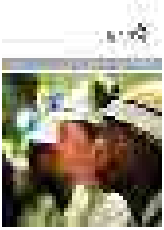
IMPLATS
Distinctly Platinum

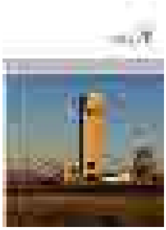
Annual Report 2008

Report profile

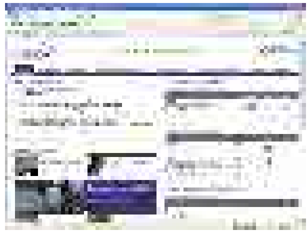


Annual Report

Corporate Responsibility Report



Mineral Resource and Mineral Reserve Statement



Online reports – home page

This annual report is for the 2008 financial year, from 1 July 2007 to 30 June 2008, although both historical and forward-looking data are provided for information purposes. While information in this report is with respect to FY2008 unless otherwise stated, information relating to the physical metals markets is provided by calendar year.

The company reports its production in terms of platinum and total platinum group metals (PGMs) where the latter includes platinum, palladium, rhodium, ruthenium and iridium as well as gold, or what is otherwise referred to as 5PGE+Au.

The annual financial statements contained in this report (pages 86 to 186) have been prepared in accordance with International Financial Reporting Standards (IFRS), the requirements of the South African Companies Act and in line with the regulations of the JSE Limited (JSE) and the recommendations of the King Report on Corporate Governance for South Africa 2002 (King II). The G3 reporting guidelines of the Global Reporting Initiative (GRI) have been followed in the preparation of both this report and the report on corporate responsibility.

Reporting of Mineral Resources and Mineral Reserves estimates has been done in accordance with the South African Code for Reporting of Mineral Resources and Mineral Reserves (SAMREC) and the Australian Code for Reporting of Mineral Resources and Ore Reserves (JORC), and was duly signed off by the Competent Persons, as defined by these codes. This year, a separate report on Implats' Mineral Resources and Mineral Reserves has been produced, a summary of which is presented in this annual report (pages 45 to 50).

The annual financial statements are available on the company's website at www.implats.co.za. In addition to the summary on corporate responsibility contained within this document (pages 28 to 33), the company has published a more comprehensive corporate responsibility report that is available on its website.

Certain statistical information is provided for comparative purposes for up to 10 years (financial years 1999 to 2008). While information is in respect of all subsidiary, joint venture and investment companies, it should be noted that in all cases production, capital expenditure, etc, which are attributable to Implats, are highlighted. In all cases in this report, $ or dollar refers to the US dollar, unless otherwise stated.

Additional information on the group may be found on the company's website or obtained from the contact persons listed on the inside back cover of this report.

Contents

Russell and Associates_1618.08

Vision and values

Implats' vision

To be the world's best platinum producing company, delivering superior returns to shareholders relative to our peers

Implats' values

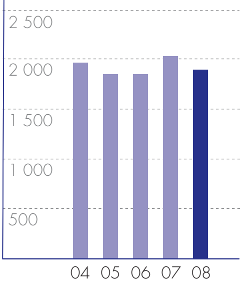
- Safeguarding the health and safety of our employees, and caring for the environment in which we operate
- Acting with integrity and openness in all that we do and fostering a workplace in which honest and open communication thrives
- Promoting and rewarding teamwork, innovation, continuous improvement and the application of best practice by being a responsible employer, developing people to the best of their abilities and fostering a culture of mutual respect among employees
- Being accountable and responsible for our actions as a company and as individuals
- Being a good corporate citizen in the communities in which we live and work

Key performance

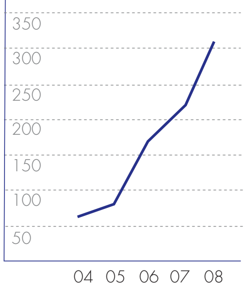
- Safety – while the group's LTIFR and FIFR improved, regrettably 12 employees lost their lives
- Significant mining rights obtained
- Production, excluding Lonmin material treated, increased by 2% while gross production decreased by 6% to 1.9Moz
- Revenue increased 19% to R37.6 billion
- Cost per platinum ounce* produced up by 17% to R6 930
- Gross margin improved to 47%
- Headline earnings 57% higher at R20.65 per share
- Capital expenditure increased 86% to R5.4 billion
- Dividend cover for the year reduced to 1.4
- Total dividend per share of R14.75 (final of R11.75 per share)

* Excluding share-based payments

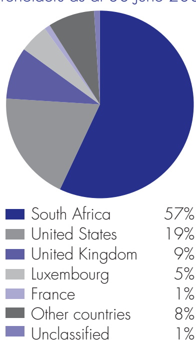
Gross annual platinum production
(000oz)



Implats share price – at year-end
(R/share)



Geographical distribution of shareholders as at 30 June 2008



Performance for the year

Production – 000oz

	FY2008	FY2007	% change
Group			
Refined platinum production	1 907	2 026	(5.9)
Refined PGM production	3 644	3 858	(5.5)
Impala			
Refined platinum production	1 044	1 055	(1.0)
Refined PGM production	1 841	1 872	(1.7)

Financial – rands

		FY2008	FY2007	% change
Revenue	(m)	37 619	31 482	19.5
Gross profit	(m)	17 731	14 472	22.5
Profit before tax	(m)	22 817	11 220	103.4
Profit for the year	(m)	17 705	7 325	141.7
Basic earnings per share	(c)	2 910	1 312	121.8
Headline earnings per share	(c)	2 065	1 312	57.4
Dividends per share	(c)	1 475	975	51.3
Cash net of debt	(m)	8 883	2 504	254.8
Revenue per platinum ounce sold	(R/oz)	21 528	17 057	26.2
Average rand exchange rate achieved	(R/$)	7.32	7.26	0.8

Financial – dollars

		FY2008	FY2007	% change
Revenue	(m)	5 140	4 375	17.5
Gross profit	(m)	2 402	2 010	19.5
Profit before tax	(m)	3 102	1 558	99.1
Profit for the year	(m)	2 398	1 017	135.8
Basic earnings per share	(c)	394	182	116.5
Headline earnings per share	(c)	278	182	52.7
Dividends per share	(c)	203	136	49.3
Cash net of debt	(m)	1 120	355	215.5
Revenue per platinum ounce sold	($/oz)	2 941	2 369	24.1

Note: The dollar numbers are provided for convenience and have not been audited. Income and expenditure items have been calculated using the average exchange rate for the year. Sales are the actual dollar amounts.

Corporate profile

Impala Platinum Holdings Limited (Implats), a leading global producer of platinum, produced 1.9Moz of platinum (approximately 25% of global supply) and 3.6Moz of platinum group metals (PGMs), for the 2008 financial year.

Implats' mining interests are found on the two most significant known platinum group mineral-bearing orebodies in the world: the Bushveld Complex in South Africa and the Great Dyke in Zimbabwe:

- In South Africa, these are located on the western limb of the Bushveld Complex – Impala Platinum (Impala) and the Leeuwkop project – and on the eastern limb – Marula Platinum (Marula) and Two Rivers Platinum (Two Rivers).

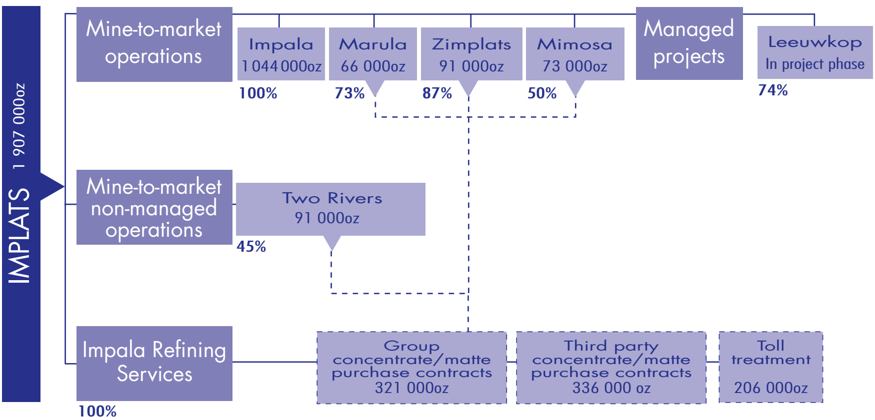
- In Zimbabwe, Implats operates Zimplats Holdings (Zimplats) and has an interest in Mimosa Platinum (Mimosa). Zimplats is listed on the Australian Securities Exchange (ASX).

Impala Refining Services (IRS) uses Impala's excess smelting and refining capacity to process the concentrate and matte produced by the various mine-to-market group operations as well as material purchased from third party companies. Toll-refining is also undertaken on behalf of other companies. Implats is one of the largest autocatalyst recyclers in the world.

The company's exploration efforts are focused on a number of projects in Botswana, Canada, Greenland, Madagascar, Mozambique and South Africa. Some of these are in joint ventures and alliances with other companies.

Implats has a primary listing on the JSE Limited (IMP) and a secondary listing on the LSE (IPLA). The company may also be traded via a sponsored level 1 ADR program (IMPUY) on the NYSE.

Group structure

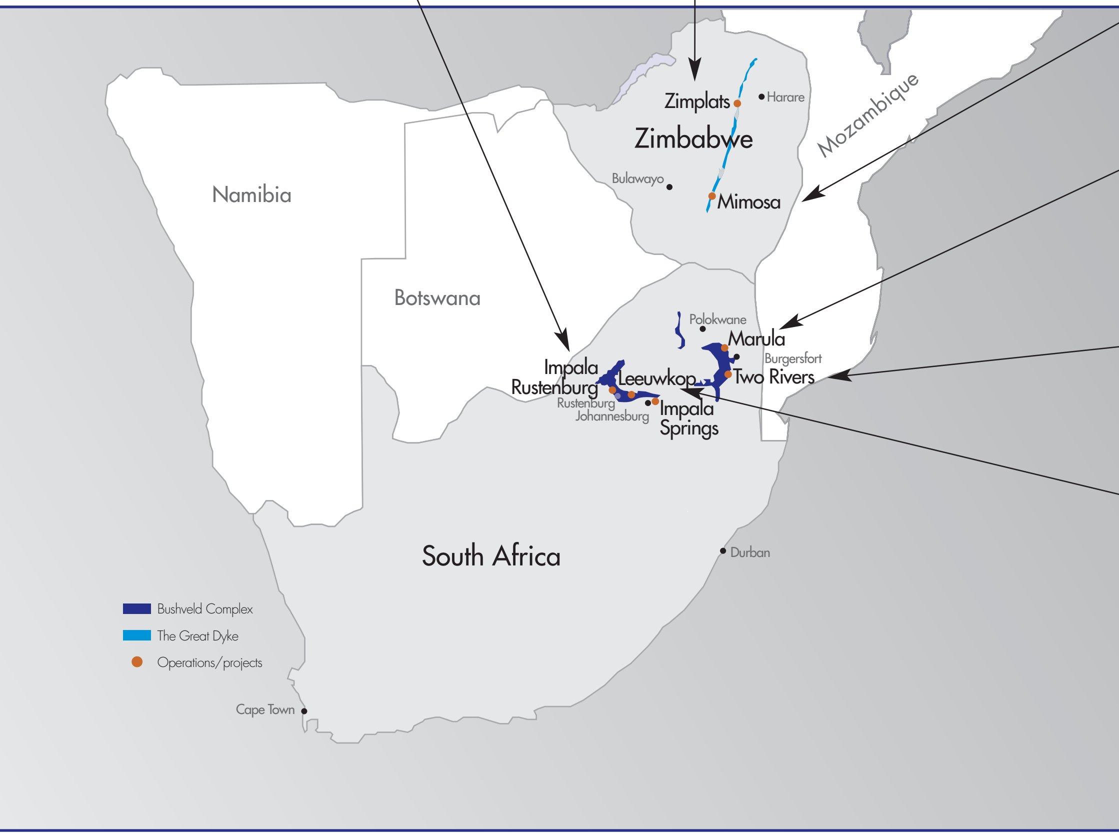


Refined platinum ounces indicated above have been rounded for illustrative purposes

Implats – operations at a glance

Impala (100%)

- Implats' flagship comprises:
  - a 14-shaft mining system
  - Mineral Processes, which incorporates the concentrating and smelting plants
  - Refineries, which houses the base and precious metals plants
- Production of 1.0 to 1.1Moz of platinum annually
- Three new replacement shafts currently being developed



Zimplats (86.9%)

- Comprises
  - Opencast and underground mines at Ngezi
  - Selous Metallurgical Complex (SMC) – concentrator and smelter – 77km north of Ngezi
- Expansion (Phase 1) under way taking production to 180 000oz annually by FY2011
- Life-of-mine offtake agreement with IRS

Mimosa (50%)

- Joint venture with Aquarius Platinum Limited
- Comprises:
  - Mechanised shallow underground mine operating at a maximum depth of around 200m and accessed via a decline shaft
  - Concentrator plant
- Building up to production of 100 000oz of platinum-in-concentrate by FY2010
- Life-of-mine offtake agreement with IRS

Marula (73%)

- Balance of 27% held by BEE entities
- Comprises:
  - Two on-reef decline shafts, Driekop and Clapham, and an off-reef conventional decline
  - Concentrator plant
- Building up to full production of 130 000oz of platinum-in-concentrate by FY2011
- Life-of-mine offtake agreement with IRS

Two Rivers (45%)

- A joint venture with African Rainbow Minerals (55%)
- Comprises:
  - Two on-reef decline shafts
  - Concentrator plant
- Building up to production of 130 000oz of platinum-in-concentrate by FY2010
- Life-of-mine offtake agreement with IRS

Leeuwkop (74%)

- This project will comprise:
  - Twin-shaft system to depths of between 1 000m and 1 500m
  - Concentrator plant
- Full production of up to 170 000oz of platinum-in-concentrate anticipated by FY2018
- Life-of-mine offtake agreement with IRS

Impala Refining Services (IRS) (100%)

- Uses group's excess smelting and refining capacity
- Three main areas of activity:
  - Provision of smelting and refining services to producers with whom it enters into offtake agreements
  - Toll-refining
  - Autocatalyst recycling

Implats – performance at a glance

Implats		Refined platinum production: 1.907Moz Refined PGM production: 3.644Moz
Impala	Tonnes milled: 15.9Mt Head grade: 4.64g/t (5PGE+Au)	Refined platinum production: 1.044Moz Refined PGM production: 1.841Moz
Marula	Tonnes milled: 1.5Mt Head grade: 4.44g/t (5PGE+Au)	Platinum-in-concentrate production: 70 400oz PGM-in-concentrate production: 185 700oz
Zimplats	Tonnes milled: 2.2Mt Head grade: 3.53g/t (5PGE+Au)	Platinum-in-matte production: 94 300oz PGM-in-matte production: 200 200oz
Mimosa	Tonnes milled: 1.7Mt Head grade: 3.57g/t (5PGE+Au)	Platinum-in-concentrate production: 76 600oz PGM-in-concentrate production: 158 900oz
Two Rivers	Tonnes milled: 2.4Mt Head grade: 3.99g/t (5PGE+Au)	Platinum-in-concentrate production: 98 600oz PGM-in-concentrate production: 206 000oz
IRS		Refined platinum production: 862 700oz Refined PGM production: 1.8Moz

Cost/platinum ounce*: R6 930/oz

Capital expenditure: R5.4 billion

Number of employees and contractors***:
34 381 employees, 20 610 contractors
Safety: 12 fatalities
FIFR: 0.095 per million hours worked
LTIFR: 2.92 per million hours worked

Cost/platinum ounce*: R6 546/oz

Cost/platinum ounce net of by-product revenue**: (R941)/oz

Capital expenditure: R3.4 billion

Number of employees and contractors***:
29 533 employees, 15 388 contractors
Safety: 5 fatalities
FIFR: 0.053 per million hours worked
LTIFR: 3.62 per million hours worked

Cost/platinum ounce*: R9 020/oz

Cost/platinum ounce net of by-product revenue**: (R5 128)/oz

Capital expenditure: R345 million

Number of employees and contractors***:
2 493 employees, 1 098 contractors
Safety: 3 fatalities
FIFR: 0.373 per million hours worked
LTIFR: 1.24 per million hours worked

Cost/platinum ounce: R9 215/oz

Cost/platinum ounce net of by-product revenue**: (R1 654)/oz

Capital expenditure: R1.3 billion

Number of employees and contractors***:
1 584 employees, 3 998 contractors
Safety: 3 fatalities
FIFR: 0.189 per million hours worked
LTIFR: 0.69 per million hours worked

Cost/platinum ounce: R7 023/oz

Cost/platinum ounce net of by-product revenue**: (R6 932)/oz

Capital expenditure: R289 million

Number of employees and contractors***:
1 543 employees, 253 contractors
Safety: 1 fatality
FIFR: 0.125 per million hours worked
LTIFR: 0.88 per million hours worked

Cost/platinum ounce: R8 432/oz

Cost/platinum ounce net of by-product revenue**: (R2 996)/oz

Capital expenditure: R357 million

Number of employees and contractors***:
679 employees, 1 832 contractors
Safety: Not included in group safety statistics

* Excluding share-based payments
** Excluding IRS gains
*** Includes capital and projects

Chairman's letter

Dear Shareholder

The past year has been one of great contrasts for Implats; a year of unbelievable high points, a year of great challenges on the operational front and a year of some despair regarding matters beyond our control. The group has excelled financially and achieved record sales and profitability on the back of soaring metal prices and a weakening rand.

However, we had to grapple with an extremely difficult operating environment dominated by the well publicised power crisis, a sharply decreased availability of skills and a significantly higher inflationary environment than usual. Revenue increased by 19.5% to R37.6 billion and net profit increased by 141.7% to a record level of R17.7 billion. This superb performance was marred by costs having escalated by 17% to R6 930 per platinum ounce (excluding share-based payments), driven largely by operational cost escalation of which a significant part was the additional spend associated with the attraction and retention of skills. Going forward, the upward pressure on labour and consumable costs is likely to continue and improvements in productivity will remain the key factor in mitigating the impact and improving our cost competitiveness relative to our peers in the platinum industry.

Our resolve to stop incidents leading to injuries in the workplace remains undiminished and this issue remains at the forefront of our efforts. Having committed to a policy of 'Zero Harm' in the longer term, we welcome the Presidential Safety Audits and indeed any other initiatives which may serve to improve our safety performance and that of the mining industry. The various safety measures implemented over the last few years at Implats have taken effect and during the past year our fatality rate improved by 19% and the lost-time injury frequency rate dropped to below three injuries per million man hours for the first time ever. Notwithstanding these achievements, 12 of our employees lost their lives at work during the year. This is completely unacceptable. We are deeply saddened by the loss and extend our sincere condolences to the family and friends of these colleagues.

I have mentioned above the 'Zero Harm' objective of the company and wish to elaborate a little on incidents leading to injuries in the workplace. In a perfect world, if all employees receive the correct workplace safety training and – most importantly – comply perfectly with these rules in the workplace, very few, if any, injuries would occur. That much seems obvious and the question then is whether the training is adequate or whether the compliance to safety standards is inadequate. Our experience at Implats is that more than 90% of incidents that result in injuries have a non-compliance connotation at a critical stage leading up to the event. We therefore focus on better training to improve compliance with safety standards in order to eliminate any such events. Notwithstanding the emphasis that we place on this matter, we fail dismally to modify a perverse attitude to risk that sometimes pervades certain individuals in the workforce and leads to non-compliance. Such non-compliance and their consequences are manifested not only in the South African mining industry safety statistics when compared to other countries, but also in many other areas of our everyday lives, an example being the well publicised fact that South Africa has among the worst road fatality statistics in the world.

It is an attitude to risk and thus to compliance that is difficult to fathom, and the question is why such an attitude exists. Perhaps the example set by society at large in South Africa is a contributing factor; non-compliance with accepted norms and acceptable social behaviour by prominent individuals are often reported in the press. These actions do not go unnoticed, nor does it go unnoticed that such behaviour often goes unpunished; with the impression being created that non-compliance is somehow acceptable or may be condoned. The challenge that we face therefore is to modify significantly the attitude of the workforce towards risk and compliance, because, until such day as the workforce achieves 100% compliance with safety standards and practices, the 'Zero Harm' objective will not eventuate. We believe that behaviour can be modified – as has been demonstrated by the world-class safety performance of Impala Refineries in Springs – and will pursue our objective with renewed vigour.

During 2007 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. Demand was also boosted by further growth from industrial applications and by investment demand which benefited from the introduction of the new exchange traded funds (ETFs). Prices moved up in the tighter market during the latter half of 2007 and rocketed in late January – fuelled by the Eskom power crisis – to a record level of \$2 276/oz in early March. The euphoria associated with the high platinum prices must however be tempered by the very real possibility that thrifting and substitution of platinum in autocatalysts must be at the forefront of research programmes worldwide. Also, disinvestment by ETFs may add supply to the market when least needed.

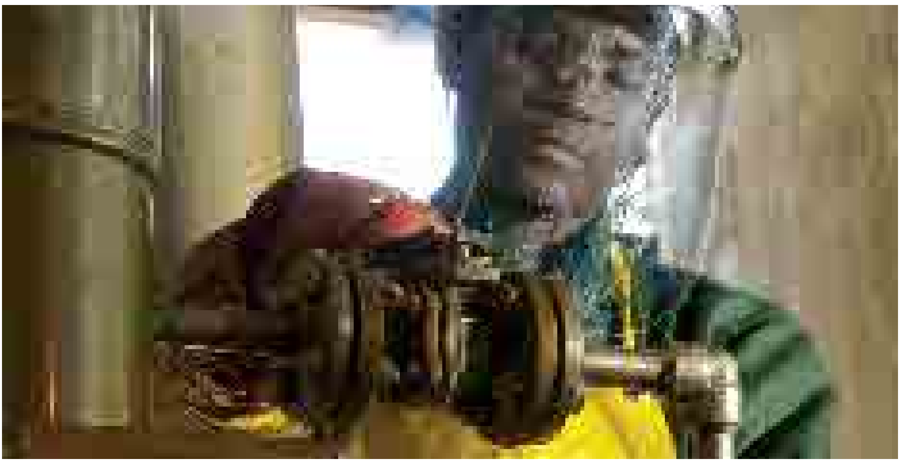
The fundamentals for the palladium market continued to improve, however the market registered another significant surplus which, coupled with above ground stocks, continued to cap the price. The rhodium market remained in deficit for a second successive year and this, in a thinly traded market, translated into further price appreciation. The prices of these metals in relation to that of platinum will play a key role in both the substitution and thrifting endeavours referred to above.

Gross platinum production for Implats, excluding one-off toll treatment ounces, increased by 2% to 1.9 million ounces during the past year. This was primarily due to increases in third party processing contracts and represents a good performance in extremely trying circumstances. Operationally it was another difficult year for Impala Rustenburg where the grade remained a challenge. We have thoroughly investigated the reasons for this ongoing issue and have implemented various initiatives to address and rectify the problems. The reduction in ounces that occurred due to the grade issue was exacerbated by lower platinum production as a result of the power crisis, additional public holidays, safety interruptions associated with incidents and the shortage of skills.

The severe lack of skills currently being experienced throughout all sectors of the South African economy is presently the biggest challenge facing the group and, indeed, the mining industry in South Africa. The retention and attraction of skilled workers has reached critical proportions for Implats and various strategies have been implemented but these will have a profound impact on our cost base going forward. Fundamentally the situation has arisen because of the high levels of activity in metals and minerals businesses globally. Given the demand for skills worldwide, companies in South Africa have difficulty in competing with this drain of skills because even the most ardent patriot is ultimately swayed not only by money, but also by a better education for his or her children and the prospect of living in an environment that conforms to reasonable law and order.

It is clear that a massive concerted effort is required by the mining industry together with Government if skills are not to become a permanent Achilles heel for economic growth in South Africa. Government's response to the skills shortage in the short term is to allow certain companies to recruit skills outside of South Africa with immediate clearance for two-year work permits. Such a course of action buys the time to address the fundamental issue of training locals for these jobs but potentially adds to the volatility of the skills situation in two years time. Also, it should be borne in mind that such training may ultimately be futile unless the other reasons that have contributed to the skills drain are addressed – such as the education crisis and the issue of law enforcement.

The power crisis will definitely curtail Implats' performance going forward. Last year we announced the expansion of our processing capacity to accommodate the next stage in our growth to 2.8 million ounces of platinum per annum. Indeed, during the early part of the past year we contemplated a further expansion when it became clear that our competitors would not meet their production targets in even the medium term. Unfortunately the lack of guaranteed power has not only tempered these plans but has impacted our interim target to produce 2.5 million ounces by 2012. This target has effectively been moved out by three years. The key expansions that have been affected are the Leeuwkop Project and the development of the Merensky Reef at the Marula mine, both of which require a firm commitment on power for mining from Eskom. The lack of power will also slow the development of the junior sector of the industry, which in turn will temporarily impact Implats' ability to utilise its distinctive competence in



processing and refining to full effect. An expansion of our processing and refining capacity nonetheless remains an option that is presently under consideration given that the lead time to achieve significantly increased production moves the start-up date sufficiently far into the future that security of power supply should be assured.

Despite the worsening of the socio-economic situation to a level not previously imagined and the unstable political environment in Zimbabwe, the expansion at Zimplats to 180 000 ounces per annum is progressing most satisfactorily. This superb achievement has to be seen in the light of the fact that Zimplats has to contend not only with an unstable socio-economic and political situation but additionally with the same critical issues of power and skills as our operations within South Africa. Our mining activity in Zimbabwe has increasingly been criticised recently as being beneficial to the existing ruling party and that we are effectively prolonging their tenure. It is true that, in the normal course of business, our operations do contribute in a significant way to Government coffers. However, I wish to state unequivocally that Implats has and always has had a non-aligned political posture within Zimbabwe; we operate in Zimbabwe because we believe it is in the interests of our shareholders to do so and we will cease operating in Zimbabwe when it is in the interests of our shareholders to do so or if the safety and security of our workforce is compromised. Consequently, our medium- to long-term strategy is still to increase production at Zimplats to 1 million ounces of platinum per annum.

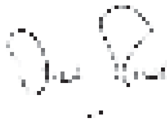
Implats' objective is to be the pre-eminent platinum producer in the world, having already established itself as one of the lowest cost producer of any consequence. Indeed, the recently reported cost performance of the industry illustrates how well Implats has done on the cost front during the past years. Some ten years ago the group was fighting for survival with insufficient mining reserves; now that we have the reserves to grow the business, we are constrained by matters beyond our control. Shareholders will understand therefore the absolute feeling of despair brought about by the twin challenges of power and skills that pervade the economy. However, we are resolute in our commitment to growth and have in place an enthusiastic management team that will deal with the challenges most adequately.

In terms of corporate activity during the year, the group disposed of its holdings in both Aquarius

Platinum Limited and Aquarius Platinum (South Africa) (Proprietary) Limited in a restructuring exercise that was predicated upon our assessment of the outlook for that company. These proceeds will be applied towards our ambitious growth objectives. We successfully secured our mining rights conversions for Impala and Marula and obtained our mining right for the Leeuwkop project. In addition, Marula enhanced its black economic empowerment credentials by concluding agreements with its three partners which sees them increasing their stakes in the company to 9% each, resulting in a composite BEE holding of 27%.

I would like to take this opportunity to thank my fellow board members for their dedication and wise counsel during the past year. In particular, I thank John Roberts who resigned from the board in October 2007 having been a member since 1998. His contributions over the years, both towards board matters and on the various committees of which he was a member, were invaluable. The board wishes him well in any future endeavours. I am pleased to welcome Fatima Jakoet who joined the board in August 2007 as an additional independent non-executive director. Her corporate business experience will surely benefit Implats and we look forward to the contribution that she will make.

My personal gratitude and that of the board goes out to David Brown and his management team, all employees and contractors, as well as to customers, suppliers and other business partners. Your efforts during the year in the face of a tough operating environment have ensured a solid operational performance. Thank you for your respective contributions. Going forward, we will continue to look for and initiate new growth opportunities that will enable all of us to achieve higher and sustainable growth together.



Fred Roux
Chairman

Chief executive officer's review

Implats delivered a stellar financial performance during the year, driven undoubtedly by the record prices achieved for our products. Demand fundamentals remained robust and, together with decreased production from South Africa, supported the exceptional price performance of all the platinum group metals. Sales reached a new high of R38 billion (or $5 billion), with an overall group margin of 47% having been achieved.

As is our practice, shareholders will be well rewarded, with some R8.9 billion (US$1.2 billion) being returned by way of dividends. Our decision to lower our dividend cover is a clear indication of our continued confidence in both our own performance and that of the markets for our products. A detailed financial review may be found on page 38 of this report.

Not truly reflected in this performance is the fact that the operating environment of the past year was one of the toughest we have had in recent times. Among the challenges faced were safety, the power crisis in South Africa, industry-wide skills shortages, escalating input costs and socio-political issues in Zimbabwe. The first three have combined to effect supply shortfalls from the South African producers, with a more significant impact expected on medium- to long-term supply growth prospects.

Implats' platinum production, excluding the Lonmin ounces treated, increased slightly year-on-year to 1.9Moz, the only major producer in South Africa to have done so. This was despite unavoidable production losses from power and safety stoppages, which are discussed below. These accounted for approximately 20 000oz of platinum during the 2008 financial year. Growth in production at Marula and Two Rivers, which are in ramp up phase, was encouraging.

Our strategy

In our drive to become the best platinum group metals producing company, we continue to plan and measure our performance against the six pillars of our strategy articulated in our report last year. These pillars are: improving safety, growing production and our resource base, cost leadership, capital efficiency and delivery, maintaining a holistic contract with employees, and managing the balance sheet.

Our group structure (see page 5) has been refined further to illustrate the elements of our business:

- Managed mine-to-market operations, which are Impala, Marula, Zimplats and Mimosa, where we have direct control over the entire value chain.
- Managed mine-to-market projects such as Leeuwkop.
- Non-managed mine-to-market operations, where we have an interest in the full value-chain, but where we do not manage the operation. This applies only to Two Rivers.
- Impala Refining Services, which is split between material which we toll treat and that which we purchase or for which we have long-term offtake agreements.

As an indication of our increasing attention to managed mine-to-market operations, 67% of our total production came from this part of our business in FY2008. Production from purchased or contracted material amounted to an additional 17%, with toll treatment (11%) and production from non-managed operations (5%) making up the balance.

As part of this focus on production that we can direct and manage, we took the opportunity to tidy up our organisational structure and redefine our relationship with Aquarius Platinum Limited with the sale of our interests in that company and its subsidiary Aquarius Platinum (South Africa) Proprietary Limited (AQPSA) for a consideration of R5.7 billion ($744 million). Our involvement with AQPSA will continue in terms of the offtake agreements in place with its Everest and Marikana operations.

Improving safety

While safety has been and remains a priority for Implats, much remains to be done to achieve our goal of 'Zero Harm'. Key to our success is the embedding of a culture of safety awareness at all levels of the organisation.

Although there was an improvement in our safety performance over the past year – almost six million fatality free shifts were achieved – I am very distressed to report that 12 of our fellow employees lost their lives at work during the course of the year (FY2007: 13 fatalities). The board and management team join with me in extending our sincere condolences to the families and colleagues of those who died, and pledge to our colleagues that we will not relax our vigil on safety until we meet our target of zero harm, something which we firmly believe can be achieved.

Our safety and health performance and some of the achievements and challenges we have faced are dealt with in greater detail in a new section on found on page 24, of this report.

Having spent a great deal of time and effort in engaging with people – management, employees and unions – since I became CEO two years ago, I am convinced that the safety procedures and policies we have in place are of a high standard. What we need to ensure is that these are implemented and do not simply remain on paper.

There are two areas of specific focus for us. Firstly, we must enforce an intolerance of non-conformance with safety standards no matter how unpopular this may be. Secondly, in the current skills crisis and given the high staff turnover levels experienced across the industry, there must be a greater and renewed emphasis on the content, frequency and intensity of safety training.

Government's recent attention to safety is most welcome. I firmly believe that by uniting forces – companies, the unions and government – we can make the progress that is required. I would like to see the recent Presidential Safety Audits, conducted under the auspices of the Department of Minerals and Energy (DME), used to develop the programmes and processes that will take us forward as we collectively strive to improve safety. There is no room for finger-pointing from any side; incidents and unsafe conditions are our collective enemies, and we are all equally part of the solution. All parties must work towards the common goal.

Growing production and resource base

Implats held a steady course during the year, maintaining headline production in the midst of a general decline in production from our primary competitors. This was indeed an excellent achievement by the operational team and was delivered in spite of the challenges of the past year – safety, power and skills, in particular.

We have continued to seek opportunities to supplement our resource base while simultaneously growing our third party processing business. The Afplats acquisition, which includes the Leeuwkop project, was completed during the previous year, although the delay in the granting of the new order mining right has meant that the Leeuwkop project development timeline has been moved out. The final go-ahead for this project will still depend on the availability of power for mining, further impacting the timeline. Other positive developments in 2008, were the signing of offtake arrangements between Impala Refining Services and the Smokey Hills and Blue Ridge projects.

Our original target for annual platinum production of 2.5Moz by FY2012 has been impacted by delays to the Leeuwkop and Marula Merensky projects. Annual production of 2.5Moz of platinum is now expected in FY2015.

Cost leadership

Spiralling costs are perhaps the most worrying of all challenges that we currently face, particularly as we are price-takers for so many of our cost inputs. Despite the unsatisfactory sharp increase in costs that we have reported, Implats remains in the lower cost quartile in the industry.

The three major contributors to cost increases were:

- Wages, which contribute 51% to total costs. Rising inflation has had a severe impact on employees and, combined with a skills shortage, is fuelling a rise in our overall wage bill. Year-on-year inflation as measured by CPIX for June 2008 was 11.6% (June 2007: 6.4%), far in excess of the official inflation target of 6%, and this trend is likely to continue in the short term.
- Prices of consumables which have risen sharply. The cost of fuel (up 100%), steel (up 65%), explosives (up 36%) and reagents (up 18%), have placed upward pressure on costs. These costs are being closely managed and controlled so as to increase their efficiency of use, that is using less where possible and promoting competitive pricing.
- Cost of utilities. Shortages of power, largely due to exogenous factors, have also resulted in increased prices.

The escalating costs of consumables are also having an effect on capital costs. As we have no direct influence on the prevailing prices of our products, cost management will be even more important in maximising the benefits of prices received. It will be imperative to produce as cost and capital efficiently as possible. This places the focus on productivity. By and large, productivity improvements across the group were less than satisfactory, mostly as a result of the shortage of skills and the high turnover of staff experienced at all operations. This too is an area of focus for the coming year.

Capital efficiency and delivery

Delivery on time and within budget on our capital investments is essential to future cost efficient production. This is especially important given the size of our capital expenditure programme of approximately R30 billion over the next five years. Shortfalls in delivery can have serious implications for our production targets down the line, as well as for capital costs, which ultimately affects profitability.

The current capital expenditure programme covers 16, 17 and 20 shafts at Impala, (viewed as maintenance capital as this is an investment in the development of new shafts to replace the older shafts which are coming to the end of their working lives), as well as the development of the Leeuwkop project and Marula's Merensky project.

Contract with employees

Implats is committed to its maxim of 'One team, one vision, with pride'. In line with this, we have adopted a policy of engaging with our employees as we move towards creating a united, holistic team comprising all our employees. This entails creating cohesion between management and all levels of staff, empowering all and giving each employee a sense of pride in being part of the Implats team. Staff training is an important element of this policy and will have a vital role to play in the retention, replacement and transfer of skills. Also important in this regard are the provision of housing, the Employee Share Ownership Programme (ESOP), the payment of market-related salaries and the production bonus system. More information on these can be found in the section on People, on page 26, in this Annual Report as well as in the Corporate Responsibility Report 2008.

Cash on hand – managing the balance sheet

Implats ended the 2008 financial year with a substantial amount of cash on hand – R10.4 billion available for acquisitions, our capital expenditure programme and for distribution to shareholders. Cognisance must be taken of competing needs and that is why we have decided to lower our dividend cover to 1.4 times, which is an appropriate balance between returns to shareholders and building for future profits. In addition, we have embarked on a share buy-back programme of 16.4 million shares associated with the ESOP. To date we have purchased 826 000 shares at an average price of R307 per share. This brings the total number of shares in issue outside the group at 30 June 2008 to 605 million. We will look to extend our buy back programme over and above the ESOP shares in the future.

Resolving power supply constraints

In response to the major power supply constraints in South Africa, the mining industry has developed and maintained close ties with Eskom, the power utility, to understand and even assist in developing plans to overcome the crisis. Non-Eskom options being looked at include utilising power produced by independent power producers, and the co-generation or self-generation of power. The economic costs of each option would have to be weighed up so as to establish the option which is most economical. It is our view that independent power producers should be encouraged to provide much-needed flexibility in the energy supply sector, as well as healthy competition and the influx of skills.

We are well aware that concerns around power and the shortage of supply have affected not only current production but growth across the industry, and have had a significant impact on investor confidence. We, as a company and a sector, need to develop a plan to mitigate the damage done.

Operating with less than 100% power is not ideal, but is tolerable. We have plans in place to minimise the effect of these cut-backs on our production profile. Our energy savings initiative is about ensuring a more efficient consumption of energy.

Of greater worry to us is that if we cannot grow output (for which we need power), the resultant supply shortfalls will lead to even further increases in PGM prices, which are likely to be more damaging to the industry fundamentals in the longer term. Should this happen, South Africa will forfeit its unique position in the global platinum industry.

We would also be concerned should new entrants be allocated power at the expense of ourselves. It has to be remembered that we have co-operated with Eskom and have reduced consumption temporarily when called upon to do so. Strong, firm leadership and a transparent plan, able to withstand scrutiny, is required from the regulators and government and would acknowledge the importance of the mining

sector – and the PGM industry in particular – as a creator of jobs and economic activity, and a generator of much-needed foreign exchange.

In Zimbabwe too, power shortages have both short- and long-term implications. Our operations in Zimbabwe – Zimplats and Mimosa – have, as part of an industry initiative in conjunction with ZESA, the Zimbabwean Electricity Supply Authority, signed a long-term power agreement with Cahora Bassa. This power, to be paid for in US dollars, will, however, be more expensive.

Attracting and retaining skills

Attracting and retaining skills is a significant problem in South Africa. Highly skilled employees have left and the country has not produced enough semi-skilled and skilled people in recent years. Initiatives to provide a solution must be driven and co-ordinated nationally by government which is responsible and should be accountable for the current severe lack of skills which is limiting economic growth. Companies need to be part of the solution by working with government.

Implats has a detailed, all-encompassing human resources strategy to attract, provide and retain the right skills by improving the quality of life of employees – by providing housing, addressing health concerns and making employees proud to be part of the Implats team. We wish to create a positive energy within the company, to provide a working environment in which employees want to remain and in which they have a sense of pride.

Growth and the South African platinum sector

One of the benefits to a company such as Implats of the tougher operating environment is the increasing need for and potential of consolidation in the South African platinum industry. A significant feature of the past year has been a change in the risk profiles of junior companies (as a consequence of the power supply constraints, cost pressures, the availability of skills and safety concerns), a tightening in equity markets and the rising cost and availability of debt.

Against this background, our growth plans, which remain strong and focused, comprise four avenues:

- **Organic growth from current assets.** The majority of our organic growth is expected from Marula, Two Rivers, Afplats, Mimosa and Zimplats. We aim to grow the resource base

while simultaneously allowing for flexible exploitation. Given current power constraints, this flexibility has become even more important in that shallower projects with guaranteed power allocations are more prized than power-intensive operations.

