



Merrill Lynch One-on-One Conference October 2005

www.implats.co.za

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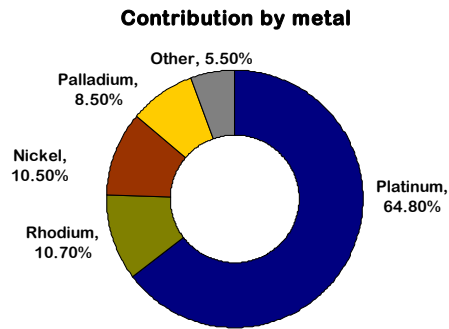


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Introducing Implats



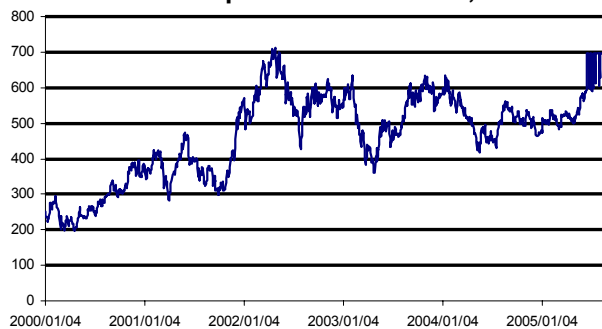
Implats is in the business of mining, refining and marketing platinum group metals and associated base metals



Implats ...



- is the premier global platinum investment
- strives to
 - be the best platinum producing company and
 - deliver superior returns to its shareholders
- produced 1.815 million ounces of platinum in FY2005, equivalent to around 25% of global supplies
- generated sales revenue of R12.5 billion in FY2005



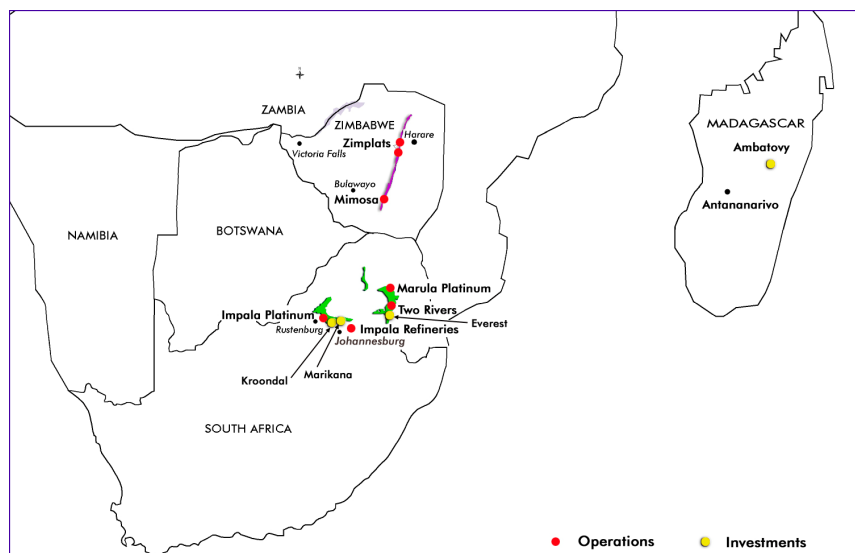
Key statistics



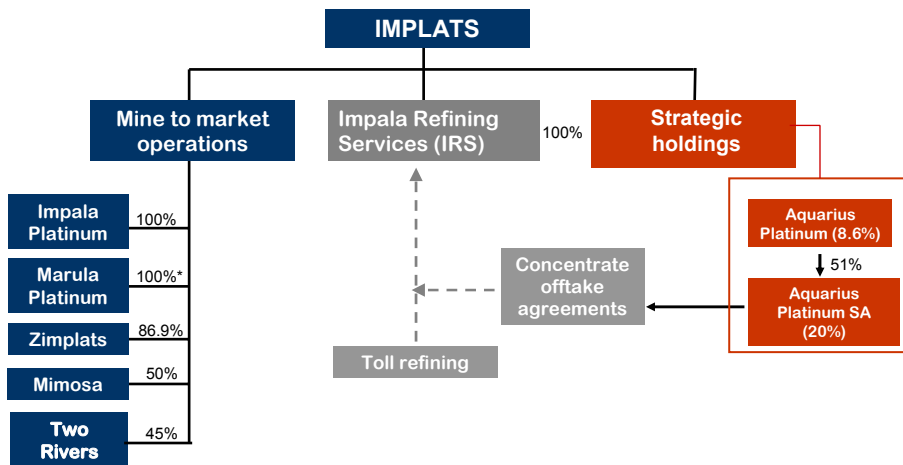
Implats has

- operations located on two prime PGM deposits:
 - the Bushveld Complex in South Africa (Impala Platinum, Marula Platinum and Two Rivers)
 - the Great Dyke in Zimbabwe (Zimplats and Mimosa)
- Impala Refining Services – toll-refining and third party processing
- investments in Aquarius Platinum and Ambatovy

