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

Consolidated interim results (reviewed) for the six months ended 31 December 2010

Safety
Safety performance unsatisfactory
Production
Gross platinum production up 6% to 952 000 ounces
Revenue
Revenue 38% higher, mainly due to increased volumes and stronger dollar metal prices
Costs
Unit cost per platinum ounce rose by 4%
Gross margin
Healthy gross margin, 33%
Operational
Rustenburg recovery on track, Zimplats and Mimosa continue to meet operational targets
Dividend
Interim dividend of 150 cents per share

Commentary

The period under review has been one of recovery not only in terms of the global economy and the improved outlook for our metals but also continuing improvements at the flagship Impala Rustenburg operation. Development of the three new shafts at this operation continues with first production from 20 Shaft delivered in January 2011. These shafts will ensure steady-state production of a million ounces of platinum by 2014. The Phase 2 expansion at Zimplats, which forms a key part of our growth strategy, has commenced and is progressing satisfactorily.

Market overview

A somewhat pedestrian recovery in Western world markets was impacted by stubbornly high unemployment levels in the US and sovereign debt issues bedevilling the Eurozone. Despite these issues, the economic might of the developing world - particularly China, has seen platinum continue its recovery from the lows of calendar year 2008. Prices started the current year at the $1 500 level and ended on highs of $1 750, despite a brief but violent correction in mid-May following the liquidation of speculative positions in the forward markets on the back of Eurozone sovereign debt fears. The market performance had more to do with a surge of money flowing into investment products such as the Platinum ETF's which grew by 550 000 ounces during the year following the launch of the US fund in January, and the paper markets which added around 600 000 ounces. From a physical demand perspective the Chinese automotive market continued to cement its place as the world's largest auto market with over 18 million vehicles sold in the year. However, the jewellery market consolidated somewhat after an extremely robust 2009 when inventories were replenished at significantly lower prices. A second round of Quantitative Easing (QE 2) in the US towards the latter part of the year to kickstart the recovery process has added further liquidity into the market and further supported commodity purchases. We believe the market was balanced for the year following the growth in ETF's.

Palladium was a beneficiary of similar factors, but the effects were further enhanced by decidedly robust fundamentals given the growth in emerging markets of gasoline-fuelled and palladium-catalysed vehicles. Palladium ETF's doubled during the year to end at 2.2 million ounces and the positions on Nymex ended at 1.7 million, having peaked just north of 2.0 million ounces in the previous month. As a result the price gained over 85% during the year to end just shy of $800. The combination of increased offtake from both the automotive and investment sectors coupled with reduced Russian stock deliveries left the market in deficit for the period.

The Rhodium market also experienced a volatile year trading between $2 100 and $2 950, ending the year at $2 425. There has been some evidence of speculative positioning in this market but clearly not to the extent as seen in the other metals. We believe the market has been adequately supplied during the year.

Safety

Safety remains a major challenge for the Group and in spite of an intense focus on safety at all operations, six fatal incidents occurred during this reporting period. Five of these fatalities were at our Impala Rustenburg operations and one occurred at Mimosa. The Board, Management and all of our team extend their sincere condolences to the families and friends of the six employees who died.

As outlined in the annual report we engaged Du Pont Safety Resources to review and benchmark our safety systems and culture. The major findings of this study have focused our safety strategy on two main areas, namely supervision and the safety culture of all employees. In the case of the former, emphasis is on operational discipline and the role of both the miner and the mine overseer in safety. In order to change the safety culture to one of acceptance of the importance of safety in conjunction with compliance, we have incorporated Du Pont's cultural assessment recommendations into the strategy.

Du Pont Sustainability Solutions have also been commissioned to provide safety training to middle and senior management using the DuPont STOP process. Training has commenced and is scheduled to be completed by June 2011.

Operational review

Group platinum production increased by 6% to 952 000 ounces for the six months ending December 2010 compared to the corresponding period last year. This was due to higher throughput at Impala Rustenburg, and the ramp-up to full production of the Phase 1 expansion at Zimplats. Unit costs were well contained, rising by 4% to R10 271 as a result of the higher output.

Impala

Five fatalities occurred during the reporting period. The Lost Time Injury Frequency Rate (LTIFR) deteriorated from 5.09 (FY2010) to 5.38 per million man hours. The main issue continues to be behavioural non-compliance with and inadequate enforcement of safety related standards and procedures.