- **Acquisitions.** Implats will continue to seek future sources of production that will increase our resource base and increase the organic growth pipeline.
- **Recycling.** We will continue to be a relevant player in the recycling sector. In addition, given the cost of capital, lack of skills and power constraints, third party treatment opportunities, through Impala Refining Services, remain a positive avenue for growth.
- **Exploration.** This is a key aspect of future growth and a discussion on this may be found on page 46.

Mitigating risk

Risk management and risk mitigation are embedded in our business, both in the management of current operations and in the evaluation of future opportunities. A summary of our risk management process and risk evaluation philosophy may be found on page 82, and a more comprehensive document on these issues is available on our website at www.implats.co.za.

The current operating environment in Zimbabwe is deteriorating. The power and skills shortages and the foreign exchange management system are challenging. As the current socio-economic situation is aggravating the skills crisis, we have made the retention package for employees at our Zimbabwean operations as attractive as possible. The company is caring for workers and their families, providing housing and investing in infrastructure in the vicinity of our operations. This all comes at a cost which is justified by our belief that, in the long term, there will be an improvement in the situation in that country.

Given the pressures being borne by the average citizen, the prognosis for the Zimbabwean economy is not good. The creation of a stable, positive economic arena in which to function in the short term is unlikely. This is an enormous shame as Zimbabwe is a country with huge potential. Despite this, we have a responsibility to support our workforce, their dependants and management, and to secure our tenure for shareholders. Implats has minimised its risk in Zimbabwe and will not invest in new expansions until the investment climate improves.

In many ways, South Africa too is at a watershed right now and it is important to ensure that the correct course is chosen for the future of the country. We are confident, however, that the prudent fiscal regimes that have been in place since the inauguration of the first African National Congress (ANC) government will continue to guide the country as a powerhouse of Africa.

Social licence

We recognise our obligations to our employees, their communities and the countries in which we operate. We were pleased to once again be admitted to the Socially Responsible Investing (SRI) index of the JSE Limited and have produced a Corporate Responsibility Report in line with the guidelines of the Global Reporting Initiative (GRI). This report is available on our website, at www.implats.co.za.

Impala and Marula successfully secured the conversion of their mining rights and this together with the granting of the Leeuwkop mining right was significant not only for our production outlook, but also as an indication of the co-operative relationship which is being established with the DME.

Future prospects

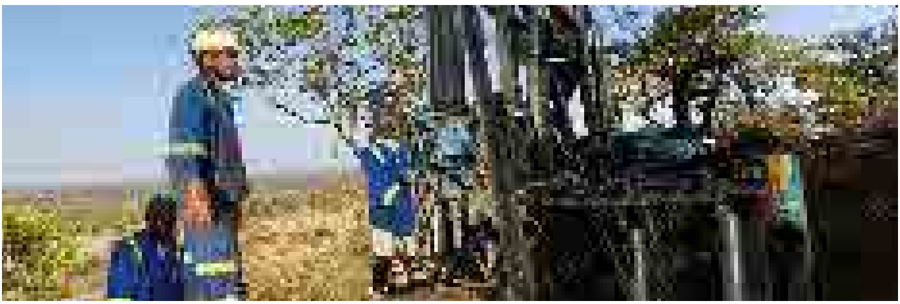
The focus in the year ahead will be safety, the retention of skills and increasing production. We anticipate platinum production increasing in FY2009 as our ramp-up projects continue to grow. Cost pressures will continue and cost increases are likely to be higher than in FY2008. Capital expenditure is expected to rise to R8 billion in the year ahead.

We anticipate the market moving closer to balance in the short term. While global jewellery demand – for both platinum and palladium – has fallen in response to higher price levels, and the fuel price is steering the choice of vehicles towards smaller cars in the United States and Europe, car sales in China, India and elsewhere in Asia remain strong. Although demand fundamentals were affected by global economic woes and high fuel prices, the impact was countered somewhat by decreases in South African supply.

Thanks

In conclusion I wish to thank all employees of Implats for their dedication and commitment to the group over the past year. I thank too, my fellow board members and management teams for their support. All the signs indicate that the coming year will be no less challenging than the 2008 financial year was, and I call on all of them to give of their best to ensure that Implats becomes the best platinum producer in the world.

David Brown
Chief Executive Officer



Safety – summary

Key features

- Regrettably, 12 employees lost their lives
- Overall, safety improved across the group
- FIFR declined by 21% and LTIFR by 16%
- Refineries' excellent safety performance continued
- Safety audits are ongoing

Safety management

The safety of all employees while on duty is a key strategic objective. The group safety policy is based on the key resolutions adopted at the group safety summit held in February 2006, and entrenches the firm belief that mining, and underground mining in particular, can be undertaken without causing injury and harm.

All Implats' operations in both South Africa and Zimbabwe have aligned their operational safety strategies and plans with those of the group. Practically, implementation of 'visible, felt leadership' is showing positive results. In terms of this initiative, supervisors and management ensure that safety is not compromised in any way by taking responsibility for employee safety, leading by example, and encouraging positive and discouraging negative safety behaviour.

Allied to this is the intolerance of non-conformance with Implats' safety standards and procedures, which are enshrined within operation specific Platinum Rules. To achieve the group's long-term goal of 'Zero Harm', an intermediate goal has been set to achieve 12 consecutive months free of lost-time injuries by FY2012. This is a significant target but one which we believe is achievable.

A board sub-committee has oversight of both safety performance and goal setting. Further details of this committee are provided in the Corporate Governance section on page 77. An executive responsible for safety, health and environment at a group level was appointed and will drive goal setting, strategy development, performance management and reporting.

Performance

Overall, safety performance at Implats improved in FY2008. Regrettably, there were 12 fatalities at Implats' managed operations (FY2007: 13 fatalities) – five at Impala Rustenburg, three at Marula, three at Zimplats and one at Mimosa.

The group fatal injury frequency rate (FIFR) was 0.10 per million hours worked (FY2007: 0.12), an improvement of 21% on the previous year. The group lost-time injury frequency rate (LTIFR) was 2.92 per million man hours worked (FY2007: 3.48), declining by 16% and the best annual performance achieved by Implats to date. The LTIFR improved at all operations other than Zimplats.

The causes of the fatalities were primarily falls of ground (50%), explosives (26%) and machinery (16%). Specific action plans were compiled and implemented to ensure that working areas are safe, high-risk fall-of-ground conditions are identified and barring practices conform to standard. These initiatives have played an important part in reducing the incidence of fatal accidents, particularly as a result of falls of ground.

A relatively high turnover of staff, especially at supervisory level, and the subsequent employment of less experienced members of staff, also had a deleterious effect on efforts to maintain safety and achieve targets. As a consequence, particularly at Zimplats and Marula, greater emphasis was placed on the frequency and intensity of training sessions.

Safety measures by operation

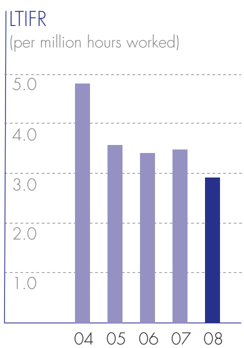
Impala – Rustenburg: While safety performance improved, particularly with regard to falls of ground, these remain the most significant safety risk. The fall of ground safety campaign was reinforced and involves a newly developed workplace entry examination procedure, including improved barring techniques, ongoing assessment of ground conditions and regular communication with supervisors.

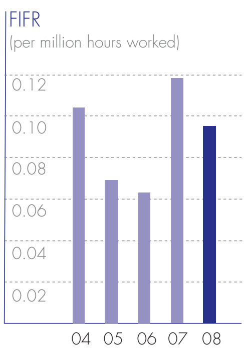
Impala – Refineries: Just one lost-time injury was recorded in FY2008. The focus during the period was on contractor safety given the expansions currently taking place.

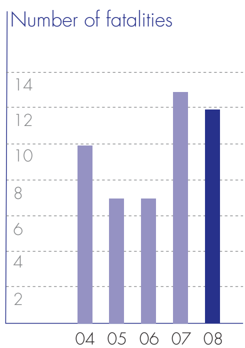
Marula: Supervisors received instruction on applying zero tolerance to non-compliance with safety standards and the constant display of visible-felt leadership. All employees received refresher training on the safe disposal of explosives and the safe parking of LHDs.

Zimplats: The deterioration in safety follows two fatality-free years and was a consequence of the high staff turnover where a lack of experience resulted in inadequate assessments of pre-task risks. Management introduced the visible felt leadership programme, extended the length of induction training, and adopted OHSAS 18001

Mimosa: Increased efforts were made to improve behaviour-based training and a policy of zero tolerance to sub-standard safety practices was enforced. In addition, the risk assessment system was improved. The fitting of canopies to the LHDs, the enforcement of the mining cycle, adherence to safety standards and a campaign to further prevent falls of ground were implemented.







People – summary

Key features

- Increase in total number of people working at Implats' operations
- High turnover of skilled employees
- Attracting and retaining talent remain key human resource objectives
- Good progress made with women in mining and employment equity

Implats as an employer

Implats, a significant employer in the PGM sector in both South Africa and Zimbabwe, employed 54 991 people as at 30 June 2008, of whom 63% were permanent employees and 37% contractors. The increase in people employed in FY2008 was mainly attributable to the new capital projects started in the year. The significant number of contractors employed on major capital projects and recruitment for the Marula ramp-up and Zimplats expansion, created additional job opportunities at Implats.

Southern Africa is currently experiencing a serious shortage of skilled personnel, particularly in the mining industry. This is an underlying reason for the continued high turnover of staff recorded by the group in the past. Turnover levels at Marula (13%) and Mimosa (12%) were the highest, with overall group turnover at 9%. This compares with an estimated average for the industry of around 18%. Although employee retention initiatives implemented during the year (discussed below) were successful, the retaining of skilled employees is extremely challenging.

Attracting and retaining talent

Attracting and retaining talented individuals who subscribe to Implats' vision, continue to be important drivers of our group's human resource management strategy. Particular cognisance is taken of the need to attract and retain women and historically disadvantaged employees.

Efforts to attract talent include:

Housing: Implats is increasingly involved in the provision of housing in the areas where we operate. Housing is an attractive recruitment and retention strategy, and has many positive social benefits as it improves the quality of life of employees, their health and wellbeing and that of their families. The group spent R307 million on housing for employees, in both South Africa and Zimbabwe in FY2008 with R350 million allocated to this in FY2009.

ESOP: The ESOP implemented in 2006 has provided some 28 000 employees with a material stake in the growth of the company. The concept of the ESOP and the time to maturity of the investment are still not well understood by those it is meant to benefit. This problem is exacerbated by the lack of saving and the inflationary environment in South Africa. An extensive ongoing education programme has been necessary to explain the value of remaining with the scheme.

Reward schemes: The Ama-Ching-Ching Bonus Scheme, implemented towards the end of the 2007 financial year to improve productivity, had a positive and visible initial impact. However, the benefits, in terms of improved production and productivity, were not as long lasting as had been hoped, largely as a result of the industry skills shortage where numerous jobs (for which rewards are unrelated to performance) are available.

The short- and long-term employee incentive schemes were reviewed and monitored to ensure that their fixed costs to the organisation were controlled. However, the effectiveness of the group's retention schemes and fixed remuneration principles, as related to middle and senior management, was reviewed. Several retention mechanisms were implemented to retain specific critical and scarce supervisory and technically skilled employees. Quarterly benchmark audits ensure market competitiveness and internal equity regarding both fixed and variable rewards.

Other initiatives: Talent management and graduate recruitment programmes were implemented throughout the group. Implats bursary holders are studying in key disciplines at tertiary education institutions in South Africa. Interventions such as the increase of learnerships, the upgrade of facilities available for learning and the implementation of skills development programmes to address critical vacancies, portable skills and accelerated development of high-potential employees focus on attraction and retention. Talent management focuses on career progression, individual development, mentoring and succession planning.

Employment equity

In South Africa, Implats made good progress towards achieving targets for employment equity and women in mining. At the end of FY2008, 33% of senior and middle management in South Africa were HDSAs (FY2007: 29%). When white women are included, this increases to 45% (FY2007: 40%). The Mining Charter requires that 40% of managers be HDSAs (including white women) by 2009.

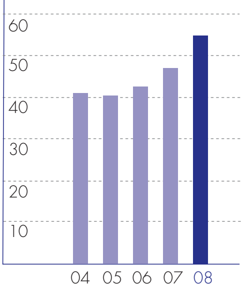
At end FY2008, 7.8% and 18.3% of employees at senior and middle management level respectively were women (FY2007: 5.8% and 16.5% respectively). The Mining Charter requires that 10% of all employees be women by 2009.

Employee relations

Formal employee relations are governed by collective bargaining and recognition agreements, underpinned by the applicable labour legislation of the country of operation. Around 96% of the total workforce is unionised or subject to a collective bargaining agreement. A two-year wage agreement entered into in July 2007 with South African unions provided for a CPIX-based increase from 1 July 2008. The agreement was subject to the prevailing level of CPIX, which was 11.6% for June 2008.

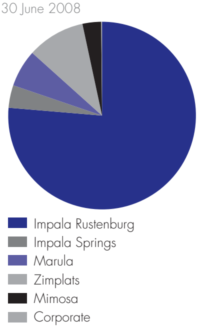
Employee numbers

(employees and contractors) (000)



Employees by operation

as at 30 June 2008



Corporate responsibility – summary

Implats takes its responsibility as a corporate citizen seriously by ensuring that its activities and actions have a positive social and economic impact on the communities in which the group operates and from which its employees are drawn, and by ensuring that its operations comply with regulations and good practice in respect of safety, health and the environment.

The group's approach to corporate responsibility and sustainable development is discussed in the Corporate Responsibility Report, which is available on the website at www.implats.co.za. This report has been compiled in line with the Global Reporting Initiative's (GRI) G3 guidelines and key parameters have been independently assured. Implats has declared a B+ level of reporting in terms of the GRI application levels and will seek to have this confirmed by the GRI.

Matters relating to safety and people, which are covered in depth in the Corporate Responsibility Report, are allocated separate sections in this annual report as they are considered crucial to the group.

This corporate responsibility section provides a brief overview of some of the other important issues that are dealt with in the Corporate Responsibility Report, including: health; HIV/AIDS; socio-economic development; and environment

Health

Occupational health screening and medical treatment are provided by company-based clinics, own and contracted occupational health centres, and hospital-based and contracted specialists. Occupational health examinations take place at the group's clinics, which offer primary and curative care.

All employees and contractors undergo pre-placement, annual and exit examinations to ensure that they are fit for work in their specific work environments and that any occupational disease is detected at an early stage. More than 75 000 occupational screening examinations were performed across the group in FY2008.

These examinations also detect non-occupational illnesses, such as hypertension and diabetes. Where relevant, new cases of occupational disease are identified and are referred to the appropriate on-site or external facility. Implats' strategy in this respect is to improve access to affordable and appropriate health care for employees and their families. All employees have access to medical aid with a range of schemes available.

The two primary occupational health risks are noise-induced hearing loss (NIHL) and pulmonary tuberculosis (TB). Heat stress and potential exposure to heavy metals are risks in certain occupations. In total, 328 new cases of pulmonary TB were diagnosed during the year, and treatment was initiated in all cases (FY2007: 348). Employees identified with TB are encouraged to receive treatment from company facilities which adhere strictly to World Health Organization (WHO) recommended regimes and directly observed treatment supervision (DOTS). The HIV/AIDS pandemic continues to have a significant impact on TB rates. Around 60% of newly-diagnosed TB patients are HIV-positive.

Comprehensive hearing conservation programmes are in place at all operations to reduce the risk of employees developing NIHL. In South Africa, these programmes are aimed at reducing noise levels at source to below 110dBA, in line with the South African Mine Health and Safety Council targets. The fundamental challenge is to muffle rockdrills to meet these criteria. Personal hearing protection devices, are provided to all employees and permanent contractors who work in high-risk areas. If worn correctly, these will attenuate noise to below 85dBA, which is the targeted level.

Education of employees with respect to NIHL and the use of hearing protection devices continues because, although there has been some improvement, non-compliance by individuals remains one of the most significant challenges. In FY2008, 31 new cases of NIHL (FY2007: 54) – all at Impala Rustenburg – were identified and submitted for compensation. All employees exposed to noise undergo audiometric baseline examinations and are monitored with follow-up annual audiometric tests for early signs of hearing loss.

No cases of heat stroke were reported during the period under review. All employees who underwent biological monitoring had results within the normal range.

HIV/AIDS

HIV/AIDS continues to be a major concern at both the South African and Zimbabwean operations. The most significant impact is on the well-being of employees and their families.

There is a direct significant cost implication to the group in terms of medical care and prevention programmes, as well as a significant impact on productivity in the workplace and on the replacement of skills in an industry where skills are in short supply.

All employees and their dependants have access to company managed or external medical care and some employees make use of state-owned facilities. The statistics reported reflect only those gathered when employees make use of direct company facilities. Under-reporting is therefore likely.

Based on publicly available information (Department of Health), it is estimated that HIV-prevalence levels in the general adult population in areas of primary operations average 20%. Higher levels of turnover have, over time, resulted in a rise in HIV prevalence levels within the group, and particularly at Impala Rustenburg, as the company draws new recruits from communities that have historically had a higher HIV/AIDS prevalence level than that of the company's own workforce. In addition, the recruitment of more women – who are an 'at-risk group' within the broader population – may have an impact on the overall prevalence levels.

Agreements are in place with major unions in respect of the management of HIV/AIDS at the South African operations. The focus during the year under review was two-fold:

- first, to prevent the disease through education programmes and, in particular, the use of peer educators; and

- second, to increase registration and compliance with the company's wellness programme, including participation in the antiretroviral treatment (ART) programme.

Voluntary counselling and testing (VCT) is available at all of the group's operations, although uptake during the year was disappointing with only 3 609 employees being tested (FY2007: 6 800 tests).

Employees who are HIV-positive are encouraged to participate in the wellness programme available throughout the group or through the various medical aid schemes. As at the end of FY2008, 2 734 patients were enrolled in the group's wellness programme.

ART is available to all employees and their dependants through the group's medical schemes. In FY2008, 435 new patients started on the ART programme with a total of 708 employees (FY2007: 396) being treated at the group's medical facilities. The exact number of employees taking ART through external medical schemes is not known.

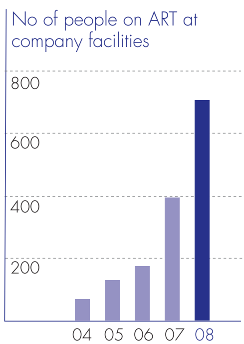
Socio-economic development

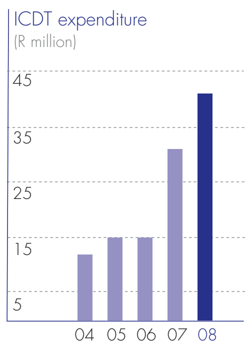
Implats' socio-economic development activities in South Africa are managed under the auspices of the Impala Community Development Trust (ICDT) and the Impala Bafokeng Trust (IBT), which was established in 2004 as part of the group's black economic empowerment (BEE) transaction with the Royal Bafokeng Nation (RBN). As part of its Social and Labour Plan (SLP) commitments, the group is undertaking extensive local economic development (LED) programmes in the communities in which it operates and from which it draws its labour

Impala Community Development Trust (ICDT)

The ICDT aims to be a facilitator of social development and encourages meaningful and sustainable interventions, always in partnership with local communities and often in partnership with other donors. This collaborative approach facilitates ownership (and therefore the legitimacy) of projects, and assists in attracting investment from other donors, as well as support from governmental agencies and non-governmental organisations (NGOs), community-based organisations (CBOs) and others.

Guided by its Corporate Social Affairs Policy (see the website at www.implats.co.za), the group aims to ensure that it makes a positive contribution to poverty alleviation, community development (by establishing infrastructure development and empowering community structures) and enabling government to facilitate improved service delivery





and local economic development. Although the ICDT's overriding goal is the empowerment of a broad range of stakeholders, it places a specific emphasis on black youth, women and people living with disabilities.

During FY2008, the ICDT spent R42 million on socio-economic development projects in South Africa (FY2007: R32 million). This figure includes an administration charge of R5 million to manage the funds.

Impala Bafokeng Trust (IBT)

Implats and the RBN entered into an agreement for the formation of the IBT to facilitate and contribute to the social and economic development of the people residing in the Bojanala District of North West Province in 2008. In FY2008, both parties contributed R6 million to the trust of which R10 million was allocated to projects and R2 million to administration.

As part of its mission, the IBT will partner with relevant stakeholders in the region to facilitate the advancement of the people living and working in the area. In particular, the trust will support education, health, income generation, sports and institutional capacity development initiatives that address the most urgent social and economic challenges being faced by these communities. Within these activities, special attention will be paid to the advancement and empowerment of women.

In terms of its mandate, the IBT will focus on the RBN villages and communities where Impala Rustenburg operates (40%), Bojanala District (excluding Rustenburg and RBN villages) (25%), the town of Rustenburg (25%), and North West Province in general (excluding the Bojanala District) (10%).

In Zimbabwe, corporate social investment expenditure is focused primarily in the areas of education and health. Zimplats spent in the region of $400 000 (FY2007: $208 000) and Mimosa some $265 000 (FY2007: $181 000).

Environment

Implats is mindful of the potential impact that its mining, smelting and refining operations may have on the environment in which it operates and, as a minimum, aims for legislative compliance.

Environmental management plans (EMPs) are in place or being implemented at all operations and were reviewed and updated during the year. Implats is committed to seeking continual improvement and an environmental management system, based on ISO 14001 is in place.

A total of 66 internal audits and 13 external audits were undertaken during the year. Impala's Rustenburg and Springs operations, Mimosa and Zimplats have all maintained their ISO 14001 certification. Marula will begin its certification process in FY2009. In addition to group closure estimates, closure plans have been developed for Impala Rustenburg and Zimplats.

There were no significant breaches of environmental laws, regulations or standards within the group during FY2008, and no fines were imposed.

An important environmental management objective is the establishment and maintenance of open and constructive relationships with all stakeholders in respect of environmental performance. Hotlines, open days, newsletters and community liaison forums all form an integral part of communication with stakeholders.

Environmental priorities and the potential for environmental risk vary from site to site. Broadly these risks are pollution (air and water), resource usage (water and energy), waste management and land management. The efficient use of raw and input materials is promoted both from a cost and environmental conservation perspective.

Sulphur dioxide (SO_2) emissions are the major air quality issue for the group's smelting operations, Impala Rustenburg, Impala Springs and Zimplats. The group's emission control strategy is based on the management of three critical components: meeting or exceeding ambient air quality standards specified by legislation, monitoring visual emissions and preventing occupational exposures.

Significant capital expenditure has been invested in plant and equipment to limit these emissions, particularly as Impala Rustenburg's smelter expansion progresses. The commissioning of the new installations is on schedule and expected to take place at the end of calendar 2008.

Implats submitted a response to the Carbon Disclosure Project (CDP) in respect of the CDP6 Greenhouse Gas (GHG) Emissions Questionnaire. This response will be published on the CDP website in due course.

Integral to Implats' strategy to reduce its GHG emissions, is reducing and optimising its energy usage and efficiency. Energy management has always been of prime concern to the group, but this became critical when supply reached crisis levels in the first half of calender year 2008.

Implats is a signatory to the DME's Efficiency Accord in terms of which the company pledged a 15% decline in energy demand from 2000 to 2015. In early 2008, Eskom, the national power utility, imposed a 10% permanent reduction in energy allocation and, given the group's expansion plans, this has serious long-term implications.

The group has established an internal working committee to develop and implement an energy-and-load management programme that will meet the short-term reduction of 10% in electricity usage and the medium-term reduction of 15% in energy usage.

Total energy consumption (which includes energy from all sources) rose by 3% to 16.14 million GJ in FY2008.

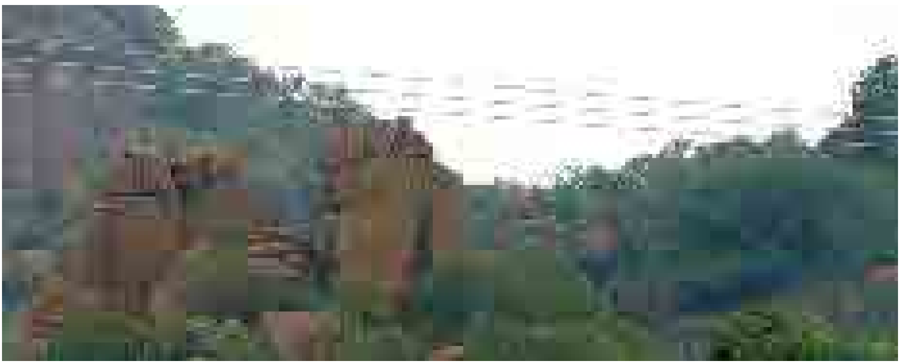
Implats recognises that water is a scarce and valuable resource, the availability of which may be further exacerbated by climate change. The company's strategy involves the reduction of water consumption, the optimisation of recycling and the mitigation of any negative impacts of its operations on local and regional water bodies.

Total water used by the group in FY2008 was 45.11 million *kl*, an increase of 36% on the previous year. Total water withdrawn amounted to 25.97 million *kl*, an increase of 20% on FY2007. The percentage of water recycled at the Refineries was the highest recorded by this operation and reflects the increased management focus on this area of operation.

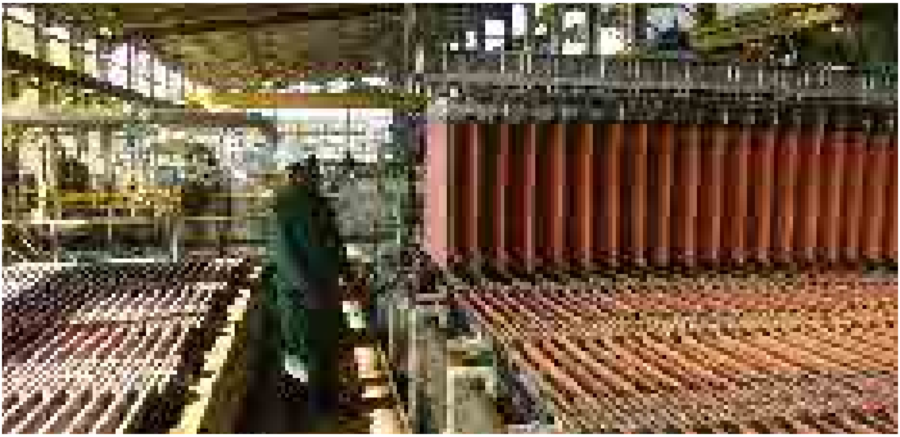
The primary concern in respect of water pollution is the potential release of sulphates, chlorides and nitrates into receiving water bodies. Groundwater sampling is regularly undertaken at all operations, as is the sampling of surface water. A regional groundwater model developed in 2003 for Impala Rustenburg is updated annually. The construction of pollution control dams at Impala Rustenburg's Minpro complex, and the No 3/4 tailings dams, which form part of the project to clean the Rockwall Dam, will be completed in FY2009.

None of the group's operations are located in protected areas or in areas of high biodiversity value, although red data species are located in the vicinity of Marula and are catered for in Marula's EMP.

A Biodiversity Action Plan is currently being developed for Impala Rustenburg. The programme will identify any threatened species and habitats and is designed to protect and restore biological systems within the mining area. It will require a partnership with the local authorities to work towards regional biodiversity targets. The plan will be fully implemented by FY2011.



Market review

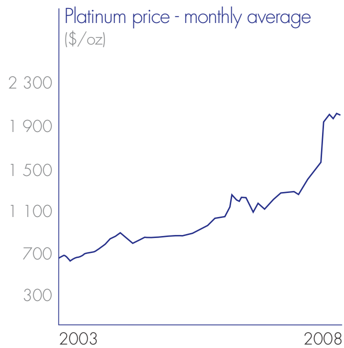


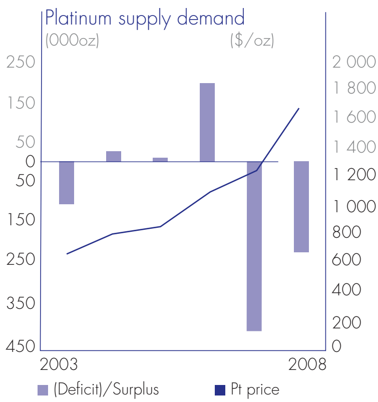
While demand fundamentals were the main drivers of Implats' major markets and hence pricing levels in previous years, the last year was somewhat different. Disappointing supply figures from our major South African competitors conspired with a near collapse and shut down of South Africa's electricity grid, along with skills shortages and safety-related shutdowns, to leave the platinum and rhodium markets woefully undersupplied. The palladium and nickel markets were less affected by these issues as South Africa is less significant in these markets.

The consequence of the above factors pushed the platinum index to a high of $3 846 during March 2008, and left the year average at $2 890 – some $637 higher than the prior financial year. The current high prices of platinum and rhodium will further damage the jewellery and automotive markets respectively.

Platinum

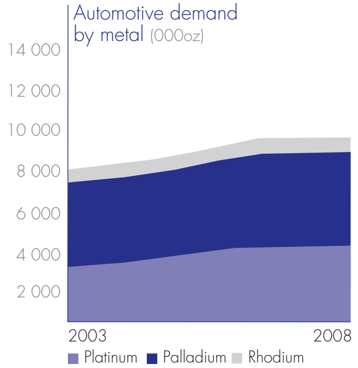
Further reductions in platinum jewellery demand were more than adequately compensated for by higher demand from industrial applications, as well as the newly launched exchange-traded funds (ETFs) which took nearly 200 000oz from the market, and this subsequently doubled by the end of June. The growth in diesel vehicle penetration, while





still evident, slowed somewhat as diesel prices increased at a faster rate than gasoline.

A near 300 000oz decline in South African production has left the market in a fairly substantial deficit, exceeding 400 000oz, resulting in prices firming throughout the year. After reaching highs of $2 276/oz, the market did give back some of its gains to end the period just shy of $2 100/oz, leaving the 12-month financial year average at $1 637/oz, some 36% higher than the prior period.



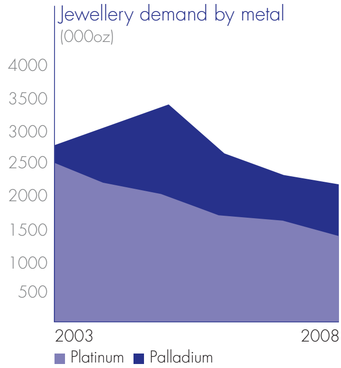
Automotive demand

The automotive industry remained the backbone of platinum usage in 2007 with demand once again being driven by a combination of increasing market share for light-duty vehicles, the adoption of stricter diesel emission legislation and an increase worldwide in heavy-duty diesel retrofit programmes. The trend of substituting platinum by palladium, a practice made possible in part by the introduction of low sulphur fuel, continued throughout the year. However, the impact was partially tempered by the increased usage of particulate filters and the use of other emission technologies which require higher platinum loadings.

Light-duty diesels continued to gain market share at the expense of their gasoline counterparts in Western Europe and the region now accounts for approximately 45% of global automotive demand. The other major growth area was heavy-duty vehicles. Demand in this sector, including that for off-road and retro-fit vehicles accounted for close to 20% of total demand. This was driven by the introduction of stricter emission legislation which required increased loadings in both North America and Europe.

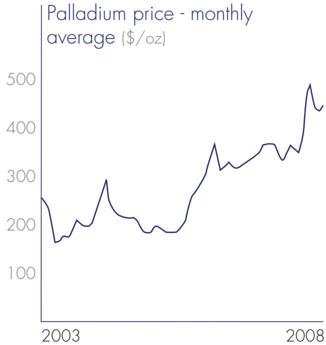
Jewellery demand

Once again the high price exacted a toll on jewellery demand, with a 4% drop in metal usage. Given the magnitude of the price rise, this performance can be considered resilient in the company of a myriad of cheaper alternatives. The $2 000/oz threshold also unearthed a wave of recycling, particularly in Japan, where an enormous pool of liquidity which had built up over the last 20 years, began to filter back to the market and was an important factor in the price relief experienced toward the latter part of the financial year.

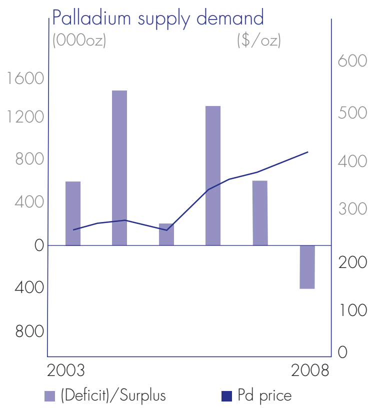


Palladium

Rising vehicle sales in the BRIC economies have boosted growth in demand for this metal. These sales are predominantly gasoline-fuelled vehicles and hence are fitted with palladium catalysts. Feeding this growth has also been further substitution in diesel engine catalysts as the price differential between platinum and palladium encourages substitution from the more expensive platinum. A reduction in Russian de-stocking for calendar 2007 reduced supplies for the year, but this still left the market in surplus. Interestingly, Russian behaviour during the early part of 2008 suggests that their programme of de-stocking may be nearing an end.



The friendlier fundamentals of this metal pushed prices to a high of $588/oz during March 2008 but these levels subsided toward period-end to the $460/oz level. Average prices for the period under review climbed nearly 20% to $395/oz.



Rhodium

The calendar year showed another deficit for this metal as further growth in both the automotive and industrial sectors saw the price breach $10 000/oz for the first time. This near-doubling (again) of the metal's price will no doubt encourage some thrifting activities by the major auto companies. This together with a slowdown in western world vehicle sales, implies that this price euphoria should be short lived.

Nickel

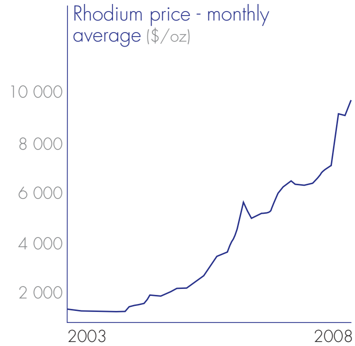
The market started 2008 with low stocks and healthy demand from all sectors which resulted in increasing prices. This trend continued through the first half of 2007 with record low stocks and prices in excess of $50 000/t being reported.

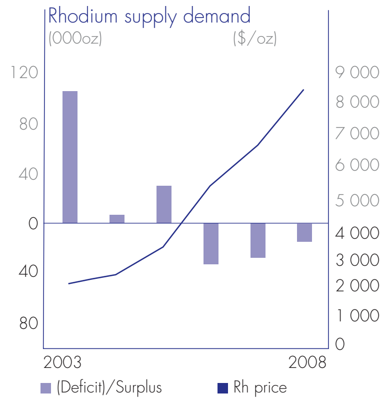
This situation unfortunately did not follow through to the second half of the year. Demand from the stainless steel industry dropped and total nickel consumption declined by more than 5% compared with 2006. Nickel production also increased in 2007, resulting in an increase in LME stocks, and consequently prices halved to $25 992/t in December 2007.

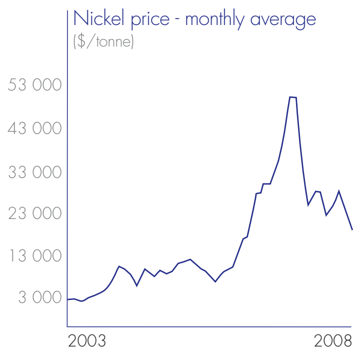
Production of nickel pig iron in China increased due to the extremely high nickel prices during the middle of 2007 and became the swing producer for the nickel market

Ruthenium

Unlike our other metals, it was a very long year for this metal. Having scaled $800/oz during the prior financial year, the price slid to below $300/oz at the end of the 2008 financial year. This was primarily due to the increased efficiency in the recycling process which increased metal availability, rather than to any softening in demand.







Financial review

Results for the year

- Group production decreased to 1.907Moz of platinum from 2.026Moz the previous year
- Revenue per platinum ounce up by 26% in rand terms and 24% in dollar terms
- Sales rose by 19% to R37.6 billion
- Margins improved from 46% to 47%
- Total dividend of R14.75 per share – R8.9 billion returned to shareholders
- Group unit costs per platinum ounce, excluding share-based payments, increased by 17% to R6 930, due to a combination of high increases in cost and lower production

Production

Gross production of platinum in FY2008 declined to 1.907Moz with 1.044Moz (55%) coming from Impala. PGM production decreased to 3.644Moz in FY2008, a decrease of 5.6% on the 3.858Moz produced the previous year. Production, excluding the once-off Lonmin ounces treated in FY2007, increased by 2%.

Income statement

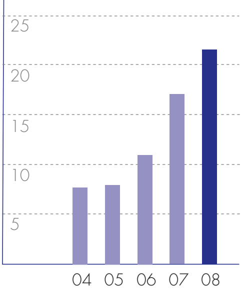
Gross profit

Sales for the 2008 financial year increased by 19.5% to R37.6 billion from R31.5 billion for the preceding financial year. In dollar terms, sales were 17.5% higher at $5.1 billion. The main sales drivers were as follows:

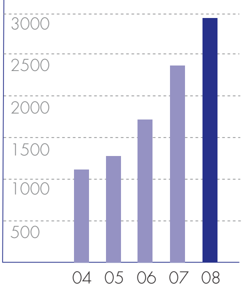
- **Metal prices:** gains in the prices of certain metals in both rand and dollar terms exceeded expectations with that of platinum reaching record highs; dollar revenues per platinum ounce sold rose by 24% to $2 941/oz; overall PGM dollar prices were 25% higher and contributed to a positive price variance of R7.8 billion.
- **Rand/dollar exchange rate:** The rand remained relatively strong during the first half but weaker in the second half of the year and closed at R7.93/$ on 30 June 2008 as compared to a close of R7.06/$ twelve months previously. The average exchange rate achieved for the year was R7.32/$ versus R7.20/$ for FY2007, resulting in a positive exchange rate variance of R0.6 billion.
- **Sales volumes:** a 7.0% decrease in sales volumes resulted in a negative volume increase of R2.3 billion.

Cost of sales rose by 17% to R19.9 billion as a result of a significant increase in the cost of

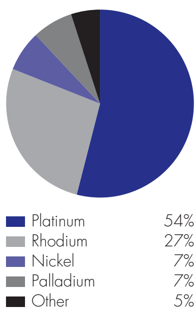
Revenue per platinum ounce sold (R000/oz)



Revenue per platinum ounce sold ($/oz)



Contribution to revenue by metal (FY2008)



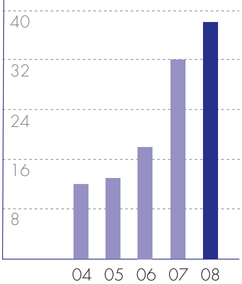
Refined platinum production

000oz	FY2008	FY2007
Impala	1 044	1 055
Marula	66	61
Zimplats	91	91
Mimosa (100%)	73	69
Non-managed mine-to-market operations		
Two Rivers (100%)	91	68
IRS third party purchases	336	499
Aquarius	249	281
Eastplats	53	40
Lonmin	9	162
Other	25	16
IRS toll treatments	206	183
Gross production	1 907	2 026
Once off Lonmin	(9)	(162)
Headline production	1 898	1 864

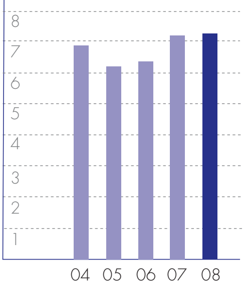
Cost per platinum ounce

	Excluding share-based payments		Including share-based payments	
R/oz	FY2008	FY2007	FY2008	FY2007
Impala (refined)	6 546	5 614	7 489	6 138
Marula (in concentrate)	9 020	8 497	9 830	8 773
Zimplats (in matte)	9 215	7 047	9 215	7 047
Mimosa (in concentrate)	7 023	5 409	7 023	5 409
Implats group (refined)	6 930	5 921	7 750	6 370

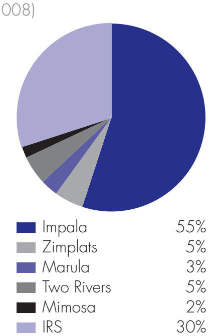
Revenue
(R billion)



Average R/$ exchange rate
(R/$)



Platinum production by operation
(2008)



metals purchased due to higher metal prices and an increase in share-based payment costs in line with the share price moving from R216 in 2007 to close at R309 in June 2008.