Location of operations and interests



Group structure

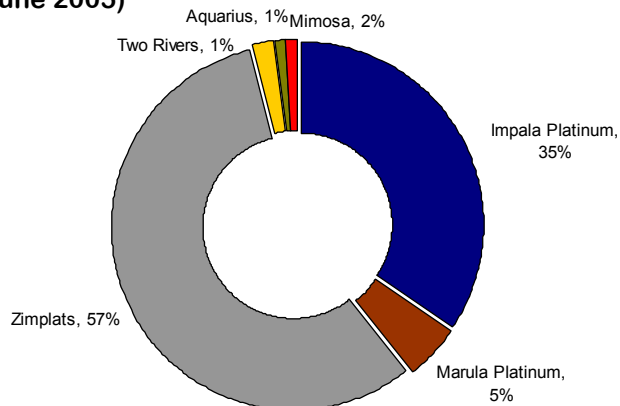


* 20% to be allocated to BEE ownership

Reserves and resources



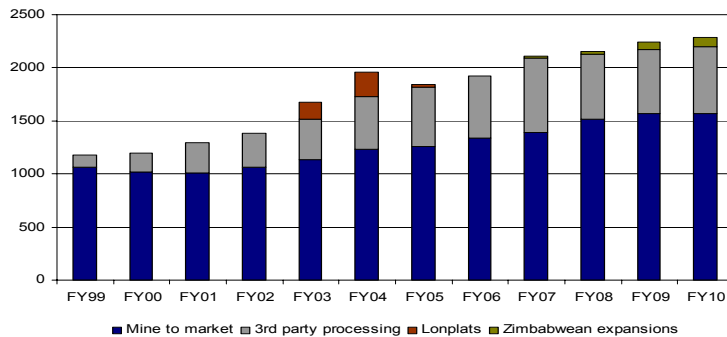
Attributable reserves and resources of 215.1 Moz of platinum
(as at 30 June 2005)



Prospects – aim of strategy



- Prospects for PGMs and nickel remain sound
- Consistent growth in production – 2.3Moz Pt targeted for FY2010
- Continuing to deliver a competitive cost advantage and superior shareholder returns



Financial review

Income statement



Rm	FY2005	FY2004	% change
sales	12,541	11,809	6.2
cost of sales	(8,318)	(7,549)	10.2
gross profit	4,223	4,260	(0.9)
gross margin	34%	36%	(5.6)
net forex transaction gain/(loss)	33	(216)	115.3
share of profit of associates	204	328	(37.8)
royalty expense	(415)	(414)	(0.2)
profit before tax	6,334	4,100	54.5
net profit	5,238	2,941	78.1

Net profit by entity



Rm	FY2005	FY2004	
Impala Platinum	2,201	1,678	growth in volume and prices
IRS	466	394	exchange rate
Zimbabwean ops	185	268	managed exchange rates
Marula Platinum	(105)	(23)	ramp-up phase
other	114	302	Lonplats and Aquarius
headline earnings	2,861	2,619	up 9%
extraordinary items	3,227	322	sale of investments
impairment	(850)		Marula
net profit	5,238	2,941	up 78%

Cash flows

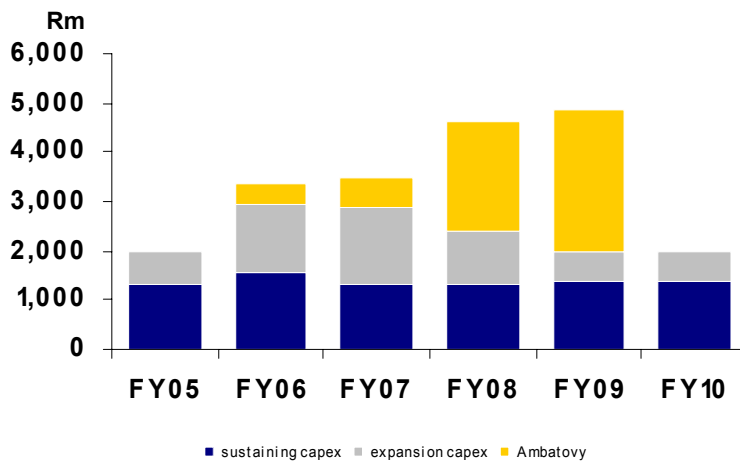


Rm	FY2005	FY2004
from operating activities	2,801	1,780
from investing activities	2,499	(1,751)
from financing activities	(2,503)	(1,167)
net increase in cash	2,797	(1,138)
cash at year end	3,984	1,187
cash net of short-term debt	3,981	636

