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

Summarised consolidated annual results for the year ended 30 June 2014

- Safety
  FIFR improved by 34% for the year
- Market
  Market remains in fundamental deficit, however, sufficient above-ground stocks constrain upward US$ PGM price movements
- Operational
  Gross refined platinum 25.5% lower at 1.18 million ounces impacted by the five-month strike at Impala
- Costs
  Group unit costs increased by 17.6%
- Earnings
  Headline earnings per share decreased by 74% to 86 cents
- Dividend
  No dividend declared for the year
- Impala Rustenburg
  Start-up progressing well

Operating statistics

		30 June 2014	30 June 2013 (Restated)
Gross refined production			
Platinum	('000oz)	1 178	1 582
Palladium	('000oz)	710	1 020
Rhodium	('000oz)	157	220
Nickel	(t)	13 915	16 018
IRS metal returned (toll refined)			
Platinum	('000oz)	94	189
Palladium	('000oz)	28	190
Rhodium	('000oz)	9	36
Nickel	(t)	3 186	3 193
Sales volumes			
Platinum	('000oz)	1 197	1 333
Palladium	('000oz)	767	859
Rhodium	('000oz)	147	176
Nickel	(t)	10 736	13 212
Prices achieved			
Platinum	(US$/oz)	1 423	1 551
Palladium	(US$/oz)	737	676
Rhodium	(US$/oz)	1 000	1 143
Nickel	(US$/t)	14 644	16 541
Consolidated statistics			
Average exchange rate achieved	(R/US$)	10.36	8.81
Closing exchange rate for the period	(R/US$)	10.64	9.88
Revenue per platinum ounce sold	(US$/oz)	2 299	2 505
	(R/oz)	23 818	22 069
Tonnes milled ex mine	('000t)	13 916	17 209
Total development (Impala)	(Metres)	61 337	97 378
Gross PGM refined production	('000oz)	2 370	3 233
Capital expenditure	(Rm)	4 384	6 258
Group unit cost per platinum ounce	(US$/oz)	1 874	1 874
	(R/oz)	19 430	16 526

Commentary

Introduction
Subdued platinum group metal (PGM) prices continued to affect the platinum industry, and together with escalating cost pressures and industrial relations disruptions have had a severe impact on Implats' operating and financial performance for the year ended 30 June 2014. While the unprecedented five-month industry strike at Impala Rustenburg was resolved with a negotiated wage settlement on 24 June 2014, it severely impacted its operational performance.

Despite the impact of the strike, the operations outside the Rustenburg area, specifically Zimplats, Mimosa and Two Rivers, all performed admirably and delivered good results. Throughout the strike period, normal deliveries continued to key customers, albeit at reduced levels in the last two months. In particular, the South African market remained adequately stocked.

A realignment of strategic imperatives including, safety, health, productivity and profitability is currently being undertaken. The Group has committed significant time and resources to the Rustenburg operations to ensure an uninterrupted return to work and a safe and successful operational start-up. The final assessment of the strike effect indicates total lost production, compared to plan, has amounted to 312 000 platinum ounces to June 2014.

Safety review
During the year, the Group's fatal injury frequency rate (FIFR) improved by 33.8% to 0.043 per million man-hours worked, a significant achievement given the 25.3% improvement reported in 2013. The lost-time injury frequency rate improved by 6.9% to 3.92 per million man-hours worked.

The Impala team delivered on its health and safety plans during the first half of the year, but unfortunately implementation was affected by the protracted strike in the second half of the year. Zimplats, Mimosa, Marula and Two Rivers delivered a satisfactory health and safety performance.

Regrettably, four colleagues lost their lives on duty during the year and the board and management team has extended its sincere condolences to the families and friends of the deceased. We remember Mr Osika Chidhakwa, Mr Lebogang Abednego Moiteri, Mr Khalepile Joseph Matama and Mr Shaun Pelser.

Our safety strategy involves a number of initiatives, which include active participation in the industry CEO Elimination of Fatalities task team as well as the Mine Occupational Safety and Health (MOSH) task teams. These task teams are focused on falls of ground, mobile machinery and dust in the workplace. We continue to build on changing the culture of the organisation, improving our supervision and adopting and implementing various technical initiatives, which aim to improve workplace safety.

Employee relations review
Progress was made across the Group in delivering on employee relations commitments with various initiatives aimed at improving communication with employees, building supervisors and mine managers' leadership skills, and ensuring the success of various change management activities. Unfortunately, many of these initiatives were placed on hold during the

second half of the financial year, which was dominated by efforts to conclude wage negotiations and resolve the strike at the Rustenburg operation.

Employee relationships were challenged in the Rustenburg area and the breakdown of the wage negotiations with Association of Mineworkers and Construction Union (AMCU) and the subsequent five-month strike came at a profound social, economic and financial cost to all parties concerned. In seeking to mitigate the safety and health impact of the industrial action, a health and safety agreement pertinent to the Rustenburg operations was concluded with AMCU paving the way for advancing an employee relations strategy that will foster a more collaborative environment.

Implats has a committed obligation to advance relationships with employees that was supported by the wage agreements reached with AMCU, the National Union of Mineworkers (NUM) and the United Association of South Africa (UASA). The Group will be implementing a range of activities over the short and medium term aimed at building better relationships across the organisation.

Recent developments at Marula point to the possibility of an AMCU majority at the mine and formal meetings structures have been established for the necessary continued engagement.

