



IMPALA PLATINUM HOLDINGS LIMITED
(Incorporated in the Republic of South Africa)
(Registration number 1957/001979/06)
JSE Share code: IMP
ISIN: ZAE000083648
ADR code: IMPUY
JSE 2018 Convertible Bond ISIN: ZAE000175873
JSE 2018 Convertible Bond Code: IMPCB
FSE 2018 Convertible Bond ISIN: XS0891408469
FSE 2018 Convertible Bond Code: 089140846
("Implats" or "Company")

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LAUNCH OF 2022 CONVERTIBLE BOND OFFERINGS AND INVITATION TO HOLDERS TO OFFER TO SELL 2018 CONVERTIBLE BONDS

Introduction

Implats announces the launch of a dual offering of up to ZAR2,600 million unsecured convertible bonds due 2022 (the "**2022 ZAR Convertible Bonds**") and up to U.S.\$300 million unsecured convertible bonds due 2022 (the "**2022 U.S.\$ Convertible Bonds**") and together with the 2022 ZAR Convertible Bonds, the "**2022 Convertible Bonds**" or the "**2022 Convertible Bond Offerings**").

Implats intends to use the net proceeds from the 2022 Convertible Bond Offerings to refinance the 2018 Convertible Bonds (as defined below) thereby significantly enhancing Implats' short-to-medium term liquidity in line with its strategy to maintain a strong financial position.

The 2018 Convertible Bonds

- Outstanding U.S.\$200 million 1% convertible bonds with a maturity date of 21 February 2018 (ISIN: XS0891408469/Common Code:089140846 (the "**2018 U.S.\$ Convertible Bonds**")); and
- Outstanding ZAR2,672 million 5% convertible bonds with a maturity date of 21 February 2018 (ISIN: ZAE000175873) (the "**2018 ZAR Convertible Bonds**" and together with the 2018 U.S.\$ Convertible Bonds, the "**2018 Convertible Bonds**").

In conjunction with the 2022 Convertible Bond Offerings, Implats is inviting the holders of the 2018 Convertible Bonds to sell to Implats for cash any and all of their 2018 Convertible Bonds (the "**Invitation**"). The purchase price per U.S.\$200,000 principal amount of 2018 U.S.\$ Convertible

Bonds offered and accepted for purchase will be U.S.\$200,000. The purchase price per ZAR10,000 minimum denomination of 2018 ZAR Convertible Bonds offered and accepted for purchase will be ZAR10,000. Implats will also make payment of an amount in respect of accrued and unpaid interest in respect of the 2018 Convertible Bonds accepted for purchase, as further described in the Invitation Term Sheet (as defined below).

The acceptance for purchase of the 2018 Convertible Bonds validly tendered pursuant to the Invitation is subject, without limitation, to, and conditional upon, the issuance by Implats of the 2022 Convertible Bonds in a combined aggregate principal amount equivalent to approximately U.S.\$400 million, as discussed below.

The 2022 Convertible Bond Offerings

The 2022 Convertible Bonds are expected to be issued and repayable at par. The 2022 ZAR Convertible Bonds are expected to bear interest at an annual rate of between 6.00% and 6.75% and the 2022 U.S.\$ Convertible Bonds are expected to bear interest at an annual rate of between 2.875% and 3.625%. The 2022 Convertible Bonds, subject to the approval of Implats' shareholders, will be convertible into ordinary shares of the Company (the "**Ordinary Shares**") in accordance with, and subject to, the terms and conditions of the 2022 Convertible Bonds. Absent such approval, holders of the 2022 Convertible Bonds will on conversion receive a cash amount equal to the value of the underlying Ordinary Shares. The respective initial conversion prices are expected to be set at a premium of between 30% and 35% above the reference share price, being the volume weighted average price of an Ordinary Share on the Johannesburg Stock Exchange ("**JSE**") between launch and pricing.

Each of the 2022 ZAR Convertible Bonds and the 2022 U.S.\$ Convertible Bonds will permit Implats to call such bonds at par plus accrued interest at any time on or after the fourth (4th) anniversary +21 days of the settlement date, if (i) in the case of the 2022 U.S.\$ Convertible Bonds, the aggregate value of the underlying Ordinary Shares for a specified period of time is 130% or more of the principal amount of the relevant bonds or (ii) in the case of the 2022 ZAR Convertible Bonds, if the volume weighted average price of an Ordinary Share exceeds 130% of the conversion price for a specified period of time.

The aggregate issue size of the 2022 Convertible Bond Offerings is not expected to exceed approximately U.S.\$450 million, with the Ordinary Shares underlying the 2022 Convertible Bond Offering not expected to exceed approximately 15% of the Ordinary Shares currently outstanding.

