Impala Platinum Holdings Limited
(Incorporated in the Republic of South Africa)
Registration No. 1957/001979/06
Share code: IMP/IMPO ISIN: ZAE 000083648
LSE: IPLA ADR's: IMPUY
("Implats" or "the group" or "the company")

CONSOLIDATED INTERIM RESULTS FOR THE SIX MONTHS ENDED 31 DECEMBER 2008

KEY FEATURES

- Improved safety performance
- Significant falls in PGM prices offset by a weaker exchange rate
- Lower production at Impala Rustenburg
- Cost increases exacerbated by lower volumes
- Capital expenditure at R3.9 billion
- Cash preservation paramount

Statement of financial position

(All amounts in Rand million unless otherwise stated)	Notes	As at 31 December 2008 (Unaudited)	As at 31 December 2007 (Unaudited)	As at 30 June 2008 (Audited)
Assets				
Non-current assets				
Property, plant and equipment	5	24 532	17 894	20 601
Exploration and evaluation assets	5	4 294	4 318	4 294
Intangible assets	5	1 018	1 018	1 018
Investments in associates		1 003	1 528	1 038
Available-for-sale financial assets		41	1 678	56
Held-to-maturity financial assets		47	121	47
Other receivables and prepayments		12 355	12 587	12 551
		43 290	39 144	39 605
Current assets				
Inventories		4 117	4 700	5 893
Trade and other receivables		7 054	5 504	6 218
Cash and cash equivalents		4 272	2 263	10 393
		15 443	12 467	22 504
Total assets		58 733	51 611	62 109
Equity and liabilities				
Equity attributable to owners of the parent				
Share capital		14 039	14 837	14 750
Retained earnings		27 200	17 913	29 024
Other components of		235	729	(356)

equity		41 474	33 479	43 418
Non-controlling interest		1 935	1 748	1 885
Total equity		43 409	35 227	45 303
Liabilities				
Non-current liabilities				
Long-term borrowings	6	1 727	857	1 464
Deferred tax liability		6 768	5 512	5 247
Long-term provisions	7	705	1 011	1 548
		9 200	7 380	8 259
Current liabilities				
Trade and other payables		5 305	5 808	6 914
Current tax payable		638	1 402	1 183
Short-term borrowings	6	53	1 614	46
Current portion of long-term provisions	7	128	180	404
		6 124	9 004	8 547
Total liabilities		15 324	16 384	16 806
Total equity and liabilities		58 733	51 611	62 109

Income statement

(All amounts in Rand million unless otherwise stated)	Notes	For the Six months ended 31 December 2008 (Unaudited)	For the Six months ended 31 December 2007 (Unaudited)	For the year ended 30 June 2008 (Audited)
Revenue	4	16 243	16 323	37 619
Cost of sales	8	(8 817)	(8 697)	(19 888)
Gross profit	4	7 426	7 626	17 731
Other operating expenses		(166)	(207)	(533)
Royalty expense		(318)	(314)	(648)
Profit from operations		6 942	7 105	16 550
Finance income		845	286	689
Finance cost		(87)	(82)	(155)
Net foreign exchange transaction gains/(losses)		522	(220)	439
Other expense		(90)	(34)	(215)
Profit on sale of investments		–	–	4 831
Share of profit of associates		64	281	678
Profit before tax		8 196	7 336	22 817
Income tax expense		(2 939)	(2 646)	(5 112)
Profit for the period from continuing		5 257	4 690	17 705

operations				
Profit attributable to:				
Owners of the parent		5 286	4 660	17 596
Non-controlling interest		(29)	30	109
		5 257	4 690	17 705
Earnings per share (expressed in cents per share – cps)				
Basic		877	771	2 910
Diluted		877	770	2 907
Dividends to group shareholders (cps)				
Interim dividend	10	120	300	300
Final dividend	10			1 175

Statement of total comprehensive income
(All amounts in Rand millions unless otherwise stated)