Impala Rustenburg remains on the road to recovery. Tonnes milled improved by 15% to 7.8 million following the twin impact of the 14 Shaft incident and the strike which marred the previous interim reporting period. Coupled with a marginal increase in headgrade,

refined platinum production rose by 16% to 500 500 ounces. The higher volumes positively impacted on unit costs which were up 4% to R10 162 per platinum ounce excluding share based payments.
Operational focus remains on on-reef development at the major shafts. Total development, including capital, was up 22% with the on-reef component 16% higher at 45 402 metres. The first of the new generation shafts, 20 Shaft, commenced production in January 2011.
Capital expenditure increased by 12% to R1.8 billion, the bulk of which was once again spent on the new shafts.

Zimplats
The safety performance was excellent with no fatalities and only three lost time injuries recorded during the period. Tonnes milled increased by 6% to 2.08 million reflecting the on-going ramp-up at Bimha Mine which will reach steady state production later in the year.
The higher throughput coupled with higher mill grades and concentrator recoveries resulted in platinum production in matte, improving by 9% to 89 000 ounces. Unit costs per platinum ounce in matte rose by 19% to $1 204 (12% to R8 596). This increase is higher than underlying inflation due to stockpile milling in the corresponding period a year ago.
The Phase 2 expansion to 270 000 ounces of platinum is on track with the completion of the Portal 3 boxcut scheduled for March 2011. Discussions with Government regarding the company’s empowerment proposals are ongoing.

Marula
Although the operation achieved another fatality-free reporting period, the LTIFR is of concern, deteriorating from 9.39 (FY2010) to 11.78 per million man hours. Over 70% of these accidents are due to material handling and slip-and-falls. The installation of the new chairlift and further automation of material handling as well as training initiatives should reduce these types of incidents.
Tonnes milled rose by 9% to 888 000 resulting in a similar increase in platinum production in concentrate to 41 000 ounces. The labour compliment was approximately 900 higher in line with the build-up in conventional mining. This resulted in the unit costs rising by 19% to R14 683 per platinum ounce in concentrate excluding share based payments.

Mimosa
One fatality occurred during the reporting period, however, the LTIFR improved from 0.35 (FY2010) to 0.25 per million man hours. In line with steady-state throughput, tonnes milled and platinum production in concentrate were virtually unchanged at approximately 1.14 million and 51 000 ounces respectively. Unit costs per platinum ounce in concentrate rose by 12% to $1 240 (5% to R8 848) due to an increase in both labour and materials usage costs. The latter was due to poor ground conditions which required additional support.

Two Rivers
Tonnes milled were unchanged at 1.48 million. Platinum in concentrate production was in line with this at 73 000 ounces. Costs increased by 18% to R9 473 per platinum ounce in concentrate due to higher consumable costs, additional spend on redevelopment and stockpile milling during the comparable period.

Impala Refining Services (IRS)
Platinum production at IRS declined by 2% to 451 000 ounces. The lower volumes were due to pipeline increases which will reverse before financial year end.

Mineral Resources and Mineral Reserves
There has been no material change to the technical information relating to the group's mineral reserves and resources, or legal title to its mining and exploration activities, as disclosed in the annual report for the financial year ended 30 June 2010.

Financial review
Basic headline earnings improved by 63% to 345 cents per share from 212 cents. A key feature in earnings growth was the increase in revenue, which was up by 38% to R15.3 billion as a result of higher sales volumes (R1.4 billion) and metal prices (R4.0 billion). The average rand/dollar exchange rate achieved during the period under review strengthened from R7.70 to R7.16 which resulted in lower revenue of R1.2 billion. The closing rate of R6.62 compared to R7.39 at the end of the comparable period resulted in additional foreign exchange transactional losses of R375 million. The combined effect of the stronger rand is equivalent to 185 cents per share after tax.
Cost of sales increased by R2.3 billion. The main contributors were metals purchased (higher volumes and rand metal prices), volume improvement from Impala Rustenburg and Zimplats (R316 million). Cost of sales was also impacted by inflation primarily relating to wages, electricity and water (R831 million). The cumulative effect of revenue strengthening 38% and cost of sales up by 28% was a gross margin improvement to 33%.
The group unit cost per platinum ounce produced, excluding share based payment costs escalated 4% to R10 271 per platinum ounce from the comparable period.
Capital expenditure for the half year totalled R2.4 billion, compared to R2.2 billion in the previous half year to December 2009. Of this, R1.8 billion was spent at Impala, primarily on the development of 16, 17 and 20 Shafts. The forecast capital expenditure for the balance of financial year 2011 will amount to approximately R4 billion, and is estimated to be R29 billion for the next four years. This will be managed in line with the Group's profitability and cash flow.
Cash from operating activities for the interim period totalled R2.7 billion (December 2009: R2.4 billion). Cash net of debt amounted to R115 million (December 2009: R 941 million).
The Board declared an interim dividend of 150 cents per share which equates to an increase of 25% on the interim dividend of the comparable period.