The main changes in the cost of sales are analysed as follows:

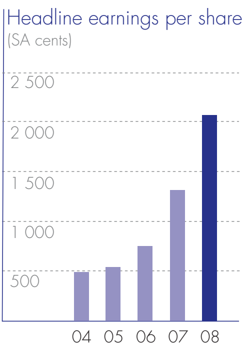
- An annual wage adjustment of 10% at the South African operations which employ 90% of group employees.
- An increase of R470 million in the provision for share-based payments largely as a consequence of the rise in the closing share price.
- A higher amortisation charge of R148 million as a result of an increase in capital expenditure and growth in production from Marula and Zimplats.
- A rise in metals purchased of R1.64 billion on the back of higher rand metal prices. This represented 10% of the 17% increase in cost of sales.
- An increase in metal inventory of R553 million to R1 588 million (FY2007: R1 035 million) because of a change in rand metal prices year-end on year-end.

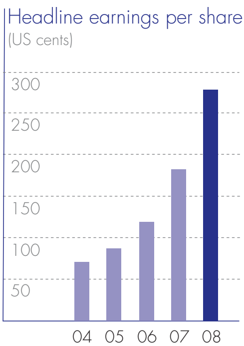
The unit cost per platinum ounce produced rose by 22% to R7 750. If share-based payments of R1 042 million (adjusted for non-operating cost) are excluded from the unit cost calculation, the increase in the unit cost per platinum ounce that relates to operating costs was 17%, giving a unit cost of R6 930/oz.

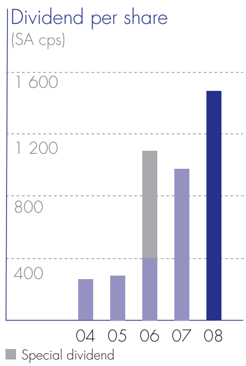
Once again, the group's margins improved, rising to 47% with Impala reporting a margin of 65% for the year under review.

Other income and expenses

- Other operating expenses were 12% higher, a result of an increase in non-operational share-based payments of R17 million.
- Royalty expenses decreased as a result of the amortisation of the pre-paid royalty (R329 million) which is lower than the expenses in FY2007. The royalty accrual to the RBN was included in FY2007.
- Interest and other finance income increased by R47 million. Interest received rose due to the positive cash flows owing to higher PGM prices and cash from the sale of Aquarius.
- There was an increase in finance costs of R73 million to R155 million, after R95 million was capitalised to assets in terms of the group accounting policy.
- The weakening of the rand towards the end of the financial year resulted in an overall exchange gain for the year of R439 million versus a loss of R16 million the previous year.





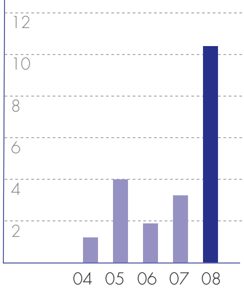


Operating margins

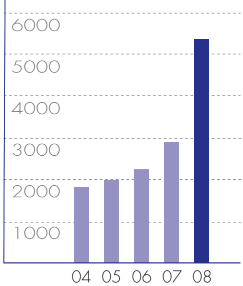
%	FY2008	FY2007
Impala	65	62
Marula	58	46
Zimplats	63	55
Mimosa	69	69
IRS	12	13
Implats group	47	46

- In FY2007, there was a BEE compensation charge of R1 790 million relating to the shares issued to the RBH.
- Other expenses were affected by the R84 million write-off of the Zimplats BMR. Based on the current expansion plan, it became evident that the BMR would not have the capacity to accommodate the smelter offtake and that it would not be practical to expand its capacity.
- Aquarius bought back Implats' holding of 21.4 million shares at a price of GBP6.71 per share for a total consideration of GBP143.8 million. The price was determined by taking a 10% discount to the 30-day volume weighted average price of GBP7.46. AQPSA, a 54% held subsidiary of Aquarius, bought back Implats' 20% holding for a total cash consideration of US$459 million. The profit on the sale of these investments amounted to R4.83 billion and the cash realised amounted to R5.7 billion. In addition, a deferred tax asset of R351 million was created the STC credit resulting from the transaction which will be received in the next dividend cycle.
- Share of profit from associates was R678 million, up from R388 million in FY2007. Equity income from Aquarius to the date of the sale was R428 million in FY2008 compared to R282 million in FY2007. Two Rivers contributed R250 million, up from R106 million in FY2007.
- The taxation charge increased by R1.2 billion to R5.1 billion, primarily as a result of higher earnings for the year. The effective tax rate was 22.4% for the year (FY2007: 34.7%) mainly owing to the tax treatment of the sale of Aquarius and AQPSA and the BEE compensation charge in FY2007.

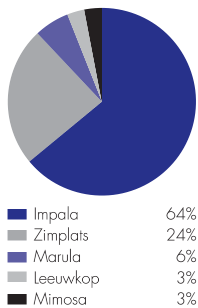
Gross cash positon at year-end (R billion)



Annual group capital expenditure (R million)



Capital expenditure by operation (2008)



Contribution to headline earnings by company

R million	FY2008	%	FY2007	%
Headline earnings				
Impala	**8 393**	67.2	5 936	65.8
Marula	**491**	3.9	310	3.4
Afplats	**158**	1.3	(9)	(0.1)
Two Rivers	**250**	2.0	106	1.2
Zimplats	**648**	5.2	561	6.2
Mimosa	**417**	3.3	523	5.8
Aquarius	**428**	3.4	282	3.1
IRS	**1 700**	13.6	1 313	14.6
	12 485	100	9 022	100
Fair value discount on BEE transactions	**–**	–	(1 790)	–
Headline earnings	**12 485**	–	7 232	–
Profit on sale of investments	**5 181**			
Profit on disposal of assets	**4**	–	–	–
Impairment of assets	**(74)**	–	–	–
Net profit	**17 596**	100	7 232	100

Headline earnings

Headline earnings for the financial year increased by 57% to 2 065 cents per share compared with 1 312 cents per share in FY2007. If the BEE compensation charge of R1.79 billion in FY2007 is excluded, normalised headline earnings were 26% higher per share (normalised headline earnings for FY2007 were 1 636 cent per share). The increase in earnings was mainly as a result of the 26% growth in rand revenue per platinum ounce sold during FY2008.

As in previous years, Implats' income was derived from three sources, with the bulk coming from the mine-to-market operations (81%). The other two sources of income were IRS (14%) and equity income from investments (5%).

- Mine-to-market operations owned by the Implats group contributed R10.1 billion (81%) to headline earnings. These operations comprise Impala and sundry subsidiaries (100%) and Marula (73% with 100% interest consolidated as Implats has guaranteed the outside borrowings) in South Africa, and Zimplats (86.9%) and Mimosa (50%) in Zimbabwe. Marula reported a contribution of R491 million, a significant improvement on the profit previously reported of R310 million. The operations reported significant increases in margins due to higher rand revenues and positive currency effects.
- IRS, housing Implats' third-party refining services, contributed R1.7 billion to group headline earnings, an increase of 29%. Given the lower risks and capital requirements of IRS, the lower margins at this entity are understandable. Margins for FY2008 were 12%. The contribution of IRS to group headline earnings decreased to 13.6% as compared to a contribution of 14.6% the previous financial year.
- Equity income from investments of R678 million was from Implats' holding in AQPSA and Two Rivers, Aquarius contributed R428 million. Profit from Two Rivers amounted to R250 million.

Cash flow

Operating activities

Cash generated from operations was a combination of profits before taxation of R22.8 billion as set out in the income statement, adjusted for movements in working capital, and non-cash flow items. The most significant of the non-cash flow items was the profit on disposal of investments amounting to R4.8 billion.

Cash generated by operations before tax of R22.8 billion was reduced by interest paid of R92 million, income taxes paid of R5.1 billion and working capital adjustments of R3.3 billion.

There was a net cash inflow from operating activities of R11.2 billion in FY2008, which is more than the net cash inflow of R10.0 billion recorded in FY2007.

Investing activities

As mentioned previously, the group sold its stake in AQP and AQPSA for a cash contribution of R5.7 billion.

A pre-paid royalty of R12.5 billion was paid to the RBN in FY2007.

Group capital expenditure for FY2008 totalled R5.3 billion as compared to R2.8 billion in the previous financial year. The largest portion of this (R3.4 billion) was spent at Impala, primarily on the development of 16 and 20 shafts. The Zimbabwean operations accounted for capital expenditure of R1.3 billion, and Marula R345 million.

Net cash flow from investing activities was R1.3 billion in FY2008.

Financing activities

Net cash flows from financing activities decreased by R15.3 billion to a R5.5 billion outflow compared to an inflow of R9.8 billion in FY2007. As a result of the BEE transaction with RBH, 75 115 204 shares were issued to RBH for a cash consideration of R12.5 billion during 2007.

The group acquired 826 473 (FY2007: nil) of its own shares in this financial year in terms of an approved share buy-back scheme for an amount of R183 million (2007: nil).

Net proceeds from borrowings amounted to R664 million. These loans were raised as a result of the consolidation of the Marula BEE shareholders' interest (R321 million) in terms of the guarantees provided and the drawdown of a facility to partially finance the expansion at Zimplats (R370 million).

Dividend payments totalling R6.1 billion were made during the year. The dividend payment totalled R3.1 billion in FY2007.

The net result of Implats operating, investing and financing activities was a net cash inflow of R7.1 billion which, when combined with the opening balance of R3.2 billion, and a positive translation of R0.1 billion, resulted in a closing cash and cash equivalent balance of R10.4 billion.

Outlook

Capital expenditure for FY2009 is estimated at R7.9 billion and will be managed in line with profitability and cash flows.

A final dividend of 1 175 cents per share was declared on 28 August 2008 which amounts to a further payment to shareholders of R7.1 billion.

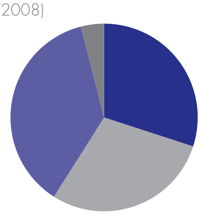
The dividend cover for the group has been adjusted to 1.4 times (previously 1.7 times) earnings.

Value-added statement

for the year ending 30 June

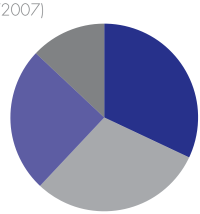
R million	FY2008	FY2007	% change
Sales	**37 619**	31 482	19.5
Net cost of products and services	**(14 077)**	(14 570)	3.4
Value added by operations	**23 542**	16 912	39.2
Income from investments and interest	**6 198**	1 030	501.7
Total value added	**29 740**	17 942	65.8
Applied as follows to:			
Employees as salaries, wages and fringe benefits	**5 137**	4 094	25.5
The state as direct taxes	**5 112**	3 895	31.2
Royalty recipients	**648**	1 703	(61.9)
Providers of capital	**6 299**	3 265	92.9
Financing costs	**135**	60	125.0
Non-controlling interest	**109**	93	17.2
Dividends	**6 055**	3 112	94.5
Total value distributed	**17 196**	12 957	32.7
Re-invested in the group	**12 544**	4 985	151.6
Amortisation	**1 013**	865	17.1
Reserves retained	**11 541**	4 120	180.1
	29 740	17 942	65.8

Total value distribution
(FY2008)



Employee costs	30%
Taxation	30%
Capital providers	36%
Royalties	4%

Total value distribution
(FY2007)



Employee costs	32%
Taxation	30%
Capital providers	25%
Royalties	13%

Mineral Resources and Mineral Reserves – summary

Key features

- Estimated total attributable Mineral Resources increased to 237 million platinum ounces from 187 million platinum ounces
- Total attributable group Mineral Reserves increased to 42 million platinum ounces from 40 million platinum ounces
- Conversion of the old order mining right at Marula in January 2008
- Conversion of mining right at Impala post year-end
- Granting of the mining right for Afplats' Leeuwkop Project in April 2008
- Exploration activities following the recently acquired prospecting rights by Afplats over the farms Kareepoort and Wolwekraal culminated in an increase in the Inferred Mineral Resource estimate, as did the progression of the Tamboti exploration project to Inferred Mineral Resource status
- Board approval of the 17 Shaft project at Impala Platinum and the commensurate increase in Mineral Reserves

The reporting of Mineral Resources and Mineral Reserves for Implats' South African operations is done in accordance with the principles and guidelines of the South African Code for Reporting of Mineral Resources and Mineral Reserves (SAMREC Code). Zimplats, as an Australian Securities Exchange-listed company, reports its Mineral Resources and Ore Reserves in accordance with the Australasian Code for Reporting of Mineral Resources and Ore Reserves (JORC Code), as does Mimosa. The definitions contained in the SAMREC Code are either identical to or not materially different from international definitions. Mineral Resources are inclusive of Mineral Reserves, unless otherwise stated.

The mining operations of Implats and its associated companies exploit platiniferous horizons within the two largest known deposits of platinum group minerals in the world, namely the Bushveld Complex in South Africa and the Great Dyke in Zimbabwe. Mining mostly takes place as underground operations focusing on relatively narrow, mineralised channels with the specific methods adapted to suit the local geology and morphology of the mineralised horizons.

Exploration review

Implats' exploration strategy remains two-pronged with both brownfields and greenfields exploration undertaken; the primary focus is brownfields prospecting. The bulk of offshore greenfields exploration continues in conjunction with third parties. In addition to the exploration focus on primary platinum group mineral targets, attention is also being given to potential nickel targets in southern Africa.

Brownfields exploration

Exploration around current mining operations at Impala in Rustenburg, Marula and Zimplats continued in support of life of mine operations, feasibility studies and growth opportunities. At Rustenburg, a large 3-D seismic survey of the deeper portion of the mining right and prospecting right areas will commence early in FY2009. At Afplats, exploration began at the prospecting right areas on the farms Wolwekraal and Kareepoort, and portions of the farm Hartebeestpoort. Infill drilling at the Leeuwkop project of Afplats is also being conducted.

Greenfields exploration in South Africa

Surface drilling continued at the Tamboti project on portions of the farms Tweefontein and Kalkfontein, and the farm Buffelshoek adjacent to the Two Rivers mine. Exploration also continued at the grassroots Paradys project, which is a joint venture with Endulwini Resources and targets the Paradys diapiric antiform structure in the eastern Bushveld.

A new prospecting right for the Springbok project, situated south of Bela-Bela, was awarded recently to Implats. Exploration at this project will begin early in FY2009.

Other southern African exploration

Segwagwa project, Botswana: Implats continues to fulfil the terms of the agreement with Health Hive (Pty) Ltd, with respect to the Masoke and Segwagwa intrusions in south-eastern Botswana. Favourable geophysical anomalies were soil sampled and drill tested. Sample results are awaited.

Tete project, Mozambique: The licences around the Tsangano intrusion in Tete Province were stream and soil sampled. Follow-up work is in progress.

Other: Implats recently concluded a strategic exploration alliance with Australian junior, Impact Minerals.

Offshore projects

Highbank Lake project Canada: Limited drilling undertaken during the year to test areas with favourable potential for the development of PGE mineralisation failed to yield significant results. Geological interpretation is ongoing.

Amikoq project, Greenland: During the year, Implats entered into an option and joint venture agreement with Nuna Minerals with respect to the Amikoq intrusion in south-western Greenland. Exploration activities commenced recently.

Ambodilafa, Madagascar: Implats continued to participate with Jubilee Platinum over the Ambodilafa intrusion. Drilling and down-hole geophysics continued during the year. PGE mineralisation grading 3.99g/t (3PGE+Au) over 0.89m was intersected in one borehole in the western portions of the intrusion.

Other: Post year-end, Implats concluded joint venture agreements with Xstrata and Wallbridge on two projects in the Sudbury Basin, Canada.

Attributable Mineral Resources

Attributable Mineral Resources inclusive of Mineral Reserves – *as at 30 June 2008*

	Orebody	Category	Tonnage (millions)	Grade (g/t) 5PGE+Au	Implats % ownership	Attributable Pt ounces (millions)
Impala	Merensky	Measured	134.6	6.78	100	16.7
		Indicated	98.0	7.01	100	12.6
		Inferred	90.6	7.68	100	12.7
	UG2	Measured	122.2	8.87	100	16.6
		Indicated	81.7	8.82	100	11.0
		Inferred	68.0	9.06	100	9.4
		Total	**595.1**	**7.93**		**79.1**
Marula	Merensky	Measured	18.2	5.80	73	1.3
		Indicated	13.7	5.94	73	1.0
		Inferred	17.2	6.28	73	1.4
	UG2	Measured	28.2	9.94	73	2.4
		Indicated	22.0	9.87	73	1.9
		Inferred	3.5	8.88	73	0.3
		Total	**102.2**	**8.01**		**8.3**
Afplats						
Leeuwkop	UG2	Indicated	54.8	6.35	74	3.9
		Inferred	128.9	5.89	74	8.6
Imbasa		Inferred	70.0	5.65	60	3.6
Inkosi		Inferred	97.3	5.89	49	4.3
Kareepoort/ Wolwekraal		Inferred	43.4	6.00	74	2.9
		Total	**394.4**	**5.92**		**23.4**
Two Rivers	Merensky	Indicated	18.7	3.55	45	0.5
		Inferred	3.9	3.36	45	0.1
	UG2	Measured	14.8	5.52	45	0.5
		Indicated	41.7	4.46	45	1.2
		Inferred	8.1	4.68	45	0.3
		Total	**87.2**	**4.42**		**2.7**
Tamboti	Merensky	Inferred	119.2	4.05	100	8.6
	UG2	Inferred	160.2	7.01	100	16.0
		Total	**279.4**	**5.75**		**24.6**
Zimplats	MSZ	Measured	137.9	3.89	86.9	7.1
		Indicated	674.0	3.90	86.9	34.7
		Inferred	1 071.0	3.79	86.9	53.5
		Total	**1 882.9**	**3.84**		**95.2**
Mimosa	MSZ	Measured	43.1	4.27	50	1.4
		Indicated	26.9	3.78	50	0.7
		Inferred	15.0	4.09	50	0.5
		Inferred (Oxides)	6.6	3.95	50	0.2
		Inferred N Hill	48.7	3.90	50	1.4
		Total	**140.3**	**4.01**		**4.1**
Grand total			**3 481.5**			**237.4**

Mineral Resources and Mineral Reserves (continued)

Notes:

- Attributable Mineral Resources as expressed in platinum ounces are based on Implats' equity interest; tonnage shown is total estimates prior to applying the percentage ownership.
- Estimates for Impala and Zimplats increased relative to the previous reporting period mostly as the estimates for support and stability pillars are no longer subtracted from the Mineral Resource estimate; this is now standard for all areas.
- Results of prospecting conducted to date at the Tamboti project led to its inclusion in the Inferred Mineral Resource category.
- Mineral Resource tonnage and grades are estimated *in situ*. Mineral Resources for the Merensky Reef are estimated at a minimum mining width and may include mineralisation below the selected cut-off grade. Mineral Resource estimates for the UG2 Reef reflect the chromitite channel widths only and do not include any dilution. Mineral Resource estimates for the Main Sulphide Zone (MSZ) are based on optimal mining widths.
- These are summary estimates, and inaccuracy is derived from the rounding of numbers.

Attributable Mineral Reserves

Attributable Mineral Reserve estimates *as at 30 June 2008 are as follows:*

	Orebody	Category	Tonnage (millions)	Grade (g/t) 5PGE+Au	Implats % ownership	Attributable Pt ounces (millions)
Impala	Merensky	Proved	21.1	4.55	100	1.8
		Probable	134.4	4.58	100	11.3
	UG2	Proved	22.1	5.02	100	1.7
		Probable	129.9	4.93	100	9.8
		Total	**307.5**	**4.76**	**100**	**24.5**
Marula	UG2	Probable	38.0	5.28	73	1.7
Afplats	UG2	Probable	49.3	4.67	74	2.6
Two Rivers	UG2	Proved	10.7	4.46	45	0.3
	UG2	Probable	28.9	3.86	45	0.7
		Total	**39.5**	**4.02**	**45**	**1.1**
Zimplats	MSZ	Proved	65.7	3.56	86.9	3.1
		Probable	162.6	3.63	86.9	7.8
		Total	**228.4**	**3.61**	**86.9**	**10.9**
Mimosa	MSZ	Proved	18.4	3.86	50	0.5
		Probable	16.9	3.55	50	0.4
		Total	**35.4**	**3.71**	**50**	**1.0**
Grand total			698			42

Notes:

- Attributable Mineral Resources as expressed in platinum ounces are based on Implats' equity interest; tonnage shown is total estimates prior to applying the percentage ownership.
- These are rounded summary estimates.
- The Mineral Reserves quoted reflect anticipated grades delivered to mill.

Reconciliation

A high-level reconciliation of total Mineral Resources and Mineral Reserves for the Implats group of companies is shown below:

Total Mineral Resources platinum ounces (million) – inclusive of Mineral Reserves

	2007	Depletion – mined	Growth and changes	Total 2008	Attributable Pt ounces per Implats ownership
Impala	71.4	1.5	9.2	**79.1**	79.1
Marula	11.6	0.1	(0.1)	**11.4**	8.3
Afplats	32.5	0.0	4.0	**36.5**	23.4
Two Rivers	6.1	0.1	0.0	**6.0**	2.7
Tamboti	0.0	0.0	24.2	**24.2**	24.6
Zimplats	88.7	0.1	18.4	**107.0**	95.2
Mimosa	8.2	0.1	0.2	**8.3**	4.2
Totals	218.5	1.9	55.9	**272.5**	237.4

Notes:

- Depletion ounces were adjusted by mine call and concentrator factors.
- Potential impact of pillar losses was taken into account.
- Major changes relate to increases at Impala and Zimplats as estimates for support and stability pillars are no longer subtracted from the Mineral Resource estimate; the addition of Kareepoort and Wolwekraal at Afplats, the inclusion of Tamboti as an Inferred Mineral Resource and the change in mining width from 1.95m to 2.0m at Mimosa.

Total Mineral Reserves Pt ounces (million)

	2007	Depletion – mined	Growth and changes	Total 2008	Attributable Pt ounces per Implats ownership
Impala	20.8	1.3	5.0	**24.5**	24.5
Marula	2.5	0.1	0.0	**2.4**	1.7
Afplats	3.6	0.0	0.0	**3.6**	2.6
Two Rivers	2.5	0.1	0.0	**2.4**	1.1
Zimplats	12.9	0.1	(0.3)	**12.5**	10.9
Mimosa	2.0	0.1	0.0	**1.9**	1.0
Totals	44.3	1.7	4.7	**47.3**	42

Notes:

- Depletion ounces were adjusted for global concentrator factors.
- Major changes relate to the upgrade of the 17 shaft black to the Mineral Reserve category and the re-estimation of Zimplats' Mineral Reserves.

Mineral Resources and Mineral Reserves (continued)

Various Competent Persons, as defined by the SAMREC and JORC codes, contributed to the summary Mineral Resource and Mineral Reserve figures quoted in this report. These statements reflect the estimates as compiled by teams of professional practitioners from the various operations, shafts and projects. These were reviewed and signed off by the Implats' signatory below:

JJ Vermaak
Pr.Sci.Nat. Registration No. 400015/88
(Consulting Geologist, Implats, the Competent Person has 22 years' experience in the evaluation and exploitation of PGM-bearing deposits.)

The Competent Person for Two Rivers' Mineral Resources and Reserves is Mr PJ van der Merwe, a full-time employee of ARM.

The Competent Persons for Zimplats are Messrs A du Toit and S Simango, full-time employees of Zimplats.

Implats and Aquarius Platinum jointly signed off the Mimosa estimates; the competent person from Aquarius in this regard is Mrs FH Cilliers.

A more detailed breakdown of Implats' Mineral Resources and Mineral Reserves is provided in the report entitled, Mineral Resource and Mineral Reserve Statement: Supplementary Information as at 30 June 2008. This report is available electronically in the annual report section of the Implats' website, www.implats.co.za, and may be downloaded as a PDF file using Adobe Acrobat Reader. This report is also available on request from the Implats' offices at the addresses given at the back of this report.

Review of operations – Impala Platinum

Key features

- Improved safety performance
- Conversion of mining rights awarded
- Platinum production declined 1% to 1044Moz of platinum
- Costs remained under pressure
- Smelter upgrade on track
- Refineries expansion under way
- Power crisis being assessed

Mining

Production: Production of 1.044Moz of platinum and 1.841Moz of PGMs decreased 1% and 2% respectively on the previous year.

The reduction in tonnes milled to 15.9Mt in FY2008, down from 16.3Mt in FY2007, was largely due to a decline in the volume of Merensky ore mined. This was a function of underperformance at mainly 12 and 14 shafts.

The ratio of the higher grade Merensky to UG2 ore mined was 49:51 compared to 50:50 in FY2007. This change in the ore mix together with the deterioration in dilution, especially of the UG2 ore mined, and the increase in development tonnes trammed to the mill, resulted in the average grade mined declining to 4.64g/t from 4.71g/t (5PGE+Au).

The power crisis in South Africa dominated the second half of the year. The two-day shutdown at the end of January, followed by a cut in electricity supply to 90% of the operation's requirements, contributed to a loss of production equivalent to approximately 8 000oz of platinum for the six months to end June 2008. This loss was compounded by the Presidential Safety Audits, run under the auspices of the Department of Minerals and Energy, which resulted in several shafts being closed for a number of days while undergoing inspection These stoppages resulted in a further loss of around 12 000oz of platinum.

The on-going shortage of critical skills at miner and supervisory level hampered efforts to sustain initiatives to further improve both safety and productivity. The high turnover of staff at these levels had a marked impact on team management and short-term planning.

The production incentive scheme introduced in May 2007, however, had a positive effect on productivity. Face advance per employee decreased to 15.1m from 15.2m, while centares per panel team per month increased marginally to 400 centares (FY2007: 395 centares).

Impala Rustenburg key statistics

		FY2008	FY2007	% change
Mining sales	Rm	20 889	17 401	20.0
Platinum		12 087	9 573	26.3
Palladium		1 173	1 068	9.8
Rhodium		5 179	4 061	27.5
Nickel		1 506	1 758	(14.3)
Other		944	941	0.3
Mining cost of sales		(7 345)	(6 643)	(10.6)
On-mine operations		(5 860)	(4 798)	(22.1)
Concentrating and smelting operations		(1 057)	(918)	(15.1)
Refining operations		(476)	(377)	(26.3)
Amortisation		(691)	(594)	(16.3)
Increase in inventory		739	44	1 579.5
Mining gross profit		13 544	10 758	25.9
Profit from metal purchased transactions	Rm	54	39	38.5
Sales of metals purchased		15 638	12 413	26.0
– IRS		14 914	12 229	22.0
– Other		724	184	293.5
Cost of metals purchased		(15 584)	(12 374)	229.0
– IRS		(14 846)	(12 226)	221.4
– Other		(738)	(148)	(398.6)
Gross profit in Implats group		13 598	10 797	25.9
Gross margin ex-mine	%	65	62	4.9
Other operating costs	Rm	(426)	(385)	(10.6)
Royalty expense		(548)	(1 624)	66.3
Sales volumes ex-mine				
Platinum	000oz	1 043.7	1 119.3	(6.8)
Palladium	000oz	426.7	446.9	(4.5)
Rhodium	000oz	101.9	110.6	(7.9)
Nickel	000t	6.7	7.1	(2.8)
Sales volumes metals purchased – IRS				
Platinum	000oz	640.7	677.3	(5.4)
Palladium	000oz	410.9	433.8	(5.3)
Rhodium	000oz	92.7	92.2	0.5
Nickel	000t	3.4	4.7	(27.7)
Prices achieved ex-mine				
Platinum	$/oz	1 588	1 190	33.4
Palladium	$/oz	381	335	13.7
Rhodium	$/oz	6 941	5 104	36.0
Nickel	$/t	30 206	31 645	(4.5)
Exchange rate achieved ex-mine	R/$	7.29	7.20	1.3
Production ex-mine				
Tonnes milled	000t	15 855	16 302	(2.7)
Platinum refined	000oz	1 044.0	1 055.3	(1.0)
Palladium refined	000oz	436.6	472.0	(7.5)
Rhodium refined	000oz	124.9	102.9	21.4
Nickel refined	000t	6.9	7.0	(1.4)
PGM refined production	000oz	1 841.1	1 872.4	(1.7)
Total cost*	Rm	7 819	6 477	(20.7)
per tonne milled	R/t	493	397	(24.2)
	$/t	68	55	(23.6)
per PGM ounce refined	R/oz	4 247	3 459	(22.7)
	$/oz	585	481	(21.6)
per platinum ounce refined	R/oz	7 489	6 138	(22.0)
	$/oz	1 031	853	(20.9)
net of revenue received for other metals	R/oz	(941)	(1 280)	(26.5)
	$/oz	(130)	(178)	(27.0)
Capital expenditure	Rm	3 415	2 098	62.8
	$m	470	292	61.0
* Includes share-based payments	Rm	985	554	(77.8)

The latter was not as effective as a result of the lack of ore reserve flexibility at 11, 12 and 14 shafts. To address this, a revised best practice mining cycle is to be rolled out at all Impala shafts following trial runs at 11 and 1 shafts.

Development metres increased by 16% to 91 000m from 78 000m in FY2007, despite poor performance with on-reef development by contractors.

The drill-jig technology contributed to improved safety with the completion of the roll-out of in-stope roof bolting on all Merensky panels. However, achievement of the secondary objectives of increased productivity and reduced physical effort was disappointing. Rock-drill operators remain unconvinced of the benefits of this technology and the drill-jigs have consequently been withdrawn. (The roll-out of this technology will continue at Marula where its viability and efficiency will be monitored).

Impala's old order mining rights were successfully converted and the social and labour plans approved.

Costs: Costs were adversely affected by the sharp increases in input costs, which ranged from a 12% rise in labour costs (which accounts for 54% of total costs at Impala), 65% higher steel price to a 100% hike in fuel costs. These price increases contributed to the total cash cost per tonne milled rising by 24% from R397/t to R493/t. The cost per platinum ounce rose by 22% from R6 138/oz to R7 489/oz (including share-based payments). The cost per platinum ounce excluding share-based payments rose 17% to R6 546/oz.

Capital: Capital projects at Impala Rustenburg include the development of 16, 17 and 20 shafts. The 20 shaft project is currently around four months behind schedule, largely as a result of poor contractor performance, which is a function of a dearth of skills. The 16 shaft project remains on schedule. Expenditure on these shaft projects has been affected by the increased prices of consumables.

In March 2008, the 17 shaft project was approved by the board. The higher planned expenditure relates to the much deeper shaft, ventilation and refrigeration requirements and longer construction times which have escalated costs. Also, mining at such depths involves significant rock engineering/support installations. Shaft sinking has commenced.

A summary of project timelines is as follows:

20 shaft	R3.6 billion	Full production of 150 000oz of platinum scheduled for 2013
16 shaft	R4.0 billion	Full production of 185 000oz of platinum scheduled for 2015
17 shaft	R8.9 billion	Full production of 180 000oz of platinum scheduled for 2018

Total capital expenditure for FY2008 amounted to R3.4 billion, which was mostly spent on the shaft development projects, the two remaining decline projects (the 11 and 14 shaft declines) and the project to expand UG2 production at 10, 12 and 14 shafts. Capital expenditure at Impala's mining operations is considered maintenance capital aimed at ensuring annual production of between 1.0Moz and 1.1Moz of platinum.

Mineral Processes

Production: In FY2008, 15.9Mt of ore were milled, a decline of 2.7% on FY2007. Reasons for this decline were twofold – firstly, the reduced volumes of Merensky ore mined had a major impact and, secondly, the loss of 120 000t of production as a result of the power shutdown in late January 2008. The less-than-favourable ore mix resulted in overall metallurgical recoveries declining to 82.9% from 83.3% in the previous year.

In terms of power consumption, the flexibility offered by the current three-furnace operation at Mineral Processes enabled Impala Rustenburg to manage and minimise the effects of the power crisis on its operation and production levels.

Costs: Operating costs for the year were R67/t milled (FY2007: R56/t), an increase of 19.0%, largely a result of higher prices of steel, coal and chemicals.

Capital: The current smelter expansion will cost R1 billion, with approximately half of this being spent on the third furnace and half on gas cleaning equipment.

The smelter expansion is proceeding on schedule and on budget. Hot commissioning of the third furnace was completed in June 2007. The dryer will be commissioned in August 2008 and the converter and gas cleaning equipment in December 2008.

This expansion, will increase Impala's smelting capacity to 2.8Moz of platinum.

Given the success of the tailings retreatment plant, a R70 million expansion which will effectively double the plant's capacity was approved by the board in February 2008. Construction has begun and the expanded tailings retreatment plant is scheduled for commissioning in September 2008. Estimations are that the larger plant will contribute 0.5% to overall recovery rates.

Refineries

Production: Refineries produced 1.907Moz of platinum and 3.644Moz of PGMs in FY2008, down 5.9% and 5.6% respectively on the previous year. These declines were mainly due to the significant reduction in the toll treatment undertaken on behalf of Lonmin. If the processing of the Lonmin material in FY2007 is excluded, Implats' own headline production increased marginally year-on-year.

Some interim capacity was installed in the existing plant to address bottlenecks in the rhodium refining circuit. As part of the expansion to 2.8Moz of platinum, the existing processing line at the enhanced precious metal refinery will be expanded for all metals. The current rhodium-iridium facility cannot be expanded any further due to real estate constraints, and hence a new enlarged rhodium-iridium refining facility is to be constructed. This facility is scheduled for commissioning in FY2011 and will be premised on the new resin technology developed in-house which was extensively tested at plant scale during the past year.

The holistic effluent strategy adopted during the year resulted in record levels of water recycling, thus reducing the Refineries demand for fresh water.

Costs: Refining costs (excluding share-based payments) per gross platinum ounce and per gross PGM ounce, which rose by 12.5% and 12.6% respectively to R307/oz and R161/oz, were affected by the reduced levels of throughput. The extraordinary price increases experienced in the second half of the financial year, including an 82% increase in coal, a 39% rise in ammonia and a 20% increase in other major chemicals, also negatively influenced costs.

Capital: Capital expenditure rose to R389 million in FY2008 (FY2007: R161 million) as the capacity expansions at the BMR and the PMR continued. Capital expenditure to date on these projects is R542 million and R352 million respectively.

Capital expenditure of R875 million is planned for FY2009 which will cover the expansion programme, the continuation of the copper-winning and reduction autoclave replacement and boiler upgrade programmes, as well as the consolidated and expanded effluent evaporation plant.

Growth: The start of the phase II expansion to the Base Metals Refinery was postponed due to delays relating to the environmental impact assessment. However, the project is now progressing satisfactorily and on budget, and remains scheduled for completion in 2010.

At the Precious Metals Refinery, the phase III expansion, increasing refining capacity to 2.3Moz, was completed. The feasibility study for phase IV was finalised and will be presented to the board for project approval in November 2008. If obtained, this project is scheduled for completion by 2011.

Review of operations – Marula

Key features

- A challenging year for Marula
- Platinum-in-concentrate production of 70 400oz was less than plan
- Social and labour plans approved and conversion of mining rights awarded

Production: Marula produced 70 400oz of platinum-in-concentrate, and 185 700oz of PGMs-in-concentrate an increase of 8% respectively year-on-year. However, this was less than had been planned.

Although the year began well, labour disputes and shaft closures following the fatal incidents negatively affected implementation of the new mining plan. This was exacerbated by the problem of skills retention. Consequently, the planned ramp up in production from conventional stoping is somewhat behind schedule. The footwall capital development project is also slightly behind but will achieve full monthly production of 200 000t in FY2010

Tonnes milled increased fractionally to 1.45Mt. The average head grade for the year was 4.44g/t, up on the 4.09g/t achieved in FY2007, largely owing to the higher grade ore mined at the Driekop shaft and the start of conventional production from the footwall project at Clapham.

While overall ground conditions are good, the presence of geological structures posed a challenge. To address this, panel lengths will be reduced to 21.5m from 24m during FY2009.

The high turnover of artisan staff affected trackless fleet maintenance. An improved maintenance programme was initiated and good progress was made. Some trackless units have been rebuilt while others will be replaced during FY2009.

Marula is committed to the drill-jig technology but implementation is proving more difficult than expected. While there has been no resistance to its use, there have been maintenance problems. More positively, use of this technology has been accompanied by the installation of roof-bolts, which has reduced the incidence of falls of ground.

Metallurgical recoveries at the UG2 plant of 88.3% remained on plan (FY2007: 88.5%). Minor modifications to the plant are required to meet full capacity of 2.4Mt annually in FY2010.

Marula key statistics

		FY2008	FY2007	% change
Sales	Rm	1 827	1 213	50.6
Platinum		774	489	58.3
Palladium		185	144	28.5
Rhodium		795	494	60.9
Nickel		28	40	(30.0)
Other		45	46	(2.2)
Cost of sales		(777)	(650)	(19.5)
On-mine operations		(591)	(472)	(25.2)
Concentrating operations		(101)	(100)	(1.0)
Treatment charges		(2)	(2)	–
Amortisation		(83)	(76)	(9.2)
Gross profit		1 050	563	86.5
Inter-company adjustment *		(305)	(124)	(146.0)
Gross profit in Implats group		745	439	69.7
* Adjustment note: The adjustment relates to sales from Marula to the Implats group which at year-end was still in the pipeline.				
Gross margin %	%	57.8	46.4	23.8
Royalty expense	Rm	(36)	(29)	(24.1)
Sales volumes in concentrate				
Platinum	000oz	70.4	65.2	8.0
Palladium	000oz	72.7	66.8	8.8
Rhodium	000oz	14.9	13.8	8.0
Nickel	t	211.0	188.0	12.2
Prices achieved in concentrate				
Platinum	$/oz	1 486	1 043	42.5
Palladium	$/oz	345	299	15.4
Rhodium	$/oz	7 155	4 967	44.1
Nickel	$/t	18 257	29 366	(37.8)
Exchange rate achieved	R/$	7.41	7.19	3.1
Production				
Tonnes milled ex-mine	000t	1 455	1 450	0.3
Platinum-in-concentrate	000oz	70.4	65.2	8.0
Palladium-in-concentrate	000oz	72.7	66.8	8.8
Rhodium-in-concentrate	000oz	14.9	13.8	8.0
Nickel-in-concentrate	t	211.0	188.0	12.2
PGM-in-concentrate	000oz	185.7	171.4	8.3
Total cost*	Rm	692	572	(21.0)
per tonne milled	R/t	476	394	(20.8)
	$/t	66	55	(20.0)
per PGM ounce in concentrate	R/oz	3 726	3 337	(11.7)
	$/oz	513	464	(10.6)
per platinum ounce in concentrate	R/oz	9 830	8 781	(11.9)
	$/oz	1 354	1 221	(10.9)
net of revenue received	R/oz	(5 128)	(2 331)	(120.0)
Capital expenditure	Rm	345	280	(23.2)
	$m	48	39	(23.4)
* Includes share-based payments	Rm	57	18	

Marula's social and labour plan for both the existing mine and the Merensky project, which includes the accompanying local economic development projects, was approved and the mine was granted conversion of its mining licence.