Market review (all references to years in this section refer to calendar years)
The platinum and palladium markets remained in deficit on a fundamental basis for a second year driven by reduced primary supplies from the South African producers. Demand growth, particularly in jewellery and investment, has outpaced supply. Despite this, abundant above-ground stocks have constrained any upward price movement.

The average price for platinum in 2013 was US$1 487 per ounce, while the average price achieved during the first six months of 2014 was US$50 per ounce lower at US$1 437 per ounce. The palladium price, on the other hand, which averaged US$725 per ounce in 2013, increased to US$857 per ounce for the first six months of 2014 indicating healthier demand. Rhodium averaged US$1 047 per ounce in 2013, which increased to US$1 069 per ounce in the first six months of 2014 reflecting a fundamentally balanced market. The rand depreciation that began in 2012 continued in 2013 and was supportive of rand prices for PGMs.

The past year has seen positive growth in the global automotive industry as light-duty vehicle sales grew by 3% and the global market exceeded 83 million vehicle sales for the first time. An estimated 87 million light-duty vehicles are expected to be sold in 2014, primarily driven by China and supported by the continued economic recovery in North America. Tightening emission standards were also supportive of demand.

The platinum jewellery market, a significant component of platinum demand, grew by 6% in 2013 and is expected to achieve a further 5.3% in the current year. Investment growth was underpinned by the South African platinum exchange traded fund (ETF), which exceeded 900 000 ounces by the end of 2013, and is now the largest fund in the world at more than 1.1 million ounces. The removal of this quantum of metal from the market without any significant impact on the platinum price highlights the extent of above-ground inventory.

Financial review
Revenue per platinum ounce was 8.2% lower than the previous year at US$2 299 (2013: US$2 505) per ounce. The average rand/dollar exchange rate achieved of R10.36 to the dollar was 17.6% weaker than the prior year. Consequently, although the dollar revenue per platinum ounce decreased by 8.2%, the rand revenue per platinum ounce increased by 7.9%.

Group production deteriorated from 1.582 million ounces of platinum to 1.178 million ounces primarily due to the industrial action at Impala Rustenburg. The higher rand metal prices, assisted by destocking, resulted in revenues reducing by only R816 million. Group unit costs per platinum ounce, excluding share based compensation, rose by 18% to R19 430 per platinum ounce. On a normalised basis, adjusting for the savings in operational costs during the strike and the 312 000 ounces of lost platinum production, unit costs would have been R17 308, an increase of 5% on the prior year.

Gross profit was down by R1.47 billion to R3.24 billion and the gross profit margin for the year declined to 11.2% (2013: 15.8%).

Headline earnings per share was 74% lower at 86 cents (2013: 329 cents) per share. Basic earnings per share was one cent (2013: 167 cents).

Due to stringent cash preservation measures during the strike, the Group had largely unchanged cash reserves of R4.3 (2013: R4.1) billion at year end. Total borrowings for the Group (including finance leases) were higher at R7.8 (2013: R7.5) billion, leaving the Group in a net debt position at year end of R3.5 billion.

Given the length of the industrial action and concomitant start-up costs in financial year 2015, the board has resolved not to declare a final dividend for the year as part of its ongoing strategy to preserve cash (2013: 95 cents per share comprising an interim dividend of 35 cents per share and a final dividend of 60 cents per share).

Operational review
Gross refined platinum production was 25.5% lower at 1.18 (2013: 1.58) million ounces, largely as a result of the strike at Impala. Mine-to-market production decreased by 18.8% to 0.99 (2013: 1.21) million ounces. At IRS, the ramp-up of the Phase 2 expansion project at Zimplats in conjunction with toll material from Northam and Platmin was more than offset by lower deliveries from other third-party customers and production declined by 12% to 767 000 ounces of platinum.

Group unit costs increased by 17.6% to R19 430 (2013: R16 526) per platinum ounce largely as a result of mining inflation of 10.8% and the significantly reduced production from Impala. The main contributors to the inflation were wage increases of 10.7% at the South African operations and power increases of 9.0%. Costs at Impala were reduced to approximately 30% of the normal operating expenditures during the strike and capital expenditure was contained in line with the requirement to reduce cash outflows.

Managed mine-to-market operations
IMPALA
The strike severely interrupted a good operational start to the financial year and initiatives to ramp-up production at the mine over the next five years have been impacted. Ore milled decreased by 43.3% to 6.2 (2013: 10.9) million tonnes, while refined platinum decreased by 42.0% to 411 000 (2013: 709 200) ounces. Milled head grades (6E) were marginally higher at 4.34 (2013: 4.32) grams per tonne. Recoveries improved to 87.4% (2013: 85.3%) as a result of better efficiencies at the tails scavenging plant and lower opencast volumes milled.

Total development activity decreased to 61.3 (2013: 97.4) kilometres, while on-reef development declined by 28.9% to 21.1 (2013: 29.7) kilometres. In the period before the strike commenced, 17.4 kilometres of face was mined at an average panel length of 24.1 metres and a face advance of 9.9 metres per month. Currently, there is 20.5 kilometres of mineable face length, which remains a constraint. The key to reversing this situation and improving reserve flexibility is to optimise development, equipping, construction and ledging activities on existing shafts and at the newly commissioned 20 and 16 shaft complexes.

The impact of the strike, above-inflation wage increases, lower productivity and above-inflation power costs (in conjunction with lower volumes) all affected unit costs, which increased by 27.8% to R22 036 (2013: R17 241) per refined platinum ounce.