Prospects
The growing influence of the emerging market economies and the injection of further liquidity in the US augurs well for a sustained recovery in world markets. These coupled with the containment of Europe's debt problems and challenging supply prospects will result in tight market conditions for both platinum and palladium. In line with this the rhodium market is expected to move back to balance.
The improved operational recovery coupled with the capital and expansion projects position the Company well to benefit from the improving economic environment.

Khotso Mokhele
Chairman

David Brown
Chief Executive Officer

Johannesburg, 17 February 2011

Declaration of interim cash dividend

An interim cash dividend of 150 cents per share has been declared in respect of the half-year ended 31 December 2010. The last day to trade ("cum" the dividend) in order to participate in the dividend will be Friday, 04 March 2011. The share will commence trading "ex" the dividend from the commencement of business on Monday, 07 March 2011 and the record date will be Friday, 11 March 2011.

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, 10 March 2011, or on the first day thereafter on which a rate of exchange is available.

A further announcement stating the rand/GBP conversion rate will be released through the relevant South African and UK news services on Friday, 11 March 2011.

The dividend will be paid on Monday, 14 March 2011. Share certificates may not be dematerialised/rematerialised during the period Monday, 07 March 2011 to Friday, 11 March 2011, both dates inclusive.

By order of the Board
A Parboosing
Group Company Secretary
Johannesburg, 17 February 2011

Approval of the interim financial statements

The interim financial statements for the period ended 31 December 2010, were approved by the Board of directors on 15 February 2011.

The directors are responsible for the fair presentation to shareholders of the affairs of the Group as at the end of the interim period, and of the results for the period, as set out in the interim financial statements. The directors are responsible for the overall co-ordination of the preparation and presentation, and approval of the interim financial statements. Responsibility for the initial preparation of these statements has been delegated to the officers of the Group.

The independent auditors were appointed to perform a review on the financial statements. The financial statements have been prepared on a going concern basis, conform with applicable accounting standards and are presented applying consistent accounting policies supported by reasonable and prudent judgements and estimates. To discharge this responsibility, the Group maintains accounting and administrative control systems designed to provide reasonable assurance that assets are safeguarded and that transactions are executed and recorded in accordance with sound and ethical business practices and procedures. The accounting policies of the Group are set out in the annual financial statements for the year ended 30 June 2010.

K Mokhele
Chairman

DH Brown
Chief Executive Officer

Statement of financial position

R millions	Notes	As at 31 December 2010 (Reviewed)	As at 31 December 2009 (Reviewed)	As at 30 June 2010 (Audited)
Assets				
Non-current assets				
Property, plant and equipment	5	30 647	27 666	29 646
Exploration and evaluation assets		4 294	4 294	4 294
Intangible assets		1 018	1 018	1 018
Investment in associates		883	998	934
Available-for-sale financial assets		13	40	14
Held-to-maturity financial assets		59	54	56
Receivables and prepayments		13 651	13 323	13 781
		50 565	47 393	49 743
Current assets				
Inventories		6 265	5 512	5 382
Trade and other receivables		4 154	3 180	3 588
Cash and cash equivalents		1 720	3 053	3 858
		12 139	11 745	12 828
Total assets		62 704	59 138	62 571
Equity and liabilities				
Equity attributable to owners of the company				
Share capital		14 201	14 108	14 151
Retained earnings		30 465	27 289	30 017
Other components of equity		(862)	(471)	(376)
		43 804	40 926	43 792
Non-controlling interest		1 944	1 842	1 941
Total equity		45 748	42 768	45 733
Liabilities				
Non-current liabilities				
Deferred tax liability		7 843	7 268	7 747
Long-term borrowings	6	1 292	1 825	1 827
Long-term provisions		1 545	1 556	1 498
		10 680	10 649	11 072
Current liabilities				
Trade and other payables		4 966	5 068	5 147
Current tax payable		98	22	24
Short-term borrowings	6	313	287	301
Short-term provisions		899	344	294
		6 276	5 721	5 766
Total liabilities		16 956	16 370	16 838