	Fair value adjustments of investments	Translation of foreign subsidiaries	Total
For the six months ended 31 December 2007 (Unaudited)			
Profit for the period			
Other comprehensive income for the period, net of taxation:			
Fair value adjustment	120		120
Deferred tax thereon	(17)		(17)
Currency translation reserve		(87)	(87)
Deferred tax thereon		25	25
Total comprehensive income for the period	103	(62)	41
Attributable to:			
Owners of the parent	103	(50)	53
Non-controlling interest		(12)	(12)
	103	(62)	41
For the six months ended 31 December 2008 (Unaudited)			
Profit for the period			
Other comprehensive income for the year, net of taxation:			
Fair value adjustment	(29)		(29)
Deferred tax thereon	4		4
Currency translation reserve		970	970
Deferred tax thereon		(275)	(275)
Total comprehensive	(25)	695	670

income for the period			
Attributable to:			
Owners of the parent	(25)	616	591
Non-controlling interest		79	79
	(25)	695	670

	Retained earnings	Total
For the six months ended 31 December 2007 (Unaudited)		
Profit for the period	4 690	4 690
Other comprehensive income for the period, net of taxation:		
Fair value adjustment		120
Deferred tax thereon		(17)
Currency translation reserve		(87)
Deferred tax thereon		25
Total comprehensive income for the period	4 690	4 731
Attributable to:		
Owners of the parent	4 660	4 713
Non-controlling interest	30	18
	4 690	4 731
For the six months ended 31 December 2008 (Unaudited)		
Profit for the period	5 257	5 257
Other comprehensive income for the year, net of taxation:		
Fair value adjustment		(29)
Deferred tax thereon		4
Currency translation reserve		970
Deferred tax thereon		(275)
Total comprehensive income for the period	5 257	5 927
Attributable to:		
Owners of the parent	5 286	5 877
Non-controlling interest	(29)	50
	5 257	5 927

Cash flow statement

(All amounts in Rand million unless otherwise stated)	For the Six months ended 31 December 2008 (Unaudited)	For the Six months ended 31 December 2007 (Unaudited)	For the year ended 30 June 2008 (Audited)
Cash flows from operating activities			
Profit before tax	8 196	7 336	22 817
Adjustments to profit before tax	(2 155)	322	(3 299)
Cash from changes in working capital	839	(1 980)	(3 105)
Finance cost	(69)	(48)	(92)
Income tax paid	(2 317)	(2 136)	(5 080)

Net cash from operating activities	4 494	3 494	11 241
Cash flows from investing activities			
Purchase of property, plant and equipment	(3 884)	(2 363)	(5 291)
Proceeds from sale of property, plant and equipment	33	2	49
Increase in investments in associates	–	(32)	(9)
Proceeds from investments disposed	–	–	5 692
Purchase of listed investments	(7)	–	(39)
Payment received from associate on shareholders loan	99	202	235
Loan repayments received	28	–	–
Realisation of held-to-maturity investment	–	–	83
Finance income	628	285	559
Net cash (used in)/from investing activities	(3 103)	(1 906)	1 279
Cash flows from financing activities			
Issue of ordinary shares, net of cost	12	25	190
Purchase of treasury shares	(724)	–	(254)
Lease liability paid	(8)	(9)	(21)
Repayments of borrowings	(39)	(3)	(6)
Proceeds from borrowings	220	1 706	691
Dividends paid to company’s shareholders	(7 110)	(4 230)	(6 055)
Net cash used in financing activities	(7 649)	(2 511)	(5 455)
Net (decrease)/increase in cash and cash equivalents	(6 258)	(923)	7 065
Cash and cash equivalents at beginning of year	10 393	3 218	3 218
Effects of exchange rate changes on monetary assets	137	(32)	110
Cash and cash equivalents at end of year	4 272	2 263	10 393

The notes are an integral part of this condensed interim financial information

Statement of changes in equity

(All amounts in Rand millions unless otherwise stated)	Share capital and share premium	Retained earnings	Other compo-nents of equity

