NEWS RELEASE

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Implats well placed to capitalise on positive performances across the group

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Ticker symbols: JSE: Imp LSE: Ipla ADRs: Impuy **www.implats.co.za** **Queries**: **David Brown** +27 11 731 9042 +27 82 908 9630 **Bob Gilmour** +27 11 731 9013 +27 82 453 7100	Impala Platinum Holdings Limited (Implats) today (26 August 2010) announced results for the year ended 30 June 2010. **Key features of the annual results** • Safety performance unsatisfactory • Gross platinum production increased by 2% to 1.74 million ounces. • Revenue fell 3% to R25.4 billion • Cost per platinum ounce (excluding share based payments) up by 11% to R10 089 • Capex at R4.6 billion • Total dividend per share increased by 22% to R3.90 (final of R2.70 per share) Implats CEO David Brown says, “The year under review has been one of the most difficult in the company’s history. Not only did we have to contend with the global economic crisis, but also the impacts of both the tragedy at 14 Shaft and the industrial action at the beginning of the period. On the positive side, significant progress was made in addressing the development issues at Rustenburg, the Zimplats Phase 1 expansion was successfully commissioned and throughput at IRS grew significantly.” [more]

He continued: "Throughout this period we have maintained a strong balance sheet, remained cash positive and raised the dividend by 22% to R3.90 per share for the year. In the longer term we are well positioned to take advantage of the strong fundamentals for our metals which are supportive of our growth profile to 2.1 million ounces of platinum by 2014."

Safety

Implats' safety performance was unsatisfactory with 15 employees losing their lives during the year (14 in the first half and one in the second half). We extend our deepest condolences to the families and friends of all those who died. During the year we engaged Du Pont Safety Resources to review our safety systems and culture and to benchmark these against world-class best practice. The relevant findings will be incorporated into our safety strategy and plans.

Market

Despite demand levels for our major metals remaining subdued through 2009 following the global economic crisis, significant production cuts in automotive demand led to a significant fall in demand for platinum, palladium and rhodium. The early part of 2010 has seen some recover as scrappage incentives boosted sales. The lower prices experienced during 2009 allowed the Chinese platinum market to restock its pipeline, to the extent that sales to this region more than doubled. The launch of a platinum and palladium Exchange Traded Funds in the US brought a surge in investment demand. These factors, coupled with a decline in supply, resulted in the platinum market remaining in deficit.

Operational performance

Production at **Impala Platinum** declined by 8% to 871 000 platinum ounces as a result of the 14 Shaft incident and the subsequent mine layout changes as well as the two-week strike. The lower output negatively impacted unit costs which increased by 17% to R10 003 per platinum ounce (excluding share based payments).

Going forward the operation will focus on maximizing production at the major Merensky shafts and delivery of the new projects. This will restore Impala to steady-state production of 1 million ounces of platinum by 2014.

FY2010 proved a truly outstanding operational year for **Zimplats**, crowned by the successful commissioning of the Phase 1 expansion. As a result, platinum production in matte rose by 81% to 173 900 ounces. The concomitant 22% reduction in unit costs to $1 007 per ounce firmly positions Zimplats as one of the lowest cost primary producers in the world. The $450 million Phase 2 expansion which was approved earlier this year will increase platinum production by 90 000 ounces to 270 000 ounces per annum.

[more]

Mimosa achieved steady-state production of 100 000 ounces of platinum in concentrate. During the year regulations on indigenisation were gazetted. The company's reponse to these proposals was submitted to the relevant authorities on 14 April.

At **Marula** the ramp-up in production stalled due to constrained mining flexibility as a result of a lack of adequate on-reef development. The lack of build-up in mill tonnage coupled with work stoppages due to industrial action and lower recoveries resulted in platinum production reducing by 5% to 70 000 ounces in concentrate.

At **Two Rivers** the combination of higher mill throughput and improved recoveries resulted in platinum production rising by 19% to 140 900 ounces in concentrate.

Platinum production at **IRS** rose by 15% to 870 000 ounces despite the continued suspension of operations at Everest. This was due to the ramp-up in production at the Zimbabwean operations and Two Rivers and the start of production at the two new off-take projects, Blue Ridge and Smokey Hills.

Prospects

The risks of returning to global recessionary conditions are decreasing through the concerted efforts of world governments to stimulate their economies. Given this scenario the platinum market is expected to remain in deficit as growing heavy duty diesel demand for platinum will encounter a challenging supply environment. The group is well positioned to benefit from the positive medium- to long-term fundamentals with the delivery of the new mining projects at Rustenburg and growth opportunities throughout the group.

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