

NEWS RELEASE

Performance maintained despite decrease in PGM prices

Further plans to unlock value for shareholders

Results

Impala Platinum Holdings Limited (Implats) reported an excellent performance for the year ended June 2002. Key features include:

- Platinum production up 7% to 1.39Moz a new high for Implats
- Attributable income at R4.58billion (US\$462 million) the second highest ever
- Dividends for the year of R37 per share

Commenting in the annual report which was released today, Chief Executive Officer, Keith Rumble, said that Implats has continued to deliver on its promises to shareholders in terms of its growth strategy, its determination to contain costs and deliver superior returns. The total return to shareholders, expressed as a combination of share price growth and dividend yield, was 50%.

The 2002 financial year was marked by solid operational performance and growth. This, together with the decline in the rand and an increase in sales volumes, helped to offset the 29% drop in the basket dollar price achieved of platinum group metals. Sales revenue declined by a marginal 0.6% with attributable income declining slightly by 1% to R4.58 billion, the second highest level ever. Margins were maintained at 52%.

Operating results

Rumble reported that from an operational perspective, the year had proceeded according to plan with solid performance from the company owned and managed operations, augmented by excellent growth through Impala Refining Services (IRS), which also processes the growing output from associated partners. Unit costs per platinum ounce increased by 9.6% at Impala operations. This was fractionally lower than the inflation rate of 9.8% for the period and well below the producer price index of 14.4%.

Results from mining operations include:

- An increase in platinum production to 1.025 Moz by Impala Platinum.
- Crocodile River Mine producing 39 100 platinum ounces in concentrate during its first year of full operations. Growth opportunities will be further explored during the year ahead.
- Good progress at Marula Platinum. Production is scheduled to commence in FY2004, reaching full capacity for Phase 1 of 103 000 platinum ounces per annum in FY2005.

Excellent growth was recorded by IRS, which delivered 362 000 platinum ounces, an increase of some 25%. IRS utilises Impala surplus smelting and refining capacity so that incremental ounces are produced at a vastly reduced capital cost and lower operating risk. At the same time the economies of scale result in reduced unit costs for Implats' owned and managed production.

Insofar as Implats' strategic alliances are concerned, the company strategy continues to deliver significant and cost-effective benefits to the company.

- Implats' after-tax benefit from its 27% stake in Lonplats rose by 11% to R717 million.
- Following the successful restructuring of the Aquarius group during the year, Implats has successfully raised its stake in the underlying South African operations to 32%.
- Post year-end, Implats concluded an agreement to increase its stake in ZCE Platinum (Mimosa) to 50% at a cost of some R130 million (US\$12.3 million) as part of the ongoing rationalisation of its interests. As a result, the Mimosa operation which is one of the lowest cost producers in the world is now jointly held by

Implats and its strategic alliance partner Aquarius.

- Also, post year-end the company concluded an agreement to increase its interest in Zimplats by 21% to 36% at a cost of some R200 million. Once again this is part of the ongoing rationalisation of the company's strategic interests.
- Finally, a feasibility study on the Two Rivers project in which Implats holds a 45% stake with joint venture partner Avmin Limited (55%) is almost complete.

Minerals legislation

Rumble also outlined the company's stance on the Minerals and Petroleum Resources Development Bill, indicating that the company had made submissions to the relevant authorities prior to its approval by Parliament in the interests of creating good law.

On a practical level, the requirements of the Bill will not be as onerous to Implats as other producers. The industry has been expecting the Bill for some time and has prepared itself to meet the new requirements. Our dealings with the Department of Minerals and Energy and the Minister have been constructive and positive and, based on our discussion with them, we are confident that we are on the right track from our existing operations with the Royal Bafokeng Nation, who have a material stake in Impala Platinum, to our new operations and through our joint venture with Mmakau Mining and local communities in Limpopo Province at Marula Platinum. While we were as concerned as the rest of the industry at the damage caused by the leak of the mining charter, we have been encouraged by the Government™ subsequent commitment to developing a charter for the mining industry in terms which reflect discussions which we held with the Minister and Director-General of Minerals and Energy during June of this year.

As a company we remain confident in the country and our operations. Our commitment of some R8.8 billion in capital expenditure programmes over the next five years is ample testimony to this.

Prospects

Looking forward, deficits in platinum supply are forecast to continue for the foreseeable future although palladium and rhodium run the risk of being in oversupply. Given the world economy and thrifting/substitution initiatives by consumers, PGM prices other than platinum may continue to be suppressed. Despite this, prospects for Implats remain good both in the short to medium term.

Substantial margins, combined with a proven and sound operational track record regarding performance, cost control, people management and technology development, will enable us to continue to generate strong cash flows in the foreseeable future. We shall also continue to follow through on various opportunities to unlock value. There is the Gencor unbundling, the opportunity for a share buy-back and the potential for increasing the share liquidity by instituting a sponsored ADR programme in the USA.

Despite the fact that earnings in the 2003 financial year are expected to be lower than in 2002, they will exceed those of the 2000 financial year.