The 2022 Convertible Bonds will be offered through an accelerated book-building process to qualifying institutional investors only. The final terms of the 2022 Convertible Bonds will be announced after pricing, which is expected to be tomorrow.

In 2016, Implats put in place four bilateral bank facilities with aggregate capacity of ZAR4.5 billion, which each mature in June 2021. These facilities were structured to allow Implats to be able to refinance the 2018 Convertible Bonds and are not currently drawn. As originally structured, these facilities would not be able to be drawn following the issue of the 2022 Convertible Bonds, however, in line with the strategy to retain a robust liquidity position, Implats is seeking to retain all or a portion of these facilities. Discussions are therefore well underway with relationship banks, with ZAR4.0 billion of these facilities already amended to allow them to remain in place following the issue of the 2022 Convertible Bonds.

It is expected that settlement of the 2022 Convertible Bonds will take place on or about 6 June 2017. Implats intends to apply for admission of the 2022 ZAR Convertible Bonds for trading on the Main Board of the JSE and the 2022 U.S.\$ Convertible Bonds for trading on a European stock exchange, in each case within 90 days following settlement of the 2022 Convertible Bonds.

Following settlement, Implats shareholders will be requested to grant specific authority for the Board of Implats to issue Ordinary Shares to satisfy conversion of the 2022 Convertible Bonds and for certain amendments to be made to the Company's Memorandum of Incorporation to implement the foregoing. If the shareholder authority has not been granted by 30 November 2017, Implats may, by giving notice no later than 15 dealing days after such date, elect to redeem all but not some only of the 2022 Convertible Bonds at the greater of (i) 102% of the principal amount of the 2022 Convertible Bonds and (ii) 102% of the fair bond value of the 2022 Convertible Bonds, as defined in the terms and conditions of the 2022 Convertible Bonds.

PricewaterhouseCoopers Corporate Finance (Proprietary) Limited ("**PwC**") has been appointed by the Board of Implats as an independent expert to consider the fairness of the relevant transaction in relation to any related party participation in the 2022 Convertible Bond Offerings.

The Invitation

The Invitation is being made upon the terms and subject to the conditions set forth in the invitation term sheet dated 25 May 2017 (the "**Invitation Term Sheet**"). Copies of the Invitation Term Sheet may be obtained from the relevant Tender Agent, whose contact details are set out at the end of this announcement. Bondholders are requested to read the Invitation Term Sheet in full before making any decision with respect to the Invitation. Bondholders may wish to obtain independent professional advice before making any such decision. Capitalised terms used but not otherwise defined in this announcement have the meaning ascribed to them in the Invitation Term Sheet.

The Invitation is expected to expire at 4.00 p.m. (London time) on 31 May 2017 (the "**Expiration Deadline**"). Holders of 2018 Convertible Bonds must validly submit tender instructions prior to the Expiration Deadline in order for such Bonds to be eligible for purchase. Tender instructions may be submitted (i) in relation to the 2018 U.S.\$ Convertible Bonds, to the relevant Tender Agent via Euroclear Bank SA/NV or Clearstream Banking, S.A. and (ii) in relation to the 2018 ZAR Convertible Bonds, to the relevant Tender Agent and, if such bonds are held in uncertificated form, to participants of Strate Proprietary Limited in addition to submission to the Tender Agent. Bondholders are advised to check with any bank, securities broker or other intermediary through which they hold 2018 Convertible Bonds whether such intermediary would require receipt of instructions to participate in or revoke their instructions to participate in the Invitation before the Expiration Deadline.

Tender instructions will be irrevocable, except in the limited circumstances described in the Invitation Term Sheet. Any 2018 Convertible Bonds that are not successfully offered for purchase pursuant to the Invitation will remain outstanding, subject to the Company's right to redeem such bonds at their principal amount, at any time, if 85% or more of the applicable aggregate principal amount of such bonds originally issued shall have been previously redeemed, exchanged or purchased. Any 2018 Convertible Bonds repurchased pursuant to the Invitation will be cancelled.

Subject to applicable law and as provided in the Invitation Term Sheet, the Company may, in its sole discretion, extend, reopen, amend, waive any condition of, or terminate the Invitation at any time. Details of any such extension, reopening, amendment, waiver or termination will be

announced as soon as reasonably practicable after the relevant decision is made and as required by applicable law.

The acceptance for purchase of the 2018 Convertible Bonds validly tendered pursuant to the Invitation is subject, without limitation, to, and conditional upon, the issuance by Implats of the 2022 Convertible Bonds in a combined aggregate principal amount equivalent to approximately U.S.\$400 million. Please see “The 2022 Convertible Bond Offerings” above.