Total equity and liabilities		62 704	59 138	62 571

Statement of comprehensive income

R millions	Notes	Six months ended 31 December 2010 (Reviewed)	Six months ended 31 December 2009 (Reviewed)	Year ended 30 June 2010 (Audited)
Revenue		15 315	11 122	25 446
Cost of sales	7	(10 294)	(8 034)	(17 294)
Gross profit		5 021	3 088	8 152
Other operating expenses		(381)	(310)	(585)
Royalty expense		(417)	(195)	(536)
Profit from operations		4 223	2 583	7 031
Finance income		189	143	321
Finance cost		(154)	(105)	(319)
Net foreign exchange transaction (losses)/gains		(551)	(176)	52
Other (expenses)/income		(568)	(38)	45
Share of profit of associates		67	15	95
Profit before tax		3 206	2 422	7 225
Income tax expense		(1 054)	(1 156)	(2 431)
Profit for the period		2 152	1 266	4 794
Other comprehensive income:				
Available-for-sale financial assets		3	10	16
Deferred tax thereon		0	(2)	(4)
Exchange differences on translating foreign operations		(790)	(205)	(34)
Deferred tax thereon – translation		222	59	10
– rate change		–	–	(14)
Total comprehensive income		1 587	1 128	4 768
Profit attributable to:				
Owners of the company		2 070	1 269	4 715
Non-controlling interest		82	(3)	79
		2 152	1 266	4 794
Total comprehensive income attributable to:				
Owners of the company		1 584	1 150	4 691
Non-controlling interest		3	(22)	77
		1 587	1 128	4 768
Earnings per share (cents per share)				

Basic	345	211	786
Diluted	344	211	785

For headline earnings per share and dividend per share refer note 8 and 9.

Statement of changes in equity

R millions	Number of shares issued (million)*	Ordinary shares	Share premium	Share based payment reserve
Balance at 30 June 2010	600.44	15	12 146	1 990
Shares issued				
Share option scheme	0.10	0	7	0
Employee Share Ownership Programme	0.27	0	43	0
Total comprehensive income				
Dividends (note 9)				
Balance at 31 December 2010 (Reviewed)	600.81	15	12 196	1 990
Balance at 30 June 2009	599.83	15	12 063	1 991
Shares issued				
Share option scheme	0.07	0	4	
Employee Share Ownership Programme	0.22	0	35	0
Total comprehensive income				
Dividends (note 9)				
Balance at 31 December 2009 (Reviewed)	600.12	15	12 102	1 991
Balance at 30 June 2009	599.83	15	12 063	1 991
Shares issued				
Share option scheme	0.13	0	7	
Employee Share Ownership Programme	0.48	0	76	(1)
Total comprehensive income				
Dividends (note 9)				
Balance at 30 June 2010 (Audited)	600.44	15	12 146	1 990

*Refer note 8. The table above excludes the treasury shares, Morokotso Trust and the Implats share incentive scheme as these special purpose vehicles are consolidated.

Statement of changes in equity (continued)

R millions	Total share capital	Retained earnings	Fair value reserve	Foreign currency translation reserve
Balance at 30 June 2010	14 151	30 017	(15)	(361)
Shares issued				
Share option scheme	7			
Employee Share	43			

Ownership Programme				
Total comprehensive income		2 070	5	(491)
Dividends (note 9)		(1 622)		
Balance at 31 December 2010 (Reviewed)	14 201	30 465	(10)	(852)
Balance at 30 June 2009	14 069	27 222	(27)	(325)
Shares issued				
Share option scheme	4			
Employee Share Ownership Programme	35			
Total comprehensive income		1 269	8	(127)
Dividends (note 9)		(1 202)		
Balance at 31 December 2009 (Reviewed)	14 108	27 289	(19)	(452)
Balance at 30 June 2009	14 069	27 222	(27)	(325)
Shares issued				
Share option scheme	7			
Employee Share Ownership Programme	75			
Total comprehensive income		4 715	12	(36)
Dividends (note 9)		(1 920)		
Balance at 30 June 2010 (Audited)	14 151	30 017	(15)	(361)

*Refer note 8. The table above excludes the treasury shares, Morokotso Trust and the Implats share incentive scheme as these special purpose vehicles are consolidated.