Group capex



- Significant capital expenditure planned

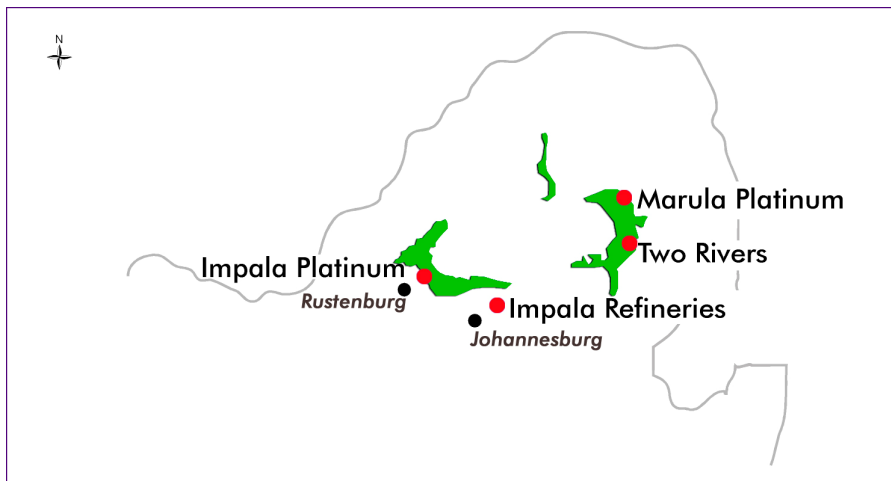




Operational Review

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Location – South African operations



Impala Platinum



Implats' flagship operating unit comprises:

- Mining operations on the Impala lease area on the western limb of the Bushveld Complex
 - 13 shafts and five declines
 - Two new shafts under development
- Mineral Processes
 - Concentrating and smelting plants
- Refineries
 - Base metal refinery and precious metal refinery

Sterling performance at Impala



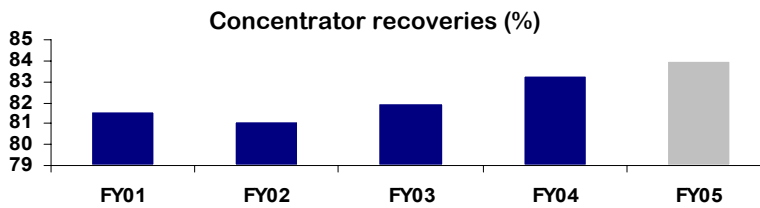
	FY2005	FY2004	% change
Tonnes milled (000t)	15,778	15,639	0.9
Refined Pt production (000oz)	1,115	1,090	2.3
Cost per Pt oz refined (R/oz)	4,251	4,036	5.3
No of employees (000)	26.9	27.5	2.2
Capex (Rm)	1,693	1,197	41.4

Steady increase in efficiencies



During the 2005 financial year:

- Mining efficiencies up 2.3% to 40.1m²/panel employee
- Pt oz/employee up 4.5%
- Mineral Processes – record throughput and recoveries



- Refineries contributed another world-class performance

Focus on costs through technology



- 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

New shaft developments



Capex of R6.6 billion approved by board

- 20 shaft
 - production to begin in January 2009
 - full production in May 2011
- 16 shaft
 - production to begin in August 2011
 - full production in September 2014
- At full production, these shafts will together produce 355,000 oz platinum pa



Extending Impala's life-of-mine



- 30-year life-of-mine at 1.1Moz Pt annually
 - Mining of abandoned areas
 - Enhanced recoveries
 - Opencast mining
 - Conversion of previously non-profitable resources into reserves

Marula Platinum



- Change to owner-mining in Dec 2004/Jan 2005
- Further development expenditure of R830 million approved for conversion to conventional mining
- Currently in ramp-up phase
 - Steady state production of 140,000 oz platinum in 2009
- Life-of-mine of 17 years

	FY2005	FY2004	% change
Tonnes milled (000t)	766	574	33.4
Platinum production in concentrate (oz)	29,800	13,300	124.1
Capex (Rm)	118	505	76.6