The protracted industrial action has also led to significant delays in project and development build-up profiles. The ramp-up to normal production rates will take approximately four months to achieve, which will result in reduced projected volumes and current indications are that production at Impala will be approximately 575 000 ounces of platinum in 2015. These factors, together with lower metal prices, will result in margins at Impala being under pressure in the short to medium term.

A comprehensive strategic planning exercise has been initiated to assess the full impact of low PGM prices and the strike consequences on the profitability at Impala. This is due for completion by December 2014.

ZIMPLATS

Ore milled increased by 26.8% to 5.9 (2013: 4.7) million tonnes due to the increased mining cut and the ramp-up of the Mupfuti Mine (Portal 3). Platinum in matte increased by 21% to 239 700 (2013: 198 100) ounces. Platinum unit costs in matte benefited from this increase, partly offset by US dollar inflation of 6.4% (2013: 6.2%), and decreased by 1.2% to US$1 291 (2013: US$1 307) per ounce. The weaker exchange rate impacted rand unit costs, which increased by 16% to R13 383 (2013: R11 524) per platinum ounce in matte.

A strategic decision was taken to refurbish the Base Metal Refinery (BMR) at Selous as an important first step in a multi-phased plan for local beneficiation. A prefeasibility study was initiated to establish cost estimates, which currently are estimated at approximately US$100 million. Project implementation started on 1 July 2014 and is estimated to take 24 months to complete.

Post-year end, in July 2014, a collapse within a section of the underground working area of the Bimha Mine was triggered by the accelerated deterioration of ground conditions associated with a major fault, the Mutambara Shear, which transgresses through the mining area. As a result of the proactive response from the Zimplats management team and the timely evacuation of all personnel, no injuries or damage of mobile equipment were reported.

By 20 August 2014, ground conditions had continued to deteriorate and as a consequence, it was decided to withdraw all employees across the rest of the mine. A team of Company and independent advisers has been appointed to conduct detailed investigations to reengineer and/or arrest the current mine stability concerns. Consequently, there is a possible production impact of up to 70 000 platinum ounces in 2015.

MARULA

Ore milled increased by 10.2% to 1.8 (2013: 1.6) million tonnes as additional mining crews were employed during the year. Platinum in concentrate increased by 9.5% to 78 500 (2013: 71 700) ounces in line with higher throughput. Marula’s costs per platinum ounce in concentrate, increased marginally by 1% mainly due to mining inflation of 7.3%, offset by increased production. The optimisation of the existing infrastructure over the past few years has provided a solid foundation to reach 86 000 ounces of platinum by 2015.

IMPALA REFINING SERVICES (IRS)

Third-party refining volumes declined by 48% as 174 800 less ounces were treated due to the termination of the auto-catalyst recycling contract and the suspension of deliveries from the Everest South, Crocodile River and Smokey Hills operations, which were placed on care and maintenance due to the prevailing market conditions. As a consequence, overall IRS platinum production (including mine-to-market operations offtakes) decreased by 12% to 767 000 (2013: 872 300) ounces.

Other mine-to-market operations

MIMOSA

Tonnes milled increased by 3% to 2.45 (2013: 2.38) million for the year and platinum in concentrate increased by 9.9% to 110 200 ounces. Mimosa’s unit costs decreased by 3.9% from US$1 782 per platinum ounce in concentrate to US$1 713 per platinum ounce in concentrate mainly due to the increased PGM production levels and cost reduction initiatives. In rand terms unit costs increased by 13% to R17 768 as a result of the weaker rand/dollar exchange rate.

TWO RIVERS

Tonnes milled were 3.4% higher at 3.3 (2013: 3.2) million for the year and platinum in concentrate increased by 8% to 175 100 (2013: 162 200) ounces. Costs per platinum ounce in concentrate were 2.1% lower at R11 433 (2013: R11 683) per ounce on the back of higher volumes.

Capital expenditure and progress on major capital projects

Capital expenditure for the year was significantly reduced as a result of the Impala Rustenburg strike and amounted to R4.4 (2013: R6.3) billion. Expenditure was primarily on the Impala 20 Shaft (R585 million) and 16 Shaft build-up projects (R782 million), the Impala 17 Shaft sinking project (R555 million) and the Phase 2 mine and concentrator plant expansion at Zimplats (R668 million).

The new shafts (at Impala) and portal complexes (at Zimplats) are essential to ensuring that the Group regains its competitive position and benefits from the long-term PGM market fundamentals. All the Impala capital projects will also be subject to the same replanning and stringent strategic review process that is intended for the operations and this will also be completed by December 2014.

The 20 Shaft project, which is scheduled to produce 1.7 million tonnes per annum, equivalent to 125 000 ounces of platinum, achieved 262 000 (2013: 352 000) ore tonnes in the seven-month period before the strike (17 000 platinum ounces). Build-up to full production has now been delayed from 2018 to 2019.

The 16 Shaft project was successfully and safely commissioned during June 2013 with development and stoping commencing in the period ahead of the strike. Planned production for 16 Shaft is 2.7 million tonnes per annum or 185 000 ounces of platinum. The shaft achieved 89 000 (2013: zero) ore tonnes in the seven-month period before the strike resulting in platinum production of 3 000 ounces. As a result of the strike, slower development to reef, bad ground conditions and difficulties in reef access development due to the Hex River fault, full production is only expected to be reached in 2020 as opposed to 2018.