Statement of changes in equity (continued)

R millions	Total other components of equity	Attributable to owners of the company	Non-Controlling interest	Total equity
Balance at 30 June 2010	(376)	43 792	1 941	45 733
Shares issued				
Share option scheme		7		7
Employee Share Ownership Programme		43		43
Total comprehensive income	(486)	1 584	3	1 587
Dividends (note 9)		(1 622)		(1 622)
Balance at 31 December 2010 (Reviewed)	(862)	43 804	1 944	45 748
Balance at 30 June 2009	(352)	40 939	1 864	42 803
Shares issued				

Share option scheme		4		4
Employee Share Ownership Programme		35		35
Total comprehensive income	(119)	1 150	(22)	1 128
Dividends (note 9)		(1 202)		(1 202)
Balance at 31 December 2009 (Reviewed)	(471)	40 926	1 842	42 768
Balance at 30 June 2009	(352)	40 939	1 864	42 803
Shares issued				
Share option scheme		7		7
Employee Share Ownership Programme		75		75
Total comprehensive income	(24)	4 691	77	4 768
Dividends (note 9)		(1 920)		(1 920)
Balance at 30 June 2010 (Audited)	(376)	43 792	1 941	45 733

*Refer note 8. The table above excludes the treasury shares, Morokotso Trust and the Implats share incentive scheme as these special purpose vehicles are consolidated.

Cash flow statement

R millions	Six months ended 31 December 2010 (Reviewed)	Six months ended 31 December 2009 (Reviewed)	Year ended 30 June 2010 (Audited)
Cash flows from operating activities			
Profit before tax	3 206	2 422	7 225
Adjustments to profit before tax	1 905	1 300	1 648
Cash from changes in working capital	(1 478)	(486)	(1 184)
Exploration costs	(10)	(23)	(47)
Finance cost	(108)	(44)	(48)
Income tax paid	(780)	(729)	(1 676)
Net cash from operating activities	2 735	2 440	5 918
Cash flows from investing activities			
Purchase of property, plant and equipment	(2 358)	(2 211)	(4 412)
Proceeds from sale of property, plant and equipment	5	3	13
Proceeds from investments disposed	1	8	8
Purchase of investments	—	(27)	0
Payment received from associate on			

shareholders' loan	112	–	196
Loan repayments received	127	442	442
Net advances	(739)	–	(106)
Finance income	120	110	259
Net cash used in investing activities	(2 732)	(1 675)	(3 600)
Cash flows from financing activities			
Issue of ordinary shares, net of cost	50	39	82
Lease liability repaid	(9)	(10)	(18)
Repayments of borrowings	(464)	(50)	(136)
Proceeds from borrowings	–	170	176
Dividends paid to company's shareholders	(1 622)	(1 202)	(1 920)
Net cash used in financing activities	(2 045)	(1 053)	(1 816)
Net (decrease)/increase in cash and cash equivalents	(2 042)	(288)	502
Cash and cash equivalents at beginning of period	3 858	3 348	3 348
Effect of exchange rate changes on cash and cash equivalents held in foreign currencies	(96)	(7)	8
Cash and cash equivalents at end of period	1 720	3 053	3 858

Segment information
The Group distinguishes its segments between mining operations, refining services (which include metals purchased and toll refined) and other.
Operating segments have consistently adopted the consolidated basis of accounting and there are no differences in measurement applied.
The statement of comprehensive income shows the movement from gross profit to profit before income tax.
Summary of business segments:

	Six months ended 31 December 2010 (Reviewed)		Six months ended 31 December 2009 (Reviewed)		Year ended 30 June 2010 (Audited)	
R millions	Revenue	Gross profit	Revenue	Gross profit	Revenue	Gross profit
Mining						
Impala	14 733	2 896	10 685	2 019	24 541	5 368
Mining	8 303	2 927	6 361	1 953	14 025	5 222
Metals purchased	6 430	(31)	4 324	66	10 516	146
Zimplats	1 784	1 018	1 312	617	3 052	1 571
Marula	748	29	565	8	1 130	(11)
Mimosa	558	303	459	201	1 032	495
Inter-segment adjustment	(2 955)	39	(2 219)	(254)	(4 964)	(399)