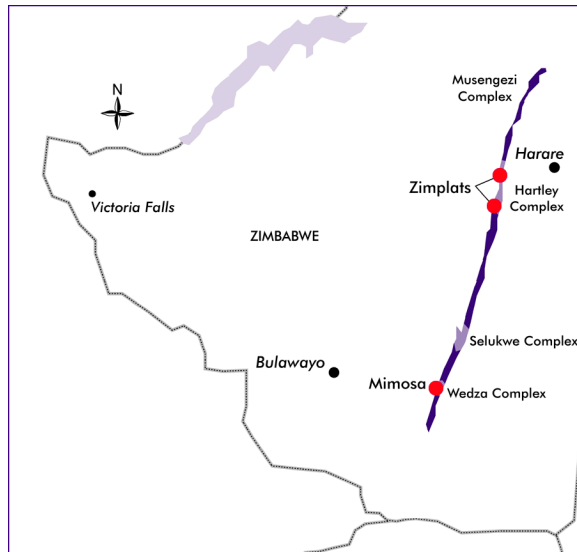
Two Rivers Platinum



- Project go-ahead given in FY2005
- Planned capital expenditure of R1.2 billion
- Project plan includes
 - Mining of 2.2 mt ore pa
 - Production of 120,000 oz platinum pa
 - Full production scheduled for 2008/09
 - Life-of-mine of 20 years



Location – Zimbabwe operations



Zimplats



- Underground expansion approved (US\$46 million)
- Feasibility study for further expansion to 145,000 Pt oz

	FY2005	FY2004	% change
tonnes milled (000t)	2,058	2,006	2.6
platinum production in matte (oz)	86,800	85,300	1.8
cost per Pt oz in matte (R/oz)	6,249	5,074	(23.2)*

* Including export incentives, cost per Pt oz in matte increased by 10.9% to R5,627

Zimplats



- Board has approved expansion to 145,000 platinum ounces in principle, but clarity needed on
 - Security of tenure and special mining licences – one spl granted
 - Indigenisation – draft legislation
 - Foreign currency accounts - resolved
 - Execution of bilateral accord between SA and Zimbabwe - pending
- Infrastructural developments at a cost of US\$20 million underway – to be largely internally funded

Mimosa



- Excellent performance
- Expansion to 80,000 Pt oz approved

	FY2005	FY2004	% change
tonnes milled (000t)	1,424	1,334	6.7
platinum in concentrate (oz)	66,700	61,400	8.6
cost per Pt oz in concentrate (R/oz)	5,472	4,199	(30.3)*

* Including export incentives, cost per Pt oz in matte increased by 17% to R4,289



Impala Refining Services

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IRS ...



- was officially created in 1998
- dedicated vehicle for toll-refining and metal concentrate purchases
 - leverage surface assets and expertise
 - reduce unit costs (through economies of scale)
 - seek growth through strategic alliances and joint ventures

Key benefits



- **Key benefits of growth through IRS**
 - reduced exposure to mining risk
 - lower investment
 - exploitation of smaller deposits possible
 - increased process throughput

How does IRS work?



- Confirmation of third party resource
- Impurity distribution
- PGM grade
- Aggregate volume/capacity availability
- Equity involvement
- Contract establishment

Tolling relationship with Impala Platinum



- Wholly-owned subsidiary
- Arm's length toll-refining agreement
 - Metal recoveries
 - Metal pricing
 - Processing costs
 - Metal pipelines
- Sampling / analysis

Contract structures



- Metal purchase agreements
 - Metal purchase after an agreed processing period
 - IRS retains agreed proportion portion of metal value
- Toll refining agreements
 - Percentage return of market value
 - Refining
 - Smelting
 - Handling charge

