

Creating robustness

JP Morgan Conference, Johannesburg, March 2005



1



Factors that have an impact on the Implats bottom line

- The market – particularly platinum
- Currencies – the rand, Zimbabwe dollar
- Margins
 - Cost control
 - Efficiencies – people, new technology, “smart” capex



2

PGM market, currencies and costs



The PGM market – demand

- Still robust with firm fundamentals, especially platinum
- Automotive sector continues to underpin demand for both platinum and palladium
- Although platinum jewellery down somewhat, there are signs of an initial interest in palladium jewellery in China



The PGM market – supply

- Modest platinum surplus registered for first time in six years – effectively still in balance
- Growing supply and existing inventory caps palladium price
- Rhodium market moving closer to balance but price is significantly higher

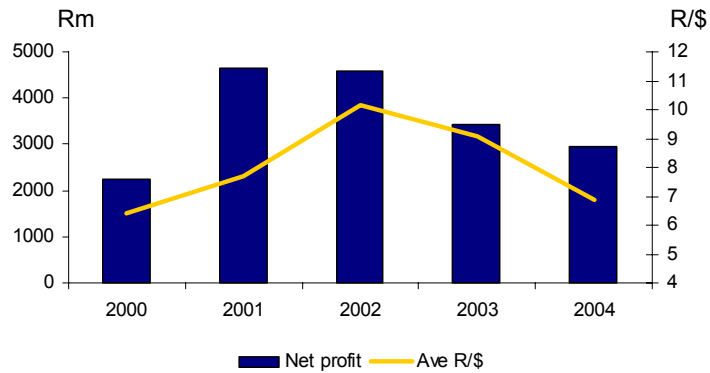


The rand

- Recent levelling and increased stability of rand has seen platinum price rise by more than the rand has strengthened
- Rand price received increased by 7% in interim period for FY2005 compared to interim 2004
- Average monthly platinum price so far this year at record levels in dollar terms average price for year-to-date of around \$865 per ounce
- But the strength of the rand has dampened the impact of the platinum price boom



Net profit and the rand



Zimbabwe currency dilemma

- Inflation of 130%
- Managed auction exchange rate
- Resulting cost pressures

Margins, although still healthy, have declined



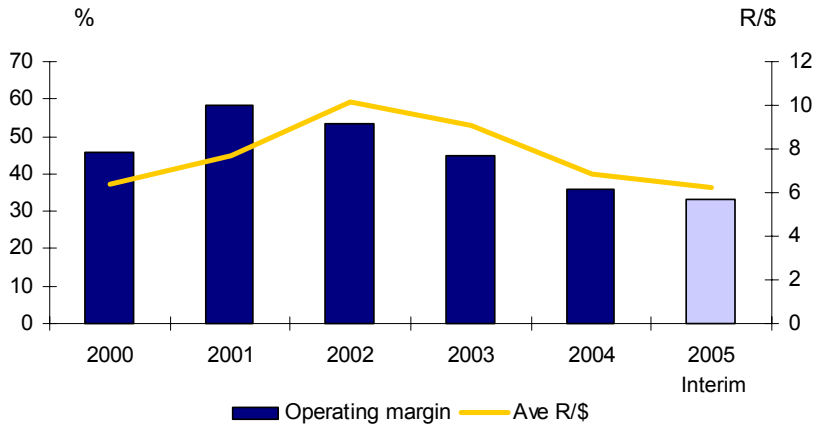
Group margins and the rand

	FY2005*	FY2004	FY2003	FY2002	FY2001	FY2000
Margins (%)	33	36	45	53	58	46
R/\$	6.21	6.88	9.06	10.16	7.68	6.40

* For interim six months July-Dec 2004



The rand and operating margins



11

What we are doing at Impala to maintain our “robustness”



12



Four focus areas

- Increase volumes
- Improve productivity
- Reduce costs
- Leveraging surface assets



Increasing volumes, improving efficiencies

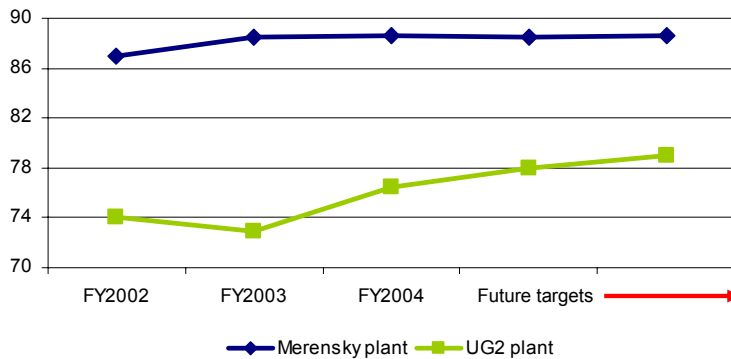
To come from

- Improved recoveries
- Maintaining grade control and ongoing focus on quality mining
- Improved efficiencies
- Improved resource use
 - mining of white areas
 - prolonging lives of first generation shafts
- Implementation of new technology
 - especially drill jigs