Balance at 30 June 2007	14 809	17 483	676
Change in share capital	28		
Total comprehensive income for the period		4 660	53
Dividends (note 10)		(4 230)	
Balance at 31 December 2007 (Unaudited)	14 837	17 913	729
Balance at 30 June 2008	14 750	29 024	(356)
Change in share capital	(711)		
Total comprehensive income for the period		5 286	591
Dividends (note 10)		(7 110)	
Balance at 31 December 2008 (Unaudited)	14 039	27 200	235

(All amounts in Rand millions unless otherwise stated)	Attribu-table to owners of the parent	Non controlling interest	Total equity
Balance at 30 June 2007	32 968	1 730	34 698
Change in share capital	28		28
Total comprehensive income for the period	4 713	18	4 731
Dividends (note 10)	(4 230)		(4 230)
Balance at 31 December 2007 (Unaudited)	33 479	1 748	35 227
Balance at 30 June 2008	43 418	1 885	45 303
Change in share capital	(711)		(711)
Total comprehensive income for the period	5 877	50	5 927
Dividends (note 10)	(7 110)		(7 110)
Balance at 31 December 2008 (Unaudited)	41 474	1 935	43 409

Notes

1 General information

The Company is a limited liability company incorporated and domiciled in South-Africa. The address of its registered office is 2 Fricker Road, Illovo 2196.

The Company has its primary listing on the JSE Limited.

The consolidated interim financial information was approved for issue on 19 February 2009.

2 Basis of preparation

The consolidated interim financial information for the six months ended 31 December 2008 has been prepared in accordance with IAS 34, ‘Interim Financial Reporting’. The consolidated interim financial information should be read in conjunction with the annual financial statements for the year ended 30 June 2008, which have been prepared in accordance with IFRS.

3 Accounting policies

The accounting policies applied are consistent with those of the annual financial statements for the year ended 30 June 2008, as described in those annual financial statements.

Taxes on income in the interim periods are accrued using the tax rate that would be applicable to expected total annual earnings. IAS 34 Interim Financial Reporting (latest effective date July 2009) was early adopted. All consequential amendments have been adopted as from 1 July 2008. The impact on Implats has been on disclosure only.

4 Segment information

The group distinguishes its segments between mining operation and refining services which include metals purchased and toll refined. Operating segments have consistently adopted the consolidated basis of accounting and there are no differences in measurement applied.

Summary of business segments:
(All amounts in Rand million unless otherwise stated)

	Six months ended 31 December 2008		Six months ended 31 December 2007		Year ended 30 June 2008	
	Revenue	*Gross profit	Revenue	*Gross profit	Revenue	*Gross profit
Mining						
Impala	9 741	6 107	9 670	5 975	20 889	13 544
Marula	116	213	720	278	1 827	745
Zimplats	369	194	688	373	2 132	964
Mimosa	263	233	387	213	958	541
Total mining	10 489	6 747	11 465	6 839	25 806	15 794
Refining services	6 220	707	6 740	848	15 704	1 883
Inter segment adjustment	(466)	(28)	(1 882)	(61)	(3 891)	(54)
Total	16 243	7 426	16 323	7 626	37 619	17 731

	Capital expendi-ture	Total assets	Capital expendi-ture	Total assets	Capital expendi-ture	Total assets
Mining						
Impala	2 704	34 853	1 527	28 701	3 415	38 922
Marula	326	2 639	181	3 040	345	1 970
Afplats	107	7 187	24	6 996	145	7 110
Zimplats	640	5 218	627	3 345	1 319	3 583
Mimosa	101	1 699	44	1 282	144	1 287
Total mining	3 878	51 596	2 403	43 364	5 368	52 872
Refining services		5 816		6 719		8 053
Other		1 321		1 528		1 184
Total	3 878	58 733	2 403	51 611	5 368	62 109

* including intercompany adjustments.

