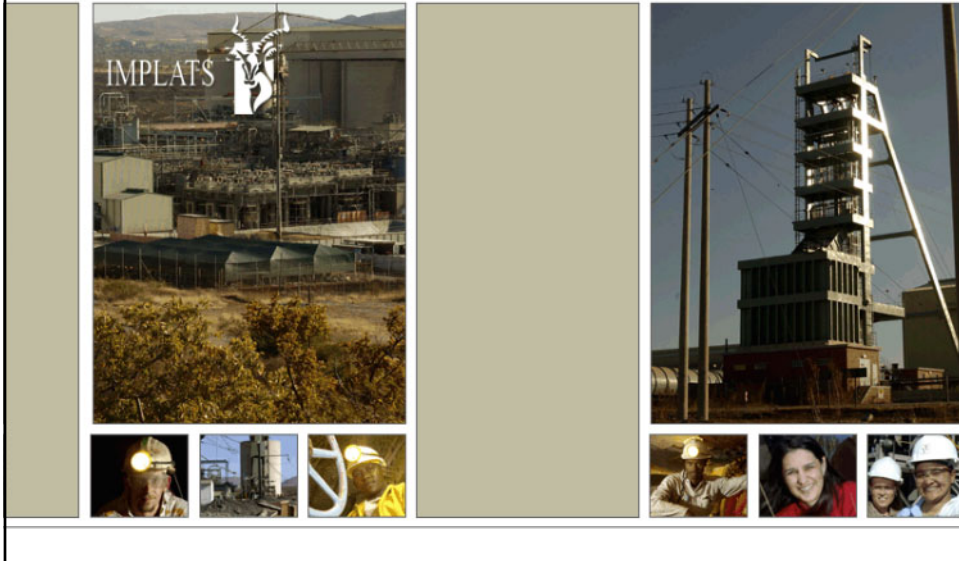
<sup>2</sup> Divided by gross ounces



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## Impala Platinum



### Impala performs ... (1)



- LTIFR improved by 13%
- Tonnes milled up 4% to 15.6 Mt
  - Mechanised tonnage ramping up
    - additional 600 000 tonnes

## Impala performs ... (2)



- Concentrator recoveries improved by 1.5% to 83.2%
  - Tailings plant commissioned in December 2003
  - UG2 recoveries improved by 3%
- Headcount reduced by 900 people
  - Platinum ounces per employee up 8%
- Mining efficiencies declined by 4% due to reduced panel length

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## Impala performs ... (3)



- Increase in rand cost per platinum ounce limited to 5%

### Unit costs (R)

	FY2004	FY2003	% change
Per tonne milled	<b>280</b>	265	(5.7)
Per platinum ounce	<b>4 023</b>	3 832	(5.0)



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## Refineries on track ....



- World-class performance – 17% increase in production
- Gross unit costs declined by 1% per platinum ounce
- Capital expansion to achieve 2 Moz annually underway



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## Sustaining operations ...



- Production from the Impala lease area to be maintained at between 1 Moz and 1.1 Moz/a
- 16 and 20 shafts to be submitted for board approval in September 2004



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## Marula Platinum



### Marula .... (1)



- Platinum-in-concentrate production of 13 280 oz for FY2004
  - Metallurgical plant and surface infrastructure commissioned and fully operational
- Mechanised mining ramp-up behind schedule
  - Hampered by geological conditions and inappropriate mining method
  - Main decline development slowed down by rolling reef and potholing
  - Mechanised operation at steep dips inefficient
    - higher-than-expected dilution

## Marula .... (2)



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- Revised mining plan developed
  - "Hybrid" mining method adopted



**View down the panel  
towards the drive**



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## Marula .... (3)



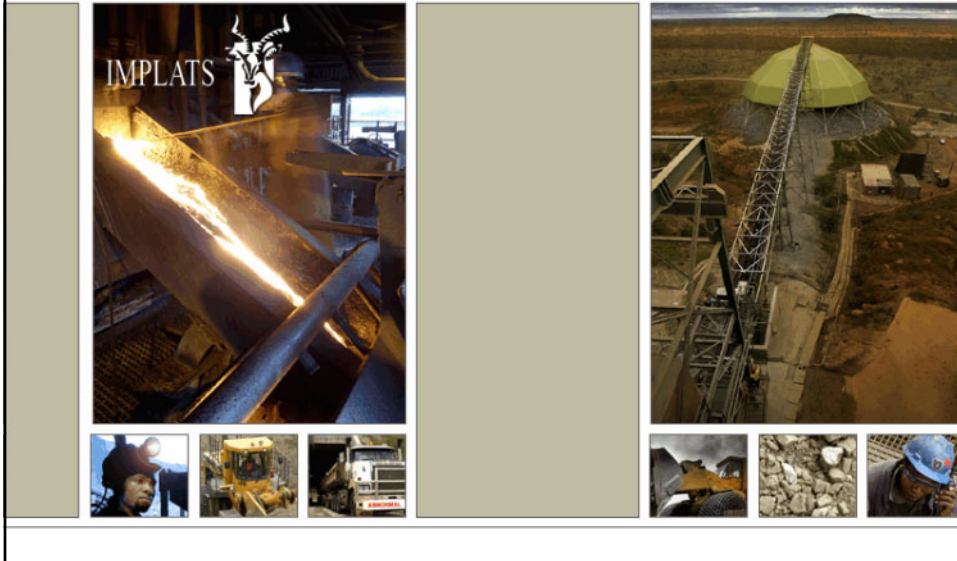
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- Declines developed in footwall
- Additional capex required but higher grade will increase production to 125 000 oz platinum pa
- Full production during FY2007 @ 210 000 tpm