Marula's Eskom power allocation is sufficient to run both the UG2 operation at full production and to develop the Merensky project. However, it is insufficient to run both of these operations at full production.

Costs: Costs per tonne milled rose by 20.8% to R476/t, largely owing to inflationary pressures and the escalation in prices of inputs, especially labour, steel and diesel. Unit costs per platinum ounce-in-concentrate increased by 11.9%, a result of inflation and the lack of volumes. The latter was a result of the labour strike, geological problems in some sections of the mine and power supply constraints.

Costs per platinum ounce excluding share-based payments increased by 6% to R9 020/oz.

Capital: Capital expenditure totalled R345 million, up from R280 million in FY2007. This was spent mostly on the footwall conversion project, replacement of machinery, drilling, engineering related to the Merensky project and housing.

The Merensky project accounted for R22 million of this amount. Planned capital expenditure on this project, should it be approved, is estimated at R364 million for FY2009. In all, planned capital expenditure of R838 million for FY2009 is to be spent on the footwall project, surface construction of the box-cut, housing and replacement capital.

Growth: The Merensky project feasibility study has been completed and will be presented to the board in November. Its approval will be subject to a guaranteed supply of power sufficient to operate both the existing mine and the planned Merensky project, and the resolution of outstanding community issues. Should this project be approved, development will begin in FY2009. Production is scheduled to begin in FY2014 with annual production of 115 000oz of platinum scheduled for FY2016. This will take total annual production at Marula to 245 000oz of platinum.

Review of operations – Zimplats

Key features

- Phase one expansion continued
- Production down to 94 300oz of platinum-in-matte
- Furnace reline successfully completed

Production: Zimplats produced 94 300oz of platinum-in-matte and 200 200oz of PGMs-in-matte declines of 2.3% and 2.7% respectively. Despite the problematic operating environment, Zimplats increased mill throughput and continued with the phase one expansion project, which remains mostly on schedule and within budget.

Tonnes mined increased by 1% to 2.4Mt. A surface stockpile of 460 000t was built ahead of the Phase 1 concentrator expansion. Grade mined fell to 3.53g/t (5PGE+Au) as a result of the mining of a lower grade area at the opencast operation (FY2007: 3.70g/t).

Although delayed, the start of production from portal 1 helped to offset reduced output from portal 2, the original underground trial mine, which experienced problems with equipment availability and power outages. In May 2008, a second fleet of LHDs was commissioned at portal 1 where full production is scheduled for June 2009. Development at portal 4 continues with drilling of the first raise bore hole having commenced.

While the improved performance of the pebble crusher enabled higher mill throughput with tonnes milled up 3.2% to 2.20Mt, the lower grade contributed to reduced metallurgical recoveries of 82.8% (FY2007: 84.4%). Civil work to expand the ore silo and crushing station at the new concentrator is under way. The new concentrator is on schedule with cold commissioning planned for November 2008 and hot commissioning for February 2009. On completion, Zimplats will have total concentrator capacity of 4.1Mt, equivalent to 180 000oz of platinum annually.

The smelter, which was successfully refurbished during the year, will operate at full capacity of 180 000oz of platinum annually on completion of the phase one expansion programme in FY2011. Construction of housing, which is part of this programme, is currently behind schedule due to a lack of skills and a shortage of inputs.

Given the delays in the development of portals 1 and 4, and the increase in plant capacity to 2Mt annually (increase of 500 000t), following the modifications already undertaken, the opencast mining contract is being reviewed with a view to

Zimplats key statistics

		FY2008	FY2007	% change
Sales	Rm	2 132	1 697	25.6
Platinum		1 107	734	50.8
Palladium		204	173	17.9
Rhodium		444	323	37.5
Nickel		238	408	(41.7)
Other		139	59	135.6
Cost of sales		(1 010)	(769)	(31.3)
Mining operations		(669)	(496)	(34.9)
Concentrating operations		(152)	(154)	1.3
Amortisation		(208)	(162)	(28.4)
Increase in inventory		19	43	(55.8)
Gross profit		1 122	928	20.9
Inter-company adjustment *		(158)	(74)	(113.5)
Gross profit in Implats group		964	854	12.9

* Adjustment note: The adjustment relates to sales from Zimplats to the Implats group which at year-end were still in the pipeline.

		FY2008	FY2007	% change
Gross margin %	%	52.6	54.7	(3.8)
Other operating costs	Rm	(48)	(30)	(60.0)
Royalty expense		(41)	(31)	(32.3)
Sales volumes in matte				
Platinum	000oz	94.3	96.6	(2.4)
Palladium	000oz	76.2	78.5	(2.9)
Rhodium	000oz	8.2	8.5	(3.5)
Nickel	t	1 583	1 687	(6.2)
Prices achieved in matte				
Platinum	$/oz	1 631	1 058	54.2
Palladium	$/oz	376	303	24.1
Rhodium	$/oz	7 724	5 008	54.2
Nickel	$/t	19 905	31 204	(36.2)
Exchange rate achieved	R/$	7.26	7.19	1.0
Production				
Tonnes milled ex-mine	000t	2 201	2 133	3.2
Platinum-in-matte	000oz	94.3	96.5	(2.3)
Palladium-in-matte	000oz	76.2	78.4	(2.8)
Rhodium-in-matte	000oz	8.2	8.5	(3.5)
Nickel-in-matte	t	1 572	1 668	(5.8)
PGMs-in-matte	000oz	200.2	205.7	(2.7)
Total cost		869	680	(27.8)
per tonne milled	R/t	395	319	(23.8)
	$/t	54	44	(22.7)
per PGM ounce in matte	R/oz	4 341	3 306	(31.3)
	$/oz	598	460	(30.0)
per platinum ounce in matte	R/oz	9 215	7 047	(30.8)
	$/oz	1 269	980	(29.5)
net of revenue received from other metals	R/oz	(1 654)	(2 933)	43.6
Capital expenditure	Rm	1 319	449	193.8
	$m	182	62	193.5

extending the period. The extra tonnes mined will be stockpiled to supply the concentrator, enabling it to run at annual design capacity of 2Mt from May 2009, when production at portal 4 begins ramping up. The stockpile will be maintained until around July/August 2009. Operations are expected to normalise in FY2011, once portal 4 reaches full production.

A long-term power supply contract, denominated in US dollars, has been secured with Cahora Bassa in Mozambique.

Costs: Costs per tonne milled rose to $54/t, up 22.7% in dollar terms. The cost per platinum ounce in matte was 29.5% higher at $1 269/oz. These increases were driven largely by escalations in the prices of power, steel and fuel, which were in turn compounded by an unrealistic exchange rate and higher labour costs, as salaries and wages were increased in order to retain critical staff. Unit cost increases were also aggravated by the lower grade and reduced production and an ever increasing proportion of goods which have to be imported.

Capital: Capital expenditure totalled $182 million. Of this, almost three-quarters was spent on the phase one expansion with replacement capital, funding for the power supply sub-station currently under construction and exploratory drilling, accounting for the balance. Capital expenditure of $191 million is planned for FY2009, mostly on the continued development of portals 1 and 4 and the concentrator expansion ($115 million); and replacement expenditure ($31 million) that includes the replacement of underground equipment and the rehabilitation of the road between Ngezi and SMC.

Review of operations – Mimosa

Key features

- Wedza V expansion commissioned
- Annual production down to 76 600oz of platinum-in-concentrate
- Problems with mill and power resolved

Production: Overall, production declined by 2.0% and 2.7% respectively to 76 600oz of platinum and 159 000oz of PGMs-in-concentrate respectively.

Tonnes milled increased marginally in FY2008 to 1.9Mt and 1.7Mt respectively (FY2007: 1.8Mt and 1.7Mt respectively). The 6% rise in tonnes mined was a result of increased mechanisation. Tonnes milled were affected by power outages in the second half of the year, the delay in the start up of Wedza Phase V and mechanical problems related to Wedza Phase IV mills.

A marginal decline in head grade to 3.57g/t (3PGE+Au) was recorded (FY2007: 3.66g/t), as a slightly lower grade zone was mined. Efforts to improve mining practice and reef identification in the second half of the year were successful.

The lower head grade resulted in a corresponding fall in metallurgical recoveries to 75.8% (FY2007: 77.7%). A secondary ball mill was down for 25 days owing to a major bearing failure. These problems have been resolved and a second mill will have its bearings replaced in November 2008.

Contractor and supply problems resulted in delays to modifications planned for the plant as part of the Wedza phase V expansion. However, commissioning had begun by year-end, although delivery of some items was still pending. The planned Wedza phase V design throughput, grind requirements and recoveries are achievable.

The mining aspects of the expansion proceeded according to plan. A significant stockpile of around 498 000t, equivalent to just over three months supply to the mill, is being maintained and will stand the operation in good stead in the coming year.

As part of an industry-wide initiative in Zimbabwe, a long-term agreement for the supply of power has been entered into with Cahora Bassa in Mozambique. This contract is denominated in US dollars.

Mimosa key statistics

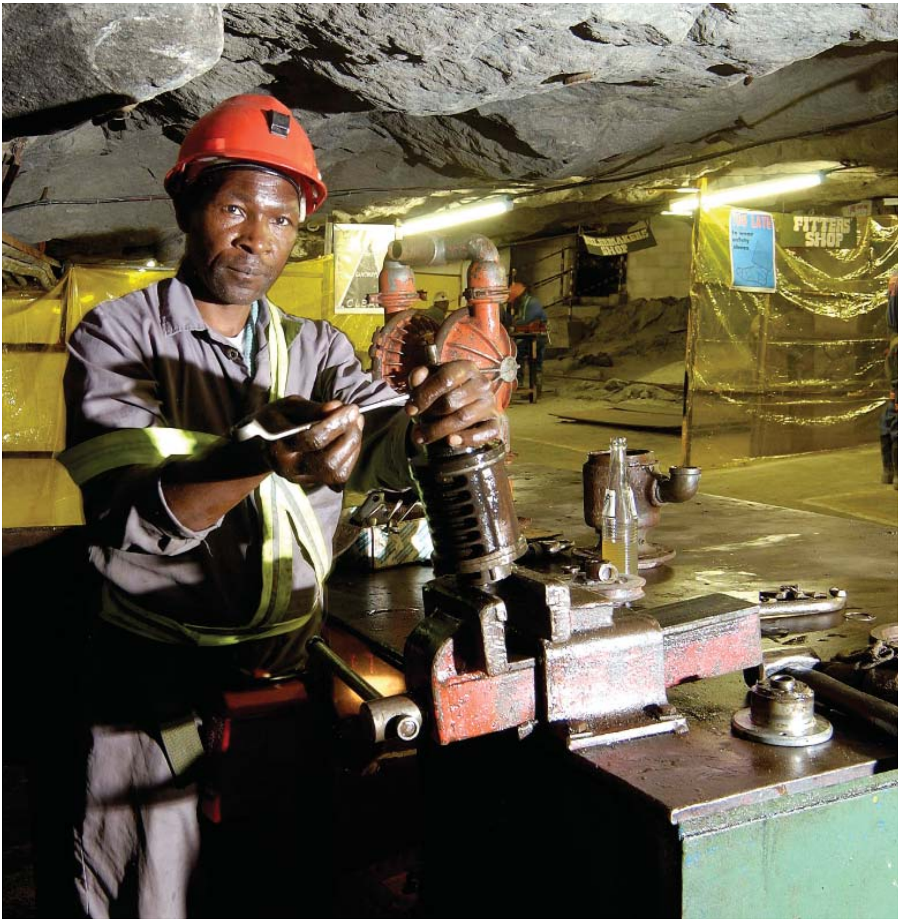
		FY2008	FY2007	% change
Sales	Rm	1 916	1 686	13.6
Platinum		847	687	23.3
Palladium		160	145	10.3
Rhodium		279	210	32.9
Nickel		468	491	(4.7)
Other		162	153	5.9
Cost of sales		(594)	(523)	(13.6)
Mining operations		(367)	(285)	(28.8)
Concentrating operations		(104)	(79)	(31.6)
Treatment charges		(86)	(88)	2.3
Amortisation		(61)	(64)	4.7
Increase/(decrease) in inventory		24	(7)	442.9
Gross profit		1 322	1 163	13.7
50% gross profit attributable to Implats		661	582	13.6
Inter-company adjustment *		(119)	5	(2 480)
Gross profit in Implats group		542	587	(7.7)
* Adjustment note: The adjustment relates to sales from Mimosa to the Implats group which at year-end was still in the pipeline.				
Gross margin	%	69.0	69.0	0.0
Other operating costs	Rm	(67)	(59)	(13.6)
Royalty expense		(46)	(39)	(17.9)
Sales volumes in concentrate				
Platinum	000oz	74.6	77.3	(3.5)
Palladium	000oz	57.0	58.5	(2.6)
Rhodium	000oz	5.9	6.0	(1.7)
Nickel	t	2 128	2 149	(1.0)
Prices achieved in concentrate				
Platinum	$/oz	1 563	1 237	26.4
Palladium	$/oz	386	343	12.3
Rhodium	$/oz	6 449	4 864	32.6
Nickel	$/t	30 256	31 763	(4.7)
Exchange rate achieved	R/$	7.26	7.19	1.0
Production				
Tonnes milled ex-mine	000	1 732	1 692	2.4
Platinum-in-concentrate	000oz	76.6	78.2	(2.0)
Palladium-in-concentrate	000oz	58.1	59.5	(2.4)
Rhodium-in-concentrate	000oz	6.0	6.1	(1.6)
Nickel-in-concentrate	t	2 086	2 091	(0.2)
PGM-in-concentrate	000oz	158.9	163.3	(2.7)
Total cost	Rm	538	423	(27.2)
per tonne milled	R/t	311	250	(24.4)
	$/t	43	35	(22.9)
per PGM ounce in concentrate	R/oz	3 386	2 590	(30.7)
	$/oz	466	360	(29.4)
per platinum ounce in concentrate	R/oz	7 023	5 409	(29.8)
	$/oz	967	752	(28.6)
net of revenue received from other metals	R/oz	(6 932)	(7 366)	5.9
Capital expenditure	Rm	289	113	155.8
	$m	33	16	150.0

Costs: Costs per tonne milled increased by 22.9% to $43/t. The unit cost per platinum ounce produced was 28.6% higher as a result primarily of disparities between the Zimbabwean rate of inflation and exchange rate of the local currency. Nevertheless, Mimosa remains the lowest cost producer in the platinum industry.

Capital: Capital expenditure of $33 million in FY2008 (FY2007: $16 million) was spent largely on the Phase V expansion programme with the balance being spent on the normal operational expenditure replacement programme.

Capital expenditure of $35 million planned for FY2009 incorporates the completion of the Phase V expansion project and the provision of additional housing for employees.

Growth: Exploratory drilling of the North Hill deposit has been delayed to FY2009, when 1 980 metres of drilling are planned. A detailed resource evaluation for the Wedza VI expansion is under way, prior to seeking board approval for a final feasibility study.



Review of operations – Two Rivers

Key features

- Ramp up of operation continued
- Platinum-in-concentrate production rose 12% to 98 600oz
- Plant capacity being expanded to a minimum of 225 000t a month

Production: Total production of platinum-in-concentrate of 98 600oz was an increase of 12% on FY2007. Production of PGMs-in-concentrate rose by 12% to 206 500oz.

Tonnes milled was up 16% to 2.36Mt in FY2008, the second year of operation at Two Rivers (FY2007: 2.04Mt).

As a consequence of industrial action towards the end of the previous year, which affected the current year's output, and geological (split reef at the main decline) and geotechnical constraints, full production was not achieved as originally scheduled. The split reef resulted in increased dilution and contributed to a decline in head grade to 3.99g/t (5PGE+Au) in FY2008 from 4.24g/t (5PGE+Au) in FY2007.

Development of the north decline has progressed well and by year-end monthly underground production from both declines exceeded plant capacity.

Metallurgical recoveries declined to 74.2% from 77.5% in FY2007, largely owing to the reduced head grade. Results of a review of the plant following teething problems highlighted three areas of potential improvement. Firstly, the installation of additional crushing capacity ahead of the mills will lead to increased mill throughput; secondly, additional cleaner circuit flotation cells will aid recovery; and, lastly, expansion to filter capacity at the back end of the plant will cater for additional volumes of concentrate. These modifications will enable the plant to process at least 225 000t a month, which is expected from FY2010. A stockpile of one month's mill throughput is currently being maintained.

Costs: Costs per tonne milled rose by 92% to R351/t. These costs were distorted by the treatment of stockpiled material treated in the previous year. Also, the higher than expected cost of maintenance of the trackless mining equipment and significant increases in the costs of steel and transport. The average cost per platinum ounce rose to R8 432/oz, an increase of 98%. The higher cost base offset any gains from the increase in platinum produced.

Capital: Capital expenditure for the year totalled R357 million, down from R488 million in FY2007 and in line with the ramp up to full production. Capital expenditure in FY2008 focused on the completion of the original Two Rivers project (R1.4 billion), and the development and equipping of the north decline. The balance was spent on fleet maintenance and operating capital to ensure that production is sustained.

Planned capital expenditure for FY2009 of R400 million will include the completion of the Two Rivers project and continued development of the north decline. Most of this will be allocated to plant optimisation (R132 million) while smaller amounts will be expended on decline development, trackless fleet maintenance, conveyor belt extensions and the establishment of the first underground workshop.

Growth: Future growth potential exists with the exploitation of the Merensky Reef. Although preliminary drilling on the Merensky Reef is planned for 2009, a feasibility study will only be considered in the long term.

Review of operations – Impala Refining Services

Key features

- Refined production of 862 700oz of platinum and 1.8Moz of PGMs

Production: Total refined platinum production through IRS declined by 11.1% to 862 700oz in FY2008 compared to 970 900oz in FY2007. However, this followed a surge in the volumes refined in FY2007 when concentrate refined on behalf of Lonmin made a significant contribution. The corresponding production of refined PGMs in FY2008 was 1.8Moz, a decline of 9.2% on the 2.0Moz refined in FY2007.

Growth in output from Two Rivers and Marula, and an increased supply of autocatalysts for recycling were insufficient to compensate for reduced volumes from other sources. The lower volumes were due to the expiry of the offtake agreement with Aquarius Platinum South Africa's Kroondal mine and the absence of Lonmin concentrate for processing. The increase in supplies of autocatalysts was a result of improved market efficiencies in the collection of spent autocatalysts for recycling, which were driven in turn by the higher prices of PGMs on world markets.

Growth: Volumes of concentrate through IRS are expected to increase, particularly from Blue Ridge and Smokey Hills which are scheduled to begin production in FY2009, and from Zimplats, Marula, Eastern Platinum's Crocodile River and Aquarius Platinum's Everest mine, as well as from autocatalyst recycling.

IRS key statistics

		FY2008	FY2007	% change
Sales	Rm	15 704	13 649	15.1
Platinum		7 522	5 863	28.3
Palladium		1 194	1 051	13.6
Rhodium		4 862	3 531	37.7
Nickel		1 160	2 057	(43.6)
Other		966	1 147	(15.8)
Cost of sales		(13 821)	(11 862)	(16.5)
Metals purchased		(14 911)	(12 683)	(17.6)
Smelting and refining costs		(310)	(323)	4.0
Increase in inventories		1 400	1 144	22.4
Gross profit		1 883	1 787	5.4
Gross margin	%	12.0	13.1	(8.4)
Other operating costs	Rm	(26)	(34)	23.5
Sales	Rm	15 704	13 649	15.1
Direct sales to customers		631	1 050	(39.9)
Sales to Impala		14 846	12 226	21.4
Toll income		227	373	(39.1)
Total sales volume				
Platinum	000oz	648.3	686.9	(5.6)
Palladium	000oz	419.2	439.2	(4.6)
Rhodium	000oz	95.1	94.6	0.5
Nickel	000t	5.1	8.3	(38.6)
Prices achieved				
Platinum	$/oz	1 577	1 189	32.6
Palladium	$/oz	389	333	16.8
Rhodium	$/oz	6 986	5 201	34.3
Nickel	$/t	31 489	34 642	(9.1)
Exchange rate achieved	R/$	7.33	7.18	2.1
Refined production				
Platinum	000oz	862.7	970.9	(11.1)
Palladium	000oz	607.4	641.6	(5.3)
Rhodium	000oz	135.7	144.4	(6.0)
Nickel	000t	7.9	9.2	(14.1)
Total PGM	000oz	1 802.9	1 985.9	(9.2)
Metal returned				
Platinum	000oz	207.9	261.9	(20.6)
Palladium	000oz	199.3	190.5	4.6
Rhodium	000oz	42.3	46.5	(9.0)
Nickel	000t	2.1	0.9	133.3

Review of projects – Leeuwkop

Key features

- Mining right awarded
- Power supply for development secured
- Mine design and plan being revised
- Capital expenditure of R145 million

Progress: The mining right for the Leeuwkop project, Afplats' primary asset, was finally granted in April 2008. Much of the past financial year was spent completing preparatory work for shaft sinking and finalising a detailed mine design.

Additional evaluation work was undertaken on the project which indicated that mechanised footwall development with conventional stoping would be more suitable for the orebody than the mechanised bord-and-pillar mining method originally proposed. The mine and project design are currently being revised and a detailed project proposal is being prepared for presentation to the board in November 2008. The revision of the mining plan, together with the delay in the granting of the mining right, has pushed the project's timeline out by at least two years.

The new mine plan, which is based on conventional mining methods that involve less risk in terms of the orebody, will also enable the mining of a higher head grade, in turn resulting in increased planned platinum production. However, conventional mining requires a longer lead time in building up to full production with a consequent increase in the capital cost. Production is now scheduled to begin in FY2013. Ore mined will be stockpiled until the plant is commissioned.

Leeuwkop's current power allocation from Eskom is sufficient for shaft sinking and planned development, including that of the underground infrastructure. Negotiations are underway to secure the additional power required to operate the underground mine, surface infrastructure and refrigeration and concentrator plants.

Should the revised project be approved by the board and long-term power supplies be secured, shaft sinking operations could begin as early as January 2009.

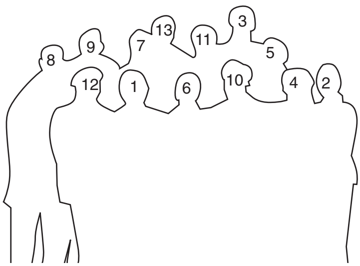
Capital: Of the total of R370 million capital expenditure approved for initial development of the project, actual expenditure amounted to R145 million with an additional R130 million having been committed.

As a consequence of the higher cost of implementing a conventional mining layout and escalating project costs in recent years, capital expenditure for the revised Leeuwkop project is currently estimated at R6 billion (in real terms).

Growth: Project completion is scheduled for FY2015. Full production in terms of the new plan is estimated at between 160 000oz and 180 000oz of platinum (previously between 140 000oz and 160 000oz).

Negotiations are progressing with Afplats' BEE partners on the consolidation into one legal entity of the Imbasa and Inkosi properties with that of Leeuwkop. All prospecting rights for these properties have been granted and preliminary prospecting and drilling work to determine the future potential of the Imbasa and Inkosi properties have begun.

Board of directors *as at 30 June 2008*



Independent directors

1. Fred Roux (60) (Chairman)
BSc, MSc, PhD, MBA. Joined the board in 2004 and appointed as Chairman in 2004.

2. Fatima Jakoet (48)
BSc, CTA, CA (SA). Non-executive director of the South African Reserve Bank, Metropolitan Holdings Group and MTN group (West African Region). Joined the board in August 2007.

3. Michael McMahon* (61)
Pr.Eng. BSc (Mech Eng). Director of Gold Fields Limited, Murray & Roberts Holdings Limited, Central Rand Gold Limited and Central Rand Gold SA Limited. Joined the group in 1990 as managing director, appointed chairman in 1993 and a non-executive director in 2002.

4. Vivienne Mennell (65)
BA, MBA, FCMA, THD. Joined the board in 1990 as financial director. Re-joined the board in 1998 as a non-executive director.

5. Khotso Mokhele (52)
BSc (Agriculture), MSc (Food Science) PhD (Microbiology). Chairman ArcelorMittal South Africa Limited and non-executive director of African Oxygen Limited and Tiger Brands Limited. Joined the board in 2004.

6. Thandi Orleyn (52)
B Juris, B Proc, LLB. Non-executive director of ArcelorMittal South Africa Limited, Reunert Limited and the South African Reserve Bank. Joined the board in 2004.

7. Lex van Vught (65)
BSc (Hons) (Chemistry), B Comm. Chairman of Tiger Brands Limited and non-executive director of AECI Limited. Joined the board in 2004.

Non-executive directors

8. Thabo Mokgatlha (33)
CA (SA). Non-executive director of Royal Bafokeng Holdings (Pty) Limited. Joined the board in 2003 as nominee of the Royal Bafokeng Nation.

9. Steve Phiri (52)
BJuris, LLB, LLM, HDip Co Law. Chief Executive Officer of Merafe Resources Limited. Member of the Minerals and Mining Development Board. Non-executive director of Royal Bafokeng Holdings (Pty) Limited and SA Eagle Limited. Joined the board in June 2007.

Executive directors

10. David Brown (Chief executive officer) (46)
B Com, CTA, CA (SA). Joined the group in 1999 as financial director and appointed chief executive officer in 2006. Resigned as non-executive director of Simmer & Jack Ltd in December 2007.

11. Shadwick Bessit (Executive director) (46)
NHD (Metalliferous Mining). Joined the group in 2002 as a general manager at Impala Platinum. Appointed to the board in 2005.

12. Dawn Earp (Executive director: finance) (46)
B Com, B Acc, CA(SA). Joined the group in 2007 as executive director: finance. Non-executive director of Rand Refinery Limited.

13. Les Paton (Executive director) (56)
BSc (Hons) (Geology), B Comm, Pr SciNat FGSSA. Joined the group as geologist in 1975 and appointed to the board in 2003.

* British

Management *as at 30 June 2008*

10 8 1 6

Executive Committee (EXCO)

Area of responsibility: Day-to-day management of group operations

1. David Brown (Chairman)
   Chief Executive Officer
2. Brenda Berlin
   Commercial Executive
3. Shadwick Bessit
   Executive Director
4. Rob Dey
   Group Engineering Manager
5. Dawn Earp
   Executive Director: Finance
6. Derek Engelbrecht
   Marketing Executive
7. Paul Finney
   Operations Executive
   (absent from photograph)
8. Bob Gilmour
   Investor Relations Executive
9. Les Paton
   Executive Director
10. Nonhlanhla Mgadza
    Group Internal Auditor
11. Mike Rossouw
    Group Consulting Engineer – Assets and Risk
    (absent from photograph)

EXCOM

Area of responsibility: Interfaces between board and management and in particular review board papers and submissions and ensures implementation of board decisions

David Brown (Chairman)
Shadwick Bessit
Dawn Earp
Les Paton

5 4 3 9 2

Risk Management Committee

Area of responsibility: Minimising risk to assets and income earning capacity

Mike Rossouw (Chairman)
Shadwick Bessit
Derek Engelbrecht
Rob Dey
Dawn Earp
Paul Finney (Alternate Chris McDowell)
Bob Gilmour
Nonhlanhla Mgadza
Les Paton
Reshma Ramkumar
Paul Skivington
Johan Theron
Rachel Wolfaardt

Treasury Committee

Area of responsibility: Hedging metal sales, banking transactions and conversion of foreign exchange proceeds to South African rands

David Brown (Chairman)
Dawn Earp
Derek Engelbrecht
Warren Adams

Corporate governance

Corporate governance in South Africa is regulated by the King Report on Corporate Governance. First issued in 1994, the King Report was revised and expanded in 2002 (King Report II) to cover boards and directors, accounting and auditing, internal audit and risk management, non-financial matters, compliance and enforcement. The King Report II incorporates best international practice. The JSE endorsed the King Report II by requiring disclosure of compliance and non-compliance (and the reasons therefore) in the JSE Listings Requirements. Implats complies in all respects with the provisions of the King Report.

Board of directors

The board comprises thirteen directors. There are seven independent non-executive directors, two non-executive directors and four executive directors on the board. Dr FJP Roux, an independent non-executive director, is chairman of the board. Mr DH Brown, an executive director, is the Chief Executive Officer. The roles of the chairman and CEO are separate.

Mr TV Mokgatlha and Mr DS Phiri are not considered to be independent given their relationship with the Royal Bafokeng Nation, a substantial shareholder of the company.

During the year, Ms F Jakoet was appointed as an additional independent non-executive director on the board and a member of the Audit Committee in place of Mr JV Roberts, who retired as a non-executive director and as a member of the Audit Committee and Remuneration Committee. The appointment of Ms Jakoet was confirmed by shareholders at the annual general meeting held on 25 October 2007. There were no other appointments.

The board comprises 62% HDSAs and 31% female members.

Details of all board members are presented on page 71.

In terms of the company's articles of association board members are appointed for a three-year term of office. Re-election of board members takes place on a staggered basis to ensure continuity. An executive director retires at the annual general meeting following his/her 63rd birthday, and a non-executive director following his/her 67th birthday. A non-executive director's term of office continues on an annual basis, if a majority of the board so request. The names of the retiring directors and their curriculum vitae are stated under the heading of annual general meeting below.

The role of the board is regulated by a formal board charter which defines matters reserved for board approval. A formal delegation of authority is in place which defines the powers and authority of management. The board charter is available on the company's website, www.implats.co.za.

In addition to quarterly board meetings, a full-day strategy session, attended by the board and senior executives, is held annually. An annual board meeting is also held to discuss and approve the group's business plan. The board meets on an ad hoc basis to consider specific issues if the need arises. The progress and status of identified strategic issues are reported and monitored at quarterly board meetings.

Non-executive directors meet formally and informally with management on a regular basis.

Board functions are supported by the following committees of the board:

- Audit Committee
- Remuneration Committee
- Nominations Committee
- Safety, Health and Environmental Audit Committee
- Transformation Committee

The composition of these committees and their terms of reference are given under their respective headings below.

Attendance at board, board committee meetings and annual general meeting:

	Board	Audit Committee	Remuneration Committee	SHE Committee	Nominations Committee	Transformation Committee	Annual General Meeting
Number of meetings	6	4	4	4	4	4	1
FJP Roux	6/6			4/4			√
S Bessit	6/6					4/4	√
DH Brown*	6/6			4/4		4/4	√
D Earp†	6/6					3/4	√
F Jakoet	4/5	2/2					√
JM McMahon	6/6		4/4	4/4			√
MV Mennell	6/6	4/4			4/4		√
TV Mokgatlha	6/6	1/1				4/4	√
K Mokhele	6/6			4/4	4/4	3/4	
NDB Orleyn	6/6		4/4			4/4	√
LJ Paton	6/6					4/4	√
DS Phiri	5/6		3/3				√
JV Roberts	1/1	1/1	1/1				√
LC van Vught	5/6	4/4					
MF Pleming ø				4/4			

* CEO
† CFO
ø External Consultant

Board committees

Remuneration Committee

Members:
Thandi Orleyn (Chairperson)
Michael McMahon
Steve Phiri

The Remuneration Committee comprises two independent non-executive directors and a non-executive director. An independent non-executive director chairs the committee. The chairman of the board, chief executive officer and the human resources executive are invited to attend all Remuneration Committee meetings except when their own remuneration is under consideration.

Mr DS Phiri was appointed as a member of the Remuneration Committee in October 2007 after Mr JV Roberts retired from the board.

The company's Remuneration Policy is determined by the Remuneration Committee and strives for competitive and fair reward in recognising and rewarding individual and team achievement that contribute to the attraction, retention and motivation of employees, organisational growth and prosperity.

The main functions of the Remuneration Committee are to:
- determine fixed and variable remuneration for executive directors and senior executives;

- ensure the implementation of policies and practices to attract and retain the best talent at executive level;
- ensure the provision of fair, equitable and competitive conditions of employment across the group;
- ensure the effectiveness of a comprehensive talent management process, encompassing employee development and succession planning;
- benchmark remuneration practices against both local and international best practice;
- monitor retirement benefits; and
- recommend fees for non-executive directors to the board for approval by shareholders at the annual general meeting.

Nomination Committee

Members:

Khotso Mokhele (Chairman)
Fred Roux
Vivienne Mennell

The Nomination Committee comprises three independent non-executive directors. It assists the board in ensuring that the structure, size, effectiveness and composition of the board and its committees:

- are reviewed regularly;
- comprise the requisite mix of skills, experience, diversity and other qualities;
- align with the strategic direction and requirements of Implats, and
- meet the requirements of sound corporate governance.

The Nomination Committee is responsible for ensuring that the board, its directors and its committees are assessed regularly; proposing adjustments to the board and its committees, appropriate planning for the succession of directors; recommending appointments and re-elections of directors; establishing a formal induction process and ensuring that a training and development programme is in place for board members.

A self-assessment of the board committees as well as a peer evaluation of the chairman of the board and the chairmen of the board committees were undertaken during the year. Corrective action will be taken by the relevant committee to address issues identified. In addition, the directors retiring and available for re-election were evaluated by their fellow board members who endorsed their re-appointment unanimously.

An assessment of the board was undertaken during the previous financial year and will be re-assessed during the ensuing year.

Audit Committee

Members:

Lex van Vught (Chairman)
Vivienne Mennell
Fatima Jakoet

During the year Mr JV Roberts retired as a member of this committee and was temporarily replaced by a non-executive director, Mr TV Mogatlha. Ms F Jakoet, as an independent non-executive board member, was appointed as the permanent replacement on the committee.

The Audit Committee comprises three independent non-executive directors. Its role is to provide assurance that relevant board duties are discharged by:

- monitoring the integrity of the financial statements and other relevant external financial reports of Implats and reviewing all significant inputs, judgments and outputs in order to present a balanced and understandable assessment of the position, performance and prospects of Implats, as appropriate;
- reviewing the company's internal financial control and financial risk management systems in order to safeguard Implats' assets;
- monitoring and reviewing the effectiveness of Implats' internal audit functions;
- recommending to the board the appointment of the external auditors, approving the remuneration and terms of engagement of the

external auditors and monitoring their independence, objectivity and effectiveness, taking into consideration relevant professional and regulatory requirements; and

- regulating the use of the external auditors for non-audit duties in terms of a policy document prepared and enforced which governs the use of external auditors for non-audit services.

The committee, in carrying out its tasks, has a wide range of powers to consult, both internally and externally. The overriding principle is that the committee shall be provided with sufficient resources to undertake its duties.

The use of the external auditors for non-audit services is disclosed in the annual financial statements.

Its terms of reference allow investigation into any activity of the company and permit the seeking of information or advice from any employee in the course of its duties. The chairman of the Audit Committee meets at least once a year on an individual basis with the external and internal auditors, the chief executive officer and the chief financial officer without any other non-executive member of the board in attendance.

The Audit Committee oversees the Risk Management Committee.

Safety, Health and Environmental Audit Committee

Members:

Michael McMahon (Chairman)
Fred Roux
Khotso Mokhele
David Brown (Chief executive officer)
Mike Pleming (External consultant)

A board-appointed Safety, Health and Environmental (SHE) Audit Committee has been in place since 1988. Its role in terms of its mandate is to monitor and review health, safety and environmental performance and standards. The SHE Audit Committee supplements and gives support, advice and guidance on the effectiveness or otherwise, of management's efforts in the areas of safety, health and the environment. The SHE Audit Committee comprises three independent non-executive directors and the chief executive officer. The committee also contains an external consultant.

The chairman is an independent non-executive director.

The committee meets at least once a quarter. Meetings are held alternately at operations, coinciding with visits to sites of SHE importance/relevance or at Implats' head office. At all meetings, Implats' overall performance in all areas of safety, health and the environment is critically appraised. Internal audit regularly reviews reporting systems to ensure that injuries sustained by employees/contractors are reported timeously and effectively.

Transformation Committee

Members:

Thabo Mokgatlha (Chairman)
Shadwick Bessit
David Brown
Dawn Earp
Khotso Mokhele
Les Paton
Thandi Orleyn

This committee comprises two independent non-executive directors, a non-executive director and the four executive directors.

The Transformation Committee is responsible for monitoring progress in achieving a transformed workforce. In particular it is responsible for:

- advising and guiding the board in any decision-making process relating to transformation;
- guiding the organisation on issues of transformation;

- consulting all role players to ensure commitment and the adoption of an inclusive approach in addressing transformation issues;
- providing quality assurance regarding the implementation of all transformation processes; and
- ensuring transparency in communication.

The challenge of achieving the company's strategic imperative of becoming a transformed workplace hinges on it meeting and exceeding its targets and the numerical goals set as per the Employment Equity Act, the Minerals and Petroleum Resources Development Act (MPRDA) and the related Mining Charter. These targets have been affected by an amendment to the Employment Equity Act regarding the definition of designated groups.

The Transformation Committee of the board as well as the transformation steering committees at all South African operations monitor targets and numerical goals. The tables below reflect the targets and the progress made as at 30 June 2008.

HDSAs in management	Total employees/ members	Total HDSA*	% HDSA	Target (%) 2009
Board	13	8	62	40
Senior management	97	26	27	40
Middle management	590	279	47	40
Total #	700	313	45	40

Women	Total employees/ members	Total women	% women	Target (%) 2009
Board	13	4	31	10
Senior management	97	9	9	10
Middle management	590	115	20	10
Sub-total	700	128	18	10
Skilled	3 929	336	9	10
Non-skilled	27 406	2 032	7	10
Total #	32 035	2 496	8	10

Total employees/members in service as at June 2008. The table includes nine non-executive board members. The targets as required by the Mining Charter are 40% HDSAs in management and 10% women in mining by 2009.

* The term historically disadvantaged South African (HDSA) refers to those employees as defined in terms of the MPRDA and the Mining Charter. This category is also referred to as 'designated employees' in terms of the Employment Equity Act as having been historically disadvantaged and includes white women.

All committees

All committees report regularly to the board at quarterly board meetings. Reports from the chairman of the committees, together with the minutes of the relevant committees, are tabled at board meetings.

Company secretary

Board members have access to a company secretary to provide guidance on their responsibilities and the discharge thereof. In addition, board members are able to request outside independent advice when required.

Other corporate governance issues

Risk management

The risk management philosophy of the group is explained in a separate section of the report on page 82.

Internal control

The board has ultimate responsibility for establishing a framework for internal controls, including appropriate risk management and good corporate governance frameworks and systems. Implats has established key controls that focus on critical risk areas identified by line management, facilitated by risk management, assessed and evaluated by the auditors. The controls are designed to provide a cost-effective assurance that Implats assets are safeguarded and that liabilities and working capital are efficiently managed. Established organisational policies, procedures, standards, guidelines, structures and delegation frameworks clearly define and provide appropriate levels of direction, accountability and segregation of responsibility, which facilitate self-checking and monitoring mechanisms. Internal audit, in partnership with senior management, monitor these controls and risk management processes.

Group internal audit is an independent, objective assurance that delivers substantial benefits to Implats by primarily focusing on systems of internal control, resulting in better risk management and good governance as well as the achievement of set business objectives. In 2005 group internal audit began a three-year rolling plan, incorporating a risk-based approach, that was completed in June 2008. Owing to the consistent and systematic application of this risk-based approach, the desire for an improved internal control environment throughout the Implats group has been achieved.

Internal audit is well supported by the board and well positioned to deliver on its mandate. The group internal auditor reports to the Executive Director, Finance for administrative purposes and to the Audit Committee chairman for functional purposes; as well as holding quarterly meetings with the chairman of the board to discuss internal audit issues.

Code of ethics

Implats has a bona fide code of business practice to which all employees and suppliers are expected to adhere. The policy outlines conflicts of interest, the prevention of dissemination of company information, the acceptance of donations and gifts, and protection of the intellectual property and patent rights of the company. The policy outlines the disciplinary action (including dismissal or prosecution) which will be taken in the event of any contravention.

