

NEWS RELEASE

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Record earnings of R4.3 billion for interim period on the back of high metal prices

EMBARGO: For immediate release

<p>Ticker symbols: JSE: Imp LSE: Ipla ADRs: Impuy</p> <p>www.implats.co.za</p> <p>Queries:</p> <p>David Brown +27 11 731 9042 +27 83 254 4084</p> <p>Bob Gilmour +27 11 731 9013 +27 82 453 7100</p>	<p>Impala Platinum Holdings Limited (Implats) today (15 February 2007) announced results for the six months ended 31 December 2006.</p> <p>Key features</p> <ul style="list-style-type: none"> • Group platinum production up 8.5% to 1.018 million ounces • Margin improves to 47% • Headline earnings rise by 135% to R8.24 per share • Safety unsatisfactory • Dividend cover lowered to 1.7 • Lower Merensky volumes affects unit cost at Impala Platinum <p>Implats CEO David Brown says “Results for the half year were underpinned by the strength of the market for platinum group metals. Revenues per platinum ounce were up 72% in rand terms and 54% in dollar terms compared to the first half of the previous year resulting in total sales revenue of R14.9 billion or \$2.05 billion. Operationally the group performed well with overall production up 8.5% to 1,018 million ounces of platinum due to a combination of higher production at IRS and the off-lease operating units which more than offset lower production at the Impala operation. As a result gross profit rose 112% to R7 billion.”</p> <p>Operating and financial performance</p> <p>Safety remains of paramount importance to the group and the LTIFR improved by 4%. There were however seven fatal accidents during the period with six due to falls of ground. Safety efforts are to be refocused including improved visible leadership by supervisory staff.</p> <p style="text-align: right;">[more]</p>
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Platinum production was down 7.8% at Impala Platinum to 545,000 ounces as a result of a reduction in the ore mined and lower grade from the Merensky Reef which was partially offset by opencast UG2 ore. The unit cost per platinum ounce was 22% higher due to the lower platinum production. If the effects of the lower production were stripped out, costs would have risen by 13% because of inflationary increases, safety initiatives and more expensive opencast tonnes. Cost control still remains a key focus area for the operation.

The implementation of the new mining plan at Marula continues to exceed expectations and remains on schedule to achieve full production by the end of the 2009 financial year. Production in the interim period was up 76% to 33,200 ounces.

Zimplats produced 46,100 ounces of platinum in matte for the first half of financial year 2007, an increase of 6% on the comparable period of the previous financial year. Work on the two new underground mines (Portals 1 and 4) has commenced and is expected to increase production from the current 90,000 to 160,000 ounces in matte per annum by 2010.

Work on the R168 million Wedza Phase V expansion project at Mimosa has also started and will result in nameplate production rising to 100,000 ounces of platinum in concentrate per annum during 2007.

At Two Rivers, the joint venture between Implats and African Rainbow Minerals, full annual production of 120,000 ounces of platinum in concentrate is expected to be reached by the end of 2007.

Production at IRS improved to 472,500 ounces of platinum resulting in a net profit of R485 million, a 117% improvement on the previous comparable period and represents an 11% contribution to group net profit.

Black Economic Empowerment (BEE)

During the period under review Implats and Royal Bafokeng Holdings (Pty) Limited (RBH), wholly owned by the Royal Bafokeng Nation (RBN), both received shareholder approval for a BEE transaction (the 'Royalty transaction) which replaces the previously announced IRS transaction. In terms of this transaction, Impala Platinum will pay to the RBH an amount of R10.6 billion, being all the royalties due to the RBN from 1 July 2007 onwards in terms of the notarial mineral lease between Impala Platinum and the RBN. This amount will be used by the RBN to subscribe for 75.1 million shares (9.4 million pre share split) in Implats which together with the RBN's existing holding of 8 million shares (1 million pre share split), will result in a holding by the RBN companies of 13.4% in Implats. The previously announced IRS transaction has been allowed to lapse. The transaction is expected to be finalised in the second half of the financial year.

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Afplats

A binding agreement was signed with African Platinum plc in terms of which Implats will acquire 29.9% of Afplats' South African assets. Funding acquired from the transaction will be used to develop the Leeukop Project in its initial phase. Implats' operational technical expertise will ensure that the project is successfully developed.

Market review

The platinum market remained in balance as demand, driven by diesel automotive emission legislation, was met by similar growth in supply of around 5%. The price moved up by 10% during the course of calendar year 2006 as a result of positive sentiment towards commodities in general, and platinum in particular. The palladium market recorded another year of significant surplus, while the rhodium market moved into deficit as the new emission standards for NOx currently being phased in worldwide required increased loadings on gasoline vehicles.

Prospects

CEO David Brown comments that "Fundamentals for PGMs remain sound going forward. The platinum market will continue to be tight due to the rollout of automotive emission legislation which now incorporates heavy duty vehicles and continuing growth in diesel market share in Europe. While the fundamental outlook for palladium continues to improve the price will be determined by the level of stock sales. The adoption of tighter NOx emission legislation will continue to impact the rhodium market in the medium term. Sustainability of the current high nickel price is unlikely. Implats' growth plan to 2.3 million ounces of platinum per annum by 2010 remains on track and we are investigating further expansion plans to increase annual production to 2.8 million ounces."

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