17 Shaft is expected to produce 2.7 million tonnes per annum, equating to 180 000 ounces of platinum at full capacity. The project was affected by contractor performance challenges and was further slowed down during the year as a result of cash preservation measures relating to the strike. As a consequence, ore reserve development did not commence. First production from this shaft is now only expected in financial year 2020, which is one year later than previously planned. Ramp-up to full production is expected to take five years.

At Zimplats, the concentrator plant was successfully commissioned in April 2013 and mining rates improved throughout the year at the new Mupfuti portal (Portal 3). This new mine achieved 963 000 tonnes and 38 000 ounces of platinum for the year and is still expected to achieve full production of 2.0 million tonnes per annum and 90 000 ounces of platinum per annum in 2015.

Sinking at Afplats continued to progress well and the shaft depth at 30 June 2014 was at 1 022 metres. This sinking programme (phase 1 of the overall project) will continue to a shaft depth of 1 154 metres, which is the natural strategic decision point to convert to a mechanised layout. A bankable feasibility study is currently in progress on this option.

Mineral resources and mineral reserves

As at 30 June 2014, there has been no material change to the technical information or legal title relating to the Group’s mineral reserves and resources.

Zimbabwean Government engagement

Management continues to engage with the Government of Zimbabwe in respect of the indigenisation implementation plan, corporate taxation, royalty dispensation and the commitment to primary beneficiation within Zimbabwe. A commitment has been made to the government for a first stage refurbishment of the existing Selous-based base metals refinery to treat Zimplats material.

Prospects

Demand fundamentals remain strong for platinum, palladium and rhodium against the backdrop of both increased automotive sales and tightening emissions legislation. This, combined with constrained supply, should be positive for PGM prices in the future. In general, platinum, palladium and rhodium markets are expected to remain in fundamental deficit for the next three to five years.

Implats' management, taking direction from the board, are intensely focused on the health and safety of employees across the Group. Efforts to reenergise and rebuild Impala, increase the volumes at Marula, as well as successfully mitigate the effect of the Mutambara shear at Zimplats are ongoing. Furthermore, Implats continues to invest in its replacement projects, which are essential to restore its production profile into the future. In the short term, a strategic review of Impala's operations and projects to determine a new way forward is being undertaken.

The directors of the Company are responsible for the maintenance of adequate accounting records and the preparation of the financial statements and related information in a manner that fairly presents the state of the affairs of the Company. These 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 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 structures and procedures. These systems are designed to provide reasonable assurance as to the reliability of the financial statements, and to prevent and detect material misstatement and loss.

The 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 in the foreseeable future.

The financial statements have been approved by the board of directors and are signed on their behalf by:

KDK Mokhele   TP Goodlace
Chairman   Chief executive officer

Johannesburg
28 August 2014

Consolidated statement of financial position - as at 30 June 2014

	Notes	2014 Rm	2013 Restated* Rm	1 July 2012 Restated* Rm
Assets				
Non-current assets				
Property, plant and equipment	6	46 916	44 410	38 877
Exploration and evaluation assets		3 360	4 294	4 294
Intangible assets		-	-	1 018
Investment in equity accounted entities	7	2 959	2 922	2 524
Deferred tax		238	118	-
Available-for-sale financial assets		54	110	101
Held-to-maturity financial assets		35	32	49
Loans	8	133	174	1 087
Derivative financial instruments		332	90	-
Prepayments		10 665	10 840	11 102
		64 692	62 990	59 052
Current assets				
Inventories	9	7 212	8 456	6 834
Trade and other receivables		3 078	3 468	4 365
Loans	8	12	21	538
Prepayments		568	443	522
Cash and cash equivalents		4 305	4 924	935
		15 175	17 312	13 194
Total assets		79 867	80 302	72 246
Equity and liabilities				
Equity attributable to owners of the Company				
Share capital		15 624	15 493	15 187
Retained earnings		34 936	35 300	34 869
Other components of equity		1 807	1 244	112
		52 367	52 037	50 168
Non-controlling interest		2 550	2 579	2 307
Total equity		54 917	54 616	52 475
Liabilities				
Non-current liabilities				
Deferred tax		10 179	10 442	9 223
Borrowings	10	7 169	7 259	2 882
Derivative financial instruments		18	30	-
Liabilities		676	672	812
Provision		676	768	732
		18 718	19 171	13 649
Current liabilities				
Trade and other payables		4 713	4 658	4 971
Current tax payable		562	508	172
Borrowings	10	618	220	58
Liabilities		339	318	315
Bank overdraft		-	811	606
		6 232	6 515	6 122
Total liabilities		24 950	25 686	19 771
Total equity and liabilities		79 867	80 302	72 246

* The audited June 2013 and June 2012 results were restated as a result of IFRS 10 Consolidated Financial Statements and IFRS 11 Joint Arrangements, which have become effective. These standards require that the investment in Guardrisk (previously consolidated) be deconsolidated and Mimosa (previously proportionately consolidated), be equity accounted.

The notes below are an integral part of these summarised financial statements.