A 'whistle-blowing' toll-free helpline is in place to facilitate the confidential reporting of alleged incidents which are reported to the chairman of the board.

Dealings in securities

The group observes a closed period from the end of the relevant accounting period to the announcement of the interim or year-end results, as the case may be, during which neither directors nor employees may deal, either directly or indirectly, in the shares of the company or its listed subsidiaries.

Sustainable reporting

The company publishes a Corporate Responsibility Report in conjunction with the Annual Report. A summary of the contents of the report is given in a separate section of this report on page 28 and the full contents of the report can be accessed on the company's website.

Relations with shareholders

Investors, fund managers, analysts, the media and the market are kept fully, timeously and openly informed of all developments. Implats communicates regularly with shareholders and other stakeholders regarding its financial and operational performance. Communication with interested institutional and private investors pays due regard to the statutory and regulatory requirements on the communication of price-sensitive information by the company and its officers.

It is company policy to pay a dividend twice a year, at the end of the interim financial period (when approximately one-third of the dividend is paid) and at the end of the financial year (when the remaining two-thirds are paid). While the payment of dividends is not guaranteed, they have been paid consistently. During the year the dividend cover was further reduced from 1.7 to 1.4 (1.9 in 2006).

The shareholder communication function of the company secretary and the share registrar are supported by an investor relations programme which operates in South Africa, Europe, the United States and Canada. The progamme is aimed at maintaining contact with institutional shareholders, fund managers and analysts in these countries as well as with the media, and at undertaking formal financial disclosure through interim and annual results announcements, the annual report, roadshows, press releases, ad hoc investor meetings, participation in investment conferences and the website. In particular, roadshows and teleconference calls also provide investors with the opportunity to communicate with management and to make recommendations to the board. Management is also open to meetings requested by shareholders and contact details are available on the company website.

The result announcements, both the interim and annual, take the form of live presentations which are webcast simultaneously. International conference calls are also held. All presentations, webcasts and conference call transcripts are available on the website. In addition, copies of all presentations made by executive management to the investment community are posted on the website.

Access to information

Implats has complied with the requirements of the Promotion of Access to Information Act of 2000. The corporate manuals are available on the website www.implats.co.za and from the company secretary.

Sponsor

Deutsche Bank is the company's corporate sponsor, in compliance with the JSE Listing Requirements.

Effects and implications of the annual general meeting

The notice of the annual general meeting on pages 203 to 205 includes the following items:

1. To approve the annual financial statements for the year ended 30 June 2008.

2. Re-appointment as directors of the company, Ms MV Mennell, Messrs DH Brown, TV Mokgatlha, LJ Paton and LC van Vught who retire from office at the meeting. The articles of association require that at least one-third of the board retire from office annually but may be re-elected by shareholders at the annual general meeting. The articles of association require that additional directors appointed by the directors retire at the next annual general meeting but are eligible for re-election. The appointment of Ms F Jakoet was confirmed at the annual general meeting held on 25 October 2007.

The curriculum vitae of all directors to be re-appointed at the annual general meeting are set out below:

Vivienne Mennell (65) (Non-executive director) BA, MBA, FCMA, THD. Joined the board as financial director in 1990. Rejoined the board as a non-executive director in 1998. Member of the Audit Committee and the Nominations Committee. Former director of Gencor Limited, Tourvest Limited, Trans-Natal Coal Limited and Rustenburg Platinum Mines Limited.

David Brown (46) BCom, CTA, CA(SA) Joined the group in 1999 as Financial Director and appointed as Chief Executive Officer in 2006.

Thabo Mokgatlha (33) (Non-executive director) CA(SA) Financial Director of Royal Bafokeng Resources Management Services (Pty) Limited. Previously partner at Mokua & Associates, audit firm. Chairman of the Transformation Committee. Joined the board in 2003 as a representative of the Royal Bafokeng Nation.

Les Paton (56) BSc (Hons) (Geology), B Comm, Pr SciNat, FGSSA. Joined the group as geologist in 1975 and appointed to the board in 2003. Chairman of Marula Platinum (Pty) Limited.

Lex van Vught (65) (Non-executive director) BSc (Hons) (Chemistry) Joined the board in 2004. Chairman of the Audit Committee. Chairman of Tiger Brands Limited, and a director of AECI Limited.

3. To increase the remuneration of the non-executive directors by 38% and of the chairman of the board by 25%, in line with other increases granted within the organisation and to keep pace with market-related fees.

Special business

4. Share buy-back
   To extend for a further year the authority of the directors to buy-back a maximum of 10% of the company's issued share capital. The company bought back approximately 1.7% of the issued share capital in prior years, utilising surplus cash to acquire shares at lower price levels.

   The special resolution requires approval by a 75% majority of members present in person or by proxy at the meeting.

Chairmen of all the board committees are encouraged to attend the annual general meeting to answer any questions from shareholders.

Strategic risk focus – summary

The strategic issues that currently face the group and which inform Implats' business planning, risk management and resource allocation priorities are:

- Maintaining an organisational strategy that will ensure:
  - o The requisite resources, skills and structures are in place to deliver on the growth objectives approved by the board;
  - o Continuous improvement in safety, health and environmental performance towards the goal of 'zero harm';
  - o Organisational diversity and improved employee engagement and participation in all business activities; and
  - o The company attracts, develops, retains and motivates the requisite management, operational, technical and business skills and pool of talent.

- Retaining a focused and sustainable growth portfolio of assets to ensure that the company remains in the top quartile of performers within its areas of core competence.

- Maintaining effective project management processes and skills to ensure successful project implementation and delivery.

- Sustaining unit production costs in the lowest quartile of the industry.

- Maintaining reliable and effective production processes and delivering product on time and to specification.

- Protecting and maintaining the security and reliability of physical assets.

- Retaining process, system and management technology competitiveness.

- Ensuring that impacts on the business in terms of utility supply disruptions are minimised.

- Ensuring that risks associated with suppliers and logistics are minimised.

- Retaining permission to operate and full legal and regulatory compliance in a continuously changing environment.

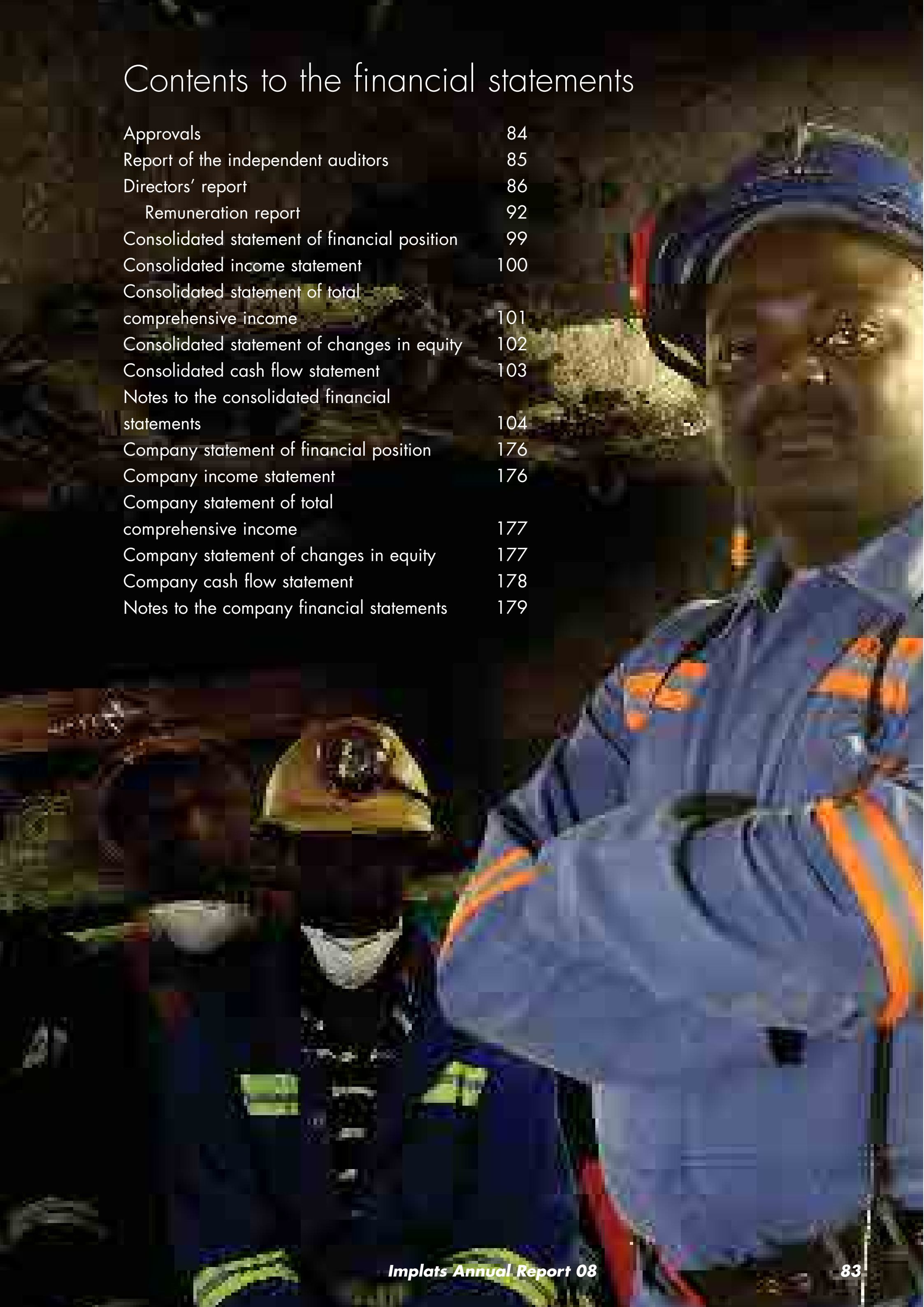
- Managing the uncertainties that affect the Zimbabwe operations.

- Scanning of the environment for technological advances that may affect the demand for Implats' products, and instituting appropriate responses where possible.

- Addressing relevant issues regarding corporate responsibility, and being recognised as a good corporate citizen in the countries and communities where the company operates, and maintaining sound and mutually beneficial relationships with them and the general public.

Details of Implats-specific risk factors are available on the corporate website at www.implats.co.za.

Contents to the financial statements



Approval of the annual financial statements

The annual financial statements for the year ended 30 June 2008, which appear on pages 86 to 186 were approved by the board of directors on 28 August 2008.

The directors are responsible for the fair presentation to shareholders of the affairs of the company and of the group as at the end of the financial year, and of the results for the period, as set out in the annual financial statements. The directors are responsible for the overall co-ordination of the preparation and presentation, and approval of the financial statements. Responsibility for the initial preparation of these statements has been delegated to the officers of the company and the group.

The auditors are responsible for auditing and reporting on the financial statements in the course of executing their statutory duties. The financial statements have been prepared on a going concern basis, conform with applicable accounting standards and are presented applying consistent accounting policies supported by reasonable and prudent judgements and estimates. To discharge this responsibility, the group maintains accounting and administrative control systems designed to provide reasonable assurance that assets are safeguarded and that transactions are executed and recorded in accordance with generally accepted business practices and procedures. The accounting policies of the group are set out on pages 104 to 123 of this report.

FJP Roux
Chairman

DH Brown
Chief Executive Officer

Certificate by company secretary

I, the undersigned, in my capacity as Company Secretary, do hereby confirm that for the financial year ended 30 June 2008 Implats has lodged with the Registrar of Companies all such returns as are required of a public company in terms of the Companies Act 61 of 1973, as amended, and that all such returns are true, correct and up to date.

A Parboosing
Company Secretary
28 August 2008

Report of the independent auditors

To the members of Impala Platinum Holdings Limited

We have audited the annual financial statements and group annual financial statements of Impala Platinum Holdings Limited, which comprise the directors' report, the statement of financial position and consolidated statement of financial position as at 30 June 2008, the income statement and the consolidated income statement, the statement of changes in equity and the consolidated statement of changes in equity, consolidated statement of total comprehensive income, the cash flow statement and the consolidated cash flow statement for the year then ended, and a summary of significant accounting policies and other explanatory notes, as set out on pages 86 to 186.

Directors' responsibility for the financial statements

The company's directors are responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards and in the manner required by the Companies Act of South Africa. This responsibility includes; designing, implementing and maintaining internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditors' responsibility

Our responsibility is to express an opinion on these financial statements, based on our audit. We conducted our audit in accordance with International Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purposes of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of the company and of the group as of 30 June 2008 and their financial performance and cash flows for the year then ended in accordance with International Financial Reporting Standards and in the manner required by the Companies Act of South Africa.

PricewaterhouseCoopers Inc
Director: Hein Boegman
Registered Auditor
2 Eglin Road
Sunninghill, 2157
Johannesburg

28 August 2008

Directors' report

Profile

Business of the company

Impala Platinum Holdings Limited (Implats/company/group) is principally in the business of producing and supplying platinum group metals (PGMs) to industrial economies. The company's holdings in various mining and exploration activities as at 30 June 2008 are described below:

Company	Short name	Effective interest %	Activity
Impala Platinum Limited	Impala	100	PGM mining, processing and refining
Impala Refining Services Limited	IRS	100	Purchase of concentrate and/or smelter matte. Processing of concentrate and matte by the smelting, refining and sale of resultant PGMs and base metals, and toll refining.
Afplats (Pty) Limited	Afplats	74	PGM mining (project phase)
Marula Platinum (Pty) Limited	Marula	73	PGM mining
Zimplats Holdings Limited	Zimplats	86.9	PGM mining
Mimosa Investments Limited	Mimosa	50	PGM mining
Two Rivers Platinum (Pty) Limited	Two Rivers	45	PGM mining

Capital

Authorised and issued share capital

The authorised share capital of the company as at 30 June 2008 and 2007 was R21 100 200 divided into 844 008 000 ordinary shares of 2.5 cents each.

During the year, 679 544 new ordinary shares were issued in terms of the Implats share option scheme.

As at 30 June 2008, the issued share capital stood at 631 578 772 ordinary shares of 2.5 cents each (2007: 630 899 228 ordinary shares of 2.5 cents each).

Treasury shares

The group holds 10 671 449 ordinary shares of 2.5 cents each (2007: 9 844 976) of its own shares in terms of an approved share buy-back scheme. During the year a further 826 473 shares were acquired. The shares are held as "treasury shares" by a subsidiary.

Share option scheme

The directors were authorised to issue, allot or grant options to acquire up to a maximum of 17 416 000 ordinary shares of 2.5 cents each in the unissued share capital of the company in terms of employee share option scheme. Details of participation in the share option scheme are set out in note 16 of the financial statements.

The group no longer offers employees any further options under the existing Share Incentive Scheme, but pays relevant employees a fully taxable bonus based on the increase in the share price. (Refer to note 19 of the financial statements.) Employees' interests will still be aligned with those of shareholders but without any dilutionary effect.

The rules governing the quantum and timing of benefits to be delivered to employees under the new bonus scheme are no different from those under the existing Share Incentive Scheme.

The trustees of the scheme are Ms NDB Orleyn and Messrs JM McMahon and DS Phiri.

Shareholding in the company

The issued share capital of the company held by public and non-public entities as at 30 June 2008 was as follows:

	No. of shares (000s)	%
Public	537 301	85.1
Non-public	94 278	14.9
Directors	216	–
Trustees of share scheme	276	–
Right to appoint a director	83 115	13.2
Treasury shares	10 671	1.7
Total	631 579	100.0

The following shareholders beneficially hold more than 5% of the issued share capital as at 30 June 2008:

Shareholders	No. of shares (000s)	%
Public Investment Corporation	62 981	10.0
Royal Bafokeng Holdings (Pty) Limited	83 115	13.2

Royalty payments/black economic empowerment

With effect from 1 July 2007, Impala's obligations to pay royalties to the RBN were fully and finally discharged by the payment to Royal Bafokeng Holdings (Pty) Limited (RBH) of an amount of R12.5 billion. The cash consideration of R12.5 billion was utilised by the RBH to subscribe for 75 115 204 Implats shares. These shares together with the 8 000 000 Implats shares already held by the RBH resulted in a holding of 83 115 204 Implats shares (13.2% on a fully diluted basis).

Investments

Zimplats Holdings Limited (Zimplats)

The company owns 86.9% of Zimplats Holdings Limited ("Zimplats"). Zimbabwe Platinum Mines (Pvt) Limited is a wholly owned subsidiary of Zimplats.

Mimosa Holdings (Pvt) Limited (Mimosa)

The company holds a 50% shareholding in Mimosa with the balance held by Aquarius Platinum Limited.

Two Rivers Platinum (Proprietary) Limited (Two Rivers)

The company owns a 45% interest in Two Rivers with the balance held by African Rainbow Minerals Limited.

Afplats (Proprietary) Limited (Afplats)

The company owns a 74% interest in Afplats. Afplats is in the process of conducting a feasibility study to establish a 170 000 ounce platinum mine on the Leeuwkop project area.

Marula Platinum (Proprietary) Limited (Marula)

The company owns a 73% interest in Marula.

A 9% equity stake in Marula is held by each of the following BEE companies:

- Tubatse Platinum (Proprietary) Limited (Tubatse)
- Mmakau Mining (Proprietary) Limited (Mmakau)
- Marula Community Trust (the Trust)

During the year, each BEE party increased its stake in the company by 1.5% to 9% at a cost of R107 million each. The purchase price of the initial 7.5% holding to each of the parties was R158.1 million of which R145 million was payable in cash on closure of the sale and the balance of R13.1 million is payable in instalments on completion of phase II of the mine development. Standard Bank has provided a loan facility of R252 million to each of the BEE companies in order to pay to Implats the original R145 million as well as the additional R107 million for the increased stake. These facilities are guaranteed by Implats until 31 December 2020. In terms of these facilities 95% of all dividends paid and shareholder claims are utilised to repay these facilities.

Implats has consolidated the BEE interest as the BEE parties are considered special purpose entities (SPE) for accounting purposes as the vendor finance is guaranteed by Implats.

Aquarius Platinum Limited (Aquarius)

Aquarius purchased Implats' entire shareholding of 21.4 million shares (8.4% of the issued capital of Aquarius) at a price of GBP 6.71 per share for a total consideration of GBP 143.8 million as part of a share buy-back by Aquarius. The price was determined by the 30-day volume weighted price on 19 March 2008, the day the parties agreed the terms of the transaction.

Aquarius Platinum (SA) (Pty) Limited (AQPSA)

AQPSA purchased the company's entire 20% interest in AQPSA in terms of a share buy-back for a total cash consideration of US$459 million (excluding STC credits).

Financial affairs

Results for the year

The results for the year are fully dealt with in the financial statements forming part of the annual report. Refer to pages 86 to 186.

Dividends

An interim dividend (No 80) of 300 cents per share was declared on 14 February 2008, and a final dividend (No 81) of 1 175 cents per share was declared on 28 August 2008, payable on 22 September 2008 – a total of 1 475 cents per share for FY2008 (FY2007: 975 cents per share). These dividends amounted to R8 927 million for the year (2007: R5 897 million).

Capital expenditure

Capital expenditure for the year amounted to R5 368 million (2007: R2 888 million).

Capital expenditure envisaged for the 2009 financial year is estimated at R7.9 billion and will be funded from internal resources and, if appropriate, borrowings.

Post-balance sheet events

No other material events have occurred since the date of these financial statements and the date of approval thereof, the knowledge of which would affect the ability of the users of these statements to make proper evaluations and decisions.

Going concern

The financial statements have been prepared using the appropriate accounting policies, supported by reasonable and prudent judgements and estimates. The directors have a reasonable expectation that the group has adequate resources to continue as a going concern in the foreseeable future.

Associated and subsidiary companies

Information regarding the company's associated companies is given in note 8 of the financial statements and regarding subsidiaries on page 186.

Property

Details of the freehold and leasehold land and buildings of the various companies are contained in registers, which are available for inspection at the registered offices of those companies.

Directorate

Composition of the board

During the year, Ms F Jakoet was appointed as an additional non-executive director on the board. In terms of the Articles of Association, additional directors appointed by the directors retain office until the next annual general meeting when they shall retire and be eligible for re-election. The appointment of Ms F Jakoet was confirmed at the annual general meeting held on 25 October 2007.

The directors who retire at the next general meeting are Ms MV Mennell, Messrs DH Brown, TV Mokgatlha LJ Paton and LC van Vught. The directors are eligible and have offered themselves for re-election.

Interest of directors

The interests of directors in the shares of the company were as follows and did not individually exceed one per cent of the issued share capital or voting control of the company.

	Direct		Indirect	
30 June	2008	2007	2008	2007
Beneficial				
Directors	192 264	176 888	23 928	23 928
DH Brown	90 000	80 000	–	–
MV Mennell	61 808	61 808	–	–
LJ Paton	40 376	35 000	20 728	20 728
DS Phiri	80	80	–	–
LC van Vught	–	–	3 200	3 200
Senior management	189 940	143 608	–	–
Non-beneficial	–	–	–	–

Directors' remuneration

Details of the executive directors, non-executive directors and senior management remuneration are set out in the Remuneration Report on pages 92 to 98.

Directors' interests

No contracts of significance were entered into in which the directors of the company were materially interested, either during or at the end of the financial year. No material change in the aforegoing interests has taken place between 30 June 2008 and the date of this report.

Directors' fees

Details of directors' fees paid during the 2008 financial year and fees proposed for the 2009 financial year are set out in the Remuneration Report on pages 92 to 98.

Special resolution proposed

Implats

A special resolution will be proposed at the annual general meeting on 23 October 2008 to renew the general authority to acquire up to 10% of the company's shares subject to the JSE rules and the Companies Act.

Special resolutions passed

During the year, the following special resolutions were passed by Implats and its subsidiaries:

Implats

Share buy-back

This allowed the company and its subsidiaries to acquire shares in the company, subject to the provisions of the Companies Act 1973 and the Listings Requirements of the JSE Limited, provided that the authority does not extend beyond 15 months from the date of the granting of that authority.

Change to articles of association

New articles of association to the exclusion of and in substitution for the existing articles of association were adopted. The new articles of association incorporate provisions for electronic communication between directors by means of teleconferencing and allow shareholders to elect to receive annual financial statements in electronic form in place of a printed annual report.

Marula

Change to articles of association

The articles of association of Marula were amended to:

- determine the borrowing powers of directors as unlimited,
- remove directors' qualification shares,
- allow payments to shareholders in terms of Section 90 of the Companies Act,
- allow the acquisition of shares in the company by itself or a subsidiary company.

Administration

Financial, administrative and technical advisers

In terms of a service agreement, Impala Platinum Limited acted as financial, administrative and technical advisers to the Implats group during the year on a fee basis. Messrs S Bessit, DH Brown and LJ Paton and Ms D Earp had an interest in this contract to the extent that they are directors of Impala and of the company, but they do not beneficially own any shares in Impala.

Secretaries

Mr R Mahadevey acted as Secretary to Implats and Impala until 1 December 2007 when Ms A Parboosing was appointed in his stead. Impala acted as Secretaries to other subsidiaries in the Implats group. The business and postal addresses of the Secretaries are set out on the inside back cover of this report.

United Kingdom Secretaries

The business and postal addresses of the United Kingdom Secretaries are set out on the inside back cover of this report.

Public Officer

Mr J van Deventer acted as public officer until 11 December 2007 when he was replaced by Mr SF Naude.

Directors' report – Remuneration report

Remuneration policies and practices are guided by the Remuneration Committee of the board. The remuneration policy aims to match the market for the majority of employees and lead in areas of performance excellence, and critical and scarce skills. Remuneration comprises a balanced mix of guaranteed and performance-enhancing incentives aimed at attracting, retaining, developing, motivating and rewarding the best talent, thus ensuring that Implats employs the necessary talent and skills to enable it to meet its business objectives. Incentives relate to the performance of the individual, the organisation and the share price.

During FY2008, the committee reviewed short- and long-term incentives to ensure the motivation and retention of employees. The effectiveness of group retention schemes as related to middle and senior management was reviewed. Several retention mechanisms were implemented to retain specifically critical and scarce supervisory and technically skilled employees. Quarterly benchmark audits ensure market competitiveness and internal equity.

Directors' remuneration

Executive directors

Executive director remuneration comprises the following:

- **Basic remuneration package**, which reflects the cash portion of the executive's remuneration, is aligned with the market to ensure external equity. Individual salaries are reviewed annually based on performance, experience, responsibility, contribution of the individual, as well as company performance and market competitiveness.
- **Employee benefits,** such as medical and vehicle schemes, retirement funding and group life contributions by the company are applicable to all employees. All executives are members of a retirement fund and medical scheme.
- **Annual performance bonus** is determined by the performance of the individual and the company against a set of predetermined targets. The weighting of the respective contribution of company and individual targets is 50% company and 50% individual for production employees with a lesser individual percentage allocated to service employees. The bonus is capped at certain percentages based on the level of the executive. Senior management participate in the bonus scheme, which is based on individual achievement of balanced scorecard criteria, as set by the executive team and reviewed by the Remuneration Committee. The bonus is not guaranteed and the apportionment is based on the performance of group companies against set criteria and includes value-added elements (volumes and costs), safety improvements and transformation.
- **Share Appreciation Bonus Plan:** The Share Appreciation Bonus Plan is a notional share scheme issuing shares to all Executives based on various salary multiples depending on the executive's grade. The plan pays out in the form of a cash bonus, linked to the increase in the Implats share price on the JSE. All employees from Patterson D to F levels participate in this scheme.
- **Share Option Scheme:** The Share Option Scheme was discontinued in 2004 and replaced with the Share Appreciation Bonus Plan.
- **Preferred Compensation Scheme:** Through the Preferred Compensation Scheme, the company contributes 20% of the employee's basic remuneration package to an endowment policy on behalf of the employee. The individual may request the benefit payment from the policy after the terms of the service agreement between the company and the individual have been met. This benefit accrues to the employee after 36 months and every 24 months thereafter, provided the employee is still in service. All employees from Patterson D to F levels participate in this scheme.

Executive directors' remuneration – for the year ended 30 June 2008

Fixed remuneration

(R000)	Package	Retirement funds	Other benefits	Total 2008	Total 2007
Executive directors					
DH Brown	4 884	513	544	**5 941**	4 360
S Bessit	1 870	297	47	**2 214**	1 925
D Earp	2 623	275	111	**3 009**	933
LJ Paton	2 255	359	290	**2 904**	2 341
Senior executives	10 921	1 417	704	**13 042**	11 951
Secretary					
A Parboosing*	431	45	18	**494**	–
R Mahadevey*	578	61	33	**672**	1 294

* pro rata

Variable remuneration

(R000)	Leave encashment	Bonus	Preferred compensation (accrued)	Gains on share options exercised	Total 2008	Total 2007
Executive directors						
DH Brown	129	427	930	9 269	**10 755**	6 284
S Bessit	–	89	389	2 705	**3 183**	4 328
D Earp	–	100	525	–	**625**	208
LJ Paton	51	327	488	4 338	**5 204**	4 219
Senior executives	124	1 418	2 242	27 131	**30 915**	14 647
Secretary						
R Mahadevey*	194	66	113	4 791	**5 164**	4 493

* pro rata

In the event of corporate action giving rise to a loss of office, demotion or the blighting of the career (in the opinion of the Remuneration Committee), executive directors and certain senior executives are entitled to a severance package of 24 months' salary.

Directors' share options and share appreciation scheme

No share options were granted and the share appreciation scheme does not apply to non-executive directors. Details of share options and share appreciation bonus plan notional shares outstanding and exercised by the executive directors, secretary and senior management are as follows:

The gains received on shares sold through the share option scheme and the share appreciation bonus scheme are as follows:

		Additions		Disposals						
Name	Balance at 1 July 2007	Allocated during the year	Date of allocation	Forfeited	No. of shares sold	Date sold	Balance at at 30 June 2008	No of shares	Allocation price (R)	First release date
Executive directors										
DH Brown	Share options									
	13 904							–	63.38	18 Feb 04
					936	14 Feb 08		–	69.50	6 Jun 04
					4 784	14 Feb 08		–	60.51	16 Aug 04
					3 128	14 Feb 08		–	74.28	21 Jan 05
					3 288	27 May 08		–	47.63	5 May 05
					872	14 Feb 08		896	64.48	27 Aug 05
							896			
	Share appreciation scheme									
	229 621	6 227	27 Nov 07		19 368	27 Sep 07		38 736	56.52	15 Sep 06
		35 055	30 May 08		11 344	27 May 08		22 688	56.87	13 May 07
					984	15 Feb 08		2 968	103.24	1 Dec 07
					6 392	27 May 08		19 192	149.42	11 May 08
								65 130	160.14	1 Sep 08
								42 819	233.74	24 May 09
								6 227	242.19	27 Nov 09
								35 055	333.90	30 May 10
							232 815			
	243 525	41 282			51 096		233 711			
D Earp	Share appreciation scheme									
	72 858	4 404	30 May 08					72 858	205.88	1 Mar 09
								4 404	333.90	30 May 10
							77 262			
	72 858	4 404			–		77 262			
LJ Paton	Share options									
	25 760				1 936	4 Sep 07		–	63.38	18 Feb 04
					3 792	4 Sep 07		–	69.50	6 Jun 04
					280	4 Sep 07		–	60.51	16 Aug 04
					1 688	15 Feb 08		–	74.28	21 Jan 05
					7 680	15 Feb 08		2 408	47.63	5 May 05
								296	64,48	27 Aug 05
								7 680	67.43	18 Sep 05
							10 384			
	Share appreciation scheme									
	101 757	13 498	20 Nov 07		5 000	15 Oct 07		26 368	50.84	15 Sep 06
					3 184	11 Oct 07		17 896	56.87	13 May 07
					5 000	15 Feb 08		7 320	103.24	1 Dec 07
					2 432	15 Feb 08		12 744	149.42	11 May 08
					4 248	27 May 08		9 343	167.19	27 Nov 08
								8 222	233.74	24 May 09
								13 498	242.19	20 Nov 09
								7 836	333.90	30 May 10
							95 391			
	127 517	13 498			35 240		105 775			

			Additions		Disposals						
Name		Balance at 1 July 2007	Allocated during the year	Date of allocation	Forfeited	No. of shares sold	Date sold	Balance at 30 June 2008	No of shares	Allocation price (R)	First release date
S Bessit	Share options	18 024				11 888	27 Nov 07		–	72.38	25 Nov 04
						3 056	9 May 08		3 080	73.38	16 Feb 06
								3 080			
	Share appreciation scheme	78 079	18 188	30 May 08		–			38 496	56.87	13 May 07
									29 200	149.42	11 May 08
									10 383	233.74	24 May 09
									18 188	333.90	30 May 10
								96 267			
		96 103	18 188			14 944		99 347			
Secretary R Mahadevey	Share options	17 968				17 968	14 Feb 08		–	50.13	2 May 05
								–			
	Share appreciation scheme	33 932				1 232	26 Sep 07		–	56.52	15 Sep 06
									–	56.87	13 May 07
									–	149.42	11 May 08
									–	167.19	2 Nov 06
					32 700				–	233.74	24 May 09
								–			
		51 900	–		32 700	19 200		–			
A Parboosing	Share appreciation scheme		7 432	1 Nov 07		–			7 432	242.19	1 Nov 09
			711	30 May 08					711	333.90	30 May 10
								8 143			
		–	8 143			–		8 143			
Senior management	Share options	205 984				97 648	various		200	63.38	18 Feb 02
									7 888	63.38	18 Feb 04
									11 136	60.51	16 Aug 04
									6 624	74.28	21 Jan 05
									352	47.63	5 May 05
									656	64.48	27 Aug 05
									4 568	73.38	16 Feb 06
									22 320	63.39	22 Apr 06
									1 144	67.05	22 Sep 06
									38 000	63.16	22 Sep 06
									15 448	68.03	22 Aug 06
								108 336			
	Share appreciation scheme	384 598	11 822	27 Nov 07	63 225	64 040	various		112 216	56.87	13 May 07
			30 180	30 May 08							
									4 512	103.24	1 Dec 07
									65 864	149.42	11 May 08
									51 237	167.19	27 Nov 08
									26 398	233.74	24 May 09
									8 928	242.19	20 Nov 09
									30 180	333.90	30 May 10
								299 335			
		590 582	42 002		63 225	161 688		407 671			

Gains on share options and share appreciation rights exercised

Name	Purchased	Number of shares Sold	Total	Allocation price (R)	Gains on share options sold (R000)	Market price (R)
Executive directors						
DH Brown	Share options					
	5 720		5 720	60.51	–	
	408	2 720	3 128	74.28	633	307.00
	3 000	288	3 288	47.63	90	362.00
	872		872	64.48	–	
	Share appreciation scheme					
		19 368	19 368	56.52	3 612	243.00
		11 344	11 344	56.87	3 405	357.00
		984	984	103.24	202	308.75
		6 392	6 392	149.42	1 327	357.00
	10 000	41 096	51 096		9 269	
S Bessit	Share options					
		11 888	11 888	72.38	1 868	229.50
		3 056	3 056	73.38	837	347.36
	–	14 944	14 944		2 705	
LJ Paton	Share options					
	1 936		1 936	69.50	–	
	3 792		3 792	60.51	–	
	280		280	64.48	–	
	1 688		1 688	74.28	–	
	7 680		7 680	67.43	–	
	Share appreciation scheme					
		3 184	3 184	50.84	631	249.00
		5 000	5 000	50.84	1 036	258.00
		5 000	5 000	50.84	1 289	308.75
		2 432	2 432	103.24	500	308.75
		4 248	4 248	149.42	882	357.00
	15 376	19 864	35 240		4 338	
Secretary						
R Mahadevey	Share options					
		17 968	17 968	50.13	4 561	303.99
	Share appreciation scheme					
		1 232	1 232	56.52	230	243.00
	–	19 200	19 200		4 791	

Name	Purchased	Number of shares Sold	Total	Allocation price (R)	Gains on share options sold (R000)	Market price (R)
Senior management						
	Share options					
		19 000	19 000	63.16	3 727	259.33
		232	232	69.50	55	305.58
		1 960	1 960	60.51	480	305.58
		960	960	73.75	223	305.58
		7 712	7 712	68.03	1 943	320.00
	3 736	3 760	7 496	47.63	1 166	357.65
	6 872	6 872	13 744	63.39	2 022	357.65
		1 848	1 848	74.28	524	357.65
		208	208	64.48	61	357.65
		632	632	74.28	181	360.00
		336	336	47.63	104	360.00
		424	424	64.48	125	360.00
		2 672	2 672	63.39	793	360.00
		568	568	67.05	166	360.00
	2 256		2 256	43.00	–	–
	17 968		17 968	50.13	–	–
	2 576		2 576	60.51	–	–
	14 032		14 032	63.38	–	–
	2 000		2 000	69.50	–	–
	1 024		1 024	73.38	–	–
	Share appreciation scheme					
		10 848	10 848	56.87	2 010	242.15
		7 744	7 744	56.87	1 488	249.00
		7 568	7 568	56.87	1 537	260.00
		880	880	56.87	179	260.00
		4 448	4 448	56.87	1 162	318.00
		2 656	2 656	149.42	448	318.00
		4 448	4 448	56.87	1 241	336.00
		23 528	23 528	56.87	7 085	358.00
		1 728	1 728	149.42	360	358.00
		192	192	103.24	51	368.00
	50 464	111 224	161 688		27 131	

Non-executive directors

In terms of the Articles of Association, the fees for services as a director are determined by the company in a general meeting. The fees to 30 June 2008 were approved at the annual general meeting on 25 October 2007. Fees for the services of a director of the board are R200 000 per annum and R1.2 million for the chairman of the board*. Fees for the services of directors on board committees are R75 000 per annum and R165 000 for the Chairman except for the Audit Committee where these fees are R100 000 and R220 000 respectively. Directors' fees in aggregate for serving on board committees for the year under review were as follows:

Non-executive directors' remuneration – for the year ended 30 June 2008 (R000s)

	Directors' fees	Audit Committee	Remuneration Committee	SHE Audit Committee	Nomination Committee	Transformation Committee	Total 2008	Total 2007
FJP Roux	1 200						**1 200**	1 100
F Jakoet	172	50					**222**	–
JM McMahon	200		75	165			**440**	381
MV Mennell	200	100			75		**375**	315
TV Mokgatlha	200	12				165	**377**	324
K Mokhele	200			75	165	75	**515**	414
NDB Orleyn	200		165			75	**440**	327
DS Phiri	200		51				**251**	17
JV Roberts	63	32	24				**119**	336
LC van Vught	200	220					**420**	364
Total	2 835	414	315	240	240	315	**4 359**	3578

Directors' fees are reviewed annually to ensure that they keep pace with inflation and increases granted elsewhere in the organisation. It is proposed that directors' fees be increased as follows:

With effect from	Member 1 July 2008	Chairman 1 July 2008	Member 1 July 2007	Chairman 1 July 2007
Board	**275 000**	**1 500 000***	200 000	1 200 000*
Audit Committee	**130 000**	**275 000**	100 000	220 000
Safety, Health and Environment Audit Committee	**90 000**	**200 000**	75 000	165 000
Nomination Committee	**90 000**	**200 000**	75 000	165 000
Remuneration Committee	**90 000**	**200 000**	75 000	165 000
Transformation Committee	**90 000**	**200 000**	75 000	165 000

* Includes attendance at all committee meetings.

These fees have been waived by the executive directors.

Consolidated statement of financial position

As at 30 June

(All amounts in rand millions unless otherwise stated)	Notes	2008	2007
Assets			
Non-current assets			
Property, plant and equipment	5	20 601	16 029
Exploration and evaluation assets	6	4 294	4 318
Intangible assets	7	1 018	1 020
Investments in associates	8	1 038	1 417
Available-for-sale financial assets	9	56	1 558
Held-to-maturity financial assets	10	47	121
Other receivables and prepayments	11	12 551	12 739
		39 605	37 202
Current assets			
Inventories	12	5 893	3 998
Trade and other receivables	13	6 218	5 536
Cash and cash equivalents	14	10 393	3 222
		22 504	12 756
Non-current assets classified as held for sale	15	–	2
		22 504	12 758
Total assets		62 109	49 960
Equity and liabilities			
Equity attributable to owners of the parent			
Share capital	16	14 750	14 809
Retained earnings		29 024	17 483
Other components of equity		(356)	676
		43 418	32 968
Non-controlling interest		1 885	1 730
Total equity		45 303	34 698
Liabilities			
Non-current liabilities			
Long-term borrowings	17	1 464	685
Deferred tax liability	18	5 247	5 048
Long-term provisions	19	1 548	1 001
		8 259	6 734
Current liabilities			
Trade and other payables	20	6 914	6 970
Current tax payable	21	1 183	1 373
Short-term borrowings	17	46	33
Current portion of long-term provisions	19	404	103
Derivative financial instruments	22	–	49
		8 547	8 528
Total liabilities		16 806	15 262
Total equity and liabilities		62 109	49 960

The notes on pages 104 to 175 are an integral part of these consolidated financial statements.