Sole Global Co-ordinator
Deutsche Bank AG, London Branch

Joint Dealer Managers for the 2018 U.S.\$ and ZAR Convertible Bonds

Deutsche Bank AG, London Branch
Morgan Stanley & Co. International plc
Rand Merchant Bank, a division of FirstRand Bank Limited

Joint Bookrunners

Deutsche Bank AG, London Branch
Morgan Stanley & Co. International plc
Rand Merchant Bank, a division of
FirstRand Bank Limited

Co-Bookrunners

Nedbank Limited
The Standard Bank of South Africa Limited

Local Partner to the Joint Bookrunners

Basis Points Capital Proprietary Limited

Joint Advisers to Implants

Centerview Partners UK LLP
aloeCap (Pty) Limited

**Tender Agent for the 2018 U.S.\$
Convertible Bonds**

Lucid Issuer Services Limited

**Tender Agent for the 2018 ZAR
Convertible Bonds**

Rand Merchant Bank, a division of
FirstRand Bank Limited

JSE Sponsor

Deutsche Securities (SA) Proprietary
Limited

Debt Sponsor

The Standard Bank of South Africa Limited

Further Information:

Requests for information in relation to the terms of the Invitation should be directed to the Joint Dealer Managers as follows:

Deutsche Bank AG, London Branch

Winchester House
1 Great Winchester Street
London, EC2N 2DB
United Kingdom

Attention: Timothy Duncan
Telephone: +44 (0) 207 547 5154
Email: timothy.duncan@db.com

Morgan Stanley & Co. International plc

25 Cabot Square
Canary Wharf
London, E14 4QA
United Kingdom

Attention: Mark Maislish
Telephone: +44 (0) 20 7425 9059
Email: mark.maislish@morganstanley.com

Rand Merchant Bank, a division of FirstRand Bank Limited

1 Merchant Place

Cnr Fredman Drive & Rivonia Road,

Sandton, 2196

South Africa

Attention: Dave Sinclair

Telephone: +27 (0)11 282 8077

Email: dave.sinclair@rmb.co.za

Requests for information in relation to the procedures for participating in the Invitation for the 2018 U.S.\$ Convertible Bonds should be directed to:

Lucid Issuer Services Limited

Tankerton Works

12 Argyle Walk

London, WC1H 8HA

Attention: Paul Kamminga

Telephone: +44 (0) 20 7704 0880

Email: implats@lucid-is.com

Requests for information in relation to the procedures for participating in the Invitation for the 2018 ZAR Convertible Bonds should be directed to:

Rand Merchant Bank, a division of FirstRand Bank Limited

1 Merchant Place

Cnr Fredman Drive & Rivonia Road,

Sandton, 2196

South Africa

Attention: Dave Sinclair

Telephone: +27 (0) 11 282 8077

Email: tenderoffer@rmb.co.za

IMPORTANT NOTICE IN RELATION TO THE 2022 CONVERTIBLE BOND OFFERINGS

NO ACTION HAS BEEN TAKEN BY THE COMPANY, THE JOINT BOOKRUNNERS OR THE CO-BOOKRUNNERS (TOGETHER, THE “**BOOKRUNNERS**”) OR ANY OF THEIR RESPECTIVE AFFILIATES THAT WOULD PERMIT AN OFFERING OF THE BONDS OR POSSESSION OR DISTRIBUTION OF THIS ANNOUNCEMENT OR ANY OFFERING OR PUBLICITY MATERIAL RELATING TO THE BONDS IN ANY JURISDICTION WHERE ACTION FOR THAT PURPOSE IS REQUIRED. PERSONS INTO WHOSE POSSESSION THIS ANNOUNCEMENT COMES ARE REQUIRED BY THE COMPANY AND THE BOOKRUNNERS TO INFORM THEMSELVES ABOUT, AND TO OBSERVE, ANY SUCH RESTRICTIONS.

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THIS ANNOUNCEMENT AND THE OFFERING WHEN MADE ARE ONLY ADDRESSED TO, AND DIRECTED IN MEMBER STATES OF THE EUROPEAN ECONOMIC AREA (THE “**EEA**”) AT PERSONS WHO ARE “QUALIFIED INVESTORS” WITHIN THE MEANING OF ARTICLE 2(1)(E) OF THE PROSPECTUS DIRECTIVE (“**QUALIFIED INVESTORS**”). FOR THESE PURPOSES, THE EXPRESSION “PROSPECTUS DIRECTIVE” MEANS DIRECTIVE 2003/71/EC, AS AMENDED, INCLUDING THE 2010 PD AMENDING DIRECTIVE. EACH PERSON WHO INITIALLY ACQUIRES ANY BONDS OR TO WHOM ANY OFFER OF BONDS MAY BE MADE WILL BE DEEMED TO HAVE REPRESENTED, ACKNOWLEDGED AND AGREED THAT IT IS A “QUALIFIED INVESTOR” WITHIN THE MEANING OF ARTICLE 2(1)(E) OF THE PROSPECTUS DIRECTIVE.