Consolidated statement of comprehensive income - for the year ended 30 June 2014

	Notes	2014 Rm	2013 Restated* Rm
Revenue		29 028	29 844
Cost of sales	11	(25 786)	(25 132)
Gross profit		3 242	4 712
Other operating income	12	239	470
Other operating expenses	12	(2 809)	(2 294)
Royalty expense		(693)	(674)
Profit/(loss) from operations		(21)	2 214
Finance income		318	222
Finance cost		(496)	(446)

Net foreign exchange transaction gains	(101)	208
Other income	203	250
Other expense	(253)	(221)
Share of profit of equity accounted entities	365	233
Profit before tax	15	2 460
Income tax expense	(144)	(1 392)
Profit/(loss) for the year	(129)	1 068
Other comprehensive income, comprising items that may subsequently be reclassified to profit or loss:		
Available-for-sale financial assets	(56)	9
Deferred tax thereon	-	-
Share of other comprehensive income of equity accounted entities	120	324
Deferred tax thereon	(12)	(88)
Exchange differences on translating foreign operations	711	1 504
Deferred tax thereon	(93)	(421)
Other comprehensive income, comprising items that may subsequently be reclassified to profit or loss:		
Actuarial loss on post-employment medical benefit	(1)	(6)
Deferred tax thereon	-	2
Total comprehensive income	540	2 392
Profit/(loss) attributable to:		
Owners of the Company	8	1 015
Non-controlling interest	(137)	53
	(129)	1 068
Total comprehensive income/(loss) attributable to:		
Owners of the Company	569	2 143
Non-controlling interest	(29)	249
	540	2 392
Earnings per share (cents per share):		
Basic	1	167
Diluted	1	167

* The audited June 2013 results were restated as a result of IFRS 10 Consolidated Financial Statements and IFRS 11 Joint Arrangements, which have become effective. These standards require that the investment in Guardrisk (previously consolidated) be deconsolidated and Mimosa (previously proportionately consolidated), be equity accounted.

For headline earnings per share and dividend per share refer notes 13 and 14.

The notes below are an integral part of these summarised financial statements.

Consolidated statement of changes in equity - for the year ended 30 June 2014

	Number of shares issued (million)*	Ordinary shares Rm	Share premium Rm	Share-based payment reserve Rm	Total share capital Rm
Balance at 30 June 2013	606.91	16	13 363	2 114	15 493
Shares issued					
- Implats Share Incentive Scheme	0.14	-	8	-	8
- Employee Share Ownership Programme	-	-	-	-	-
Share-based compensation					
- Long-term Incentive Plan	-	-	-	123	123
Profit/(loss) for the year	-	-	-	-	-
Other comprehensive income/(loss)	-	-	-	-	-
Dividends (note 14)	-	-	-	-	-
Balance at 30 June 2014	607.05	16	13 371	2 237	15 624
Balance at 30 June 2012	606.57	16	13 099	2 072	15 187
Shares issued					
- Implats Share Incentive Scheme	0.18	-	12	-	12
- Employee Share Ownership Programme	0.16	-	24	-	24
Convertible bonds	-	-	228	-	228
Share-based compensation					
- Long-term Incentive Plan	-	-	-	42	42
Profit for the year	-	-	-	-	-
Other comprehensive income	-	-	-	-	-
Transaction with non-controlling shareholders	-	-	-	-	-
Dividends (note 14)	-	-	-	-	-
Balance at 30 June 2013	606.91	16	13 363	2 114	15 493

* The table above excludes the treasury shares, Morokotso Trust (ESOP) and the Implats share incentive scheme as these special structured entities are consolidated.

The notes below are an integral part of these summarised financial statements.

Consolidated statement of changes in equity - for the year ended 30 June 2014 (continued)

			Attributable to:		
	Retained earnings Rm	Total other components of equity Rm	Owners of the Company Rm	Non-controlling interest Rm	Total equity Rm
Balance at 30 June 2013	35 300	1 244	52 037	2 579	54 616
Shares issued					
- I mplats Share Incentive Scheme	-	-	8	-	8
- Employee Share Ownership Programme	-	-	-	-	-
Share-based compensation					
- Long-term Incentive Plan	-	-	123	-	123
Profit/(loss) for the year	8	-	8	(137)	(129)
Other comprehensive income/(loss)	(1)	563	562	108	670)
Dividends (note 14)	(371)	-	(371)	-	(371)
Balance at 30 June 2014	34 936	1 807	52 367	2 550	54 917
Balance at 30 June 2012	34 869	112	50 168	2 307	52 475
Shares issued					
- Implats Share Incentive Scheme	-	-	12	-	12
- Employee Share Ownership Programme	-	-	24	-	24
Convertible bonds	-	-	228	-	228
Share-based compensation					
- Long-term Incentive Plan	-	-	42	-	42
Profit for the year	1 008	-	1 008	53	1 061
Other comprehensive income	3	1 132	1 135	196	1 331
Transaction with non-controlling shareholders	-	-	-	23	23

Dividends (note 14)	(580)	-	(580)	-	(580)
Balance at 30 June 2013	35 300	1 244	52 037	2 579	54 616

* The table above excludes the treasury shares, Morokotso Trust (ESOP) and the Implats share incentive scheme as these special structured entities are consolidated.

The notes below are an integral part of these summarised financial statements.