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## Zimplats



### Zimplats - expansion potential ...



- LTIFR improved by 77%
- Tonnes mined rose by 4% to 2.1Mt
- Refined platinum production up 17% to 84 300 oz
- Potential for significant expansion
  - Orebody, mine and processing method now proven
  - Country-specific issues necessitate phased approach to expansion



## Zimplats - way forward ...



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- Funds approved for infrastructure
- Awaiting
  - Approval of amendments to special mining licence (incorporates indigenisation requirements)
  - Signing of bilateral accord between Zimbabwe and South Africa

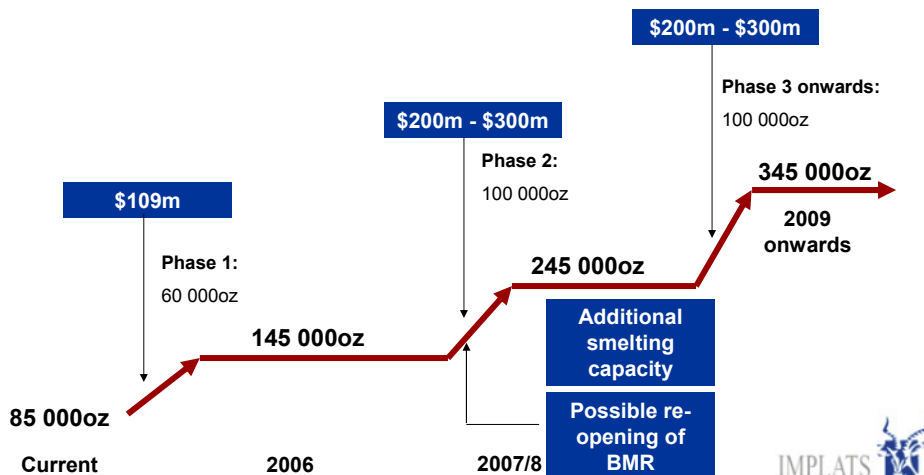


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## Zimplats - the plan ...



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## Mimosa Platinum



### Mimosa - low-cost benchmark ...



- LTIFR improved by 45%
- Expansion complete – 65 000 Pt oz
- Recoveries rise from 76% to 79%
- One of the lowest cost, primary producer operations in the world
- Geological evaluation underway for expansion



## Strategic interests ....



## Strategic interests



### **Aquarius Platinum**

- Kroondal operation satisfactory
- Marikana – low recoveries affect output
- Everest South project pending
- BEE deal nearing completion

### **Two Rivers**

- Trial mining currently in progress
- Ore stockpile being built-up
- Planned annual production of 120 000 Pt ounces
- Project still to be submitted for board approval



## Corporate issues



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- Conversion of mineral rights
- Transformation of group a priority
- Lonplats transaction – to be completed in 4-8 weeks
- Possible listing on NYSE in USA

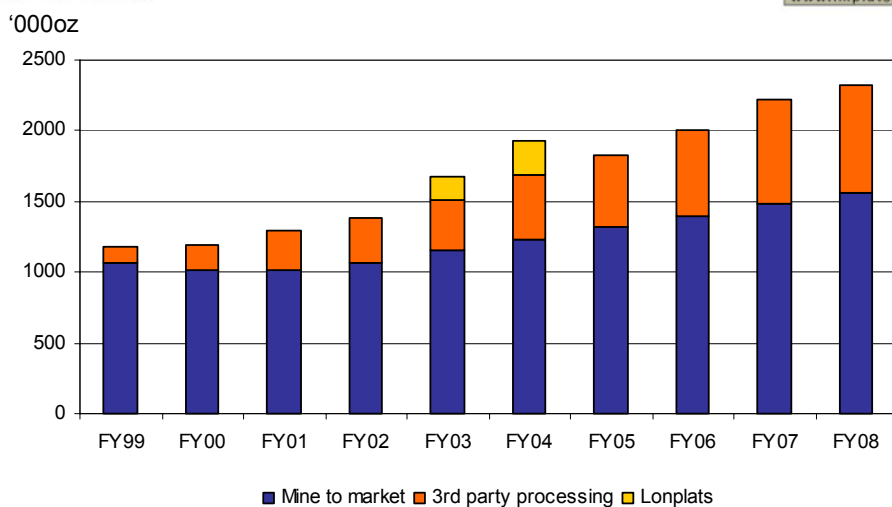


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## Platinum growth outlook



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## Conclusions



- Continued focus on safety and health
- Market fundamentally sound
- Implats in good shape operationally
- Good prospects for growth
- Strong cash flows
- Attractive dividend yield
- Lonplats proceeds to be used to deliver optimum value to shareholders



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## Finally ....



While profit should be significantly enhanced by proceeds from the sale of Lonplats in FY2005, headline earnings are expected to depend substantially on the exchange rate.



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Results for the year ended  
30 June 2004



IMPLATS