Future growth

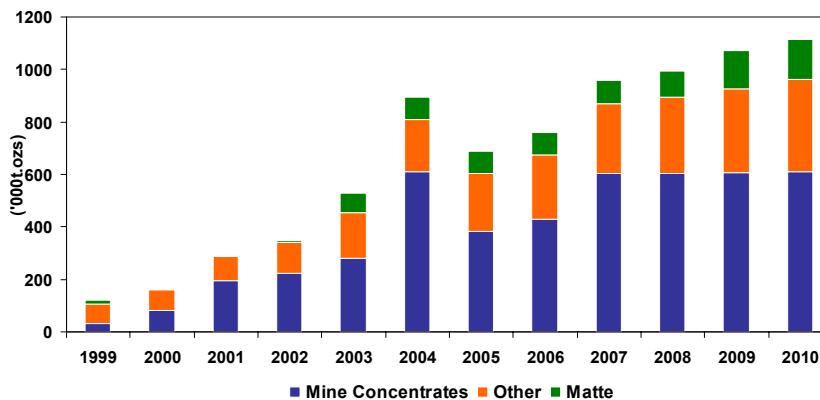


- Autocatalyst and secondary refining
- Everest / Two Rivers
- Mine concentrates

IRS platinum production



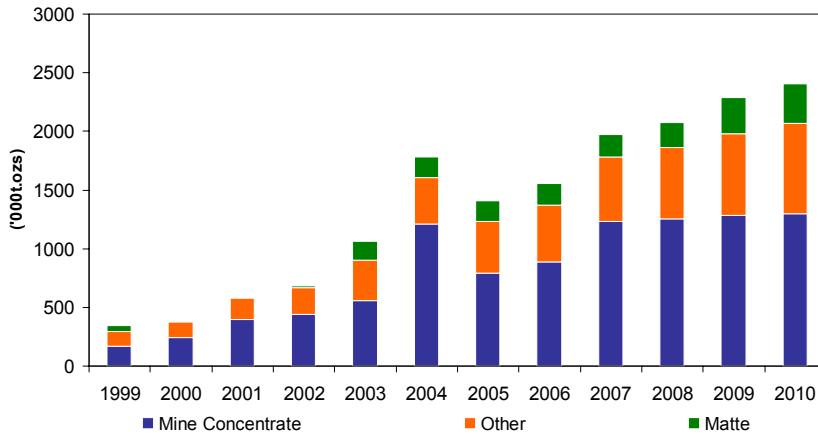
Platinum production profile: matte / concentrate / other