Consolidated statement of cash flows - for the year ended 30 June 2014

	2014 Rm	2013 Restated* Rm
Cash flows from operating activities		
Cash generated from operations	5 234	6 794
Exploration costs	(20)	(47)
Finance cost	(404)	(149)
Income tax paid	(714)	(1 016)
Net cash from operating activities	4 096	5 582
Cash flows from investing activities		
Purchase of property, plant and equipment	(4 500)	(6 219)
Proceeds from sale of property, plant and equipment	64	97
Proceeds from insurance claim on asset scrapping	112	-
Purchase of investment in subsidiary	-	(57)
Payment received from associate on shareholders' loan	-	49
Proceeds from sale of held-to-maturity investment	-	21
Loans granted	(10)	(7)
Loan repayments received	11	30
Finance income	319	217
Dividends received	467	97
Net cash used in investing activities	(3 537)	(5 772)
Cash flows from financing activities		
Issue of ordinary shares	8	36
Repayments of borrowings	(16)	(132)
Proceeds from borrowings	-	4 638
Dividends paid to Company's shareholders	(371)	(580)
Net cash used in financing activities	(379)	3 962
Net increase in cash and cash equivalents	180	3 772
Cash and cash equivalents at beginning of year	4 113	329
ffect of exchange rate changes on cash and cash quivalents held in foreign currencies	12	12
Cash and cash equivalents at end of year**	4 305	4 113

* The audited June 2013 results were restated as a result of IFRS 10 Consolidated Financial Statements and IFRS 11 Joint Arrangements, which have become effective. These standards require that the investment in Guardrisk (previously consolidated) be deconsolidated and Mimosa (previously proportionately consolidated), be equity accounted.

** Net of bank overdraft.

The notes below are an integral part of these summarised financial statements.

Notes to the financial information - for the year ended 30 June 2014

1. General information

Impala Platinum Holdings Limited (Implats, Group or Company) 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 listing on the JSE Limited.

The summarised consolidated financial information was approved for issue on 28 August 2014 by the board of directors.

2. Audit opinion

The consolidated financial statements of Impala Platinum Holdings Limited for the year ended 30 June 2014 from which these summarised consolidated financial statements have been derived have been audited by PricewaterhouseCoopers Inc. Their unqualified audit opinion is available for inspection at the Company's registered office. These summarised consolidated financial statements have themselves not been audited.

3. Basis of preparation

The summarised consolidated financial statements for the year ended 30 June 2014 have been prepared in accordance with the JSE Limited's Listings Requirements (Listings Requirements) and the requirements of the Companies Act, Act 71 of 2008 applicable to summarised financial statements. The Listings Requirements require financial statements to be prepared in accordance with the framework concepts and the measurement and recognition requirements of International Financial Reporting Standards (IFRS), the SAICA Financial Reporting Guides as issued by the Accounting Practices Committee and Financial Pronouncements as issued by the Financial Reporting Standards Council, and to also, as a minimum, contain the information required by IAS 34 Interim Financial Reporting.

The summarised consolidated financial information should be read in conjunction with the consolidated financial statements for the year ended 30 June 2014, which have been prepared in accordance with IFRS.

The summarised consolidated 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 summarised consolidated financial information is presented in South African rand, which is the Company's functional currency.

4. Accounting policies

The principal accounting policies applied in the preparation of the consolidated financial statements from which the summarised consolidated financial statements were derived, are in terms of IFRS. The following new standards, amendments to standards and interpretations have been adopted by the Group as from 1 July 2013:

- IAS 27 Separate Financial Statements (revised), IAS 28 Investment in Associates and Joint Ventures (revised), IFRS 10 Consolidated Financial Statements, IFRS 11 Joint Arrangements and IFRS 12 Disclosure of interest in other entities were issued dealing with consolidation, joint arrangements, associates and disclosure. IFRS 10, IFRS 11 and IFRS 12 were subsequently amended to clarify certain transitional guidance on the first-time application of these standards. The Group has adopted these standards, including the subsequent amendments during the year. The main impact is that Implats now equity accounts for its investment in the joint venture, Mimosa, which was previously proportionately consolidated (note 7). The accounting policy was applied retrospectively. The application of IFRS 12 results in more extensive disclosure in the consolidated financial statements.
- IAS 36 Impairment of Assets (effective 1 January 2014). The amendment requires additional disclosure on the recoverable amount of non-financial assets when an impairment loss was recognised. The amendment resulted in additional disclosure in the consolidated financial statements.
- IAS 39 Financial Instruments: Recognition and Measurement (effective 1 January 2014). This amendment, regarding novation of derivatives, allows for the continuation of hedge accounting. The amendment has no impact on the results of the Group.
- IFRIC 21 Levies (effective 1 January 2014). The new interpretation addresses concerns on how to account for levies based on financial data of a different period from that in which the activity resulting in the payment of the levy occurs. The new interpretation has no impact on the results of the Group.

5. Segment information

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

Management has determined the operating segments based on the business activities and management structure within the Group. Mimosa, previously included in the mining segment, will in future be reported internally as other mine-to-market operations and included in the other segment.

Capital expenditure comprises additions to property, plant and equipment (note 6), including additions resulting from acquisitions through business combinations.

Impala mining segment's two largest sales customers amounted to 12% and 11% of total sales (June 2013: 13% each).

