

IMPALA PLATINUM HOLDINGS LIMITED
(Incorporated in the Republic of South Africa)
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ADR code: IMPUY
ISIN: ZAE000083648
("Implats" or "the Group")

Third quarter production report for the period 1 January to 31 March 2015

Johannesburg, 14 May 2015: Implats released third quarter production results for the period 1 January to 31 March 2015 today.

CEO Terence Goodlace commented:

"Implats delivered a pleasing safety performance during the March 2015 quarter but sadly reported two tragic fatalities at Impala Rustenburg subsequent to the end of the reporting period. The accidents occurred after the operation achieved a period of six months without a fatal accident, the first time this operation has reached this milestone and indicating that safe production can be realised with the requisite vigilance, respect and care.

Platinum production for the quarter increased by 47% compared to the quarter ended 31 March 2014, which is largely as a result of the strike impact at Impala Rustenburg in the previous comparative period. Operational performance was also supported by increased mining flexibility across the Group.

Looking forward, we will continue to focus on our safety initiatives, improving operating efficiencies and reducing costs. At the same time, we will continue to advance our capital projects with the view to meet future demand for our metals."

Operational information		Unaudited	Unaudited	Unaudited	Unaudited
		Quarter ended 31 March 2015	Quarter ended 31 March 2014	Nine months 31 March 2015	Nine months 31 March 2014
Implats Gross Refined Production					
Platinum	000oz	301	205	932	992
Palladium	000oz	176	126	589	595
Rhodium	000oz	37	32	126	129
Nickel	000t	3.75	3.21	11.58	11.31
Impala					
Tonnes Milled	000t	2 509	273	6 516	6 120
Grade (6E)	g/t	4.18	4.26	4.22	4.33
Merensky Ore Milled	%	45.5	12.8	47.3	43.2
Refined Platinum Production	000oz	143	21	396	411
Marula					
Tonnes Milled	000t	373	399	1 202	1 329
Grade (6E)	g/t	4.21	4.23	4.16	4.25
Platinum in Concentrate	000oz	16	17	53	59

Operational information		Unaudited Quarter ended 31 March 2015	Unaudited Quarter ended 31 March 2014	Unaudited Nine months 31 March 2015	Unaudited Nine months 31 March 2014
Zimplats					
Tonnes Milled	000t	1 263	1 423	3 741	4 404
Grade (6E)	g/t	3.47	3.46	3.47	3.55
Platinum in Matte	000oz	52	58	155	174
Mimosa					
Tonnes Milled	000t	622	569	1 923	1 804
Grade (6E)	g/t	3.93	3.94	3.92	3.94
Platinum in Concentrate	000oz	28	27	88	79
IRS					
Refined Platinum Production	000oz	158	184	536	581
Unit Cost					
Implats unit cost (excluding SBP)	R/oz	22 814	29 331	22 899	18 304
Prices Achieved					
Platinum	US\$/oz	1 214	1 400	1 288	1 419
Palladium	US\$/oz	790	730	813	725
Rhodium	US\$/oz	1 177	993	1 211	979
Nickel	US\$/t	14 983	13 986	16 555	13 964
Average exchange rate	R/\$	11.66	10.87	11.20	10.31
Revenue per platinum ounce	US\$/oz	2 174	2 400	2 284	2 272
	R/oz	25 249	26 088	25 581	23 424

SAFETY

There were no fatal incidents during the quarter ended 31 March 2015 and the Group has achieved six consecutive months without any fatal accidents. Regrettably, subsequent to the quarter ended 31 March 2015 there were two tragic fatalities at Impala Rustenburg. Both incidents were related to trucks and tramming, one in a conventional track bound section at E&F Shaft and one in a trackless mining area at 12 Shaft. The board of directors of Implats (“the Board”) and the management team have extended their sincere sympathies to the family, friends and colleagues of Mr Orekeng and Mr Malimole. Safe production remains our principle priority and we are committed to pursuing our vision of zero harm with renewed vigour.

At the end of March 2015, the ‘lost time injury frequency rate’ for the Group improved by 2% from 3.92 per million man hours worked in FY2014 to 3.85 for FY2015 (year to date). During the same period, the ‘all injury frequency rate’ improved by 25% from 11.90 achieved in FY2014 to 8.95 for the current financial year. However, the ‘fatal injury frequency rate’ deteriorated over this period from 0.043 achieved in FY2014 to 0.055 per million man hours worked in the current financial year, following five fatalities reported during the first quarter of the financial year.