Consolidated income statement

For the year ended 30 June

(All amounts in rand millions unless otherwise stated)	Notes	2008	2007
Revenue	4	37 619	31 482
Cost of sales	24	(19 888)	(17 010)
Gross profit		17 731	14 472
Other operating expenses	25	(533)	(478)
Royalty expense	26	(648)	(1 703)
Profit from operations		16 550	12 291
Finance income	27	689	642
Finance costs	28	(155)	(82)
Net foreign exchange transaction gains/(losses)		439	(15)
BEE compensation charge	29	–	(1 790)
Other (expense)/income	30	(215)	(214)
Profit on sale of investments	31	4 831	–
Share of profit of associates	32	678	388
Profit before tax	33	22 817	11 220
Income tax expense	34	(5 112)	(3 895)
Profit for the year from continuing operations		17 705	7 325
Profit attributable to:			
Owners of the parent		17 596	7 232
Non-controlling interest		109	93
		17 705	7 325
Earnings per share (expressed in cents per share – cps)			
Basic	35	2 910	1 312
Diluted	35	2 907	1 309
Dividends to group shareholders (cps)			
Interim dividend (paid)	36	300	275
Final dividend (declared)	36	1 175	700
Dividends per share		1 475	975

The notes on pages 104 to 175 are an integral part of these consolidated financial statements.

Consolidated statement of total comprehensive income

R millions	Fair value adjustments investments	Translation of foreign subsidiaries	Total	Retained earnings	Total
30 June 2007					
Profit for the year				7 325	7 325
Other comprehensive income for the year, net of taxation:					
Fair value adjustment (note 9)	798		798		798
Deferred tax (note 18)	(116)		(116)		(116)
Fair value movement on cash flow hedge	(17)		(17)		(17)
Net loss on cash flow hedge removed from equity and included in the carrying amount of net assets	16		16		16
Currency translation difference		(40)	(40)		(40)
Deferred tax (note 18)		12	12		12
Total comprehensive income for the year	681	(28)	653	7 325	7 978
Profit attributable to:					
Owners of the parent	681	(23)	658	7 232	7 890
Non-controlling interest	–	(5)	(5)	93	88
	681	(28)	653	7 325	7 978
30 June 2008					
Profit for the year				17 705	17 705
Other comprehensive income for the year, net of taxation:					
Fair value adjustment (note 9)	650		650		650
Deferred tax (note 18)	(84)		(84)		(84)
Disposal of available for sale financial asset (note 31)	(2 164)		(2 164)		(2 164)
Deferred tax	274		274		274
Currency translation reserve		457	457		457
Deferred tax (note 18)		(130)	(130)		(130)
Fair value adjustment (note 9)	11		11		11
Total comprehensive income for the year	**(1 313)**	**327**	**(986)**	**17 705**	**16 719**
Profit attributable to:					
Owners of the parent	(1 313)	281	(1 032)	17 596	16 564
Non-controlling interest		46	46	109	155
	(1 313)	**327**	**(986)**	**17 705**	**16 719**

The notes on pages 104 to 175 are an integral part of these consolidated financial statements.

Consolidated statement of changes in equity

R millions	Share capital	Retained earnings	Other components of equity	Attributable to owners of the parent	Non controlling interest	Total equity
Balance at 30 June 2006	458	13 363	18	13 839	215	14 054
Change in share capital (note 16)	14 351			14 351	–	14 351
Total comprehensive income for the year		7 232	658	7 890	88	7 978
Dividends (note 36)		(3 112)		(3 112)		(3 112)
Acquisition of subsidiary (note39)					1 427	1 427
Balance at 30 June 2007	14 809	17 483	676	32 968	1 730	34 698
Change in share capital (note 16)	(59)			(59)		(59)
Total comprehensive income for the year		17 596	(1 032)	16 564	155	16 719
Dividends (note 36)		(6 055)		(6 055)		(6 055)
Balance at 30 June 2008	14 750	29 024	(356)	43 418	1 885	45 303

The notes on pages 104 to 175 are an integral part of these consolidated financial statements.

Consolidated cash flow statement

For the year ended 30 June

(All amounts in rand millions unless otherwise stated)	Notes	2008	2007
Cash flows from operating activities			
Profit before tax		22 817	11 220
Adjustments to profit before tax	37	(3 299)	2 318
Cash from changes in working capital	37	(3 105)	(591)
Finance cost		(92)	(42)
Income tax paid	21	(5 080)	(2 932)
Net cash from operating activities		11 241	9 973
Cash flows from investing activities			
Acquisition of subsidiary, net of cash acquired	39	–	(3 884)
Long-term royalty prepayment to the Royal Bafokeng Nation	11	–	(12 483)
Purchase of property, plant and equipment		(5 291)	(2 810)
Proceeds from sale of property, plant and equipment		49	4
Increase in investments in associates		(9)	(119)
Proceeds from investments disposed	31	5 692	–
Purchase of listed investments	9	(39)	–
Payment received from associate on shareholders loan	8	235	259
Loan repayments received		–	36
Realisation of held-to-maturity investment		83	–
Finance income		559	570
Net cash from/(used) in investing activities		1 279	(18 427)
Cash flows from financing activities			
Issue of ordinary shares, net of cost	16	190	12 544
Purchase of treasury shares	16	(254)	–
Lease liability repaid		(21)	(23)
Repayments of borrowings		(6)	(22)
Proceeds from borrowings		691	436
Dividends paid to company's shareholders	36	(6 055)	(3 112)
Net cash (used in)/from financing activities		(5 455)	9 823
Net increase in cash and cash equivalents		7 065	1 369
Cash and cash equivalents at beginning of year	14	3 218	1 864
Effects of exchange rate changes on monetary assets		110	(15)
Cash and cash equivalents at end of year	14	10 393	3 218

The notes on pages 104 to 175 are an integral part of these consolidated financial statements.

Notes to the consolidated financial statements

1. Summary of significant accounting policies

The principal accounting policies applied in the preparation of these group and company financial statements are set out below. Accounting policies that refer to "consolidated or group", apply equally to the company financial statements where relevant.

1.1 Basis of preparation

Statement of compliance

The consolidated financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS), interpretations of those standards (as adopted by the International Accounting Standards Board) and applicable legislation (requirements of the South African Companies Act and the regulations of the JSE Limited.)

Basis of measurement

The consolidated financial statements have been prepared under the historical cost convention except for the following:

- revaluation of available-for-sale financial investments at fair value,
- certain financial assets and financial liabilities are measured at fair value,
- derivative financial instruments are measured at fair value, and
- liabilities for cash-settled share-based payment arrangements are measured based on fair value.

The principal accounting policies used by the group are consistent with those of the previous year, unless otherwise stated.

Functional and presentation currency

These consolidated financial statements are presented in South African rand, which is the company's functional currency. All financial information is presented in rand million, unless otherwise stated.

The preparation of financial statements in conformity with IFRS requires the use of certain critical accounting estimates. It also requires management and the board to exercise its judgment in the process of applying the group's accounting policies. The areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to the consolidated financial statements, are disclosed in note 3.

1.2 Changes in accounting policies

The following standards and amendments to standards have become effective and have been adopted by the group:

- IFRS 7 Financial Instruments: Disclosures (effective 1 January 2007). This standard deals with disclosure for financial instruments. The adoption of this standard requires additional disclosure for financial instruments. The effect of implementation of this IFRS is set out mainly in notes 2 and 43.

The following new interpretations of International Financial Reporting Standards have been issued and have been early adopted:

- IFRIC 15: Agreements for the construction of Real Estate (effective 1 January 2009). The adoption of IFRIC 15 applies to the accounting for revenue and associated expenses by entities that undertake the construction of real estate directly or through subcontractors. The implementation of this interpretation had no material impact on the results of the group.

1. Summary of significant accounting policies (continued)

1.2 Changes in accounting policies (continued)

- IFRIC 16: Hedges of a Net Investment in a Foreign Operation (effective 1 October 2008). This interpretation applies to an entity that hedges the foreign currency risk arising from its net investments in foreign operations and wishes to qualify for hedge accounting in accordance with IAS 39: Financial instruments: Recognition and Measurements. The implementation of this interpretation had no material impact on the results of the group.
- IFRIC 10 to 14 were early adopted in prior years.

The following standards and amendments to standards have been issued and have been early adopted by the group:

- IFRS 8 Operating Segments (effective 1 January 2009). This standard requires that an entity disclose information to enable users of its financial statements to evaluate the nature and financial effects of the business activities in which it engages and the economic environments in which it operates. The effect of implementation of this standard is set out in note 4.
- IAS 1 Presentation of Financial Statements (effective 1 January 2009). This standard requires additional disclosure. The most significant disclosures can be seen in the consolidated statements of: financial position, income statement, statement of comprehensive income and statement of changes in equity.
- IAS 23 (amendment) Borrowing Costs (effective 1 January 2009). This amendment has no impact on the results in the group. Existing Implats accounting policies were in line with the amendment in the standard.
- IFRS 2 (amendment) Vesting Conditions and Cancellations (effective 1 January 2009). This amendment has no impact on the results of the group.
- IAS 32 (amendment) Puttable Instruments and Obligations on Liquidation (effective 1 January 2009). This amendment has no impact on the results of the group.

The following standards, amendments to standards and interpretations have been issued but are not effective yet and have not been early adopted:

- IFRS 3 Business Combinations (effective 1 July 2009). This comprehensive revision in IFRS 3 will have an impact on future acquisitions, for example transaction costs can not be seen as part of the purchase consideration.
- IAS 27 (amendment) Consolidated and Separate Financial Statements (effective 1 July 2009). The amendment to IAS 27 may not be adopted without also adopting IFRS 3 (effective 1 July 2009). The impact will be assessed.
- Annual Improvement project: May 2008 (effective 1 January 2009). Various changes to different standards will not be early adopted. The impact will be assessed.
- IAS 39 (amendment) Eligible Hedged Items (effective 1 July 2009). Clarifies the principles relating to hedged risk of portions of cash flows. The amendment does not currently impact the group.

1. Summary of significant accounting policies (continued)

1.3 Consolidation

The consolidated financial statements include those of Impala Platinum Holdings Limited, its subsidiaries, associates, joint ventures and special purpose entities, using uniform accounting policies.

Subsidiaries

Subsidiary undertakings, are those companies (including special purpose entities) in which the group, directly or indirectly, has an interest of more than one half of the voting rights or otherwise has power to exercise control over the operations. Subsidiaries are consolidated from the date on which effective control is transferred to the group and are no longer consolidated from the date that control ceases.

The purchase method of accounting is used to account for the acquisition of subsidiaries by the group. The cost of an acquisition is measured as the fair value of the assets given, equity instruments issued and liabilities incurred or assumed at the date of exchange, plus costs directly attributable to the acquisition. Identifiable assets acquired, liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date, irrespective of the extent of any non-controlling interest.

The excess of the cost of acquisition over the fair value of the group's share of the identifiable net assets acquired is recorded as goodwill. If the cost of acquisition is less than the fair value of the net assets of the subsidiary acquired, the difference is recognised directly in the income statement (Refer note 1.8).

Inter-company transactions, balances and unrealised gains on transactions between group companies are eliminated on consolidation. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred.

Special purpose entities (SPEs) are those undertakings that are created to satisfy specific business needs of the group, which has the right to the majority of the benefits of the SPE and/or are exposed to majority of the risks inherent to the activities thereof.

SPEs are consolidated when the substance of the relationship indicates that the SPE is controlled by the group.

Transactions with non-controlling interest holders, where the group already has control over the entity, are accounted for using the 'economic entity model'.

In terms of this accounting model, any surplus or deficit arising from such transactions, compared to the carrying amount of the non-controlling interest, is adjusted against other reserves.

1. Summary of significant accounting policies (continued)

1.3 Consolidation (continued)

Associates

Associates are undertakings in which the group has a long-term interest and over which it exercises significant influence but not control, generally accompanying a shareholding of between 20% and 50% of the voting rights. Investments in associated undertakings are accounted for by the equity method of accounting in the group. The group's investment in associates includes goodwill (net of any accumulated impairment loss) identified on acquisition (Refer note 1.8).

The purchase method of accounting is used to account for the acquisition of associates by the group. The cost of an acquisition is measured as the fair value of the assets given, equity instruments issued and liabilities incurred or assumed at the date of exchange, plus costs directly attributable to the acquisition.

Equity accounting involves recognising in the income statement the group's share of the associate's post-acquisition profit or loss for the year, and, its share of post-acquisition movements in reserves in equity. Under the equity method, the investment in the associate is initially recognised at cost and the carrying amount is increased or decreased to recognise the investor's share of profit or loss and movement in reserves of the investee, after the date of acquisition. Dividends and other equity receipts received reduce the carrying amount of the investment.

When the group's share of losses in an associate equals or exceeds its interest in the associate, including any other unsecured receivables, the group does not recognise further losses, unless it has incurred obligations or made payments on behalf of the associate.

Unrealised gains on transactions between the group and its associates are eliminated to the extent of the group's interest in the associates. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred.

Joint ventures

The group's interest in jointly controlled entities is accounted for by proportionate consolidation. The group combines its share of the joint ventures' individual total comprehensive income, assets and liabilities and cash flows on a line-by-line basis with similar items in the group's financial statements. The group recognises the portion of gains or losses on the sale of assets by the group to the joint venture that is attributable to the other venturers. The group does not recognise its share of profits or losses from the joint venture that result from the purchase of assets by the group from the joint venture until it re-sells the assets to an independent party. However, if a loss on the transaction provides evidence of a reduction in the net realisable value of current assets or an impairment loss, the loss is recognised immediately.

1. Summary of significant accounting policies (continued)

1.4 Foreign currency translation

Functional and presentation currency

Items included in the financial statements of each entity in the group are measured using the currency of the primary economic environment in which the entity operates. For South African operations the functional currency is South African rand and for Zimbabwean operations it is US dollar. The consolidated financial statements are presented in South African rand, which is the functional and presentation currency of Impala Platinum Holdings Limited.

Group companies

Total comprehensive income of foreign subsidiaries, associates and joint ventures are translated into South African rand at the actual exchange rate on transaction date. The average exchange rate is, where appropriate, used as an approximation of the actual rate at transaction date. Assets and liabilities are translated at rates ruling at the reporting date. The exchange differences arising on translation of assets and liabilities of foreign subsidiaries and associates are transferred directly to other reserves. On disposal of the foreign entity such translation differences are recognised in the income statement as part of the gain or loss on sale.

Goodwill and fair value adjustments arising on the acquisition of a foreign entity are treated as assets and liabilities of the foreign entity and translated at the closing rate.

Transactions and balances

Foreign currency transactions are accounted for at the rates of exchange ruling at the date of the transaction. Monetary assets and liabilities are translated at year-end exchange rates. Gains and losses arising on settlement of such transactions and from the translation of foreign currency monetary assets and liabilities are recognised in the income statement, except when deferred in equity as qualifying cash flow hedges or qualifying net investment hedges.

Translation differences on non-monetary items, such as equities held at fair value through profit or loss, are reported as part of the fair value gain or loss. Translation differences on non-monetary items, such as equities classified as available-for-sale financial assets, are included in the fair value reserve in equity.

1.5 Property, plant and equipment

Property, plant and equipment are recorded at cost less accumulated amortisation and less any accumulated impairment losses. Pre-production expenditure, including evaluation costs, incurred to establish or expand productive capacity, to support and maintain that productive capacity incurred on mines are capitalised to property plant and equipment. The recognition of costs in the carrying amount of an asset ceases when the item is in the location and condition necessary to operate as intended by management. Any net income earned while the item is not yet capable of operating as intended reduces the capitalised amount. Interest on borrowings, specifically to finance the establishment of mining assets, is capitalised during the construction phase.

1. Summary of significant accounting policies (continued)

1.5 Property, plant and equipment (continued)

The present value of decommissioning cost, which is the dismantling and removal of the asset included in the environmental rehabilitation obligation, is included in the cost of the related assets and changes in the liability resulting from changes in the estimates are accounted for as follows:

- Any decrease in the liability reduces the cost of the asset. The decrease in the asset is limited to its carrying amount and any excess is accounted for in the income statement.
- Any increase in the liability increases the carrying amount of the asset. An increase to the cost of an asset is tested for impairment when there is an indication of impairment.
- These assets are depreciated over their useful lives.

Subsequent costs are included in the asset's carrying amount only when it is probable that future economic benefits associated with the item will flow to the group and the cost of the item can be reliably measured. All repairs and maintenance are charged to the income statement during the financial period in which they are incurred.

Assets are not depreciated while the residual value equals or exceeds the carrying value of the asset. Amortisation is calculated on the carrying amount less residual value of the assets or components of the assets where applicable. Amortisation methods and amortisation rates are applied consistently within each asset class except where significant individual assets have been identified which have different amortisation patterns. Residual values are reviewed at least annually. The amortisation calculation is adjusted prospectively for changes in the residual amount.

Other assets consist of furniture and fittings, information technology equipment and vehicles.

Shafts, mining development and infrastructure

Individual mining assets are amortised using the units-of-production method based on their respective estimated economically recoverable proved and probable mineral reserves.

Metallurgical and refining assets

Metallurgical and refining assets are amortised using the units of production method based on the expected estimated economically recoverable proved and probable mineral reserves to be concentrated or refined by that asset.

Land, buildings and general infrastructure (including housing and mineral rights)

Assets in this category, excluding land which is not depreciated, are depreciated over life of mine using the units of production method and the economically recoverable proved and probable mineral reserves.

1. Summary of significant accounting policies (continued)

1.5 Property, plant and equipment (continued)

Other assets

These assets are depreciated using the straight line method over the useful life of the asset limited to life of mine as follows:

Asset type	Estimated useful life
– Information technology	3 years
– Vehicles	5 and 10 years
– Other assets	1 – 5 years

Amortisation rates are reassessed annually.

1.6 Exploration for and evaluation of mineral resources

The group expenses all exploration and evaluation expenditures until the directors conclude that a future economic benefit is more likely than not of being realised, i.e. probable. In evaluating if expenditures meet this criterion to be capitalised, the directors utilise several different sources of information depending on the level of exploration. While the criteria for concluding that expenditure should be capitalised is always the "probability" of future benefits, the information that the directors use to make that determination depends on the level of exploration.

- Exploration and evaluation expenditure on greenfields sites, being those where the group does not have any mineral deposits which are already being mined or developed, is expensed as incurred until a final feasibility study has been completed, after which the expenditure is capitalised within development costs, if the final feasibility study demonstrates that future economic benefits are probable.

- Exploration and evaluation expenditure on brownfields sites, being those adjacent to mineral deposits which are already being mined or developed, is expensed as incurred until the directors are able to demonstrate that future economic benefits are probable through the completion of a pre-feasibility study, after which the expenditure is capitalised as a mine development cost. A ''pre-feasibility study'' consists of a comprehensive study of the viability of a mineral project that has advanced to a stage where the mining method, in the case of underground mining, or the pit configuration, in the case of an open pit, has been established, and which, if an effective method of mineral processing has been determined, includes a financial analysis based on reasonable assumptions of technical, engineering, operating economic factors and the evaluation of other relevant factors.

  The pre-feasibility study, when combined with existing knowledge of the mineral property that is adjacent to mineral deposits that are already being mined or developed, allows the directors to conclude that it is more likely than not that the group will obtain future economic benefit from the expenditures.

1. Summary of significant accounting policies (continued)

1.6 Exploration for and evaluation of mineral resources (continued)

– Exploration and evaluation expenditure relating to extensions of mineral deposits which are already being mined or developed, including expenditure on the definition of mineralisation of such mineral deposits, is capitalised as a mine development cost following the completion of an economic evaluation equivalent to a pre-feasibility study. This economic evaluation is distinguished from a pre-feasibility study in that some of the information that would normally be determined in a pre-feasibility study is instead obtained from the existing mine or development. This information when combined with existing knowledge of the mineral property already being mined or developed allows the directors to conclude that more likely than not the group will obtain future economic benefit from the expenditures.

Exploration and evaluation assets acquired in a business combination are initially recognised at fair value. Subsequently it is stated at cost less impairment provision. Once commercial reserves are found, exploration and evaluation assets are tested for impairment and transferred to assets under construction. No amortisation is charged during the exploration and evaluation phase.

For the purposes of assessing impairment, the exploration and evaluation assets subject to testing are grouped with existing cash-generating units of operating mines that are located in the same geographical region. Where the assets are not associated with a specific cash generating unit, the recoverable amount is assessed using fair value less cost to sell for the specific exploration area.

1.7 Prepaid royalty – Rustenburg operation

Prepaid royalty is recorded initially at cost and subsequently at cost less accumulated depreciation. The royalty is amortised using the units-of-production method based on the relevant estimated economically recoverable proved and probable minerals reserves of the Rustenburg operation.

1.8 Goodwill

Goodwill represents the excess of the cost of an acquisition over the fair value of the group's share of the net identifiable assets of the acquired subsidiary/associate at the date of acquisition. Goodwill on acquisitions of subsidiaries is included in intangible assets. Goodwill on acquisitions of associates is included in investments in associates. Separately recognised goodwill is tested annually for impairment and carried at cost less accumulated impairment loss. Gains and losses on the disposal of an entity include the carrying amount of goodwill relating to the entity sold.

Goodwill is allocated to cash-generating units for the purpose of impairment testing (Refer note 1.9). Impairment write downs on goodwill may not be reversed.

1.9 Impairment of assets

Non-financial assets

Assets that have an indefinite useful life which are not subject to amortisation, are tested annually for impairment. Assets that are subject to amortisation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. Assets are considered to be impaired when the higher of the asset's fair value less cost to sell and its value in use is less than the carrying amount.

1. Summary of significant accounting policies (continued)

1.9 Impairment of assets (continued)

The recoverability of the long-lived assets is based on estimates of future discounted cash flows. These estimates are subject to risks and uncertainties including future metal prices and exchange rates. It is therefore possible that changes can occur which may affect the recoverability of the mining assets. The recoverable amounts of non-mining assets are generally determined by reference to market values. Where the recoverable amount is less than the carrying amount, the impairment is charged against income to reduce the carrying amount to the recoverable amount of the asset. The revised carrying amounts are amortised over the remaining lives of such affected assets. For the purpose of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units).

An impairment previously recognised will be reversed when changes in circumstances, that have an impact on estimates, occur after the impairment was recognised. The reversal of an impairment will be limited to the lower of the newly calculated recoverable amount or the book value that would have existed if the impairment was not recognised. The reversal of an impairment is recognised in the income statement.

1.10 Leases

Determining whether an arrangement is, or contains a lease, is based on the substance of the arrangement, and requires an assessment of whether fulfilment of the arrangement is dependent on the use of a specific asset or assets and whether the arrangement conveys the right to control the asset.

Leases where the lessee assumes substantially all of the benefits and risks of ownership are classified as finance leases. Finance leases are capitalised at the lower of the estimated present value of the underlying lease payments and the fair value of the asset. Each lease payment is allocated between the liability and finance charges so as to achieve a constant rate on the balance outstanding. The corresponding rental obligations, net of finance charges, are included in other long-term and short-term payables respectively. The interest element is expensed to the income statement, as a finance charge, over the lease period.

The property, plant and equipment acquired under finance leasing contracts is amortised in terms of the group accounting policy limited to the lease contract term (Refer note 1.5).

Leases of assets under which substantially all the benefits and risks of ownership are effectively retained by the lessor are classified as operating leases. Payments made under operating leases are charged to the income statement on the straight line basis over the life of the lease. When an operating lease is terminated before the lease period has expired, any payment required to be made to the lessor by way of penalty is recognised as an expense in the period in which termination takes place.

1. Summary of significant accounting policies (continued)

1.11 Inventories

Metal inventories

Platinum, palladium and rhodium are treated as main products and other platinum group and base metals produced as by-products. Metals mined by the group, including in-process metal contained in ore, concentrate and matte produced by the smelter and precious metal concentrate in the base and precious metal refineries, are valued at the lower of average cost of production and net realisable value. Quantities of in-process metals are based on latest available assays. The average cost of production is taken as total costs incurred on mining and refining, including amortisation, less net revenue from the sale of by-products, allocated to main products on a units produced basis. Refined by-products are valued at net realisable value. Stocks of metals purchased or recycled by the group are valued at the lower of cost or net realisable value.

Stores and materials

Stores and materials are valued at the lower of cost or net realisable value, on a weighted average basis. Obsolete, redundant and slow moving stores are identified and written down to net realisable values. Net realisable value is the estimated selling price in the ordinary course of business, less selling expenses.

1.12 Financial instruments

Financial instruments carried on the statement of financial position include money market instruments, investments, receivables, trade creditors, metal leases, borrowings and forward commitments.

The group participates in financial instruments that reduce risk exposure to foreign currency and future metal price fluctuations. The recognition and measurement methods adopted are disclosed in the individual policy statements associated with each item.

Financial assets

The group assesses at each reporting date whether there is objective evidence that a financial asset or a group of financial assets is impaired:

– In the case of equity securities classified as available-for-sale, a significant or prolonged decline in the fair value of the security below its cost is, considered in determining whether the securities are impaired. If any such evidence exists for available-for-sale financial assets, the cumulative loss, measured as the difference between the acquisition cost and the current fair value, less any impairment loss on that financial asset previously recognised in income statement – is removed from equity and recognised in the income statement.

– A provision for impairment of trade receivables, held-to-maturity investments and loans is established when there is objective evidence that the group will not be able to collect all amounts due according to the original terms of the asset. Significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy or financial reorganisation, and default on or delinquency in payments (more than 30 days overdue) are considered indicators that the trade receivable is impaired. The amount of the provision is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the original effective interest rate.

1. Summary of significant accounting policies (continued)

1.12 Financial instruments (continued)

The carrying amount of the asset is reduced through the use of an allowance account, and the amount of the loss is recognised in the income statement within selling and marketing costs. When a trade receivable is uncollectible, it is written off against the allowance account for trade receivables. Subsequent recoveries of amounts previously written off are credited against selling and marketing costs in the income statement.

Investments

The group classifies its investments in the following categories: financial assets held for trading at fair value through profit and loss, loans and receivables, held-to-maturity investments, and available-for-sale financial assets. No financial instruments were designated at fair value through profit and loss on initial recognition. The classification is dependent on the purpose for which the investments were acquired. Management determines the classification of its investments at the time of the purchase and re-evaluates such designation on a regular basis. Purchases and sales of investments are recognised on the trade date – the date on which the group commits to purchase or sell the asset. Investments are initially recognised at fair value plus transaction costs except financial assets at fair value through profit or loss which are recognised at fair value. Investments are derecognised when the rights to receive cash flows from the investments have expired or have been transferred and the group has transferred substantially all risks and rewards of ownership.

Financial assets held for trading at fair value through profit and loss

Investments that are acquired principally for the purpose of generating a profit from short-term fluctuations in price are classified as financial assets held for trading at fair value through profit and loss and are included in current assets. These investments are measured at fair value. Movements in fair value is recognised in the income statement.

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are included in current assets, except for those with maturities greater than 12 months after the reporting date which are classified as non-current assets. Loans and receivables are included in trade and other receivables in the statement of financial position. Loans and receivables are subsequently carried at amortised cost using the effective interest method less any accumulated impairment loss.

Held-to-maturity investments

Held-to-maturity investments are non-derivative financial assets with fixed or determinable payments and fixed maturities that the group's management has the positive intention and ability to hold to maturity, and are included in non-current assets, except for those with maturities within 12 months from the reporting date which are classified as current assets.

Held-to-maturity investments are subsequently carried at amortised cost using the effective interest method less any accumulated impairment loss.

1. Summary of significant accounting policies (continued)

1.12 Financial instruments (continued)

Available-for-sale financial assets

Available-for-sale financial assets are non-derivatives that are either designated in this category or not classified in any of the other categories. They are included in non-current assets unless management intends to dispose of the investment within 12 months of the reporting date. Available-for-sale financial assets are subsequently carried at fair value which is determined using period end bid rates. Unrealised gains and losses arising from changes in the fair value of non-monetary securities classified as available-for-sale are recognised in equity. When securities classified as available-for-sale are sold or impaired, the accumulated fair value adjustments are included in the income statement as gains and losses from investment securities.

The fair values of listed investments are based on current closing bid market prices. If the market for a financial asset is not active (and for unlisted securities), the group establishes fair value by using valuation techniques. These include the use of recent arm's length transactions, reference to other instruments that are substantially the same, discounted cash flow analysis, and option pricing models refined to reflect the issuer's specific circumstances.

Cash and cash equivalents

Cash and cash equivalents are carried in the statement of financial position at cost. For the purposes of the cash flow statement, cash and cash equivalents comprise cash on hand, bank overdrafts, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less. Bank overdrafts are included within cash and cash equivalents in current liabilities in the statement of financial position.

Derivative financial instruments

Metal futures, options and lease contracts are entered into from time to time to preserve and enhance future cash flow streams. Forward exchange contracts are from time to time entered into to hedge anticipated future transactions.

Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently remeasured at their fair value. The method of recognising the resulting gain or loss depends on whether the derivative is designated as a hedging instrument, and if so, the nature of the item being hedged. The Group designates certain derivatives as either:

- hedges of the fair value of recognised liabilities (fair value hedge); or
- hedges of a particular risk associated with a recognised liability or a highly probable forecast transaction (cash flow hedge).

The group documents, at the inception of the transaction, the relationship between hedging instruments and hedged items, as well as its risk management objectives and strategy for undertaking various hedging transactions. The group also documents its assessment, both at hedge inception and on an ongoing basis, of whether the derivatives that are used in hedging transactions are highly effective in offsetting changes in fair values or cash flows of hedged items.

The full fair value of a hedging derivative is classified as a non-current asset or liability when the remaining hedged item is more than 12 months; it is classified as a current asset or liability when the remaining maturity of the hedged item is less than 12 months. Trading derivatives are classified as current assets or liabilities.

1. Summary of significant accounting policies (continued)

1.12 Financial instruments (continued)

Fair value hedges

Changes in the fair value of derivatives that are designated and qualify as fair value hedges are recorded in the income statement, together with any changes in the fair value of the hedged asset or liability that are attributable to the hedged risk. The gain or loss relating to the ineffective portion is recognised in the income statement within other income or expense.

Cash flow hedge

The effective portion of changes in the fair value of derivatives that are designated and qualify as cash flow hedges are recognised in equity. The gain or loss relating to the ineffective portion is recognised immediately in the income statement within other income or expenses.

Amounts accumulated in equity are recycled in the income statement in the periods when the hedged item affects profit or loss. When the hedge of a forecast transaction subsequently results in the recognition of a non-financial asset or a non-financial liability, or a forecast transaction for a non-financial asset or non-financial liability becomes a firm commitment for which fair value hedge accounting is applied, then the associated gains and losses that were recognised directly in equity are included in the initial cost or other carrying amount of the asset or liability.

When a hedging instrument expires or is sold, or when a hedge no longer meets the criteria for hedge accounting, any cumulative gain or loss existing in equity at that time remains in equity and is recognised when the forecast transaction is ultimately recognised in the income statement. When a forecast transaction is no longer expected to occur, the cumulative gain or loss that was reported in equity is immediately transferred to the income statement within other income or other expenses.

Derivatives at fair value through profit or loss

Certain derivative instruments do not qualify for hedge accounting and are accounted for at fair value through profit or loss. Changes in the fair value of these derivative instruments that do not qualify for hedge accounting are recognised immediately in the income statement within other income and expenses.

Trade receivables

Trade receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less provision for impairment.

Financial liabilities

Metal purchase commitments

Metal purchase commitments are recognised as a trading liability. These commitments are initially and subsequently measured at fair value. Movements in fair value is accounted for in other income and expense in the income statement.

Borrowings

Borrowings are recognised initially at fair value, net of transaction costs incurred. Borrowings are subsequently stated at amortised cost; any difference between the proceeds (net of transaction costs) and the redemption value is recognised in the income statement over the period of the borrowings using the effective interest method.

1. Summary of significant accounting policies (continued)

1.12 Financial instruments (continued)

When borrowings are utilised to fund qualifying capital expenditure, such borrowings costs that are directly attributable to the capital expenditure are capitalised from the point at which the capital expenditure and related borrowing cost are incurred until completion of construction. All other borrowing costs are charged to finance costs in the income statement.

Trade payables

Trade payables are recognised initially at fair value and subsequently measured at amortised cost.

1.13 Accounting for derivative financial instruments and hedging activities

The group's risk management policy on hedging is not prescriptive regarding the available financial instruments to be used, but financial limits and exposures are set by the Board. Due to the limited extent of these hedges, hedge accounting is generally not applied and therefore changes in the fair value of any derivative instruments are recognised in the income statement immediately.

1.14 Fair value estimation

The fair value of financial instruments traded in active markets is based on quoted market prices at the reporting date. The listed market price used for financial assets held by the group is the current bid price; the appropriate quoted market price for financial liabilities is the current ask price at reporting date.

The fair value of forward foreign exchange contracts is determined using forward exchange market rates at the reporting date.

The nominal value less estimated credit adjustments of trade receivables and payables are assumed to approximate their fair values. The fair value of financial liabilities for disclosure purposes is estimated by discounting the future contractual cash flows at the current market interest rate that is available to the group for similar financial instruments.

The carrying amounts of current financial assets and current liabilities approximate their fair values.

1.15 Provisions

Provisions are recognised when the group has a present legal or constructive obligation as a result of past events where it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate of the amount of the obligation can be made. Provisions are not recognised for future operating losses.

Provisions are recognised as the best estimate of the expenditure required to settle the present obligation at reporting date taking into account the time value of money where relevant.

1.16 Environmental rehabilitation obligations

These long term obligations result from environmental disturbances associated with the group's mining operations. Estimates are determined by independent environmental specialists in accordance with environmental regulations.

1. Summary of significant accounting policies (continued)

1.16 Environmental rehabilitation obligation (continued)

Decommissioning costs

This cost will arise from rectifying damage caused before production commences. The net present value of future decommissioning cost estimates as at year-end is recognised and provided for in full in the financial statements. The estimates are reviewed annually to take into account the effects of changes in the estimates. Estimated cash flows have been adjusted to reflect risks and timing specific to the rehabilitation liability. Discount rates that reflect the time value of money are utilised in calculating the present value.

Changes in the measurement of the liability, apart from unwinding the discount, which is recognised in the income statement as a finance cost, are capitalised to the environmental rehabilitation asset (Refer note 1.5).

Restoration costs

Restoration costs represent the cost of restoring site damage, caused after the start of production, incurred in the production of inventory. The liability is estimated as the present value of estimated expenditures to settle this obligation. Estimates are discounted at a pre-tax rate reflecting the time value of money.

Increases in this provision are charged to the income statement as a cost of production.

Ongoing rehabilitation cost

The cost of the ongoing current programmes to prevent and control pollution is charged against income as incurred.

Impala Pollution Control, Rehabilitation and Closure Trust Fund

Contributions are made to this trust fund, created in accordance with statutory requirements, to provide for the estimated cost of rehabilitation during and at the end of the life of Impala Platinum Limited's mines. Income earned on monies paid to the trust is accounted for as investment income. The trust investments are included under held-to-maturity-investments and cash and cash equivalents.

The group has control over the trust and it is consolidated as a special purpose entity.

1.17 Employee benefits

Short-term employee benefits

Remuneration to employees is charged to the income statement on an ongoing basis. Provision is made for accumulated leave, incentive bonuses and other short-term employee benefits.

Defined benefit and defined contribution retirement plans

Employee benefit schemes are funded through payments to insurance companies or trustee-administered funds, determined by periodic actuarial calculations.

1. Summary of significant accounting policies (continued)

1.17 Employee benefits (continued)

A defined benefit plan is a pension plan that defines an amount of pension benefit that an employee will receive on retirement, usually dependent on one or more factors such as age, years of service and compensation. A defined contribution plan is a pension scheme under which the group pays fixed contributions into a separate entity. The group has no legal or constructive obligations to pay further contributions if the fund does not hold sufficient assets to pay all employees the benefits relating to employee service in the current and prior periods.

Actuarial gains and losses arising from experience adjustments and changes in actuarial assumptions are recorded in the income statement immediately.

The group operates or participates in a number of defined benefit and defined contribution retirement plans for its employees. The pension plans are funded by payments from the employees and by the relevant group companies to insurance companies or trustee-administered funds, determined by periodic actuarial calculations, and contributions to these funds are expensed as incurred. The assets of the different plans are held by independently managed trust funds. These funds are governed by either the South African Pension Fund Act of 1956 or Zimbabwean law. The defined benefit plan is a multi-employer plan in Zimbabwe. Sufficient information is not available to account for it as a defined benefit plan. It is in substance accounted for as a defined contribution plan. Defined benefit plans are subject to actuarial valuations at intervals of no more than three years.

Post-employment medical obligations

The group provides post-retirement healthcare benefits to qualifying employees and retirees. The expected costs of these benefits are accrued over the period of employment. Valuations of these obligations are carried out annually by independent qualified actuaries. Actuarial gains or losses as a result of these valuations are recognised in the income statement as incurred.

Termination benefits

Termination benefits are payable when employment is terminated before the normal retirement date, or whenever an employee accepts voluntary redundancy in exchange for these benefits. The group recognises termination benefits when it is demonstrably committed to either terminating the employment of current employees according to a detailed formal plan without possibility of withdrawal or providing termination benefits as a result of an offer made to encourage voluntary redundancy. Benefits falling due more than 12 months after reporting date are discounted to present value.

Bonus plans

The group recognises a liability and an expense for bonuses based on a formula that takes into consideration production and safety performance. The group recognises a provision when contractually obliged or where there is a past practice that has created a constructive obligation.

1. Summary of significant accounting policies (continued)

1.17 Employee benefits (continued)

Share-based payments

Equity-settled share option incentive scheme

Implats Share Incentive Trust

This group share option plan provides for the granting of options to key employees who are able to purchase shares in the holding company at a price equal to the average market price of the five trading days preceding the trading day preceding the date upon which the Remuneration Committee approved the granting of the options.

The scheme is administrated through the Impala Share Incentive Trust. Shares are issued to the trust as required. Employees are entitled to exercise their options at the option price.

The maximum number of share options outstanding in terms of the share scheme may not exceed 3.5% of the issued share capital of Impala Platinum Holdings Limited.

Vesting of options first occurs two years after the granting of the options, equal to 25% of the total options granted. In subsequent years an additional 25% vests per year. All outstanding options lapse after 10 years from the date of granting the options.

The fair value of the employee services received in exchange for the grant of options is recognised as an expense. The total amount to be expensed over the vesting period is determined with reference to the fair value of the options granted, excluding non-market vesting conditions, on grant date and is expensed on a straight line basis over the vesting period. The fair value is determined by using the binomial option valuation model and assumptions used to determine the fair value is detailed in note 3. At each reporting date, the group revises its estimates of the number of options that are expected to become exercisable. It recognises the impact of the revision of original estimates, if any, in the income statement and a corresponding adjustment to equity over the remaining vesting period.

Cash-settled share-based payments

Share appreciation rights scheme

The group allocates to selected executives and employees notional shares in the holding company. These notional shares will confer the conditional right on a participant to be paid a cash bonus equal to the appreciation in the share price from the date of allocation to the date of surrender of the notional share. Notional shares are first surrenderable after two years of allocation to a maximum of 25% of the allocation. In subsequent years an additional 25% becomes exercisable per year. All outstanding notional shares lapse after 10 years from date of allocation.

Morokotso Trust

The Employee Share Ownership Programme (ESOP), for South African operations, provides for participation in the Morokotso Trust and is for employees in the A,B and C Patterson bands in the employment of the company before 4 July 2008. The trust acquired 16.4 million shares on behalf of employees. Each employee has an equal stake in the Trust.

1. Summary of significant accounting policies (continued)

1.17 Employee benefits (continued)

The Trust will hold the shares on behalf of these employees for a maximum period of ten years. After the end of five years, 40% of the shares will be sold by the Trust and the profit made from the sale, less costs, will be distributed equally among employees in these bands. After another five years, 60% of the shares will be sold on the same basis.

The fair value of employee services received in exchange for cash settled share-based payments is recognised as an expense. A liability equal to the portion of the services received is determined and recognised at each reporting date. The Binomial option valuation model is used to determine the fair value (excluding non-market vesting conditions) and the assumptions are detailed in note 3.