5 Property, plant and equipment, exploration and evaluation, and intangible assets

Selected six months non-current asset movements are presented below:

(All amounts in Rand million unless otherwise stated)	Property, plant and equipment	Exploration and evaluation assets	Intangible assets
Six months ended 31 December 2007			
Opening net book amount as at 1 July 2007	16 029	4 318	1 020
Exchange adjustment on translation	(87)		
Purchase price adjustment			(2)
Additions	2 403		
Depreciation, amortisation and other movements	(443)		
Disposals	(8)		
Closing net book amount as at 31 December 2007	17 894	4 318	1 018
Six months ended 31 December 2008			
Opening net book amount as at 1 July 2008	20 601	4 294	1 018
Exchange adjustment on translation	654		
Additions	3 878		
Depreciation and amortisation	(569)		
Disposals	(32)		
Closing net book amount as at 31 December 2008	24 532	4 294	1 018

Non-financial assets that have an indefinite life are not subject to amortisation, but are tested for impairment annually at 30 June (financial year end) or when there is any indication of impairment. There was no impairment for non-financial assets during the period.

6 Long-term borrowings

Borrowings from Standard Bank Limited:

• loans obtained by Black Economic Empowerment (BEE) partners for purchasing a 27% (June 2008: 27%) share in Marula Platinum (Proprietary) Limited amounting to R717 million (June 2008: R755 million). The loans consist of a term loan which carries interest at the Johannesburg Interbank Acceptance Rate (JIBAR) plus 90 basis points and a revolving credit facility amounting to R56 million (June 2008: R57 million), which carries interest at JIBAR plus 100 basis points. The loans will be repaid by financial year 2020.

The BEE partnership in Marula is consolidated as the loans are guaranteed by Implats.

• a loan facility of R750 million (US$80 million) (June 2008: R635 million (US$80 million)) was obtained to finance partially the Ngezi Phase One expansion at Zimplats. An amount of R710 million (US$76 million) (June 2008: R404 million (US$51 million)) of this facility was drawn at the end of the period. The loan carries interest at London Interbank Offering Rate (LIBOR) plus 700 basis points. It is repayable in 12 equal quarterly instalments starting December 2009 and will be repaid by December 2012. This loan is secured by sessions over cash, debtors and revenues of Zimplats Mines (Pvt) Limited.

7 Long-term provisions

The decrease in long-term provisions is attributable to the reduction in the cash-settled share based payment provision as it is based on the company's share price.

8 Cost of sales

(All amounts in Rand millions unless otherwise stated)	Six months ended 31 December 2008	Six months ended 31 December 2007	Year ended 30 June 2008
On mine operations	3 068	3 395	7 303
Concentrating and smelting operations	978	722	1 478
Refining operations	252	315	670
Amortisation of operating assets (note 5)	569	451	1 013
Metals purchased	1 939	4 458	11 012
Decrease/(increase) in metal inventories	2 011	(644)	(1 588)
	8 817	8 697	19 888

9 Headline earnings

Headline earnings per share is disclosed as required by the JSE Limited.

Earnings attributable to equity holders of the company arises from operations as follows:

(All amounts in Rand millions unless otherwise stated)	Six months ended 31 December 2008	Six months ended 31 December 2007	Year ended 30 June 2008
The calculation for headline earnings per share is based on the earnings per share calculation adjusted for the following items:			
Profit attributable to owners of the parent	5 286	4 660	17 596
Adjustments net of tax:			
Profit on disposal of property, plant and equipment	(1)		(4)
Impairment of Zimplats BMR			74
Profit on sale of investments			(5 181)
	5 285	4 660	12 485
Headline earnings per share (cents)			
Basic	877	771	2 065
Diluted	876	770	2 062
The issued share capital of the holding company is as follows (millions):			

Number of shares issued	631.58	630.90	631.58
Treasury shares	(16.23)	(9.85)	(10.67)
Morokotso Trust	(15.56)	(16.43)	(15.61)
Implats Share Incentive Trust	(0.20)	(0.16)	(0.27)
Number of shares issued outside the group	599.59	604.46	605.03
Adjusted for weighted shares issued during the year	3.01	(0.24)	(0.38)
Weighted average number of ordinary shares in issue	602.60	604.22	604.65
Adjustment for share option scheme	0.45	1.01	0.59
Weighted average number of ordinary shares for diluted earnings per share	603.05	605.23	605.24

10 Dividends per share

At the board meeting on 19 February 2009, an interim cash dividend in respect of 2009 of 120 cents per share amounting to R720 million was declared.