PRODUCTION

Gross refined platinum production for the quarter ended 31 March 2015 increased by 47% to 301 000 ounces of platinum, compared to 205 000 ounces platinum in the prior comparable period. The increase is largely as a result of the strike impact at Impala Rustenburg during last year’s March quarter.

Notwithstanding this increase, gross refined platinum production for the nine-month period ended 31 March 2015 decreased by 6% from 992 000 ounces platinum achieved in the previous comparable period, to 932 000 ounces platinum in the current financial year. This decrease is directly as a result of the wage strike impact, lower volumes from Zimplats as a result of the temporary closure of the Bimha Mine, safety and industrial action stoppages during the first half of the financial year at Marula and lower throughput at Impala Refining Services (IRS) due to the treatment of once-off material in the prior comparable period. This was all mitigated to some extent by the improved performance at Impala Rustenburg this quarter and further operational improvements at Mimosa.

Impala

Tonnes milled at Impala Rustenburg improved from the strike-impacted quarter ended 31 March 2014 (273 000 tonnes) to 2.51 million tonnes during the quarter ended 31 March 2015, which is similar to the performance reported for the non-strike impacted quarter ended 31 March 2013 at this operation (2.36 million tonnes). Consequently, refined platinum production for the quarter improved to 143 000 ounces platinum for the period under review.

Tonnes milled over the nine-month period increased by 6.5% to 6.52 million tonnes, compared to 6.12 million tonnes in the prior corresponding period. Production over this period was impacted by the operational re-start and ramp-up to full production following the Association of Mineworkers and Construction Union (AMCU) wage strike and safety related stoppages, which amounted to approximately 400 000 tonnes year to date. Notwithstanding the increase in tonnes milled, refined platinum production for the financial year to date declined by 4% to 396 000 ounces platinum compared to the prior corresponding period. This is directly attributable to reduced smelter stock levels at the end of the strike-impacted prior comparable period, compared to the current nine month period under review.

Available mineable face (demonstrating ore reserve flexibility) for conventional mining crews at Impala Rustenburg improved further during the reporting period, increasing from 17 800 meters in March 2012 to 22 103 meters at the end of March 2015 (compared to a longer term strategic target of 24 200 meters). This will not only continue to improve ore reserve flexibility for each conventional panel team in the short term, but also allow more panel teams to be deployed over time to deliver the strategic target of 850 000 platinum ounces per annum at much higher mining efficiency and at lower unit cost.

The operation continued to experience power interruptions during the quarter under review, but was able to mitigate these impacts through power curtailment and power shifting to off-peak periods at the smelting facility. Production guidance for the full financial year is maintained at 575 000 platinum ounces. However, excessive safety stoppages following the recent two tragic fatalities at Impala Rustenburg and escalating power constraints may impact planned production performance in the final quarter of the current financial year.

Marula

Tonnes milled at Marula decreased by 6.5% to 373 000 tonnes for the quarter ended March 2015 compared to 399 000 tonnes reported in the prior corresponding period. Platinum in concentrate production for the quarter decreased in line with the lower mill throughput to 16 000 ounces platinum.

Tonnes milled over the nine month period ended 31 March 2015 decreased by 9.5% to 1.20 million tonnes, compared to 1.33 million tonnes in the prior corresponding period. Production over this period was severely impacted by safety and industrial action stoppages in the first six months of the current financial year and power supply interruptions in the quarter ended 31 March 2015. This impacted the processing plant and resulted in a build-up of some mined ore at the end of the reporting period. In line with this decrease in tonnes milled, platinum in concentrate production for the financial year to date declined by 10% to 53 000 ounces platinum.

Marula operates without a large on-site smelting complex and therefore has limited ability to shift power demand during periods of constrained supply. Consequently, the operation is required to stop the milling plant during periods of interrupted power supply and to stockpile ore which can then be treated at a later stage. Considering the mining performance (tonnes milled and stockpiled) during the quarter ended 31 March 2015, it is apparent that the strategic interventions to regain lost momentum at this operation are showing pleasing progress.

Zimplats

Tonnes milled at Zimplats during the quarter ended 31 March 2015 decreased by 11% to 1.26 million tonnes compared to 1.42 million tonnes reported in the prior corresponding period. Platinum production in matte for the quarter consequently decreased in line with lower mill throughput to 52 000 ounces platinum for the period under review.