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

	30 June 2014 Revenue Rm	30 June 2014 Gross profit Rm	30 June 2013 Revenue Rm	30 June 2013 Gross profit Rm
Mining				
- Impala	28 308	(1 773)	29 110	2 315
Mining	10 327	(1 902)	14 588	2 097
Metals purchased	17 981	129	14 522	218
- Zimplats	5 973	2 039	4 159	1 451
- Marula	1 791	(12)	1 404	(216)
- Afplats	-	(5)	-	(2)
Chrome processing	179	41	181	38
Inter-segment adjustment	(7 778)	1 144	(5 563)	(267)
External parties	28 473	1 434	29 291	3 319
Refining services	18 495	1 813	14 696	1 397
Inter-segment adjustment	(17 940)	(5)	(14 143)	(4)
External parties	555	1 808	553	1 393
Total external parties	29 028	3 242	29 844	4 712

	Capital expenditure Rm	Total assets Rm	Capital expenditure Rm	Total assets Rm
Mining				
- Impala	2 823	49 946	4 390	52 231
- Zimplats	1 226	12 856	1 449	10 971
- Marula	159	3 048	125	3 115
- Afplats	175	5 912	215	6 677
Total mining	4 383	71 762	6 179	72 994
Refining services	-	4 580	-	3 969
Chrome processing	2	120	79	159
Other	-	3 405	-	3 270
Total	4 385	79 867	6 258	80 392

6. Property, plant and equipment

	30 June 2014 Rm	30 June 2013 Rm
Opening net book amount	44 410	38 876
Additions	4 345	6 135
Additions through business combination	-	79
Interest capitalised	155	64
Disposals	(17)	(44)
Depreciation (note 11)	(2 341)	(2 314)
Impairment	(65)	-
Scrapping	(223)	-
Rehabilitation adjustment	(115)	(20)
Exchange adjustment on translation	767	1 634
Closing net book amount	46 916	44 410

Capital commitment

Capital expenditure approved at 30 June 2014 amounted to R15.6 (June 2013: R19.1) billion, of which R1.9 (June 2013: R2.7) billion is already committed. This expenditure will be funded internally and, if necessary, from borrowings.

7. Investment in equity-accounted entities

	30 June 2014 Rm	30 June 2013 Rm
Summary - Balances		
Joint venture:		
Mimosa	1 756	1 786
Associates:		
Two Rivers	1 134	1 072
Makgomo Chrome	69	64
Friedshelf 1226 and 1169	-	-
Total investment in equity-accounted entities	2 959	2 922
Summary - Movement		
Beginning of the year	2 922	2 524
Share of profit	383	220
Share of other comprehensive income	120	323
Interest accrued	-	2
Payments received	-	(51)
Dividends received	(466)	(96)
End of the year	2 959	2 922

The investment in Mimosa was previously proportionately consolidated on a line-for-line basis. The equity method of accounting was applied retrospectively and the balances previously proportionately consolidated, which now form part of the investment, are as follows:

	As at 30 June 2013	As at 1 July 2012
Non-current assets	1 717	1 474
Current assets	704	594
Total assets	2 421	2 068
Non-current liabilities	514	429
Current liabilities	121	136
Total liabilities	635	565
Net asset value (Investment in joint venture)	1 786	1 503

8. Loans

	Year ended 30 June 2014 Rm	Year ended 30 June 2013 Rm
Summary - Balances		
Employee housing	55	44
Reserve Bank of Zimbabwe	73	135
Contractors	5	16
Silplats	12	-
	145	195
Short-term portion	(12)	(21)
Long-term portion	133	174
Summary - Movement		
Beginning of the year	195	1 625
Loans granted during the year	22	7
Interest accrued	7	37

Impairment	(71)	(1 098)
Repayment received	(17)	(364)
Exchange adjustment	9	(12)
End of the year	145	195

9. Inventories

	30 June 2014 Rm	30 June 2013 Rm
Mining metal		
Refined metal	1 300	2 301
Main products - at cost	941	1 394
Main products - at net realisable value	286	814
By-products - at net realisable value	73	93
In-process metal	1 728	2 294
At cost	1 270	1 480
At net realisable value	458	814
Non-mining metal		
Refined metal	1 160	1 086
At cost	1 134	886
At net realisable value	26	200
In-process metal	2 291	2 154
At cost	2 291	1 526
At net realisable value	-	628
Metal inventories	6 479	7 835
Stores and materials inventories	733	621
	7 212	8 456

Refined metal:
Refined main products at a cost of R361 (June 2013: R1 346) million were written down by R49 (June 2013: R332) million to net realisable value of R312 (June 2013: R1 014) million.
Included in refined metal is metal on lease to third parties of 36 000 (June 2013: 36 000) ounces ruthenium.
In-process metal:
Changes in engineering estimates resulted in a reduction of R806 million.
After this adjustment, in-process metal of main products at a cost of R544 (June 2013: R1 888) million were written down by R86 (June 2013: R446) million to net realisable value amounting to R458 (June 2013: R1 442) million.

10. Borrowings

	30 June 2014 Rm	30 June 2013 Rm
Summary - Balances		
Standard Bank Limited - BEE partners Marula	878	876
Standard Bank Limited - Zimplats	1 117	1 037
Convertible bonds - ZAR	2 429	2 365
Convertible bonds - US$	1 981	1 803
Finance leases	1 382	1 398
	7 787	7 479
Short-term portion	(618)	(220)
Long-term portion	7 169	7 259
Summary - Movement		
Beginning of the year	7 479	2 940
Proceeds	-	4 146
Leases capitalised	-	(20)
Interest accrued	549	344
Repayments	(462)	(273)
Exchange adjustment	221	342
End of the year	7 787	7 479