The final dividend of R7 110 million (2007: R4 230 million) was paid during the period.

11 Guarantees

As at December 2008 the group had contingent liabilities in respect of bank and other guarantees and other matters arising in the ordinary course of business from which it is anticipated that no material liabilities will arise. Total guarantees decreased by R25 million during the six months to an amount of R504 million (June 2008: R529 million).

12 Capital commitments and derivative exposure

Capital expenditure approved at 31 December 2008 amounted to R17.8 billion (June 2008: R20.6 billion), of which R3.8 billion (June 2008: R3.7 billion) is already committed. This expenditure will be funded internally and if necessary, from borrowings.

With regard to derivative instruments, the group, from time to time, sells refined metal, held on behalf of third parties, into the market with a commitment to repurchase the metal at a later date. The fair value of the commitment as at 31 December 2008 amounts to R247 million (June 2008: R318 million).

13 Net asset value

Net asset value based on the number of ordinary shares issued outside the group is 6 917 cps (June 2008: 7 177 cps).

Operating Statistics

		Six months ended 31 December 2008	Six months ended 31 December 2007	% change	Year ended 30 June 2008
Gross refined production					
Platinum	(000oz)	878	1 031	(14.8)	1 907
Palladium	(000oz)	474	573	(17.3)	1 044
Rhodium	(000oz)	128	133	(3.8)	261

Nickel	(000t)	7.3	8.3	(12.1)	14.8
IRS metal returned (toll refined)					
Platinum	(000oz)	93	112	(16.9)	208
Palladium	(000oz)	85	103	(17.5)	199
Rhodium	(000oz)	17	23	(26.1)	42
Nickel	(000t)	1.1	1.3	(15.4)	2.1
Sales volumes					
Platinum	(000oz)	806	896	(10.0)	1 739
Palladium	(000oz)	427	466	(8.4)	885
Rhodium	(000oz)	89	106	(16.0)	197
Nickel	(000t)	5.3	6.5	(18.5)	12.5
Prices achieved					
Platinum	($/oz)	1 369	1 352	1.3	1 598
Palladium	($/oz)	310	355	(12.7)	390
Rhodium	($/oz)	5 890	6 063	(2.9)	6 963
Nickel	($/t)	16 589	32 228	(48.5)	30 253
Consolidated statistics					
Average rate achieved	(R/$)	8.31	6.91	20.3	7.32
Closing rate for the period	(R/$)	9.37	6.79	37.9	7.93
Revenue per platinum ounce sold	($/oz)	2 408	2 622	(8.2)	2 941
	(R/oz)	20 010	18 118	10.4	21 528
Tonnes milled ex-mine	(000t)	10 503	10 855	(3.2)	20 380
PGM refined production	(000oz)	1 717	1 979	(13.2)	3 644
Capital expenditure	(Rm)	3 878	2 403	61.4	5 368
Group unit cost per platinum ounce					
Excluding share based cost	($/oz)	983	914	(7.5)	954
	(R/oz)	8 681	6 340	(36.9)	6 930
Including share based cost	($/oz)	791	970	18.5	1 067

(R/oz)	6 986	6 722	(3.9)	7 750

Additional statistical information is available on the company's internet website.

Introduction

Given the current market environment and the short-term outlook, cash preservation is paramount. This has involved reviewing our project pipeline, capital expenditure and operating costs. Given the current market demand, it was deemed prudent to defer long lead projects resulting in a lower outlay of approximately R10 billion on our previous announced programme of R30 billion. Capital expenditure has been closely scrutinised and the decision taken to continue with 16, 17 and 20 shafts at the Impala Platinum operations, as well as Zimplats Phase 1 expansion. Operating expenditure is being cut on an ongoing basis in order to ensure all ounces remain profitable.