Mill throughput over the nine-month period ended 31 March 2015 decreased by 15% to 3.74 million tonnes, compared to 4.40 million tonnes in the corresponding prior period. The lower throughput was directly attributable to the safety closure of the Bimha Mine in August 2014, mitigated to a large degree by the successful re-deployment of affected mining crews to other mining areas as well as the continued ramp-up of the Phase 2 expansion project. As a result, platinum in matte for the nine months ended 31 March 2015 was only 11% lower at 155 000 ounces, compared to 174 000 ounces platinum in the prior comparable period.

The re-development of Bimha Mine and the initiation of open-pit mining to mitigate the production impact is progressing well, with the first open-pit material expected to be processed in April 2015.

The ramp-up of the Phase 2 expansion project remains on schedule for completion in FY2015 with the Mupfuti Mine expected to deliver steady-state capacity of 90 000 ounces of platinum in the next financial year. All of the above interventions are expected to limit the production impact

of closing Bimha Mine to less than 40 000 platinum ounces for FY2015 and for full processing capacity (6.0 million tonnes per annum) to be restored in FY2016.

Zimplats continues to engage with the Government of Zimbabwe with regards to the indigenisation implementation plan and the securing of a more conducive regulatory and fiscal framework for the mining industry in Zimbabwe.

Mimosa

Tonnes milled at Mimosa increased by 9% to 622 000 tonnes for the quarter ended 31 March 2015 compared to 569 000 tonnes reported in the corresponding prior period. Platinum in concentrate production for the quarter increased as a result of the increased mill throughput to 28 000 ounces.

Tonnes milled during the nine-month period ended 31 March 2015 increased by 7% to 1.92 million tonnes, compared to 1.80 million tonnes in the corresponding prior period. The increased throughput together with improved recoveries increased platinum in concentrate production by 11% to 88 000 ounces compared to 79 000 ounces platinum in the prior comparable period.

On 30 January 2015, Implats informed shareholders that a 15% export levy on unbeneficiated platinum concentrates in Zimbabwe became effective from 1 January 2015 and advised shareholders that implementation of this levy would have a material impact on the profitability and sustainability of Mimosa. The group in consultation with the Chamber of Mines in Zimbabwe, initiated active engagement with the Government of Zimbabwe to highlight this risk and in an endeavour to secure a more conducive investment environment where current operations can be sustained and ultimately the industry grown in Zimbabwe. These engagements are ongoing, and further announcements will be made as soon possible.

IRS

IRS refined platinum production during the nine-month period ended 31 March 2015 decreased by 8% to 536 000 ounces, compared to 581 000 ounces. The decline in production is largely attributed to the once-off treatment of material in the prior comparable period.

PRICES

Platinum has traded approximately 9% lower in the nine-month period ended 31 March 2015 averaging US\$1 288 per ounce compared to US\$1 419 in the corresponding prior period. Palladium averaged US\$813 per ounce, 12% higher and rhodium traded at US\$1 211, 24% higher than the previous period. The dollar basket price received over the nine-month period was similar to the basket price received in the prior comparable period (0.5% higher).

The Rand/US\$ exchange rate over this period provided some respite, depreciating by 9% to average R11.20 to the US dollar, compared to a rate of R10.31 in the corresponding prior period. The resultant Rand revenue per platinum ounce consequently increased by 9% to R25 581 per platinum ounce for the nine-months ended 31 March 2015.

GROUP UNIT COSTS

In line with reduced platinum production, group unit costs have increased by 25% to R22 899 per platinum ounce compared to R18 304 achieved in the corresponding prior period. The primary reason for this, over and above normal inflationary increases, was the funding and impact of the ramp-up at Impala Rustenburg and the temporary closure of Bimha Mine.

OUTLOOK

While the fundamentals for PGMs remain robust, and Implats is strongly focused on improving operating efficiencies while delivering on its capital projects for a sustained and profitable future, the current Eskom crisis remains a serious issue. As a 'Key Customer', or an 'Energy Intensive User', Implats is in continual discussion with Eskom to manage these disruptions as best possible. The Group has a comprehensive electrical power control system in place, and the electrical power usage profile has been adjusted to offset the national power grid requirements. However, the Group's ability to further reduce power consumption is limited and, while further energy efficiency opportunities continue to be investigated, more frequent and/or severe power constraints will severely impact production into the future.

The third quarter production report for the nine months ended 31 March 2015 has not been reviewed and reported on by the external auditors of Implats.

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