11. Cost of sales

	30 June 2014 Rm	30 June 2013 Rm
Included in cost of sales:		
On-mine operations	9 090	12 013
Wages and salaries	6 085	7 074
Materials and consumables	3 323	4 148
Utilities	819	791
Minus: Cost incurred during strike period	(1 137)	-
Processing operations	2 733	3 044
Wages and salaries	562	624
Materials and consumables	1 333	1 530
Utilities	956	890
Minus: Cost incurred during strike period	(118)	-
Refining operations	880	941
Wages and salaries	406	413
Materials and consumables	354	414
Utilities	120	114
Other costs	655	656
Corporate costs, salaries and wages	483	321
Selling and promotional expenses	172	335
Share-based compensation	231	(98)
Chrome operation - cost of sales	117	137
Depreciation of operating assets	2 341	2 314
Metals purchased	8 601	7 588
Change in metal inventories	1 138	(1 463)
	25 786	25 132

12. Other operating expenses/(income)

	30 June 2014 Rm	30 June 2013 Rm
Other operating expenses/(income) comprise the following principal categories:		
Non-production cost during strike	1 255	-
Profit on disposal of property, plant and equipment	(76)	(86)
Rehabilitation provision - change in estimate	(44)	(32)
Impairment	1 071	2 279
Trade payables - commodity price adjustment	246	(331)
Scrapping of assets	223	-
Insurance claim	(112)	-
Audit remuneration	14	15
Other	(7)	(21)
	2 570	1 824

Production ceased at Impala Rustenburg’s operation during the five-month industrial action. Cost incurred during this period was reallocated from cost of sales to other operating expenses.

13. Headline earnings

Headline earnings attributable to equity holders of the Company arises from operations as follows:

	30 June 2014 Rm	30 June 2013 Rm
Profit/(loss) attributable to owners of the Company	8	1 015
Adjustments:		
- Profit on disposal of property, plant and equipment	(47)	(54)
- Impairment	630	1 018
- Scrapping of property, plant and equipment	223	-
- Insurance compensation relating to scrapping of property, plant and equipment	(112)	-
- Total tax effects of adjustments	(179)	15
Headline earnings	523	1 994
Weighted average number of ordinary shares in issue for basic earnings per share	606.94	606.76
Weighted average number of ordinary shares for diluted earnings per share	607.85	607.06
Headline earnings per share (cents)		
Basic	86	329
Diluted	86	328

14. Dividends

	30 June 2014 Rm	30 June 2013 Rm
No dividends were declared in respect of the 2014 financial year.		
Dividends paid		
Final dividend No 91 for 2013 of 60 (2012: 60) cents per share	371	366
No interim dividend for 2014 (2013: interim dividend No 90 of 35 cents per share)	-	214

15. Contingent liabilities and guarantees

As at the end of June 2014 the Group had bank and other guarantees of R1 370 (June 2013: R1 112) million from which it is anticipated that no material liabilities will arise.

The companies which are subject to water licences with the Department of Water Affairs are in the process of compiling a plan, including future cash flow, to ensure that adherence to the water management requirements, including treatment and rehabilitation requirements of the Department of Water Affairs, are met. This could result in a liability and a corresponding asset in the statement of financial position. Measurement of the liability is currently in progress.

16. Related-party transactions

- The Group entered into PGM purchase transactions of R3 409 (June 2013: R2 990) million with Two Rivers Platinum, an associate company, resulting in an amount payable of R936 (June 2013: R759) million. It also received refining fees to the value of R21 million (June 2013: refining fees and interest to the value of R20 million). The shareholders' loan was repaid during the previous year.
- The Group previously entered into sale and leaseback transactions with Friedshelf, an associate company. At the end of the period, an amount of R1 221 (June 2013: R1 224) million was outstanding in terms of the lease liability. During the period, interest of R111 (June 2013: R123)million was charged and a R114 (June 2013: R100) million repayment was made. The finance leases have an effective interest rate of 10.2%.
- The Group entered into PGM purchase transactions of R2 642 (June 2013: R2 034) million with Mimosa Investments, a joint venture, resulting in an amount payable of R778 (June 2013: R572) million. It also received refining fees and interest to the value of R223 (June 2013: R169) million.

These transactions are entered into on an arm's-length basis at prevailing market rates.

Key management compensation (fixed and variable):

	30 June 2014 R000	30 June 2013 R000
Non-executive directors' remuneration	7 976(1)	6 969
Executive directors' remuneration	25 974(3)	35 916(2)
Prescribed officers	27 573(4)	19 050
Senior executives and company secretary	22 811	22 303
Total	84 334	84 238

1 Includes three additional directors compared to prior year
2 Includes R16.8 million paid to DH Brown
3 Includes severance payment to PA Dunne of R9.2 million
4 Includes one additional prescribed officer compared to prior year

17. Financial instruments

	30 June 2014 Rm	30 June 2013 Rm
Financial assets - carrying amount		
Loans and receivables	6 145	7 405
Financial instruments at fair value through profit and loss	3322	902
Held-to-maturity financial assets	35	32
Available-for-sale financial assets	541	1101
	6 566	7 637
Financial liabilities - carrying amount		
Financial liabilities at amortised cost	11 626	12 003
Financial instruments at fair value through profit and loss	182	302
	11 644	12 033

The carrying amount of financial assets and liabilities approximate their fair values.
1 Level 1 of the fair value hierarchy - Quoted prices in active markets for the same instrument.
2 Level 2 of the fair value hierarchy - Significant inputs are based on observable market data.

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