Market Overview

2008 can only be characterised as a year of two halves, with the first half dominated by supply concerns, driven in part by the Eskom crisis, whilst the second half was victim of the credit crisis and massive deleveraging of commodities by consumers and hedge funds. What was initially expected to be a very tight year in the platinum market, turned around dramatically as demand, which shrunk on the back of lower vehicle sales, was offset by lower supplies, despite an increase in recycled metal from the Japanese jewellery industry. South African supply disappointed once again with a 13.1% drop from 2007.

Demand from all major sectors was lower during the year with the exception we believe, of the Chinese jewellery market, which has taken advantage of significantly lower prices. Having reached over $2 200/oz during March 2008, prices plunged to below $800/oz during October, but have managed to recoup some of these losses to end the year just below $900/oz.

As with platinum, palladium demand was also down on a fundamental basis, and only purchases by the Exchange Traded Funds kept the market from further falls. As the US, European and Japanese auto markets suffered double digit declines, growth in "other" areas of the world was insufficient to cushion the impact of these declines. Further destocking of palladium by the Russians ensured the high price of $580/oz in February 2008 was not sustainable and the price retreated to below $200/oz by year end.

Rhodium was perhaps the biggest victim of its own rise as the move above $10 000/oz saw significant thrifting and subsequent destocking by the car companies in a move to generate cash, leaving the metal some 90% below its all time high.

Safety

Ensuring a safe and healthy working environment at Implats is a key strategic objective for the company. We fully support the Department of Minerals and Energy's (DME) focus on safety and we are working with the DME's inspectors to ensure that there is better compliance and understanding in order to improve our safety performance and to limit the unnecessary section 54 closures which have occurred in the past six months.

Despite an improvement in our safety performance with the lost time injury frequency rate (LTIFR) down by 2.4% from the previous financial year to 2.85 sadly six people lost their lives during the course of work in the six months to December 2008. The board and management extend their sincere condolences to the family and friends of our colleagues.

Falls of ground accounted for two fatalities but the most common root cause of all fatalities has been our failure as a company to ensure all our employees, including our supervisors and managers, adhere to codes of practice and procedures. The company has robust safety programmes and excellent codes of practice and procedures in place which will contribute to improvements in safety, but our compliance with these remains a problem.

We have, in conjunction with our health and safety representatives, been gaining a better understanding of the impact of a risk taking culture and this understanding is forming new strategies and initiatives to change that mindset.

Operational Review

Production and cost performance have been extremely disappointing in the first half. Gross platinum production for the group declined by 14.8% to 878 000 ounces impacted by decreased production from Impala Platinum and IRS, the latter due to reduced deliveries from third parties. The lower throughput when combined with ongoing high inflationary pressures resulted in unit costs increasing by 36.9% to R8 681 per platinum ounce excluding share based payments (R6 986 per platinum ounce including share based payments, a 3.9% increase from the six month period ending 31 December 2007).

The shortage of supervisory skills continues to affect our business, although there has been a slowing in turnover as the global economic crisis has tempered demand. We continue with various retention strategies specifically focusing on miners, artisans, shift supervisors and engineers.

IMPALA PLATINUM

Although the LTIFR improved by 3.2% the safety performance at Impala Platinum was disappointing with six fatalities during the period. The main issues are insufficient supervisory intervention and the lack of employee compliance with standards and procedures.

Platinum production at Impala was down 10.5% to 515 500 ounces due to a lack of focus on on-reef development at third generation shafts. To address this and other mining issues a new mining management structure was implemented in December 2008. Development contractors are being replaced with our own employees to drive improvement in this area. Safety stoppages resulted in a loss of around 10 000 ounces of platinum during the period.