External parties	14 868	4 285	10 802	2 591	24 791	7 024
Refining services	6 876	767	4 481	527	11 069	1 188
Inter-segment adjustment	(6 429)	(31)	(4 161)	(30)	(10 414)	(60)
External parties	447	736	320	497	655	1 128
Total external parties	15 315	5 021	11 122	3 088	25 446	8 152
R millions	Capital expen-diture	Total assets	Capital expen-diture	Total assets	Capital expen-diture	Total assets
Mining						
Impala	1 843	39 194	1 648	37 428	3 435	39 106
Zimplats	365	5 149	391	4 510	698	5 818
Marula	88	3 204	103	2 888	281	3 182
Mimosa	123	1 452	37	1 269	127	1 567
Afplats	1	7 224	9	7 221	13	7 220
Total mining	2 420	56 223	2 188	53 316	4 554	56 893
Refining services		5 420		4 681		4 571
Other		1 061		1 141		1 107
Total	2 420	62 704	2 188	59 138	4 554	62 571

Notes to the interim financial information

1. General information

Impala Platinum Holdings Limited (Implats) is a leading 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 primary listing on the JSE Limited and a secondary listing on the London Stock Exchange.

The condensed consolidated interim financial information was approved on 15 February 2011 by the Board of directors.

2. Independent review by the auditors

The consolidated statement of financial position at 31 December 2010 and the related consolidated statement of comprehensive income, statement of changes in equity and cash flow statement for the six months then ended were reviewed by the Group's auditors, PricewaterhouseCoopers Inc. The individual auditor assigned to perform the review is Mr JP van Staden. Their unqualified review conclusion is available for inspection at the Company's registered office.

3. Basis of preparation

The consolidated interim financial information for the six months ended 31 December 2010 has been prepared in accordance with International Financial Reporting Standards (IFRS) of the International Accounting Standards Board (in particular IAS 34, 'Interim financial reporting'), the AC 500 standards as issued by the Accounting Practices Board or its successor, requirements of the South African Companies Act, 1973 as amended and regulations of the JSE Limited.

The condensed consolidated interim financial information should be read in conjunction with the annual financial statements for the year ended 30 June 2010, which have been prepared in accordance with IFRS.
The consolidated interim 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 consolidated interim financial information is presented in South African rands, which is the Company’s functional currency.

4. Accounting policies

Except as described below, the accounting policies applied are consistent with those of the annual financial statements for the year ended 30 June 2010, 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.
The following new standards, amendments to standards and interpretations have been adopted by the Group as from 1 July 2010:

- Annual Improvement Project: May 2010 (effective from 1 July 2010). These amendments have no impact on the results of the Group.
- IFRIC 19 Extinguishing Financial Liabilities with Equity Instruments (effective 1 July 2010). This new interpretation has no impact on the results of the Group.

5. Property, plant and equipment

R millions	Six months ended 31 December 2010 (Reviewed)	Six months ended 31 December 2009 (Reviewed)	Year ended 30 June 2010 (Audited)
Opening net book amount	29 646	26 224	26 224
Additions	2 420	2 149	4 476
Interest capitalised	–	39	78
Disposals	(7)	(2)	(8)
Depreciation (note 7)	(690)	(516)	(1 083)
Exchange adjustment on translation	(722)	(228)	(41)
Closing net book amount	30 647	27 666	29 646

6. Borrowings

Borrowings from Standard Bank Limited:

- Loans were obtained by BEE partners for purchasing a 27% share in Marula Platinum (Proprietary) Limited amounting to R775 million (June 2010: R775 million). The BEE partnership in Marula is consolidated as the loans are guaranteed by Implats. The loans carry interest at the Johannesburg Interbank Acceptance Rate (JIBAR) plus 130 (June 2010: 130) basis points and a revolving credit facility amounting to R114 million (June 2010: R117 million), which carries interest at JIBAR plus 145 (June 2010: 145) basis points. The loans expire in 2020.
- Two loan facilities from Standard Bank of South Africa Limited to finance the Ngezi Phase One expansion at Zimplats were secured. Loan 1 of R530 million (June 2010: R614 million) is denominated in US$ for US$80 million and bears interest at London Interbank Offering Rate (LIBOR) plus 700 basis points (June 2010: 700 basis

points). Repayments of 12 quarterly instalments commenced in December 2009 and will be fully settled by December 2012. At the end of the period the outstanding balance amounted to R183 million (US$17 million) (June 2010: R484 million (US$63 million)).
Loan 2 of R500 million (June 2010: R500 million) is denominated in South African rand and bears interest at JIBAR plus 700 basis points (June 2010: 700 basis points). This loan is repayable in 10 semi-annual instalments commencing in December 2010 and will be fully repaid by June 2015. At the end of the period the outstanding balance amounted to R286 million (June 2010: R490 million).
These loans are secured by sessions over cash, debtors and revenue of Zimplats Mines.
The total undrawn committed facilities at the end of the period were R3.4 billion (June 2010: R3.4 billion).