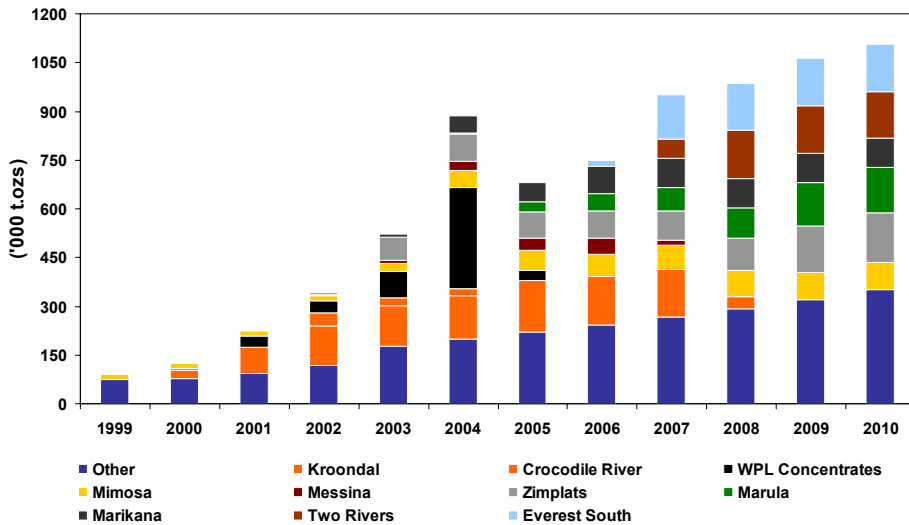
IRS PGM production



PGM production profile: matte / concentrate / other



IRS platinum profile by contract

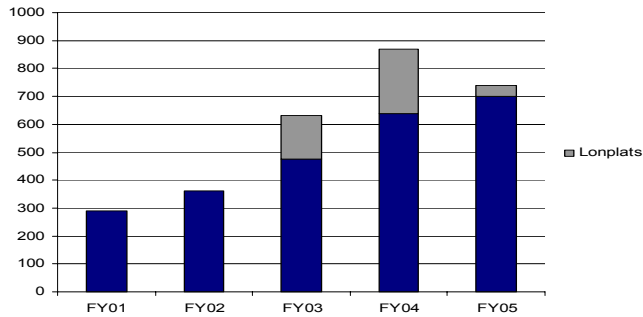


Impala Refining Services



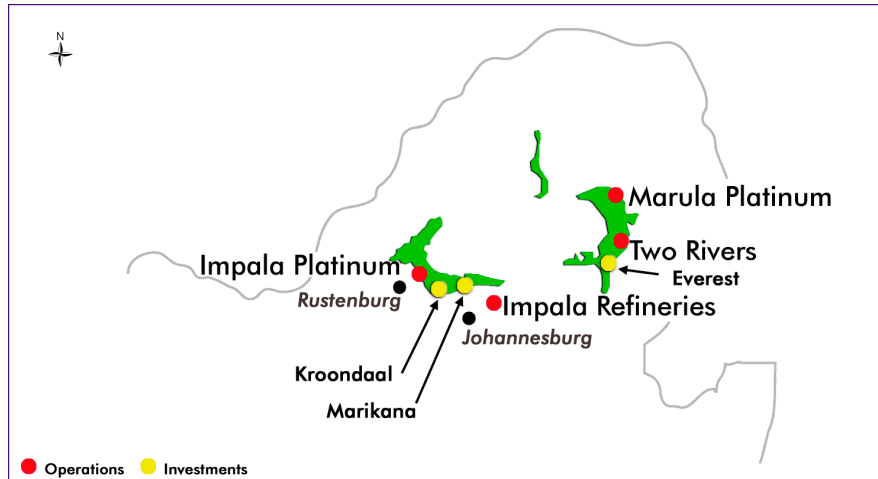
- Undertakes processing of third party material
- toll-refining activities and concentrate purchases
- One of the world's largest refiners of spent autocatalysts
- Headline production of 733,000 oz of platinum in FY2005

IRS platinum production



Investments

Location – Investments in PGMs



Aquarius Platinum



- Equity-accounted earnings from Aquarius
 - Production up 15% in FY2005
- Contributes to IRS
- Two mines:
 - Kroondaal at peak performance and
 - Marikana ramping up
- Construction at Everest began in October 2004
 - scheduled to produce 145,000 oz of platinum pa

Ambatovy nickel project



- \$2.25 billion joint venture with Dynatec and Sumitomo Corporation



37.5% – experts in processing of laterite nickel deposits



37.5% – 30 years' experience in nickel refining; infrastructural synergies



25% – guaranteed annual offtake of 30,000 t nickel for 15 years

Ambatovy



- **Planned production:**
 - Nickel – 60,000tpa from Madagascar
(plus 20 000tpa from Implats' operations)
 - Cobalt – 5,800tpa
- Large ammonium sulphate credit
- Estimated life-of-project of 27 years
- If given go-ahead – first production expected in 2009

Implats' motivation



- Save on further capital requirements in current BMR operation
- Dilute current BMR fixed cost structure over a larger production volume
- Leverage skills, infrastructure and hydrogen pipeline
- Involvement in a world-class primary nickel producer

Current status



- Detailed feasibility study with Hatch-SNC JV in Woodmead – decision by June 2006
- EIA well progressed submission before December 2005
- Metallurgical piloting complete

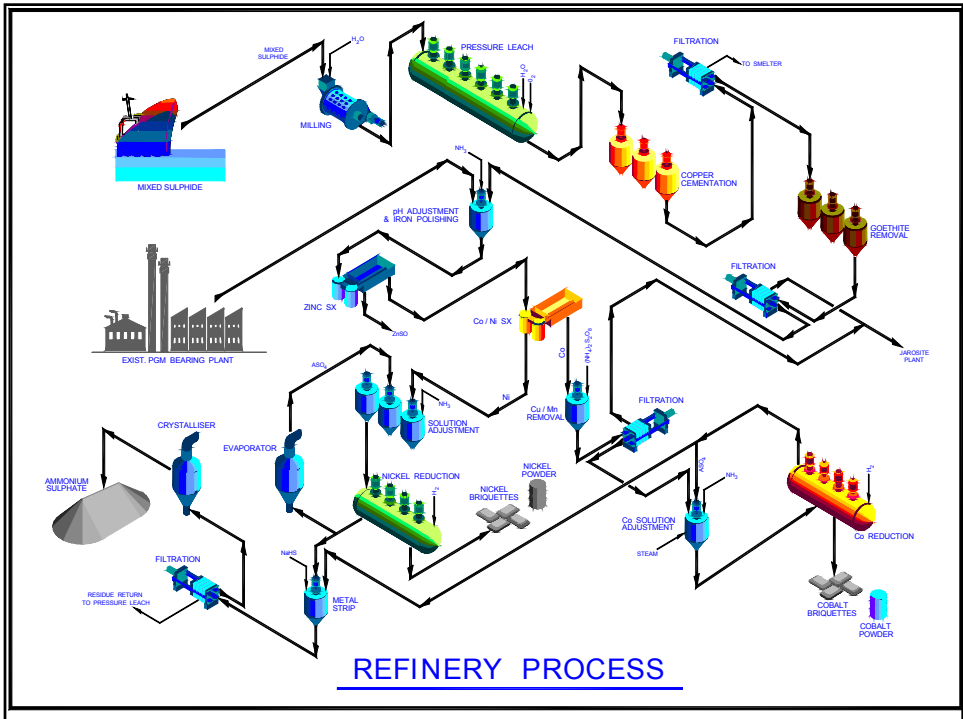
Pre-feasibility data



- 50% gearing
- Total project - \$2.3 billion
- Lowest quartile operating costs
- Approximately 12% capital spend at Springs