1.18 Deferred income tax

Deferred income tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements. However, if the deferred income tax arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss, it is not accounted for. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantively enacted by the reporting date and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

Deferred income tax assets are recognised to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised.

Deferred income tax is provided on temporary differences arising on investments in subsidiaries and associates, except where the timing of the reversal of the temporary difference is controlled by the group and it is probable that the temporary difference will not reverse in the foreseeable future. Deferred income tax assets and deferred income tax liabilities of the same taxable entity are offset when they relate to taxes levied by the same taxation authority and the entity has a legally enforceable right to set off current tax assets against current tax liabilities.

The principal temporary differences arise from amortisation and depreciation on property, plant and equipment, provisions, post-retirement medical benefits, tax losses carried forward and fair value adjustments on assets acquired from business combinations.

1.19 Revenue recognition

Revenue comprises the fair value of the consideration received or receivable, in respect of the sale of metals produced and metals purchased and toll income received by the group. Revenue, net of sales taxes and discounts, is recognised when the risks and rewards of ownership are transferred.

1. Summary of significant accounting policies (continued)

1.19 Revenue recognition (continued)

Sales of metals mined and metals purchased

The group recognises revenue when the amount of revenue and costs associated with the transaction can be reliably measured and it is probable that future economic benefits will flow to the entity. Revenue is recognised when the risk and reward of ownership is transferred and when the entity has no longer any managerial involvement or control over goods that would constitute control. Consequently sales are recognised when a group entity has delivered products to the customer and collectability of the related receivables is reasonably assured.

Toll income

Toll refining income is recognised at date of declaration or dispatch of metal from the refinery in accordance with the relevant agreements with customers.

Interest income

Interest income is recognised on a time-proportion basis using the effective interest method.

Dividend income

Dividend income is recognised at the accrual date when the shareholder's right to receive payment is established.

1.20 Segment reporting

An operating segment is a component of an entity:

- that engages in business activities from which it may earn revenues and incur expenses (including revenues and expenses relating to transactions with other components of the same entity),
- whose operating results are regularly reviewed by the entity's chief operating decision maker to make decisions about resources to be allocated to the segment and assess its performance, and
- for which discrete financial information is available.

The group is an integrated PGM and associated base metal producer. The operating segments are:

- mine-to-market primary PGM producer, including the marketing of metals produced by the group,
- toll refiner for third party material (Impala Refining Services) and
- other.

1.21 Dividend distribution

Dividend distribution to the company's shareholders is recognised as a liability in the group's financial statements in the period in which the dividends are approved by the board of directors.

1. Summary of significant accounting policies (continued)

1.22 BEE transactions

This accounting policy relates to transactions where the group grants or sells equity instruments to people in context of empowerment in terms of the Broad-Based Black Empowerment Act no 53 of 2003. The difference between the fair value and the selling price of the equity instruments granted or sold is accounted for as an expense through the income statement as a share-based compensation charge. Refer note 1.17 for discussion of share-based payments.

The fair value of the equity instruments for non-listed entities is determined using the main assumptions as described in note 3 'Critical accounting estimates and judgments' for impairment of assets.

2. Financial risk management

2.1 Financial risk factors

The group's activities expose it to a variety of financial risks: market risk (including currency risk, fair value interest risk and price risk), credit risk, liquidity risk and cash flow interest rate risk. The group's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the group's financial performance. The group, from time to time, uses derivative financial instruments to hedge certain risk exposures.

Risk management is carried out by a central treasury department. Policies are approved by the Board of Directors, which set guidelines to identify, evaluate and hedge financial risks in close co-operation with the group's operating units. The risk management committee approves written principles for overall risk management, as well as written policies covering specific areas, such as foreign exchange risk, interest rate risk, credit risk, use of derivative financial instruments and non-derivative financial instruments, and investing excess liquidity.

2.1.1 Market risk

Foreign exchange risk

The group operates internationally and is exposed to foreign exchange risk arising from various currency exposures, primarily with respect to the US dollar. Foreign exchange risk arises from future commercial transactions, recognised financial assets and liabilities and net investments in foreign operations.

To manage foreign exchange risk arising from future commercial transactions, recognised financial assets and liabilities, the group, from time to time, uses forward contracts within board approved limits. Group treasury committee is responsible for managing the net position in each foreign currency.

The group has investments in foreign operations, whose net assets are exposed to foreign currency translation risk.

2. Financial risk management (continued)

2.1 Financial risk factors (continued)

2.1.1 Market risk (continued)

Sensitivity analysis

Foreign exchange risk sensitivity analysis presents the effect of a 10% change in the year end exchange rate on financial instruments denominated in foreign currency in the income statement and other comprehensive income.

	Year-end $ exposure		Income statement	
	2008	2007	2008	2007
Millions	USD	USD	Rand	Rand
Financial assets				
Trade and other receivables (note 13)	430	393	±341	±277
Cash and cash equivalents (note 14)	317	196	±251	±138
Financial liabilities				
Borrowings (note 17)	51	nil	∓40	∓ nil
Trade and other payables (note 20)	140	92	∓111	∓65

	Year-end $ exposure		Other comprehensive income	
	2008	2007	2008	2007
Millions	USD	USD	Rand	Rand
Net assets and liabilities on translation				
Zimplats (subsidiary)	443	329	±351	±234
Mimosa (joint venture)	190	131	±151	±92
Investment in Aquarius Platinum Limited:				
Australian dollar	nil	228	nil	±136
Pounds	nil	12	nil	±18

Securities price risk

The group is exposed to equity securities price risk because of investments held by the group and classified on the consolidated statement of financial position as available-for-sale financial assets. Although Group Treasury monitors this exposure, the investment was acquired as a strategic investment and was not actively managed with reference only to securities price risk. This investment was disposed of during the year.

Sensitivity analysis:

The calculation of a 20% change in the carrying value of Aquarius Platinum Limited would have resulted in a R308 million movement in other comprehensive income in 2007.

∓/± Refers to an inflow or outflow of economic resources. Figures are calculated before tax and non-controlling interest therein.

2. Financial risk management (continued)
2.1 Financial risk factors (continued)
2.1.1 Market risk (continued)

Commodity price risk

Commodity price risk refers to the risk of changes in fair value or cash flow of financial instruments as a result of commodity prices. Where the group holds forward sales contracts, metal purchase commitments, sales debtors or receivables from related parties which are determined with reference to commodity prices, this exposes the group to commodity price risk.

From time to time, the group enters into metal forward sales contracts, options or lease contracts to manage the fluctuations in metal prices, thereby preserving and enhancing it's cash flow streams.

Sensitivity analysis

Commodity price risk sensitivity analysis presents the effect of a 10% change in the commodity prices on commodity based financial instruments in the statement of financial position, income statement and other comprehensive income.

R millions	Year-end commodity exposure 2008	2007	Income statement effect 2008	2007
Financial assets				
Trade and other receivables (note 13)	**4 901**	4 717	**±490**	±471
Financial liabilities				
Trade and other payables (note 20)	**5 221**	3 233	**∓522**	∓323
Forward commitments (note 20)	**318**	209	**∓ 32**	∓ 21

Interest rate risk

The group is exposed to insignificant fair value interest rate risk in respect of fixed rate financial assets and liabilities.

At year-end there were no fixed rate financial liabilities in the group. Fixed rate financial assets consist of BEE as loans as detailed in note 11.

Sensitivity analysis

Interest rate risk sensitivity analysis presents the effect of a 100 basis points up and down in the interest rate in the income statement.

R millions	Floating interest rate exposure 2008	2007	Income statement effect 2008	2007
Financial assets				
Cash and cash equivalents (note 14)	**10 393**	3 222	**±103**	±32
Financial liabilities				
Borrowings (note 17)	**1 510**	718	**∓15**	∓7

Further disclosure is presented in note 14.

∓/± Refers to an inflow or outflow of economic resources. Figures are calculated before tax and non-controlling interest therein.

2. Financial risk management (continued)

2.1 Financial risk factors (continued)

2.1.2 Credit risk

Credit risk arises from the risk that the financial asset counterpart may default or not meet its obligations timeously. The group minimises credit risk by ensuring that the exposure is spread over a number of counterparties.

The maximum exposure to the credit risk is represented by the carrying value of all the financial assets and the maximum amount the group could have to pay if the guarantees are called on (note 38).

The potential concentration of credit risk could arise in cash and cash equivalents, trade receivables, advances and other financial assets.

The group has policies that limit the amount of credit exposure related to cash and cash equivalents and rehabilitation trust investments to any single financial institution by only dealing with well-established financial institutions of high credit quality standing. The credit exposure to any one of the counterparties is managed by setting exposure limits which are regularly reviewed by the treasury committee.

Cash and cash equivalents

Financial institutions credit rating by exposure:

Credit rating	Exposure	
R millions	2008	2007
South African operations		
AAA (zaf)	1 829	408
AA+ (zaf)	4 603	1 297
AA (zaf)	2 775	1 019
AA- (zaf)	500	–
Overseas operations		
AA	686	498

Credit risk on cash and cash equivalents is further analysed in note 14. Exposure of the group's borrowings to interest rate changes and contractual repricing dates is analysed further in note 17.

Trade receivables

The group has policies in place to ensure that the sales of products are made to customers with an appropriate credit history. Trade debtors comprise a number of customers, dispersed across different geographical areas. Regular credit evaluations are performed on the financial condition of these and other receivables. Trade receivables are presented in the statement of financial position net of impairment. Receivables continue to be in sound financial position.

2. Financial risk management (continued)

2.1 Financial risk factors (continued)

2.1.2 Credit risk (continued)

	New customers	2 years and less	From 2-5 years	Longer than 5 years	Total
Financial year 2008					
Number of customers:	7	7	7	60	81
Number of defaults	0	0	0	0	0
Value at year end (R million)	99	7	990	3 482	4 578
Financial year 2007					
Number of customers:	6	13	13	60	92
Number of defaults	0	0	0	0	0
Value at year end (R million)	12	319	260	3 940	4 531

Default for reporting purposes is measured as payments outstanding form more than one month. Customers have payment terms of less than one month and are charged market related interest on late payments. Credit risk exposure in respect of trade receivables is analysed further in note 14.

Advances

Advances are made to customers based on 'in-process metal'. Credit risk on advances and related party receivables is low as in-process metal in concentrate serves as collateral. Advances only comprise a portion of the creditor to be settled in future.

Other financial assets

Credit risk relating to other financial assets consisting of loans to BEE companies is secured by a guarantee from Lonmin Plc (note 11).

The group is exposed to credit related losses in the event of non-performance by counterparties to derivative instruments. The counterparties to these contracts are major financial institutions. The group continually monitors its positions and the credit ratings of its counterparties and limits the amount of contracts it enters into with one party.

Employee receivables

Employee receivables consist mainly of vehicle loans for which the vehicles serve as collateral.

No financial assets were past due for the current or the comparative period under review. No terms relating to financial assets have been renegotiated resulting in assets not being past due.

2. Financial risk management (continued)

2.1 Financial risk factors (continued)

2.1.3 Liquidity risk

Prudent liquidity risk management implies maintaining sufficient cash and cash equivalents, the availability of funding through an adequate amount of committed credit facilities and the ability to close out market positions. Due to the dynamic nature of the underlying businesses, group treasury committee aims to maintain flexibility in funding by keeping committed and uncommitted credit lines available.

South African banks	Credit limit facilities				
(R million)	2008			2007	
Credit rating	Credit limits	Committed	Not committed	Credit limits	Committed
AAA (zaf)	1 000	1 000	–	–	–
AA+ (zaf)	5 013	3 863	1 150	4 635	4 635
AA (zaf)	500	250	250	570	570
AA-	500	500	–	500	500
	7 013	5 613	1 400	5 705	5 705

Of these facilities, none had been drawn down at year-end. These facilities are renewed annually.

Overseas operations	Credit limit facilities				
(US dollar millions)	2008			2007	
Credit rating	Credit limit	Committed	Not committed	Credit limit	Committed
AA	80	51	29	–	–

Management monitors rolling forecasts of the group's liquidity reserve comprising undrawn borrowing facilities (note 17) and cash and cash equivalents (note 14) on the basis of expected cash flows.

The table below analyses the group's financial liabilities and derivative financial liabilities into the relevant maturity groupings based on the remaining period at the reporting date to the contractual maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows. Balances due within a year equal their carrying amount as the impact of discounting is not significant.

	Less than 1 year	Between 1 and 2 years	Between 2 and 5 years	Over 5 years
At June 2008 (R million)				
Borrowings (note 17)	340	340	760	201
Lease liabilities (note 17)	50	59	177	295
Trade and other payables (note 20)	6 791			
Bank overdraft (as per facilities) (note 17)	nil			
Forward sales (note 22)	nil			
At June 2007 (R million)				
Borrowings (note 17)	128	340	1 020	282
Lease liabilities (note 17)	39	52	155	329
Trade and other payables (note 20)	6 970			
Bank overdraft (as per facilities)	4			
Forward sales (note 22)	49			

2. Financial risk management (continued)

2.1 Financial risk factors (continued)

2.1.4 Cash flow interest rate risk

The group is exposed to cash flow interest rate risk in respect of its floating rate financial assets and liabilities.

The group monitors its exposure to fluctuating interest rates. Cash and cash equivalents and rehabilitation trust investments are primarily invested with short term maturity dates, which expose the group to cash flow interest rate risk.

The group's primary exposure in respect of borrowings in detailed in note 17.

2.1.5 Sovereign risk

Sovereign risk arises from foreign government credit risk, the risk that a foreign central bank or government will impose exchange regulations and the risk associated with negative events relating to taxation policy or other changes in the business climate of a country. These risks are monitored by management by actively engaging with both local and foreign government officials and by operating within the set frameworks to ensure favourable outcomes.

2.2 Capital risk management

The group defines total capital as 'equity' in the consolidated statement of financial position plus debt. The group's objectives when managing capital are to safeguard the group's ability to continue as a going concern in order to provide returns for shareholders and benefits to other stakeholders and to maintain an optimal capital structure to reduce cost of capital.

In order to maintain or improve the capital structure, the group may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue or repurchase shares.

The group monitors capital on a basis of the gearing ratio.

Management is in the process of reviewing its financial strategy and for this reason a credit rating was obtained. Implats obtained a Long-term Issuer Default rating International Long-term BBB+ and a National Long-term AA (zaf) rating. A stable outlook has been assigned.

3. Critical accounting estimates and judgements

Use of estimates

The preparation of the financial statements requires the group's management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reporting period. The determination of estimates requires the exercise of judgement based on various assumptions and other factors such as historical experience, current and expected economic conditions, and in some cases actuarial techniques. Actual results may differ from these estimates.

3. Critical accounting estimates and judgements (continued)

The more significant areas requiring the use of management estimates and assumptions relate to mineral reserves that are the basis of future cash flow estimates and unit-of-production depreciation, depletion and amortisation calculations, environmental, reclamation and closure obligations, estimates of recoverable metals, asset impairments (including impairments of goodwill), write-downs of inventory to net realisable value, post-employment, post-retirement and other employee benefit liabilities, the fair value and accounting treatment of financial instruments and deferred taxation.

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below:

Carrying value of property plant and equipment

Various units-of-production (UOP) depreciation methodologies are available to management e.g. centares mined, tonnes mined, tonnes milled or ounces produced. Management elected to depreciate all mining and processing assets using the centares mined methodology.

For mobile and other equipment, the straight-line method is applied over the estimated useful life of the asset which does not exceed the estimated mine life based on proved and probable mineral reserves as the useful lives of these assets are considered to be limited to the life of the relevant mine.

The calculation of the UOP rate of amortisation could be impacted to the extent that actual production in the future is different from current forecast production based on proved and probable mineral reserves. This would generally result from changes in any of the factors or assumptions used in estimating mineral reserves. Changes in mineral reserves could similarly impact the useful lives of assets depreciated on a straight-line basis, where those lives are limited to the life of the mine.

The recoverable amounts of cash generating units and individual assets have been determined based on the higher of value-in-use calculations and fair values less costs to sell. The group reviews and tests the carrying value of assets when events or changes in circumstances suggest that the carrying amount may not be recoverable. In addition, goodwill is tested on an annual basis for impairment (note 1.9). Assets are grouped at the lowest level for which identifiable cash flows are largely independent of cash flows of other assets. If there are indications that impairment may have occurred, estimates are prepared of expected future cash flows for each group of assets. Expected future cash flows used to determine the recoverable amount of goodwill and tangible assets are inherently uncertain and could materially change over time. They are significantly affected by a number of factors including published reserves, resources, exploration potential and production estimates, together with economic factors such as spot and future metal prices, discount rates, foreign currency exchange rates, estimates of costs to produce reserves and future capital expenditure.

3. Critical accounting estimates and judgements (continued)

The key financial assumptions used in the impairment calculations are:

- long-term real revenue per platinum ounce sold of R14 954 (2007: R11 085) and
- long-term real discount rate, a range of 6% to 8% (2007: 8% to 10%) for South African operations and 11% to 13% (2007: 13% to 15%) for Zimbabwean USD cash flows.

Production start date

The group assesses the stage of each mine construction project to determine when a mine moves into the production stage. The criteria used to assess the start date are determined based on the unique nature of each mine construction project, such as the complexity of a plant and its location. The group considers various relevant criteria to assess when the mine is substantially complete, ready for its intended use and moves into the production stage. Some of the criteria would include, but are not limited to the following:

- the level of capital expenditure compared to the construction cost estimates;
- completion of a reasonable period of testing of the mine plant and equipment;
- ability to produce metal in saleable form (within specifications); and
- ability to sustain ongoing production of metal.

When a mine construction project moves into the production stage, the capitalisation of certain mine construction costs ceases and costs are either regarded as inventory or expensed, except for capitalisable costs related to mining asset additions or improvements, underground mine development or mineable reserve development.

Income taxes

The group is subject to income taxes in numerous jurisdictions. Significant judgment is required in determining the provision for income taxes. There are many transactions and calculations for which the ultimate tax determination is uncertain during the ordinary course of business. The Group recognises liabilities for anticipated tax audit issues based on estimates of whether additional taxes will be due. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the income tax and deferred tax provisions in the period in which such determination is made.

Fair value of derivatives and other financial instruments

The fair value of financial instruments that are not traded in an active market (for example, over-the-counter derivatives) is determined by using valuation techniques. The group uses its judgement to select a variety of methods and make assumptions that are mainly based on market conditions existing at each reporting date. The group uses discounted cash flow analyses for various available-for-sale financial assets that are not traded in active markets.

3. Critical accounting estimates and judgements (continued)

Metal in process and product inventories

Costs that are incurred in or benefit the production process are accumulated as stockpiles, metal in process and product inventories. Net realisable value tests are performed at least annually and represent the estimated future sales price of the product based on prevailing metal prices, less estimated costs to complete production and bring the product to sale.

Although the quantities of recoverable metal are reconciled by comparing the grades of ore to the quantities of metal actually recovered (metallurgical balancing), the nature of the process inherently limits the ability to precisely monitor recoverability levels. As a result, the metallurgical balancing process is constantly monitored and the engineering estimates are refined based on actual results over time.

Provisions

Environmental rehabilitation obligations

The group's mining and exploration activities are subject to various laws and regulations governing the protection of the environment. The group recognises management's best estimate for asset retirement obligations in the period in which they are incurred. Actual costs incurred in future periods can differ materially from the estimates. Additionally, future changes to environmental laws and regulations, life of mine estimates and discount rates can affect the carrying amount of this provision.

Estimated long-term environmental provisions, comprising pollution control, rehabilitation and mine closure, are based on the group's environmental policy taking into account current technological, environmental and regulatory requirements.

Provisions for future rehabilitation costs have been determined, based on calculations which require the use of estimates (note 19).

Assumptions used in calculating the provision:

South African operations:

The interest rate is the long-term risk free rate as indicated by the government bonds which ranged between 10.38% and 11.62% at the time of calculation. The net present value of current rehabilitation estimates is based on the assumption of a long-term real interest rate of 2.4% (2007: 3.9%). The lower real rate reflects the higher inflation environment.

Zimbabwe operations:

As the functional currency is used by both the group's Zimbabwean operations is the US$, the US inflation and US long-term risk-free interest rates were used:

US inflation rates	3% (2007: 3%)
US interest rates	5% (2007: 5%)

3. Critical accounting estimates and judgements (continued)

Mineral reserves

The estimation of reserves impact the amortisation of property, plant and equipment, the recoverable amount of property, plant and equipment, the timing of rehabilitation expenditure and purchase price allocation.

Factors impacting the determination of proved and probable reserves are:

- the grade of mineral reserves may vary significantly from time to time (i.e. differences between actual grades mined and resource model grades);
- differences between actual commodity prices and commodity price assumptions;
- unforeseen operational issues at mine sites;
- changes in capital, operating, mining, processing and reclamation costs, discount rates and foreign exchange rates.

Post-employment pension plans and medical benefits

The determination of Implats' obligation and expense for pension and provident funds, as well as post-retirement health care liabilities, depends on the selection of certain assumptions used by actuaries to calculate amounts. These assumptions include, among others, the discount rate, the expected long-term rate of return of plan assets, health care inflation costs, rates of increase in compensation costs and the number of employees who reach retirement age before the mine reaches the end of its life. Whilst Implats' believes that these assumptions are appropriate, significant changes in the assumptions may materially affect pension and other post-retirement obligations as well as future expenses, which may result in an impact on earnings in the periods that the changes in the assumptions occur.

As at 30 June 2008, actuarial parameters used by independent valuators assumed 9.1% (2007: 6.4%) as the long-term medical inflation rate and an 11.25% (2007: 8.5%) risk-free interest rate corresponding to the yields on long-dated high-quality bonds.

A 1% increase in the real discount rate results in a R4.4 million reduction in the provision and a decrease of 1% results in an increase in the provision of R5.3 million.

Provisions for post-retirement medical liability cost have been determined, based on calculations which require the use of estimates (note 19).

Share-based payments

The group issues equity-settled and cash-settled share-based payments to employees. Equity-settled share-based payments are measured at fair value (excluding the effect of non-market based vesting conditions) at the date of grant. The fair value determined at the grant date of the equity-settled share-based payments is expensed as services are rendered over the vesting period, based on the group's estimate of the shares that will eventually vest and adjusted for the effect of non-market based vesting conditions. Cash-settled share-based payments are valued on reporting date and recognised over the vesting period.

3. Critical accounting estimates and judgements (continued)

The fair value of share-based payments is calculated using the Binomial option pricing model. The average inputs into this model are as follows:

	Employee share option participation scheme [5]		Equity settled share option scheme [7]		Cash settled share appreciation scheme [5]	
	2008	2007	2008	2007	2008	2007
Weighted average option value (Rand) [1]	**188.65**	113.26	**190.75**	190.75	**166.16**	115.79
Weighted average share price on valuation date (Rand) [2] [6]	**309.00**	216.00	**70.26**	70.26	**309.00**	216.00
Weighted average exercise price (Rand) [3]	**159.18**	159.18	**61.03**	61.03	**147.86**	110.33
Volatility [4]	**57.48**	46.00	**42.03**	42.03	**57.48**	46.00
Dividend yield (%)	**3.23**	2.20	**5.75**	5.75	**3.23**	2.20
Risk-free interest rate (%)	**11.25**	7.90	**10.43**	10.43	**11.25**	7.90

[1] The weighted average option value for cash settled shares is calculated on reporting date. The weighted average option value of equity settled shares is calculated on grant date.

[2] Weighted average share price for valuation of equity settled shares is calculated taking into account the market price on all grant dates. The value of cash settled share appreciation rights are calculated at year end based on the year end closing price.

[3] The weighted average exercise price for equity settled and cash settled shares is calculated taking into account the exercise price on each grant date.

[4] Volatility for equity- and cash settled shares is the four hundred day moving average historical volatility on Implats shares on each valuation date.

[5] Cash-settled share-based payments.

[6] The weighted average market price of the share on date of issue approximates the weighted average exercise price. Options are granted based on the market price at the date of issue.

[7] The share option scheme, equity settled, was closed to future grants with effect from October 2004.

The calculation pertains to non-vested shares. Vested cash-settled shares are valued at their intrinsic value.

Financial liabilities

The fair value on derivative instruments is calculated at year end. The fair value of the forward sales contract is determined by using metal lease rates and the London Interbank Offer Rate (LIBOR) on date of sale and the rand/US$ exchange rate at year-end.

Contingencies

By their nature, contingencies will only be resolved when one or more future events occur or fail to occur. The assessment of such contingencies inherently involves the exercise of significant judgement and estimates of the outcome of future events.

3. Critical accounting estimates and judgements (continued)

Purchase price allocation

In determining the purchase price allocation for African Platinum Plc (Afplats) during the 2007 financial year, the following critical assumptions and judgements were used:

- Leeuwkop reserves were valued using a discounted cash flow model. The key assumptions used were: a discount rate of 14.4% and a long-term real rand revenue per platinum ounce of R11 085.

- The resource ounce valuation is based on the UG2 3PGE+Au ounces that are not included in the discounted cash flow valuation. Most of these ounces are in the 'inferred resource' category and were valued at $14 per ounce. If adjusted to include the Merensky 3PGE+Au ounces, this value is reduced to $9 per ounce.

Fair value of the royalty prepayment

The expected future royalty payments were valued using the life-of-mine discounted cash flow models for the Rustenburg lease area. The following main assumptions were used: a nominal discount rate of 11.1% and a long-term real rand revenue per platinum ounce of R11 085.

Goodwill impairment test

In testing whether goodwill is impaired the following critical assumptions and judgements were used:

- Leeuwkop reserves were valued using a discounted cash flow model. The key assumptions used were: a discount rate of 15% and a long-term real rand revenue per platinum ounce of R14 954.

- The resource ounce valuation is based on the UG2 3PGE+Au ounces that are not included in the discounted cash flow valuation. Most of these ounces are in the ‘inferred resource’ category and were valued at $14 per ounce. If adjusted to include the Merensky 3PGE+Au ounces, this value is reduced to $9 per ounce.

Foreign currency translation

The following exchange rates were used:
Year-end rate: R7.93 (2007: R7.06)
Annual average rate: R7.26 (2007: R7.19)

4. Segment information

Segment reporting

Operating segments – June 2008

(All amounts in rand millions unless otherwise stated)	Total mining segment	Impala Refining Services	Other	Inter segment adjustment	Total
Segment profit					
Revenue from:					
Platinum	14 392	7 522	–	(1 526)	20 388
Palladium	1 642	1 194	–	(318)	2 518
Rhodium	6 558	4 862	–	(1 379)	10 041
Nickel	2 006	1 160	–	(433)	2 733
Other metal sales	1 208	739	–	(190)	1 757
Treatment income	–	227	–	(45)	182
Revenue	25 806	15 704	–	(3 891)	37 619
On-mine operations	(7 303)	–	–	–	(7 303)
Processing operations	(1 362)	(116)	–	–	(1 478)
Refining operations	(476)	(194)	–	–	(670)
Treatment charge	(45)	–	–	45	–
Amortisation	(1 013)	–	–	–	(1 013)
Metals purchased	–	(14 911)	–	3 899	(11 012)
Increase/(decrease) in metal inventories	770	1 400	–	(582)	1 588
Cost of sales	(9 429)	(13 821)	–	3 362	(19 888)
Gross profit	16 377	1 883	–	(529)	17 731
Other operating expenses	(507)	(26)	–	–	(533)
Royalty expense	(648)	–	–	–	(648)
Profit from operations	15 222	1 857	–	(529)	16 550
Other income/(expense)	(26)	525	4 604	–	5 103
Finance cost	(154)	(1)	–	–	(155)
Finance income	363	171	107	–	641
Profit from metals purchased	54	–	–	(54)	–
Share of profit of associates	–	–	678	–	678
Profit before tax	15 459	2 552	5 389	(583)	22 817
Income tax expense	(4 685)	(852)	304	121	(5 112)
Profit for the year	10 774	1 700	5 693	(462)	17 705
External revenue*	37 033	5 586	–	–	37 619

* External revenue excludes intergroup sales and is calculated as actual sales outside the group.

4. Segment information (continued)

Segment reporting

Operating segments – June 2008

(All amounts in rand millions unless otherwise stated)	Total mining segment	Impala Refining Services	Other	Inter segment adjustment	Total
Segment assets and liabilities					
Non-current segment assets	38 567	–	1 038	–	39 605
Property, plant and equipment	20 601	–	–	–	20 601
Exploration and evaluation assets	4 294	–	–	–	4 294
Intangible assets	1 018	–	–	–	1 018
Investments in associates	–	–	1 038	–	1 038
Available-for-sale financial assets	56	–	–	–	56
Held-to-maturity financial assets	47	–	–	–	47
Other receivables and prepayments	12 551	–	–	–	12 551
Current segment assets	14 305	8 053	146	–	22 504
Inventories	998	4 895	–	–	5 893
Trade and other receivables	2 903	3 239	76	–	6 218
Cash and cash equivalents	10 404	(81)	70	–	10 393
Total assets	52 872	8 053	1 184	–	62 109
Non-current segment liabilities	8 613	3	(357)	–	8 259
Long-term borrowings	1 464	–	–	–	1 464
Deferred tax liability	5 601	3	(357)	–	5 247
Long-term provisions	1 548	–	–	–	1 548
Current segment liabilities	4 218	4 262	67		8 547
Trade and other payables	2 884	3 995	35		6 914
Current tax payable	884	267	32		1 183
Short-term borrowings	46	–	–	–	46
Current portion of long term provision	404	–	–	–	404
Total liabilities	12 831	4 265	(290)		16 806
Segmental cash flow					
Net decrease/increase in cash and cash equivalents	6 769	409	(113)	–	7 065
Net cash used from operating activities	11 003	238	–	–	11 241
Net cash used in investing activities	(4 898)	171	6 006	–	1 279
Net cash used in financing activities	664	–	(6 119)	–	(5 455)

4. Segment information (continued)

Segment reporting

Operating segments – June 2007

(All amounts in rand millions unless otherwise stated)	Total mining segment	Impala Refining Services	Other	Inter segment adjustment	Total
Segment profit					
Revenue from:					
Platinum	11 140	5 863	–	(1 426)	15 577
Palladium	1 457	1 051	–	(419)	2 089
Rhodium	4 983	3 531	–	(888)	7 626
Nickel	2 452	2 057	–	(447)	4 062
Other metal sales	1 122	774	–	(95)	1 801
Treatment incomes	–	373	–	(46)	327
Revenue	21 154	13 649	–	(3 321)	31 482
On-mine operations	(5 908)	–	–	7	(5 901)
Processing operations	(1 211)	(105)	–	–	(1 316)
Refining operations	(377)	(217)	–	–	(594)
Treatment charge	(46)	–	–	46	–
Amortisation	(864)	(1)	–	–	(865)
Metals purchased	–	(12 683)	–	3 314	(9 369)
Increase/(decrease) in metal inventories	84	1 144	–	(193)	1 035
Cost of sales	(8 322)	(11 862)	–	3 174	(17 010)
Gross profit	12 832	1 787	–	(147)	14 472
Other operating expenses	(444)	(34)	–	–	(478)
Royalty expense	(1 703)	–	–	–	(1 703)
Profit from operations	10 685	1 753	–	(147)	12 291
Other (expense)/income	(124)	14	(104)	(8)	(222)
Finance income	421	140	74	–	635
Finance cost	(81)	(1)	–	–	(82)
Profit from metals purchased	39	–	–	(39)	–
BEE compensation charge	(1 790)	–	–	–	(1 790)
Share of profit of associates	–	–	388	–	388
Profit before tax	9 150	1 906	358	(194)	11 220
Income tax expense	(3 332)	(593)	(18)	48	(3 895)
Profit for the year	5 818	1 313	340	(146)	7 325
External revenue*	30 478	1 004	–	–	31 482

* External revenue excludes intergroup sales and is calculated as actual sales outside the group.

4. Segment information (continued)

Segment reporting

Operating segments – June 2007

(All amounts in rand millions unless otherwise stated)	Total mining segment	Impala Refining Services	Other	Inter segment adjustment	Total
Segment assets and liabilities					
Non-current segment assets	34 227	–	2 975	–	37 202
Property, plant and equipment	16 029	–	–	–	16 029
Exploration and evaluation assets	4 318	–	–	–	4 318
Intangible assets	1 020	–	–	–	1 020
Investments in associates	–	–	1 417	–	1 417
Available-for-sale financial assets	–	–	1 558	–	1 558
Held-to-maturity financial assets	121	–	–	–	121
Other receivables and prepayments	12 739	–	–	–	12 739
Current segment assets	6 760	5 860	138	–	12 758
Inventories	674	3 324	–	–	3 998
Trade and other receivables	2 922	2 535	79	–	5 536
Cash and cash equivalents	3 162	1	59	–	3 222
Held for sale assets	2	–	–	–	2
Total assets	40 987	5 860	3 113	–	49 960
Non-current segment liabilities	6 731	3	–	–	6 734
Long-term borrowings	685	–	–	–	685
Deferred tax liabilities	5 045	3	–	–	5 048
Long-term provisions	1 001	–	–	–	1 001
Current segment liabilities	5 197	3 286	45	–	8 528
Trade and other payables	3 966	2 969	35	–	6 970
Current tax payable	1 046	317	10	–	1 373
Short-term borrowings	33	–	–	–	33
Derivative financial instruments	49	–	–	–	49
Current portion of long term provisions	103	–	–	–	103
Total liabilities	11 928	3 289	45	–	15 262
Segmental cash flow					
Net decrease/increase in cash and cash equivalents	4 250	318	(3 199)	–	1 369
Net cash used from operating activities	9 113	318	542	–	9 973
Net cash used in investing activities	(15 463)	–	(2 965)	–	(18 428)
Net cash used in financing activities	10 600	–	(776)	–	9 824

4. Segment information (continued)

Notes to operating segment analysis:

The group distinguishes its segments between mine-to-market operation and refining services which include metals purchased and toll refined. Apart from Impala, none of the other mining segments exceeded the 10% threshold of revenue, profit or assets, hence the mine-to-market operations were aggregated.

Operating segments have consistently adopted the consolidated basis of accounting and there are no differences in measurement applied.

Capital expenditure comprises additions to property, plant and equipment (note 5), including additions resulting from acquisitions through business combinations.

Sales to two customers in the Impala mining segment (pages 136 and 137) comprised 10% and 12% of total sales.

Sales

Metals mined

Reflect the mine-to-market sales primarily from the Impala Rustenburg mining operations.

Metals purchased

Revenue from metals purchased is recognised within two separate legal entities:

- for Impala this incorporates sales of metals purchased principally from Impala Refining Services.
- for Impala Refining Services this includes sales from purchases of metals from third party refining customers. The majority of sales are to Impala, and a portion directly to the market.

Treatment income

Fees earned by Impala Refining Services for the treatment of metals from third party refining customers.

Inter-company

Comprises sales of concentrate from Marula, Mimosa and Zimplats mining operations to Impala Refining Services.

Segment operating expenses for:

Gross cost

Comprises total costs associated with the mining, refining and purchase of metals.

Inter-segment adjustments

Elimination of inter-segment sales, purchases, interest, administration fees and unrealised profit in the group.

Inter-segment transfers

Inter-segment transfers are based on market-related prices.

(All amounts in rand millions unless otherwise stated)	2008	2007

4. Segment information (continued)

Analysis of sales by destination

	2008	2007
Main products		
Asia	13 352	10 339
North America	7 563	6 246
Europe	5 620	4 348
South Africa	6 412	4 331
	32 947	25 264
By products		
South Africa	2 032	3 188
North America	1 304	1 473
Asia	789	848
Europe	365	382
	4 490	5 891
Treatment income		
South Africa	100	263
North America	82	61
Asia	–	1
Europe	–	2
	182	327
	37 619	31 482

Year ended 30 June

(All amounts in rand millions unless otherwise stated)	2008	2007
4. Segment information (continued)		
Analysis of sales by category		
Sales of goods		
Precious metals		
Platinum	20 388	15 575
Palladium	2 518	2 089
Rhodium	10 041	7 626
Ruthenium	746	797
Iridium	199	191
Gold	379	330
Silver	10	9
	34 281	26 617
Base metals		
Nickel	2 733	4 062
Copper	360	431
Cobalt	36	38
Chrome	27	7
	3 156	4 538
Revenue from services		
Toll refining	182	327
	37 619	31 482

	Sales		Capital expenditure		Non current assets	
R millions	2008	2007	2008	2007	2008	2007
Other segment information						
South Africa	34 529	28 941	3 905	2 383	34 940	33 677
Zimbabwe	3 090	2 541	1 463	505	3 627	2 108
Investment in associates	–	–	–	–	1 038	1 417
	37 619	31 482	5 368	2 888	39 605	37 202

Non current assets and capital expenditure are allocated according to the location of the asset.

Sales are allocated based on the country in which the sale originates.

5 Property, plant and equipment

R millions	Shafts, mining development and infrastructure	Metal-lurgical and refining plants	Land and buildings	Assets under construc-tion	Other assets	Total
Cost						
Balance at 30 June 2006	9 185	4 133	591	1 335	1 684	16 928
Exchange adjustment on translation of foreign subsidiaries and joint venture	(8)	(10)	(2)	(6)	(11)	(37)
Additions	1 129	576	23	914	246	2 888
Acquisition of a subsidiary (note 39)	–	–	–	1 599	1	1 600
Transfer from assets under construction	214	134	–	(371)	23	–
Transfer to other financial assets	–	–	(2)	–	–	(2)
Disposals	(1)	(1)	–	–	(13)	(15)
Transfer between categories	–	–	918	–	(918)	–
Balance at 30 June 2007	10 519	4 832	1 528	3 471	1 012	21 362
Exchange adjustment on translation of foreign subsidiaries and joint venture	84	104	49	135	58	430
Additions	1 128	595	339	2 908	303	5 273
Interest capitalised (note 28)	–	–	–	95	–	95
Transfer from assets under construction	5	76	–	(96)	15	–
Disposals	(19)	(36)	(9)	–	(14)	(78)
Balance at 30 June 2008	**11 717**	**5 571**	**1 907**	**6 513**	**1 374**	**27 082**
Accumulated amortisation and impairment						
Balance at 30 June 2006	2 672	957	91	–	774	4 494
Exchange adjustment on translation of foreign subsidiaries and joint venture	(9)	(3)	–	–	(3)	(15)
Charge for the year	381	195	58	–	231	865
Disposals	–	(1)	–	–	(10)	(11)
Transfer between categories	506	–	(98)	–	(408)	–
Balance at 30 June 2007	3 550	1 148	51	–	584	5 333
Exchange adjustment on translation of foreign subsidiaries and joint venture	28	34	3	–	21	86
Charge for the year (note 24)	560	261	10	–	182	1 013
Impairment of assets (note 30)	–	84	–	–	–	84
Disposals	(4)	(23)	–	–	(8)	(35)
Balance at 30 June 2008	4 134	1 504	64	–	779	6 481
Carrying value at 30 June 2008	**7 583**	**4 067**	**1 843**	**6 513**	**595**	**20 601**
Carrying value at 30 June 2007	6 969	3 684	1 477	3 471	428	16 029

For the year ended 30 June

(All amounts in rand millions unless otherwise stated)	2008 Rm	2007 Rm
5 Property, plant and equipment (continued)		
Assets under construction consist mainly of (carrying value)		
Impala (16, 17 and 20 shafts)	3 226	1 587
Marula (UG2 project)	57	8
Afplats (Leeuwkop)	1 744	991
Zimplats (Ngezi phase 1 and underground mine project)	1 351	278

Other assets consist mainly of the following:	2008 Carrying value	2007 Carrying value
Vehicles	505	322
Information technology	77	92
Other assets	13	14
	595	428

Commitments in respect of property, plant and equipment	2008	2007
Commitments contracted for	3 892	3 225
Approved expenditure not yet contracted	16 712	10 757
	20 604	13 982
Not later than 1 year	6 730	2 498
Later than 1 year not later than 5 years	10 267	6 476
Later than 5 years	3 607	5 008
	20 604	13 982

This expenditure will be funded internally and from borrowings, where necessary.