Tonnes milled were down 4.8% to 8 134 million as a result of under delivery. Lack of on-reef development was the main contributor to the poor performance. Headgrade deteriorated 5.4% from 3.90 g/t to 3.69 g/t due to limited Merensky face availability and poor efficiencies due to the failure to complete the mining cycle. The issue is being closely monitored and an action plan to address the problem has been implemented. Results are expected to take 18 to 24 months.

The refining operation was influenced by the decrease in deliveries and gross refined PGM production declined 13% from the previous reporting period.

The unit cost per platinum ounce rose by 36.4% to R8 078 per platinum ounce excluding share based payments. The increase was due to lower production and the ongoing impact of high inflationary increases which continued to feed through this period.

Capital expenditure rose by 77.3% to R2.7 billion. Sinking operations commenced at 17 shaft while 16 and 20 shafts remained under development.

MARULA

While safety from a fatality perspective was excellent during the period, the LTIFR deteriorated from 1.52 to 2.01.

The planned ramp up in production has fallen behind schedule due to a combination of safety stoppages and illegal industrial action in the current period. This is reflected in tonnes milled, only improving by 2.6% to 781 000 which resulted in a corresponding increase in platinum production in concentrate to 36 400 ounces.

Unit cost per platinum ounce climbed 31.3% to R11 841 driven by the high inflationary environment and lower than planned production which was 13.1% below budget. The ramp up to full production will be achieved in FY2011.

ZIMPLATS

Despite an extremely challenging operating environment Zimplats continued to deliver outstanding performances in all areas of operation. The LTIFR was maintained at 0.62. Tonnes milled were essentially unchanged half year on half year. Platinum in matte production rose 15.0% from 40 800 ounces in the six months to December 2007 to 46 900 ounces due to the planned maintenance to the furnace in the previous period. Unit cost per platinum ounce increased by 5.1% in dollar terms to $1 350 influenced by impact of more expensive opencast operation, transportation and higher proportion of dollar denominated costs.

Work on the Phase 1 expansion is ongoing. The concentrator will be commissioned in April 2009 and full production of 180 000 ounces of platinum per annum remains on schedule for FY2010.

MIMOSA

Mimosa also maintained an excellent safety performance. Tonnes milled rose by 13.3% to 1 014 000 and platinum production increased by 11.1% to 44 000 ounces in concentrate. Exchange rate variances had the major impact on costs and the unit cost per platinum ounce escalated by 18.0% in dollar terms to $955.

TWO RIVERS

The operation which produced 58 000 ounces of refined platinum, has completed its mining ramp-up to full production of 120 000 ounces of platinum per annum.

IMPALA REFINING SERVICES

Production at IRS declined by 20.4% to 363 000 ounces of platinum. The lower volumes resulted from reduced deliveries from Aquarius Platinum (“AQP”) primarily due to the cessation of the offtake agreement with their Kroondal mine coupled with lower deliveries from Everest, Marikana and autocatalyst material.

Financial Review

Revenue for the period ending December 2008 reduced by 0.5% to R16.2 billion (US$1.96 billion) from R16.3 billion (US$2.36 billion) for the comparative period ending December 2007. The variance analysis of the sales differential is as follows:

- Sales volumes: a 11.2% decline in sales volumes resulted in a negative volume variance of R1.8 billion.
- Dollar revenues per platinum ounce decreased by 8.2% to $2 408/oz. Overall PGM prices were 5.8% lower and contributed to a negative price variance of R947 million;
- The average exchange rate achieved for the six months was R8.31/$ (2007: R6.91/$) resulting in a positive exchange rate variance of R2.7 billion.

Cost of sales rose marginally by 1.4% to R8.82 billion. The main changes in the cost of sales were as follows:

- The two-year wage agreement at the South African operations allowed for CPIX plus 1% increase, resulting in a group wage hike of 12.6%. Costs were further impacted by retention strategies implemented during the previous financial year.
- There was a decrease in metal purchases on the back of lower rand metal prices.
- The reduction in metal inventory largely due to the change in rand metal prices.
- A fall in the share price resulted in an amount of R995 million credited to cost of sales (December 2007: R263 million expense) due to the release from the share based payment provision in line with the price moving from R309/share in June 2008 to close at R135/share on 31 December 2008.
- Amortisation cost higher at R569 million (2007: R451 million) as a result of the capital expenditure programme, as well as the conversion of our Zimbabwean operations at a weaker R/$ exchange rate.