Madagascar – Ambatovy nickel





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Corporate Issues, Transformation and Human Resources

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Corporate issues



- **Conversion application for 'new order' mining rights**
 - **Marula submitted**
 - **Impala submitted**

Transformation at Implats



- **Transformation at Implats is based on**
 - **The Mining Charter**
 - **The Social and Labour Plan (MPRD Act)**
- **Objective**
 - **To meet legal requirements, but also it is a business imperative**

The Mining Charter



Transformation drives the nine legs of the Mining Charter Scorecard, namely

- Human resources development
- Employment equity
- Migrant labour
- Mine community and rural development
- Housing and living conditions
- Procurement
- Ownership and joint ventures
- Beneficiation
- Reporting

Strategies to achieve employment equity



Employment equity targets: 40% of management to be HDSAs and 10% women in mining

- Accelerated training programmes
- Succession planning
- Mentorship
- Space creation (retirees, volunteers)
- Bursary holder pool
- Head hunting
- Da Vinci Institute
- Female recruitment (preference)
- Central training account

Employment equity - progress



Employment equity	July 2004	Sept 2005
Senior management	13%	23%
Middle management	11%	20%
Supervisory	28%	35%

Board representation



Employment equity	May 2004	April 2005
Total Board	38%	42%
Executive directors	25%	25%
Non-executive directors	42%	50%
Women directors	19%	25%

BEE ...

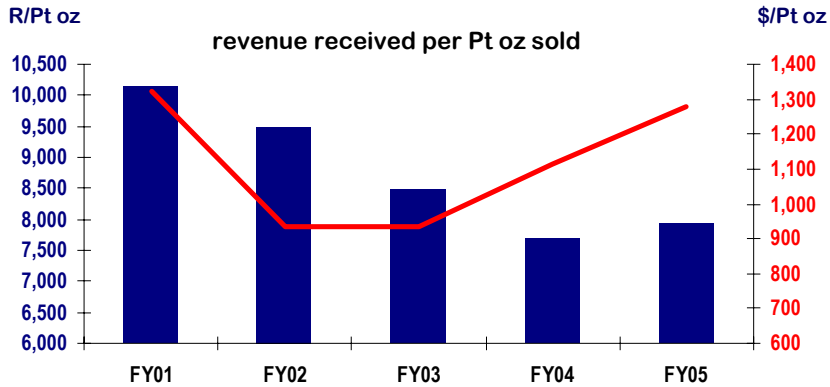


- BEE a reality of doing business in southern Africa
- Implats aims to minimise cost to shareholders, while maximising opportunity
- In South Africa
 - Minerals and Petroleum Resources Development Act and the Mining Charter
 - Transformation Committee has been established
 - Equity ownership component achievable at Impala and Marula
 - Royalty and beneficiation bills
- In Zimbabwe
 - Draft legislation



Market review

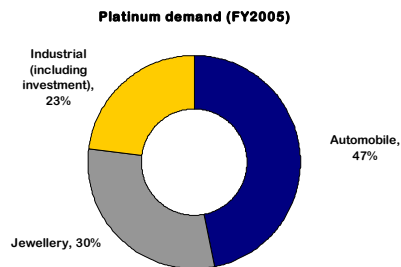
Strong dollar metal prices



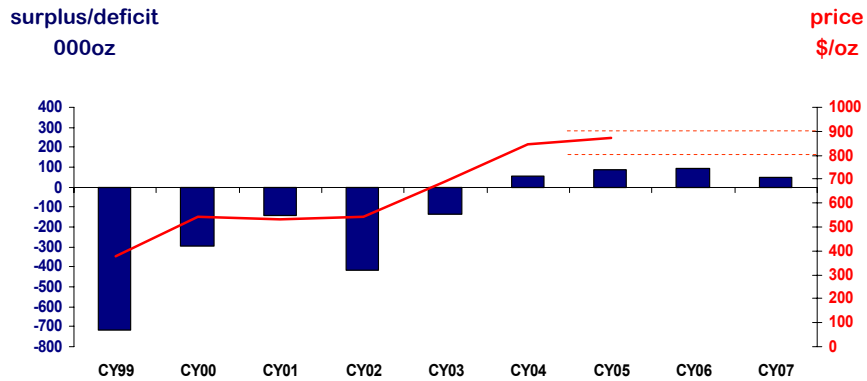
The platinum story



- Five consecutive years of deficit ended in 2004, with market moving back into balance
 - SA supply growth outpaced modest increase in demand
- Demand fuelled by
 - Automotive**
 - Growth in diesel vehicles in Europe
 - Ongoing expansion and enforcement of tighter emission standards
 - Growing car market in China and India
 - Jewellery**
 - High, volatile price eroding offtake