7. Cost of sales

R millions	Six months ended 31 December 2010 (Reviewed)	Six months ended 31 December 2009 (Reviewed)	Year ended 30 June 2010 (Audited)
Included in cost of sales:			
On-mine operations	5 439	4 595	8 796
Wages and salaries	2 734	2 255	4 703
Share-based compensation*	490	521	305
Materials and other mining costs	1 918	1 605	3 341
Utilities	297	214	447
Concentrating and smelting operations	1 309	1 090	2 257
Wages and salaries	247	206	446
Materials and other costs	682	584	1 208
Utilities	380	300	603
Refining operations	458	403	764
Wages and salaries	174	160	328
Share-based compensation	52	47	33
Materials and other costs	190	159	333
Utilities	42	37	70
Depreciation of operating assets (note 5)	690	516	1 083
Metals purchased	3 241	2 690	5 522
Change in metal inventories	(843)	(1 260)	(1 128)
	10 294	8 034	17 294

*Includes concentrating and smelting

8. Headline earnings
Headline earnings attributable to equity holders of the company arises from operations as follows:

R millions	Six months ended 31 December 2010 (Reviewed)	Six months ended 31 December 2009 (Reviewed)	Year ended 30 June 2010 (Audited)

Profit attributable to owners of the company	2 070	1 269	4 715
Adjustments net of tax:			
Profit on disposal of property, plant and equipment	0	(1)	(4)
Loss on disposal of investment	–	6	7
Headline earnings	2 070	1 274	4 718
The issued share capital of the holding company is as follows (millions):			
Number of shares issued	631.71	631.58	631.71
Treasury shares	(16.23)	(16.23)	(16.23)
Morokotso Trust	(14.64)	(15.17)	(14.91)
Implats Share Incentive Trust	(0.03)	(0.06)	(0.13)
Number of shares issued outside the group	600.81	600.12	600.44
Adjusted for weighted shares issued	(0.22)	(0.10)	(0.28)
Weighted average number of ordinary shares in issue for basic earnings per share	600.59	600.02	600.16
Adjustment for share-based compensation	0.34	0.47	0.34
Weighted average number of ordinary shares for diluted earnings per share	600.93	600.49	600.50
Headline earnings per share (cents)			
Basic	345	212	786
Diluted	344	212	786

9. Dividends

On 17 February 2011, a sub-committee of the Board declared an interim dividend in respect of 2011 of 150 cents per share amounting to R901 million. Secondary Tax on Companies on the dividend will amount to R90 million.

These financial statements do not reflect this dividend and related STC payable. The dividend will be accounted for in shareholders equity as an appropriation of retained earnings in the year ending 30 June 2011.

R millions	Six months ended 31 December 2010 (Reviewed)	Six months ended 31 December 2009 (Reviewed)	Year ended 30 June 2010 (Audited)
Dividends paid			
Final dividend No. 85 for 2010 of 270 (June 2009: 200) cents per	1 622	1 202	1 202

share			
Interim dividend No 84 for 2010 of 120 cents per share			718
	1 622	1 202	1 920

10. Contingent liabilities and guarantees

As at December 2010 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 R3 million during the six months to an amount of R597 million (June 2010: R600 million).

Additional Profits Tax (APT)

As reported during June 2010, Zimplats accepted an APT assessment of $23.5 million issued by the Zimbabwe Revenue Authority (ZIMRA) in 2009 in respect of the period 2001 to 2007 and has paid the assessed amount in full.

In December 2010, the audit section of ZIMRA reviewed the APT assessment and concluded that the deduction of income tax assessed losses in the derivation of net cash receipts, on which APT is chargeable if positive, was incorrect. ZIMRA has thus issued an amended APT assessment of which the effect of the disallowance is an additional APT liability of $26.9 million.

Management and the company's tax advisers strongly disagree with the ZIMRA interpretation of the deduction provisions of the 22nd and 23rd Schedules of the Income Tax Act and accordingly, an objection to the amended assessment has been lodged. A response to the objection is yet to be received.

