NEWS RELEASE

Implats interims results FY2003

Continued delivery to Shareholders, says Implats CEO

Attributable income of R2bn (US$200m) for interim period; R600m dividend payout to shareholders

Impala Platinum Holdings Limited (Implats) reported turnover of R6.4bn (US$635m) and attributable income of R2.0bn (US$200m) for the six months ended December 2002. This was in line with an increase in production of some 14% to 773 000 platinum oz - a record for the group.

Implats CEO Keith Rumble noted that this reflects another strong performance for the company, and an indication that the company's growth strategy "which is set to deliver 2 million ounces of platinum by 2006" remains well on track.

Financial review

Compared to the corresponding period last year, which now includes the results of the production from Zimbabwe operations for the first time:

- Turnover rose by 21% to R6 410.7m (US$635m) on the back of a 13% increase in sales volumes and higher rand metal prices.
- Cost of sales increased by 24% to R3 375.9m (US$335m) as a result of a 15% rise in PGM production and inflation-related increases.
- Unit costs for the Impala Lease Area is a good indicator of the underlying performance of the company, rising by only 9.6% overall, which is lower than CPIX of 12.4% for the same period.
- Exchange translation losses on US dollar-denominated balance sheet items were incurred for the period of R211m versus a gain of R274m the previous six months. At the date of the previous valuation of debtors/advances on 31 December 2001, the rand-dollar exchange rate was 12.00 compared to a corresponding rate of 8.56 on 31 December 2002.
- The cash position decreased to R2.3bn (US$271m) from R3.2bn (US$305m) as at 30 June 2002.
- Capital expenditure for the period was R727m (US$72m) and is anticipated to be R1.2bn in the second half of the year.
- Attributable income declined by 8% to R2 011m (US$200m).

The board has declared a dividend of R9.00 per share for the interim period. This is in line with the company's stated dividend policy.

The market

Sales held up well, despite the global economic malaise. Platinum prices rose 23% in dollar terms and by 32% in rand terms compared to the corresponding period under review. However, due to weaker palladium and rhodium prices the dollar revenue per platinum ounce sold was down 1%.

The strength of the market was particularly marked for platinum, where robust automotive sales – which were incentive-driven in the US – belied poor economic conditions in first world markets.

Chinese jewellery consumption grew by nearly 20% in 2002. Should prices remain at the current high levels, this trend could be reversed.

Palladium's woes continued with ample supply outstripping demand as consumer destocking continued and the full effects of substitution were felt. A swing back to palladium in the automotive industry in the long term has become a reality, as users are encouraged by lower prices and abundant supply.

Safety and health

Safety efforts at all of Implats operations were intensified during the year, with excellent safety performances recorded at Crocodile River, Marula Platinum and the refineries, and a continued improvement at the Impala Lease Area. Particularly notable was the success of the Fall of Ground safety campaign launched following the voluntary closure of 11 shaft in May last year, after a spate of fall of ground accidents. The incidence of falls of ground has decreased by almost 95%.

Regrettably, and despite the increased emphasis on safety which resulted in a 40% reduction in the lost time injury frequency rate, three employees lost their lives during the period due to mining-related accidents. The Board and management extend their condolences to the family and colleagues of the deceased.

Operational review

Mining operations on the ***Impala Lease Area*** progressed well, with tonnes mined up by some 9.6%. Tonnes milled rose by some 5%, with platinum production reaching 545 000 oz for the half-year. On-mine unit costs were well-contained, rising by 9.6% per platinum ounce and 7.6% per PGM ounce.

Impala's processing and refining assets continued to deliver an excellent performance. Not only were recoveries commendable, but unit costs increased by only 4% as gross throughput (which includes throughput through Impala Refining Services (IRS)) rose by 14%. A scoping exercise "to increase refining capacity to 2.5 million ounces" has been initiated.

At ***Marula Platinum***, development is progressing well – on time and within budget. Stockpiles are currently being built up in anticipation of plant construction in September 2003, with the first stoping activities scheduled for October 2003.

Crocodile River Mine turned in a disappointing performance for the period. Shareholders are referred to a separate announcement made by Barplats. Tonnes milled decreased significantly as mining operations encountered difficult geological conditions. Platinum ounces in concentrate fell by 25% to 16 290 oz, with a resultant loss in attributable income of R17m (US$1.7m).

IRS produced another good performance for the year, with platinum production rising by 32%. Accordingly, revenue rose to R1.5bn (US$149m). However, translation exchange rate losses of R148m for the six months ended 31 December 2002, relating to dollar advances to customers, had an impact on attributable income.

Implats relationships with and interests in strategic alliance partners remain an important element in the company's operating and growth strategy. Particularly good earnings continue to be made by Lonplats with a net contribution of R368m. The group's interests in Zimbabwe show good growth and operations are proceeding as planned. The Zimbabwean investments remain of strategic importance in the longer term.

Prospects

Looking ahead, Implats anticipates that the platinum market will remain firmly underpinned by continued fundamental demand.

In the longer term, the group's growth strategy remains on track to deliver 2 million ounces of platinum by 2006. The company remains a high margin, cash generating business and remains well-placed to continue to deliver shareholder value.

Given the current strength of the South African currency and the resulting lower rand product prices, the group anticipates earnings levels significantly down on those of 2002.

Note

The US$ equivalents are provided for guidance purposes only. Balance sheet items have been converted at period end rates. Income statement items have been converted at the relevant average achieved rates per period.