Great platinum market fundamentals



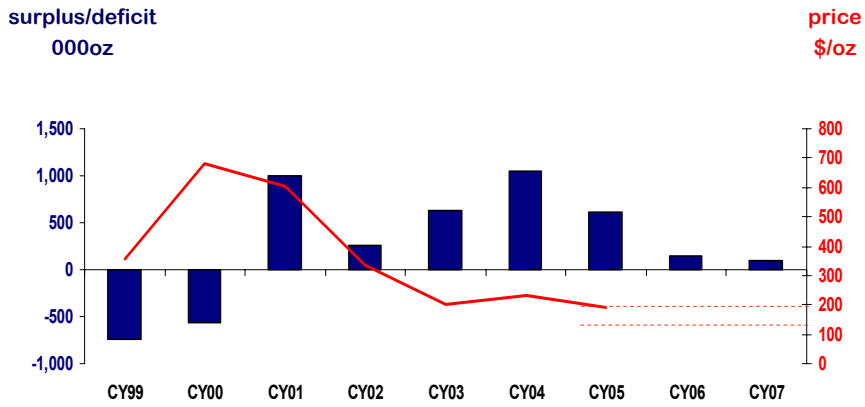
growth fuelled by strong automotive diesel demand

The palladium story



- Demand showing encouraging signs of recovery
- Fuelled by substitution of platinum in gasoline engines and introduction of palladium jewellery in China

Palladium surplus continues



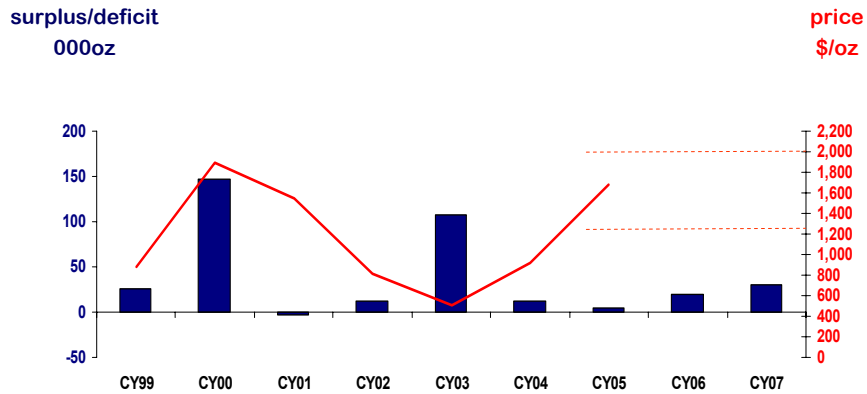
above-ground stocks cap price

The rhodium story



- **Market moved closer to balance**
 - tighter NOx standards in gasoline engines; and
 - growth in glass industry

Highly volatile rhodium market



tightening NOx legislation driving demand

The nickel story

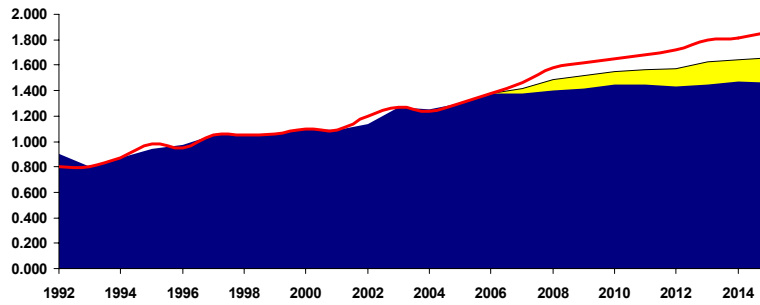


- Nickel demand continues, albeit at lower levels of growth, as
 - Strong demand from stainless steel industry, particularly in China
 - Lower than anticipated supply growth

Robust nickel market



'000 tpa



■ existing supply ■ committed expansion — consumption

Source: Brooke Hunt

growth in stainless steel demand supports fundamentals

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