In the event that the response to the objection is negative, it is the Management's intention to seek legal redress.

11. Commitments

Capital expenditure approved at 31 December 2010 amounted to R23.7 billion (June 2010: R20.4 billion), of which R3.8 billion (June 2010: R2.6 billion) is already committed. This expenditure will be funded internally and if necessary, from borrowings.

12. Related party transactions

The Group entered into purchase transactions of R1 068 million (December 2009: R938 million) (June 2010: R2 044 million) resulting in an amount payable of R667 million (December 2009: R586 million) (June 2010: R615 million) to Two Rivers Platinum, an associate company. It also received refining fees and interest to the value of R18 million (December 2009: R28 million) (June 2010: R56 million). After capital repayments received during the period the shareholders loan amounted to R232 million (December 2009: R539 million) (June 2010: R343 million). These transactions are entered into on an arm's length basis at prevailing market rates.

Key management compensation:

R 000	Six months ended 31 December 2010 (Reviewed)	Six months ended 31 December 2009 (Reviewed)	Year ended 30 June 2010 (Audited)
Non-executive directors remuneration	2 792	4 179	6 423
Executive directors remuneration (fixed and variable)	19 699	20 098	37 800
Senior executives and group secretary*	24 441	15 095	33 855

Total	46 932	39 372	78 078

*Increase mainly resulting from share options exercised.

13. Net asset value

Net asset value based on the number of ordinary shares issued outside the group is 7 291 cents per share (June 2010: 7 294 cents per share).

Operating statistics

		Six months ended 31 December 2010	Six months ended 31 December 2009	Year ended 30 June 2010
Gross refined production				
Platinum	(000oz)	952	895	1 741
Palladium	(000oz)	623	582	1 238
Rhodium	(000oz)	129	126	252
Nickel	(000t)	8.4	7.5	15.2
IRS metal returned				
Platinum	(000oz)	124	126	233
Palladium	(000oz)	123	126	259
Rhodium	(000oz)	25	26	49
Nickel	(000t)	1.9	0.9	2.8
Sales volumes				
Platinum	(000oz)	801	694	1 435
Palladium	(000oz)	477	466	945
Rhodium	(000oz)	109	120	228
Nickel	(000t)	8.4	6.8	12.8
Prices achieved				
Platinum	($/oz)	1 596	1 281	1 433
Palladium	($/oz)	554	298	376
Rhodium	($/oz)	2 253	1 764	2 149
Nickel	($/t)	21 795	16 032	18 981
Consolidated statistics				
Average rate achieved	(R/$)	7.16	7.70	7.58
Closing rate for the period	(R/$)	6.62	7.39	7.67
Revenue per platinum ounce sold	($/oz)	2 624	2 051	2 316
	(R/oz)	18 788	15 793	17 555
Tonnes milled ex-mine	(000t)	11 341	10 176	20 309
PGM refined production	(000oz)	1 946	1 802	3 689
Capital expenditure	(Rm)	2 420	2 188	4 554
Group unit cost per platinum ounce				
Excluding share-based cost	($/oz)	1 439	1 297	1 335
	(R/oz)	10 271	9 889	10 089
Including share-based cost	($/oz)	1 571	1 439	1 379
	(R/oz)	11 212	10 974	10 417

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

Implats' vision
To be the world's best platinum-producing company, delivering superior returns to shareholders relative to our peers.

Implats' values
- Safeguarding the health and safety of our employees, and caring for the environment in which we operate
- Acting with integrity and openness in all that we do and fostering a workplace in which honest and open communication thrives
- Promoting and rewarding teamwork, innovation, continuous improvement and the application of best practice by being a responsible employer, developing people to the best of their abilities and fostering a culture of mutual respect among employees
- Being accountable and responsible for our actions as a company and as individuals
- Being a good corporate citizen in the communities in which we live and work.

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Sponsor: Deutsche Securities SA (Pty) Limited

Directors: Dr K Mokhele (Chairman), DH Brown (Chief Executive Officer), HC Cameron, NDJ Caroll#, PA Dunne,
M Gantsho, TP Goodlace, JM McMahon*, MV Mennell,
TV Mokgatlha, B Ngonyama, NDB Orleyn, M Pooe.
*British   #Alternate to TV Mokgatlha.
Note: Mr LJ Paton resigned on 31 October 2010
      Ms D Earp resigned on 17 January 2011

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