

NEWS RELEASE

28 August 2008

Implats reports an excellent performance in a difficult environment

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>Dawn Earp +27 11 731 9070 +27 82 827 8773</p> <p>Les Paton +27 11 731 9018 +27 82 448 7102</p> <p>Bob Gilmour +27 11 731 9013 +27 82 453 7100</p>	<p>Impala Platinum Holdings Limited (Implats) today (28 August 2008) announced results for the year ended 30 June 2008. The company's Annual Report will be posted to shareholders today.</p> <p>Key features of the annual results</p> <ul style="list-style-type: none"> • Improved safety performance • Significant mining rights obtained • Platinum production, excluding Lonmin material treated, increased by 2% to 1.9 million ounces while gross production decreased by 6% to 1.91 million ounces • Revenue increased 19% to R37.6 billion • Cost per platinum ounce (excluding share based payments) up by 17% to R6 930 • Gross margin improved to 47% • Headline earnings 57% higher at R20.65 per share • Dividend cover for the year reduced to 1.4 • Total dividend per share of R14.75 (final of R11.75 per share) <p>Implats CEO David Brown says, "FY2008 has been a challenging year where Implats grappled with an extremely difficult operating environment dominated by safety, the power crisis and a sharply decreased availability of skills. Despite this, the group delivered a stellar financial performance driven undoubtedly by the record prices achieved for our metals."</p> <p style="text-align: right;">[more]</p>
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Safety

Although there was an improvement in the group's safety performance as measured by the LTIFR which improved by 16% to the best ever rate achieved by the group, regrettably 12 employees lost their lives at work during the year. Safety remains a priority for Implats and we continue to drive continuous improvement in this area.

Operational performance

Production at **Impala Platinum** declined by 1% to 1.044 million platinum ounces. 20 000 ounces of platinum were lost due to the power crisis and the Presidential Safety Audits. Costs were adversely affected by a sharp increase in input costs, retention of skills and slightly lower volumes. Consequently, costs per platinum ounce rose by 17% to R6 546 (excluding share based payments).

In terms of capital projects 16 and 20 shafts remain under development whilst the sinking of 17 shaft has commenced. Processing expansions to increase capacity to 2.8 million ounces of platinum per annum are on track.

At **Marula** production of platinum-in-concentrate increased by 8% to 70 400 ounces. The Merensky project feasibility study has been completed and will be presented to the board later this year.

Despite the problematic operating environment **Zimplats** produced 94 300 ounces of platinum-in-matte. The phase 1 expansion's anticipated output has been increased by 20 000 ounces with total production of 180 000 ounces of platinum scheduled for 2011.

Mimosa produced 76 600 ounces of platinum-in-concentrate which was virtually unchanged from the previous year. Commissioning of the Wedza Phase V expansion was completed.

Two Rivers increased production by 12% to 98 600 ounces of platinum-in-concentrate. Full production of 130 000 ounces of platinum remains on track for FY2010.

Total refined platinum production through **Impala Refining Services** (IRS) declined by 11% to 862 700 ounces in FY2008. However, excluding the once-off toll treatment, production increased by 6% from the previous year. During the year life-of-mine offtake agreements were signed with Blue Ridge and Smokey Hills.

[more]

The **Leeuwkop** project mine and project design are currently being reviewed. Initial indications are that mechanised footwall development with conventional stoping would be more suitable for the orebody. A detailed project proposal will be presented to the board later this year.

Corporate activity

During the year the group disposed of its holdings in both Aquarius Platinum Limited and Aquarius Platinum (South Africa) (Pty) Limited, in a restructuring exercise.

Implats has also successfully secured its mining right conversions for Impala and Marula, and obtained the mining rights for the Leeuwkop project. Marula enhanced its black economic empowerment credentials which see its three partners increasing their combined stake from 22.5% to 27% in that company.

Market review

During CY2007 the platinum market remained in deficit due to a combination of strong growth in demand coupled with a decline in supply, primarily from South Africa. The automotive sector remained the backbone of the industry with growth continuing to be driven by increasing light-duty vehicle sales in Europe and the tightening of legislation for heavy-duty diesel vehicles worldwide. Whilst the fundamentals for the palladium market continued to improve another significant surplus was recorded and, coupled with above ground stocks, prices remained relatively benign. The rhodium market remained in deficit for a second successive year and this, in a thinly traded market, translated into further price appreciation.

Despite the current economic slow down demand fundamentals remain sound in the medium- to long-term.

Prospects

Implats CEO, David Brown says, "The year ahead remains challenging as global economic woes will continue to overhang the market. However, the medium- to long-term fundamentals for PGM's remain sound and underpin the group's growth objectives.

The focus in the year ahead will be on safety, the retention of skills and increasing production. We anticipate platinum production increasing in FY2009 as our ramp-up projects continue to grow. Cost pressures will continue and cost increases are likely to be higher than in FY2008."

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