The group unit cost per platinum ounce produced, including share based payments escalated by 3.9% to R6 986 Pt/oz (2007: R6 722 Pt/oz). If share based payments are excluded from the unit cost calculation, the unit cost per platinum ounce that relates to operating costs was 36.9% more at R8 681 Pt/oz (2007: R6 340 Pt/oz).

The group’s operating margins remained stable at 45.7% (2007: 46.7%), despite operating and economic difficulties experienced. Impala contributed the bulk (82.2%) of the group’s gross profit (2007: 78.4%).

Equity income from investments of R64 million was from Implats’ holding in Two Rivers. A significant decline from the comparative period was as a result of the sale of the group’s stake in AQP and AQP (SA).

The group acquired, through a subsidiary, 5 562 545 of its own shares in this financial period in terms of an approved share buy-back scheme. This was executed through purchases on the stock exchange for an amount of R724 million. The buy back arrangement was however suspended on the back of Implats’ cash preservation programme that was announced.

Profit for the period attributable to owners of the parent increased by 13.4% to R5.3 billion.

Cash from operating activities during the interim period totalled R4.5 billion, after funding the capital expenditure of R3.9 billion and dividend payment of R7.1 billion; the closing cash position was R4.3 billion.

Group capital expenditure for the 2009 interim period totalled R3.9 billion compared to the R2.4 billion in the previous interim period. The bulk of this capital expenditure was spent at Impala on the development of 16, 17 and 20 shafts. Zimplats and Marula spent R640 million and R326 million respectively.

After taking into account the significant volatility reflected in current markets, as well as the strong financial position of Implats an interim dividend of R1.20 per share has been declared. The total cash outlay will be R790 million (including STC). Although the dividend cover has not been formally modified, the interim dividend was based on the total quantum of cash payable rather than on a cover basis. The final dividend will also be carefully reviewed and as in the case of this interim dividend, will reflect then market conditions and our view of the short term outlook.

Prospects

With world economies and their financial systems still on life support, it is increasingly difficult to forecast the outcome for 2009. Suffice to say we do not expect any major recovery in automotive demand. In this environment, and with reduced metal availability from South Africa, Russia and perhaps more significantly the recycle market (both automotive and jewellery), we expect the market to register a small surplus for 2009.

In summary, the dire economic circumstances belie the more positive fundamentals for PGM’s that we have often articulated. However we believe the confidence needed to restore the health of this market may prove elusive during the bulk of the year.

Fred Roux	David Brown	Johannesburg
Chairman	Chief Executive Officer	19 February 2009

Declaration of Interim Dividend

An interim cash dividend of 120 cents per share has been declared in respect of the half-year ended 31 December 2008. The last day to trade (“cum” the dividend) in order to participate in the dividend will be Friday, 6 March 2009. The share will commence trading “ex” the dividend from the commencement of business on Monday, 09 March 2009 and the record date will be Friday, 13 March 2009.

The dividend is declared in the currency of the Republic of South Africa. Payments from the London transfer office will be made in United Kingdom currency at the rate of exchange ruling on Thursday, 12 March 2009, or on the first day thereafter on which a rate of exchange is available.

The dividend will be paid on Monday, 16 March 2009. Share certificates may not be dematerialised/rematerialised during the period Monday, 09 March 2009 to Friday, 13 March 2009, both dates inclusive.

By order of the Board

A Parboosing
Group Company Secretary

Johannesburg
19 February 2009

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A copy of the interim report is available on the company's website: http://www.implats.co.za

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Johannesburg
19 February 2009

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Deutsche Securities (SA)(Proprietary) Limited