Improved recoveries

Concentrator recoveries (%)



Improved recoveries

- Tailings scavenging plant (a high-energy flotation plant) and improved recoveries over the last three years to yield approximately 20 000 ounces
- Various optimisation process initiatives to improve recoveries will yielding approximately 15 000 ounces of platinum annually
- Together this amounts to around 50 000 ounces over next two years (equivalent to approximately R350 million in additional revenue)

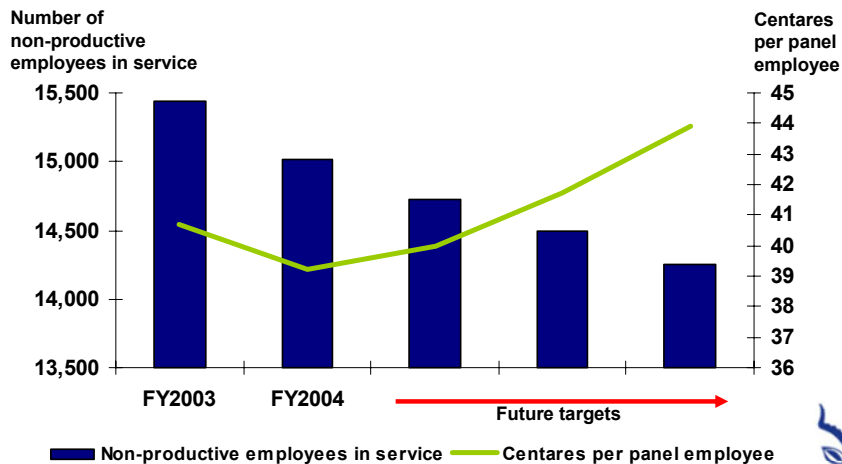


Planned improvements in productivity

- Labour management integral to this process
- Increased focus on under-performing teams
- Number of non-productive employees has declined by 5% in last three years
- Strategy is to achieve a 70% to 30% split between production and non-production employees



Planned improvements in productivity





Impala costs

- Labour accounts for 60% of operating costs
 - Wage negotiations October 2004: increase of 8% granted, in excess of inflation rate
- Significant increase in steel price over last three years
 - Accounts for 5% of operating costs
 - Price up 25%
- Thus essential to keep tight control of costs



Leveraging surface assets

- Optimising use of existing infrastructure
 - Working smarter
 - Using existing infrastructure optimally eg UG2 plant, smelter and refineries
 - Improved milling utilization has resulted in increased capacity
- Controlling fixed costs
- Limiting overhead structure and costs



Role of new technologies

- To improve productivity and safety
- To reduce unit costs
- To develop the work environment in line with global trends (ie more skilled, less physically arduous and less labour intensive)
- To ensure company has a sustainable competitive advantage



Drill jigs – stope and development

Advantages

- More accurate drilling – reduced dilution
- Shorter drilling time
- Improved face advance per blast
- Better initiation efficiency and less blast damage
- Require less physical effort to operate
- Will facilitate management of hazards and improve health and safety aspects of working at the stope face (ground control districts)



Roll-out of drill jigs



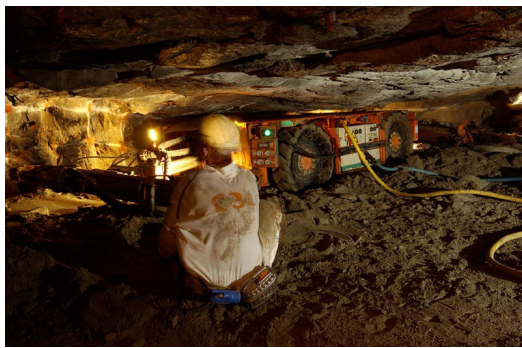
- 150 Merensky panels by year-end; doubling by end of 2006
- Potential for 5-10% improvement in overall mining efficiencies
- Work on refining their use on UG2 panels continues



Ultra-low profile miners

Trackless mining equipment – for mechanised mining

- Ultra-low trackless (narrow reef) miners and extra-low load haul dumpers





Rock-cutters



Other improvement initiatives

- Fixco initiatives focusing on face advance and panel length continue
- Mineral resource management (MRM)
 - an integrated business solution for the management and control of mining activities
 - focuses on defining, planning, depleting and reconciling ore reserves/resources
- Cost savings
 - procurement optimisation, optimal lead times
 - Kopano suggestion scheme
 - salvage and reclamation
 - continuous re-evaluation of capex and mining strategy

Implats is well-placed to deliver growth and value



Investing for the future

Impala Platinum

- R6.6bn to be invested in two new shafts to ensure production at Impala of 1.1Moz platinum annually

Marula Platinum

- Additional development expenditure of R830m approved
- Proposed output of 140 000 Pt ounces annually by FY2009

Two Rivers

- Capital expenditure of R1.2bn proposed (45% attributable)
- Planned output of 120 000 Pt ounces annually at full production