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CONSEQUENCES OF INVESTING IN THE SECURITIES OR (III) THE FUTURE PERFORMANCE OF THE SECURITIES EITHER IN ABSOLUTE TERMS OR RELATIVE TO COMPETING INVESTMENTS.

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"EUROPEAN ECONOMIC AREA (THE "EEA")

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UNITED KINGDOM

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ITALY

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1998, AS AMENDED (THE FINANCIAL SERVICES ACT) AND ARTICLE 35-BIS, PARAGRAPH 3 OF CONSOB REGULATION NO. 11971 OF 14 MAY 1999, AS AMENDED.

ACCORDINGLY, THE INVITATION IS ONLY ADDRESSED TO HOLDERS OF BONDS LOCATED IN THE REPUBLIC OF ITALY WHO ARE "QUALIFIED INVESTORS" (*INVESTITORI QUALIFICATI*) AS DEFINED PURSUANT TO AND WITHIN THE MEANING OF ARTICLE 100 OF THE FINANCIAL SERVICES ACT AND ARTICLE 34-TER, PARAGRAPH 1, LETTER B) OF THE ISSUERS' REGULATION.

HOLDERS OR BENEFICIAL OWNERS OF THE BONDS MAY OFFER THEIR BONDS FOR PURCHASE IN THE INVITATION THROUGH AUTHORISED PERSONS (SUCH AS INVESTMENT FIRMS, BANKS OR FINANCIAL INTERMEDIARIES PERMITTED TO CONDUCT SUCH ACTIVITIES IN ITALY IN ACCORDANCE WITH THE FINANCIAL SERVICES ACT, CONSOB REGULATION NO. 16190 OF 29 OCTOBER 2007, AS AMENDED FROM TIME TO TIME, AND LEGISLATIVE DECREE NO. 385 OF SEPTEMBER 1, 1993, AS AMENDED) AND IN COMPLIANCE WITH APPLICABLE LAWS AND REGULATIONS OR WITH REQUIREMENTS IMPOSED BY CONSOB OR ANY OTHER ITALIAN AUTHORITY. EACH INTERMEDIARY MUST COMPLY WITH THE APPLICABLE LAWS AND REGULATIONS CONCERNING INFORMATION DUTIES VIS-À-VIS ITS CLIENTS IN CONNECTION WITH THE BONDS OR THE INVITATION.

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THE COMMUNICATION OF THIS ANNOUNCEMENT BY THE COMPANY AND ANY OTHER DOCUMENTS OR MATERIALS RELATING TO THE INVITATION SHOULD NOT BE CONSTRUED AS CONSTITUTING ANY FORM OF INVESTMENT ADVICE OR RECOMMENDATION, GUIDANCE OR PROPOSAL OF A FINANCIAL NATURE UNDER THE SOUTH AFRICAN FINANCIAL ADVISORY AND INTERMEDIARY SERVICES ACT, 37 OF 2002 (AS AMENDED OR RE-ENACTED). THE INVITATION IS NOT BEING MADE TO AND DOES NOT CONSTITUTE AN "OFFER TO THE PUBLIC" (AS SUCH TERM IS DEFINED IN THE SOUTH AFRICAN COMPANIES ACT, NO 71 OF 2008 (THE "**SA COMPANIES ACT**") AND IS NOT, NOR IS IT INTENDED TO CONSTITUTE, A "REGISTERED PROSPECTUS" (AS SUCH TERM IS DEFINED IN THE SA COMPANIES ACT) PREPARED AND REGISTERED UNDER THE SA COMPANIES ACT.

GENERAL

THIS ANNOUNCEMENT DOES NOT CONSTITUTE AN OFFER TO SELL OR BUY OR A SOLICITATION OF AN OFFER TO SELL OR BUY ANY BONDS, AS APPLICABLE (AND OFFERS OF BONDS FOR PURCHASE IN THE INVITATION WILL NOT BE ACCEPTED FROM BONDHOLDERS), IN ANY CIRCUMSTANCES IN WHICH SUCH OFFER OR SOLICITATION IS UNLAWFUL. IN THOSE JURISDICTIONS WHERE THE SECURITIES, BLUE SKY OR OTHER LAWS REQUIRE THE INVITATION TO BE MADE BY A LICENSED BROKER OR DEALER AND ANY OF THE JOINT DEALER MANAGERS OR THEIR AFFILIATES IS SUCH A LICENSED BROKER OR DEALER IN SUCH JURISDICTIONS, THE INVITATION SHALL BE DEEMED TO BE MADE BY THE JOINT DEALER MANAGERS OR SUCH AFFILIATE (AS THE CASE MAY BE) ON BEHALF OF THE COMPANY IN SUCH JURISDICTIONS.