Apart from finance leases, assets are not encumbered by loans. No assets were pledged as collateral.

Included in property, plant and equipment are assets with a carrying amount of R213 million (2007: R220 million) which is a result of finance leases capitalised.

(All amounts in rand millions unless otherwise stated)	2008	2007

6 Exploration and evaluation assets

	2008	2007
Cost		
Beginning of the year	4 318	–
Acquisition of subsidiary (note 39)	–	4 318
End of the year	4 318	4 318
Accumulated amortisation and impairment		
Exploration and evaluation assets written off	(24)	–
End of the year	(24)	–
Carrying value	4 294	4 318

7 Intangible assets

	2008	2007
Goodwill		
Goodwill at cost less impairment	1 018	1 020

The goodwill originated from the deferred taxation provided on the fair value of the assets over carrying amount of an acquired subsidiary (note 39).

A purchase price adjustment of R2 million was made in the current year on cancellation of lapsed unexercised listed warrants.

	2008	2007
A summary of the goodwill allocation is as follows:		
Leeuwkop project	179	180
Evaluation and exploration projects	839	840
	1 018	1 020

Impairment test for goodwill

Goodwill is allocated to the group's cash generating units (CGUs) identified in accordance with business operations.

The recoverable amount of the Leeuwkop project is based on fair value less cost-to-sell derived from discounted cash flow calculations. These calculations use cash flow projections based on financial budget approved by management covering a five-year period. Cash flows beyond the five-year period are determined by using estimated metal prices adjusted with long-term inflation forecasts.

Key assumptions used for cash flow projection calculations are metal prices and the rand/US dollar exchange rate (note 3).

The recoverable amount of the evaluation and exploration assets is based on fair value less cost-to-sell, as these two projects are still being evaluated. Fair value is determined using market related value of resources, and exchange rates as indicated in note 3.

For the year ended 30 June

(All amounts in rand millions unless otherwise stated)	2008	2007
8 Investments in associates		
i) Two Rivers Platinum (Proprietary) Limited		
Beginning of the year	777	552
Share of profit (note 32)	250	106
Shareholders loan	11	119
End of the year	1 038	777

Shares beneficially owned in the company involved in the business of mining and marketing of PGMs.

Impala Platinum Holdings Limited has provided a guarantee to ABSA Bank Limited and Nedbank Limited for its share of the borrowings by Two Rivers Platinum (Proprietary) Limited. At 30 June 2007, the exposure under this guarantee amounted to R293 million. During 2008, the guarantee to ABSA Bank Limited was released as the facility had been settled. At 30 June 2008, the exposure under the guarantee to Nedbank Limited amounted to R57 million.

The shareholder's loan bears interest at 12% (2007: 10%) per annum and has no fixed term of repayment.

	2008	2007
Shareholding		
Number of shares		
Ordinary shares	270	270
Effective holding	45%	45%

Summarised financial information as at 30 June and for the year then ended:

	2008	2007
Capital and reserves	1 367	594
Non-current liabilities	2 139	2 466
Current liabilities	263	218
	3 769	3 278
Non-current assets	2 406	2 170
Current assets	1 363	1 108
	3 769	3 278
Sales	2 362	1 408
Profit for the year	773	493

The results of the associate are based on audited financial statements.

There were no unrecognised losses in the associate for which the group had not accounted.

Unrealised profit on sales from Two Rivers to Implats were eliminated in the share of profit recognised above.

(All amounts in rand millions unless otherwise stated)	2008	2007

8 Investments in associates (continued)

ii) Aquarius Platinum (South Africa) (Proprietary) Limited

	2008	2007
Beginning of the year	640	617
Share of profit (note 32)	428	282
Dividends received	(33)	–
Repayment of shareholders loan	(160)	(259)
Repayment of capital	(42)	–
Disposal of investment (note 31)	(833)	–
End of the year	–	640

Shares beneficially owned in the company which is involved in the business of mining and marketing of PGMs.

The shareholder's loan was interest free and had no fixed term of repayment.

During the year, the group disposed of its entire interest in Aquarius Platinum (South Africa) (Proprietary) Limited.

	2008	2007
Shareholding		
Number of shares		
Ordinary shares	–	280
Effective holding	0%	20%

Summarised financial information as at 30 June and for the year then ended:

	2008	2007
Capital and reserves	–	2 724
Non-current liabilities	–	2 114
Current liabilities	–	1 201
	–	6 039
Non-current assets	–	3 454
Current assets	–	2 585
	–	6 039
Sales	–	4 092
Profit for the year	–	1 571

For the year ended 30 June

(All amounts in rand millions unless otherwise stated)	2008	2007
8 Investments in associates (continued)		
iii) Silplat (Proprietary) Limited		
Transferred from available-for-sale financial assets (note 9)	15	–
Acquisition of additional shareholding	9	–
Acquisition date fair value adjustment	(24)	–
End of the year	–	–

Shares beneficially owned in the company which is involved in the manufacturing of gold and platinum jewellery for local and export markets and operates principally in South Africa.

During the year, an additional shareholding of 5.7% was acquired resulting in a 23% interest.

	2008	2007
Shareholding		
Number of shares		
Ordinary shares	232	175
Effective holding	23%	18%
Summarised financial information for the year ended 31 December 2007:		
Capital and reserves	33	–
Non-current liabilities	1	–
Current liabilities	23	–
	57	–
Non-current assets	34	–
Current assets	23	–
	57	–
Sales	56	–
Loss for the year	(11)	–
Summary		
Two Rivers Platinum (Proprietary) Limited	1 038	777
Aquarius Platinum (South Africa) (Proprietary) Limited	–	640
Silplat (Proprietary) Limited	–	–
Total investments in associates	1 038	1 417

(All amounts in rand millions unless otherwise stated)	2008	2007

9 Available-for-sale financial assets

Investment in listed shares

Comprises shares in the following listed company

Aquarius Platinum Limited		
Beginning of the year	1 543	745
Net gains transferred to equity	650	798
Net book value	2 193	1 543
Disposal of investment (note 31)	(2 193)	–
End of the year	–	1 543

During the year, the group disposed of its entire interest of 7 141 966 shares in Aquarius Platinum Limited, which amounted to approximately 8.6% of the issued share capital of that company.

Other listed shares		
Acquisition	39	–
Net gains transferred to equity	11	–
Exchange adjustment	6	–
	56	–

During the year the group acquired various shares listed on the Zimbabwean stock exchange. The fair value of these shares as at the close of business on 30 June 2008 is the stock exchange quoted prices at closing exchange rate.

Investment in unlisted shares

Silplat (Proprietary) Limited

Beginning of year	15	15
Transferred to investments in associates (note 8 iii)	(15)	–
	–	15

Total available-for-sale-financial assets

Available-for-sale investments are denominated in the following currencies:

Australian dollar	–	1 365
British pound	–	178
South African rand	–	15
Zimbabwean dollar	56	–
	56	1 558

10 Held-to-maturity assets

Investment in interest-bearing instruments	47	121

The investment is held through the Impala Pollution, Rehabilitation and Closure Trust Fund. The fund is an irrevocable trust under the group's control. The funds are invested primarily in interest-bearing instruments.

For the year ended 30 June

(All amounts in rand millions unless otherwise stated)	2008	2007
11 Other receivables and prepayments		
Loans		
BEE companies		
Beginning of the year	610	557
Amortisation of fair value adjustment (note 27)	16	23
Interest accrued	46	30
End of the year	672	610

Black economic empowerment companies (BEE)
As an integral part of the sale of the group's share in Lonplats, an amount of R618 million was made available as loans in 2005 to the following BEE companies in equal amounts:
- Thelo Incwala Investments (Proprietary) Limited,
- Dema Incwala Investments (Proprietary) Limited and
- Vantage Capital Incwala Investments (Proprietary) Limited.

These loans are repayable within 3 to 5 years (2007: 4 to 6 years) and are structured into interest free and interest bearing. The interest bearing loans bear interest in years 3 and 4 at the Johannesburg Interbank Acceptance Rate (JIBAR) plus 100 basis points in year 5 at JIBAR plus 200 basis points and thereafter at JIBAR plus 300 basis points. The loans are secured by a guarantee from Lonmin plc. In terms of the group's accounting policy, these loans were fair valued on initial recognition.

The effective interest rate for the loans is 12.1% (2007: 9.8%)

	2008	2007
Royalty prepayments		
Beginning of the year	12 537	59
Additions (note 29)	–	12 483
Charged to the income statement during the year (note 26)	(329)	(5)
	12 208	12 537
Less: current portion of prepayment (note 13)	(329)	(408)
End of the year	11 879	12 129

In March 2007, the group finalised a deal with the Royal Bafokeng Holdings (Proprietary) Limited. In terms of this transaction Impala Platinum agreed to pay the Royal Bafokeng Nation (RBN) all future royalties due to them, thus effectively discharging any further obligation to pay royalties. In turn the RBN purchased, through Royal Bafokeng Impala Investment Company (Proprietary) Limited and Royal Bafokeng Tholo Investment Holding Company (Proprietary) Limited, 75.1 million shares giving them a 13.4% holding in the company.

	2008	2007
Total other receivables and prepayments	12 551	12 739

(All amounts in rand millions unless otherwise stated)	2008	2007

12 Inventories

Refined metal		
At cost	1 653	441
Net realisable value	120	116
	1 773	557
In-process metal	3 751	3 192
Metal inventories	5 524	3 749
Stores and materials inventories	369	249
	5 893	3 998

13 Trade and other receivables

Trade receivables and advances	4 894	3 771
Receivables from related parties (note 40)	7	946
Other receivables	239	11
Employee receivables	189	131
Prepayments	245	29
Royalties prepayments – current portion (note 11)	329	408
South African Revenue Services (Value Added Taxation)	315	240
	6 218	5 536

Trade receivables and advances of R3 540 million (2007: R2 127 million) to customers are secured by in-process metal inventories held as collateral against these advances.

The uncovered foreign currency denominated balances, included above, were as follows:

Trade and other receivables (US$ million)	430	393

The credit exposures of trade receivables and advances by country are as follows:

North America	2 431	1 985
South Africa	1 733	1 028
Asia	320	376
Europe	136	305
Zimbabwe	274	77
	4 894	3 771

Other receivables represent primarily a South African exposure.

For the year ended 30 June

(All amounts in rand millions unless otherwise stated)	2008	2007
14 Cash and cash equivalents		
Short-term bank deposits	5 206	2 290
Cash at bank	5 187	932
	10 393	3 222
The weighted average effective interest rate on short-term bank deposits was 10.7% (2007: 8.2%) and these deposits have a maximum maturity of 30 days (2007: 90 days).		
Cash and cash equivalents include the following for the purposes of the cash flow statement:		
Cash and cash equivalents	10 393	3 222
Bank overdraft (note 17)	–	(4)
	10 393	3 218
The net exposure to foreign currency denominated balances as at 30 June was as follows:		
Bank balances (US$ million)	317	196
The exposures by country are as follows:		
South Africa	9 431	2 283
Europe	276	441
Zimbabwe	670	394
Asia	6	7
Mauritius	10	97
	10 393	3 222
The following cash and cash equivalents are restricted for use by the group by virtue of contractual agreements:		
ABSA deposit account for guarantees	6	6
Deposit with the Zimbabwean Reserve Bank	343	212
Commitments to Tau Mining (Afplats)	15	12
Insurance cell captive	64	50
Impala Pollution, Rehabilitation and Closure Trust Fund	83	–
	511	280
The carrying amount of the cash and cash equivalents approximates its fair value		
15 Non-current assets classified as held-for-sale		
Comprise freehold residential property situated at 5 Orchard Lane Rivonia, held by title deed no T108787/2001.		
Beginning of the year at cost	2	2
Disposal of property (refer to note 31)	(2)	–
End of the year	–	2

(All amounts in rand millions unless otherwise stated)	2008	2007

16 Share capital

Share capital and share premium

The authorised share capital of the holding company is as follows:		
844 008 000 (2007: 844 008 000) ordinary shares with a par value of 2.5 cents each	21	21
The issued share capital of the holding company is as follows:		
Number of shares issued	631.60	630.90
Treasury shares	(10.70)	(9.80)
Morokotso Trust	(15.60)	(16.40)
Implats Share Incentive Trust	(0.30)	(0.60)
	605.00	604.10
Adjusted for weighted shares issued during the year	(0.30)	(52.70)
Weighted average number of ordinary shares in issue (millions) (note 35)	604.70	551.40
Adjustment for share option scheme	0.50	0.95
Weighted average number of ordinary shares for diluted earnings per share (note 35)	605.20	552.35

The table below excludes the treasury shares, Morokotso Trust and the Implats share incentive scheme as these special purpose vehicles are consolidated.

	Number of shares issued (million)	Ordinary shares (R million)	Share premium (R million)	Share based payment reserve (R million)	Total (R million)
Balance at 30 June 2006	527	13	266	179	458
Issued by the share option scheme	2	–	79	–	79
Issued to the Royal Bafokeng Nation	75	2	12 481	–	12 483
Share issue cost	–	–	(18)	–	(18)
Cost of equity compensation plan	–	–	–	17	17
BEE compensation charge (note 29)	–	–	–	1 790	1 790
Balance at 30 June 2007	604	15	12 808	1 986	14 809
Issued by the share option scheme	1	–	59	–	59
Issued by the Employee Share Ownership Programme	–	–	131	–	131
Cost of equity compensation plan	–	–	–	5	5
Shares purchased	–	–	(254)	–	(254)
Balance at 30 June 2008	605	15	12 744	1 991	14 750

The group acquired, through a subsidiary, 826 473 (2007: nil) of its own shares in this financial year in terms of an approved share buy-back scheme. This was done through purchases on the JSE Limited for an amount of R183 million (2007: nil) and through the exercising of its right of first refusal. Shares were sold by the Morokotso Trust for an amount of R71 million (2007: nil).

16 Share capital (continued)

For the year ended 30 June

	2008 Number (000)	2008 Weighted average exercise price (Rand)	2007 Number (000)	2007 Weighted average exercise price (Rand)
Share options				
Movement in the number of share options outstanding was as follows:				
Beginning of the year	2 014	68	3 539	67
Exercised	(942)	69	(1 380)	65
Forfeited	(52)	68	(145)	65
End of the year	1 020	66	2 014	68
Exercisable	528	66	536	65
Not yet exercisable	492	65	1 478	68
	1 020	66	2 014	68

Refer to the Directors' report for the details on share options held by key management personnel (directors and senior management).

Share options outstanding (number in thousands) at the end of the year have the following terms:

	Vesting years							
Options price Rand per share	2001-2004	2005	2006	2007	2008	2009	2010	Total number
25.00	5.2	2.6						7.8
47.63		1.1	1.1	12.0	17.9			32.1
53.79			14.0	24.5	25.0	25.0		88.4
57.71						13.5	13.5	27.0
59.41					4.0	9.4	9.4	22.8
60.44					0.2	12.4	12.4	25.1
60.51		4.0	6.7	11.8	22.7			45.1
63.16						19.0	19.0	38.0
63.38	5.2	1.0	15.5	66.7	–	–		88.4
63.39				8.9	68.4	68.4		145.7
64.48					6.3	14.3		20.6
67.05					27.0	32.8	32.8	92.6
67.43						7.7		7.7
68.03						7.7	7.7	15.4
69.50			1.4	10.6				12.0
71.12					4.2			4.2
72.38					11.9			11.9
73.38					44.4	101.3		145.7
73.75					6.5			6.5
74.28			2.7	2.3	45.2			50.3
75.00					118.5			118.5
76.44				1.0	8.2	4.9		14.1
Total 2008	**10.4**	**8.7**	**41.4**	**137.8**	**410.4**	**316.4**	**94.8**	**1 020.1**
Total 2007	16.3	11.4	70.7	479.7	990.2	343.0	102.3	2 013.6
Actual remaining contractual life (years):								
2008	1-4	2-5	3-6	4-7	5-7	6-7	7	
2007	2-5	3-6	4-7	5-8	6-8	7-8	8	

The Share Option Scheme was closed to future grants with effect from October 2004.

(All amounts in rand millions unless otherwise stated)	2008	2007

17 Borrowings

	2008	2007
Current		
Standard Bank of South Africa Ltd	30	18
Bank overdrafts (note 14)	–	4
Lease liabilities	16	11
	46	33
Non-current		
Standard Bank of South Africa Ltd	1 186	450
Lease liabilities	278	235
	1 464	685
Total borrowings	1 510	718

Borrowings from Standard Bank Limited:

- loans obtained by BEE partners for purchasing a 27% (2007: 22.5%) share in Marula Platinum (Proprietary) Limited amounting to R755 million (2007: R395 million). The BEE partnership in Marula is consolidated as the loans are guaranteed by Implats. The loan carries interest at the Johannesburg Interbank Acceptance Rate (JIBAR) plus 90 basis points and a revolving credit facility amounting to R57 million (2007: R73 million), which carries interest at JIBAR plus 100 basis points. The loans are repayable over 7.5 (2007: 8.5) years.
- a loan facility of R635 million (US$80 million) was obtained during the year to partially finance the Ngezi Phase One expansion at Zimplats. An amount of R404 million (US$51 million) of this facility was drawn at year end. The loan carries interest at London Interbank Offering Rate (LIBOR) plus 700 basis points. It is repayable in 12 equal quarterly instalments starting December 2009 and will be repaid by December 2012.

  This loan is secured by sessions over cash, debtors and revenues of Zimplats Mines (Pvt) Limited.

The effective interest rates for the year were as follows:

	2008 %	2007 %
Bank loans rand	11	8
Bank loans US dollar	13	8

	2008			2007		
	Minimum lease payments	Interest	Principal	Minimum lease payments	Interest	Principal
Lease liabilities						
Less than one year	50	34	16	39	28	11
Between 1 and 5 years	236	137	99	206	162	44
More than five years	295	116	179	329	138	191
	581	287	294	574	328	246

The interest rates applicable are 10.5% (2007: 5.0%) for Zimbabwean US dollar denominated liabilities and 11.5% (2007: 11.5%) for South African rand-denominated liabilities.

Borrowing powers

In terms of the articles of association of the companies in the group, the borrowing powers of the group are determined by the directors but are limited to equity attributable to owners of the parent.

	2008	2007
Equity attributable to owners of the parent	43 418	32 968
Currently utilised	1 510	718

For the year ended 30 June

(All amounts in rand millions unless otherwise stated)	2008	2007

18 Deferred income tax

Deferred income tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred income taxes relate to the same fiscal authority. The offset amounts are as follows:

Deferred tax assets and liabilities are attributable to the following items:

	2008	2007
Deferred tax assets		
– Deferred tax assets to be recovered within 12 months	(662)	(44)
– Deferred tax assets to be recovered after 12 months	(339)	(522)
Deferred tax liabilities		
– Deferred tax liabilities to be settled within 12 months	146	251
– Deferred tax liabilities to be settled after 12 months	6 102	5 363
Deferred tax liabilities – net	5 247	5 048

There are no unrecognised temporary differences in the group (2007: nil)

Deferred income taxes are calculated at the prevailing tax rates of the different fiscal authorities where the asset or liability originates.

	2008	2007
The movement on the deferred income tax account is as follows:		
Beginning of the year	5 048	2 919
Income statement charge (note 34)	399	516
Rate change (note 34)	(174)	–
Taxation charge to equity	(60)	104
Acquisition of subsidiaries (note 39)	–	1 512
Exchange adjustment	34	(3)
End of the year	5 247	5 048

Deferred tax assets and liabilities are attributable to the following items:

	2008	2007
Deferred tax liabilities		
Recognised directly in income statement:		
Property plant and equipment	4 786	4 027
Exploration and evaluation assets	1 202	1 245
Royalty prepayment	135	117
Other	11	35
Recognised directly in equity:		
Translation differences of foreign subsidiaries	114	–
Market value of listed investments	–	190
	6 248	5 614

(All amounts in rand millions unless otherwise stated)	2008	2007

18 Deferred income tax (continued)

Deferred tax assets		
Recognised directly in income statement:		
Rehabilitation and post-retirement medical provisions	(66)	(83)
Lease liabilities	(8)	(70)
Share-based payments	(163)	(89)
Leave pay	(88)	(80)
Unrealised profit in metal inventories	(288)	(110)
Translation differences of foreign subsidiaries	–	(61)
Fair value adjustments	–	(58)
Secondary tax on companies credit*	(351)	–
Other	(37)	(15)
	(1 001)	(566)
Net deferred tax liability	5 247	5 048

* Represents the future tax benefit on dividends receivable that will be realised when future dividends are declared.

The aggregate amount for deferred tax liabilities relating to subsidiaries, associates and interest in a joint venture is R5 604 million (2007: R4 857 million).

19 Long-term provisions

i) Pension and provident plans

Independent funds provide pension and other benefits to all permanent employees and their dependants.

At the end of the financial year the following funds were in existence:

Impala Provident Fund
Impala Platinum Refineries Provident Fund
Impala Workers Provident Fund
Impala Supplementary Pension Fund
Sentinel Pension Fund (industry fund)
Mine Employees Pension Fund (industry fund)
Mining Industry Pension Fund Zimbabwe (industry fund)
National Social Security Scheme Zimbabwe (industry fund)[1]
Novel Platinum Pension Fund
Old Mutual – Zimasco Pension Fund

[1] This is the only defined benefit plan. Information for the Zimbabwean multi employer defined benefit plan is not readily available or cannot be obtained and therefore the assets or liabilities of the funds are not accounted for in the statement of financial position. The number of employees that contribute to these funds represents approximately 8% (2007: 8%) of employees in the group. The group accounts in substance for this multi-employer benefit plan as a defined contribution plan (note 1.17).

19 Long-term provisions (continued)

ii) Post-employment medical benefits

The amounts recognised in the income statement were as follows:

Movement in the liability recognised in the statement of financial position:

For the year ended 30 June

(All amounts in rand millions unless otherwise stated)	2008	2007
Beginning of the year	56	58
Raised (note 23)	3	3
Redeemed	(4)	(5)
End of the year	55	56

Post employment medical benefits are an unfunded liability

iii) Cash-settled share appreciation rights liability		
Beginning of the year	598	129
Charged to income statement (note 23)	1 055	558
Paid to employees during the year	(198)	(89)
Exchange adjustment	2	–
End of the year	1 457	598

Share appreciation rights, net of options forfeited, were granted to employees during the year at an average exercise price of R240.14 per share (2007: R186.68) and expire during 2018 (2007: 2017).

Movement in the number of share appreciation rights outstanding was as follows:	'000	'000
Beginning of the year	22 307	4 630
Granted	1 295	18 759
Lapsed during the year	(499)	(403)
Paid to employees during the year	(1 670)	(679)
End of the year	21 433	22 307
Exercisable	697	317
Not yet exercisable	20 736	21 990
	21 433	22 307

19 Long-term provisions (continued)

Share appreciation rights outstanding (number in thousands) at the end of the year have the following terms:

	Vesting years									
Price per share	2006	2007	2008	2009	2010	2011	2012	2013	2016	Total number
57.7				13.2	13.2					26.4
62.4		6.6	6.6	6.6	6.6					26.4
63.4				19.4	19.4					38.8
63.7			446.4	553.8	553.8					1 554.0
75.4				2.7	2.7	2.7				8.1
88.8				5.2	5.2	5.2				15.7
110.1			20.0	92.4	92.4	92.4				297.2
102.2				1.6	1.6	1.6				4.8
110.1				3.4	3.4	3.4				10.1
119.2				4.3	4.3	4.3				13.0
128.6			0.9	0.9	0.9	0.9				3.6
130.8				1.3	1.3	1.3				3.8
149.4			117.9	176.0	176.0	176.0				645.9
140.1			97.4	134.4	134.4	134.4				500.7
159.9				1.4	1.4	1.4	1.4			5.8
160.1				17.0	17.0	17.0	17.0			68.1
160.2				4.7	4.7	4.7	4.7			18.7
167.2				95.1	95.1	95.1	95.1			380.4
172.1				4.2	4.2	4.2	4.2			16.9
174.5				5.8	5.8	5.8	5.8			23.3
177.4				0.8	0.8	0.8	0.8			3.1
186.5				6.6	6.6	6.7	6.7			26.6
195.2				2.2	2.2	2.2	2.2			8.8
205.9				23.0	23.0	23.0	23.0			92.2
205.4				3.3	3.3	3.3	3.3			13.3
233.7				196.0	196.0	196.0	196.0			784.0
208.3				3.5	3.5	3.5	3.5			14.1
208.1				1.0	1.0	1.0	1.0			4.2
229.0				0.8	0.8	0.8	0.8			3.4
229.2				8.0	8.0	8.0	8.0			32.1
325.1				0.4	0.4	0.4	0.4			1.5
228.3				0.7	0.7	0.7	0.7			2.8
226.6				0.6	0.6	0.6	0.6			2.5
224.2				1.3	1.3	1.3	1.3			5.4
226.2					7.2	7.2	7.2	7.2		28.8
223.2					12.0	12.0	12.0	12.0		48.0
199.4					1.4	1.4	1.4	1.4		5.4
199.0					9.8	9.8	9.8	9.8		39.4
197.2					1.5	1.5	1.5	1.5		6.1
199.8					0.7	0.7	0.7	0.7		2.8
203.5					0.7	0.7	0.7	0.7		2.6
213.3					1.6	1.6	1.6	1.6		6.2
214.6					3.0	3.0	3.0	3.0		12.1
242.2					70.6	70.6	70.6	70.6		282.2
243.4					5.4	5.4	5.4	5.4		21.4
236.0					6.9	6.9	6.9	6.9		27.5
232.6					4.6	4.6	4.6	4.6		18.2
246.4					9.3	9.3	9.3	9.3		37.2
282.1					10.7	10.7	10.7	10.7		42.8
320.8					10.2	10.2	10.2	10.2		40.6
317.8					9.4	9.4	9.4	9.4		37.8
333.9					128.1	128.1	128.1	128.1		512.3
159.2†						6 242.4			9 363.6	15 606.0
Total 2008		6.6	689.1	1 391.9	1 684.8	7 334.4	669.7	292.9	9 363.6	21 433.1
Total 2007		316.7	1 169.9	1 564.4	1 564.4	7 437.5	394.5		9 859.7	22 307.1
Actual remaining contractual life (years):										
2008		7	7-8	7-9	7-9	8-9	9-10	10	10	
2007		8	8-9	8-10	8-10	9 -10	10		10	

For the year ended 30 June

(All amounts in rand millions unless otherwise stated)	2008	2007

19 Long-term provisions (continued)

† The Employee Share Ownership Programme (ESOP) for broad-based economic empowerment was introduced in 2007.

The input parameters were the same as for the calculation of the share option scheme (note 3).

The total intrinsic value was R2 338 million (2007: R1 455 million) as determined by the year-end share price of R309 (2007: R216).

	2008	2007
iv) Provision for future commitments		
Beginning of the year	120	123
Amortisation of fair value through income statement (note 28)	10	5
Payments for the year	(14)	(8)
End of the year	116	120

Future commitments consist of:

Fees payable to the Bakwena Bamagopa as a result of an agreement with the acquisition of Afplats.

Future payments to the Impala Bafokeng local economic development trust as a result of the Impala-Bafokeng empowerment transaction.

	2008	2007
v) Provision for future rehabilitation		
Beginning of the year	330	335
Change in estimate	17	(8)
Charge to income statement	20	22
Utilised during the year	(51)	(18)
Exchange adjustment	8	(1)
End of the year	324	330

(All amounts in rand millions unless otherwise stated)	2008	2007

19 Long-term provisions (continued)

Current cost rehabilitation estimate is R745 million (2007: R676 million).

Cash flows relating to rehabilitation costs will mostly occur at the end of the life of the mine.

The movement of the investment in the Impala Pollution, Rehabilitation and Closure Trust Fund, is as follows:

	2008	2007
Beginning of year	121	108
Interest accrued (note 27)	9	13
End of the year	130	121

Guarantees have been provided to the various Minerals and Energy Departments (DME) to satisfy the requirements of the Mineral and Petroleum Resources Development Act with respect to environmental rehabilitation (note 38). Refer to note 3 for assumptions used in calculating the provision.

Summary	2008	2007
Post employment medical benefits	55	56
Cash settled share appreciation rights liability	1 457	598
Future commitments	116	120
Provision for future rehabilitation	324	330
	1 952	1 104
Current	404	103
Non-current	1 548	1 001
	1 952	1 104

For the year ended 30 June

(All amounts in rand millions unless otherwise stated)	2008	2007

20 Trade and other payables

	2008	2007
Trade payables	5 221	3 233
Leave liability [1]	314	290
Forward commitments [2]	318	209
Royalties payable	314	1 697
Payables related parties (note 40)	581	1 513
South African Revenue Services (Value added tax)	123	–
Other payables	43	28
	6 914	6 970

	2008	2007
The uncovered foreign currency denominated balances as at 30 June were as follows:		
Trade and other payables (US$ million)	100	62
Forward commitments [2] (US$ million)	40	30
	140	92

[1] Leave liability

Employee entitlements to annual leave are recognised on an ongoing basis. The liability for annual leave as a result of services rendered by employees is accrued up to the reporting date.

[2] Forward commitments

From time to time, in order to finance third party refining, Impala Refining Services Limited sells refined metal, held on behalf of third parties, into the market with a commitment to repurchase at a later date.

21 Current tax payable

	2008	2007
Beginning of the year	1 373	927
Charge from the income statement (note 34)	4 887	3 378
Payments made during the year	(5 080)	(2 932)
Exchange adjustment	3	–
End of the year	1 183	1 373

22 Derivative financial instruments

	2008	2007
Beginning of the year	49	103
Fair value movement	5	5
Realised	(54)	(59)
End of the year	–	49

At 30 June 2007, the group had forward sales contracts of 22 000oz of platinum.

For the year ended 30 June

(All amounts in rand millions unless otherwise stated)	2008	2007

23 Employee benefit expense

Employment costs

Wages and salaries	3 762	3 255
Other post-retirement benefits (note 19)	3	3
Pension costs defined contribution plans	312	261
Share-based compensation	1 060	575
Equity-settled (note 16)	5	17
Cash-settled (note 19)	1 055	558
	5 137	4 094

24 Cost of sales

Included in cost of sales:

On mine operations	7 303	5 901
Labour	4 309	3 382
Materials and other mining costs	2 757	2 310
Utilities	237	209
Concentrating and smelting operations	1 478	1 316
Labour	310	250
Materials and other costs	858	799
Utilities	310	267
Refining operations	670	594
Labour	370	310
Materials and other costs	253	252
Utilities	47	32
Amortisation of operating assets (note 5)	1 013	865
Metals purchased	11 012	9 369
Increase in metal inventories	(1 588)	(1 035)
	19 888	17 010

25 Other operating expenses

Other costs comprise the following principal categories:

Corporate costs	429	326
Selling and promotional expenses	104	152
	533	478

26 Royalty expense

Royalties	319	1 698
Amortisation of royalty prepayment (note 11)	329	5
	648	1 703

For the year ended 30 June

(All amounts in rand millions unless otherwise stated)	2008	2007
27 Finance income		
Short-term bank deposits	395	492
Amortisation of fair value adjustment (note 11)	16	23
Rehabilitation and closure trust fund (note 19)	9	13
Employees loans	12	8
Dividends received	42	23
South African Revenue Services	32	–
Settlement discount	15	13
Loans and advances	120	62
Other	–	1
	641	635
Metal lease fees	41	12
Fair value profit/(loss) on forward metal sales	7	(5)
	689	642
28 Finance cost		
Bank borrowings	183	27
Interest paid finance leases	37	28
Future commitments unwinding of discount (note 19)	10	5
Rehabilitation obligation unwinding of the discount (note 19)	20	22
Finance costs	250	82
Less borrowing cost capitalised (note 5) [1]	(95)	–
	155	82

[1] Borrowing cost was capitalised during the year. The average rate calculated for the capitalisation was 12% (2007: nil).

(All amounts in rand millions unless otherwise stated)	2008	2007

29 BEE compensation charge

Impala Platinum Limited		
Discount on shares issued relating to future royalties	–	1 790

During 2007 Implats issued 75 115 204 shares to the Royal Bafokeng Nation and they acquired a shareholding in Implats. The shares were issued at a discount which represents the difference between the market value of the shares and the fair value of the royalties that would have been payable for the next 31 years.

Present value of future royalty payments at a discount rate 11.13%, up to 2038 (note 11)	–	(12 483)
Market value of 75 115 204 Implats shares issued at R190.01	–	14 273
Discount on issue of Implats shares to the fair value of royalty payments	–	1 790

30 Other expenses/(income)

Exploration expenditure	91	57
RBN community development project [1]	–	88
Impairment of property, plant and equipment (note 5) [2]	84	–
Profit on disposal of property, plant and equipment	(6)	–
Other	46	69
	215	214

[1] An expense for the commitment to contribute up to R170 million by 30 June 2017 to the Bafokeng Impala Development Trust amounting to a liability of R88 million (present value of estimated future payments) with a corresponding community development expense to the income statement.

[2] This impairment charge relates to the BMR at Zimplats. Based on the current expansion plan, it has become evident that the current BMR would not have the capacity to accommodate the smelting off-take.

For the year ended 30 June

(All amounts in rand millions unless otherwise stated)	2008	2007
31 Profit on sale of investments		
Sale of investment in Aquarius Platinum Limited		
Proceeds from disposal of available-for-sale financial assets	2 193	–
Transaction costs	(10)	–
Carrying value of available-for-sale financial asset (note 9)	(2 193)	–
Net gains transferred from equity	2 164	–
Profit on sale of available-for-sale investments	2 154	–
Sale of investment in Aquarius Platinum (South Africa) (Proprietary) Limited		
Proceeds from disposal of investment in associate	3 509	–
Carrying value of investment (note 8)	(833)	–
Profit on sale of investment in associate	2 676	–
Sale of property		
Proceeds from disposal of property	3	–
Carrying value of property (note 15)	(2)	–
Profit on sale of property	1	–
Total profit on sale	4 831	–

32 Share of profit of associates

	2008	2007
Two Rivers Platinum (Proprietary) Limited (note 8 i)	250	106
Aquarius Platinum (South Africa) (Proprietary) Limited (note 8 ii)	428	282
	678	388

33 Profit before tax

The following disclosure items have been charged in arriving at profit before tax:

	2008	2007
Auditor remuneration	8	6
Fees for audit	7	5
Fees for other services	1	1
Amortisation of property, plant and equipment (note 5)	1 013	865
Repairs and maintenance expenditure on property, plant and equipment	312	214
Operating lease rentals	70	29
Professional fees	101	56
Employee benefit expense (note 23)	5 137	4 094

For the year ended 30 June

(All amounts in rand millions unless otherwise stated)	2008	2007

34 Income tax expense

Current tax		
South Africa company tax		
Mining	3 258	2 336
Non-mining	927	547
Prior year over provision	(6)	–
	4 179	2 883
Other countries company tax		
Foreign tax	2	108
	4 181	2 991
Secondary tax on companies (STC) (note 36)	706	388
	4 887	3 379
Deferred tax (note 18)		
– Income statement charge	399	516
– Rate change	(174)	–
Tax for the year	5 112	3 895

During the current year, a reduction in the South African corporate tax rate was effected from 29% to 28%.

The tax of the group's profit differs as follows from the theoretical charge that would arise using the basic tax rate for South African companies:

	2008 %	2007 %
Normal tax rate for companies	28.0	29.0
Adjusted for:		
Disallowable expenditure	0.8	1.3
BEE compensation charge	–	4.6
Profit on disposal of assets	(5.9)	(0.1)
Change in tax rate	(0.5)	–
Capital gains tax	0.1	–
Prior year overprovision	0.1	–
Effect of after tax share of profit from associates	(0.8)	(1.0)
Effect of different tax rates of foreign subsidiaries	(1.1)	(2.6)
Secondary tax on companies	3.1	3.5
Secondary tax on companies credits	(1.5)	–
Effective tax rate	22.3	34.7

For the year ended 30 June

(All amounts in rand millions unless otherwise stated)	2008	2007
35 Earnings per share		
Basic earnings per share is calculated by dividing the profit for the year by the weighted average number of ordinary shares in issue during the year.		
Profit attributable to the owners of the parent	17 596	7 232
Weighted average number of ordinary shares in issue (millions) (note 16)	604.70	551.40
Basic earnings per share (cents)	2 910	1 312
Diluted earnings per share is calculated by adjusting the weighted average number of ordinary shares outstanding to assume conversion of all dilutive potential ordinary shares as a result of share options granted to employees under the share option scheme. A calculation is done to determine the number of shares that could have been acquired at fair value (determined as the average annual market price of the company's shares) based on the monetary value of the subscription rights attached to outstanding share options. The number of shares calculated as above is compared with the number of shares that would have been issued assuming the exercise of the share options.		
The shares issued to the Morokotso Trust had no dilutive effect.		
Profit attributable to owners of the parent	17 596	7 232
Weighted average number of ordinary shares in issue (millions) (note 16)	604.70	551.40
Adjustments for share options (millions) (note 16)	0.50	0.95
Weighted average number of ordinary shares for diluted earnings per share (millions) (note 16)	605.20	552.35
Diluted earnings per share (cents)	2 907	1 309
Headline earnings per share is disclosed as required by the JSE Limited.		
The calculation for headline earnings per share is based on the earnings per share calculation adjusted for the following items:		
Profit attributable to owners of the parent	17 596	7 232
Adjustments net of tax:		
Profit on disposal of property, plant and equipment	(4)	–
Impairment of Zimplats BMR	74	–
Profit on sale of investment	(5 181)	–
	12 485	7 232
Headline earnings per share (cents)		
Basic	2 065	1 312
Diluted	2 062	1 309

(All amounts in rand millions unless otherwise stated)	2008	2007

36 Dividends per share

At the board meeting on 28 August 2008, a final dividend in respect of 2008 of 1 175 cents per share amounting to R7 109 million was declared. Secondary Tax on Companies (STC) on the dividend will amount to R711 million.

These financial statements do not reflect this dividend and related STC payable. The dividend will be accounted for in shareholders' equity as an appropriation of retained earnings in the year ending 30 June 2009.

	2008	2007
Dividends paid		
Final dividend No. 79 for 2007 of 700 (2006: 275) cents per share	4 237	1 452
Interim dividend No 80 for 2008 of 300 (2007: 275) cents per share	1 818	1 660
	6 055	3 112

37 Cash generated from operations

	2008	2007
Adjustment to profit before tax:		
Amortisation (notes 5, 33)	1 013	865
Finance income (note 27)	(641)	(635)
Finance cost (note 28)	155	82
Share of results of associates (note 32)	(678)	(388)
Retirement benefit obligations (note 19)	3	3
Payments made for employee benefit obligations (note 19)	(202)	(94)
Payments made for rehabilitation (note 19)	(51)	(18)
Share-based compensation (note 19)	1 055	558
Payments made for other long term liabilities (note 19)	(14)	(8)
Equity compensation (note 16)	5	17
Amortisation of prepaid royalty (note 11)	329	5
Profit on disposal of investment (note 31)	(4 831)	–
BEE compensation charge (note 29)	–	1 790
Derivative financial instruments (note 22)	(54)	(59)
Unrealised profit in inventories	582	192
Foreign currency adjustment	(96)	8
Acquisition-date fair value adjustment (note 8)	24	–
Impairment of fixed assets (note 30)	84	–
Exploration expenditure written off (note 6)	24	–
Profit on disposal of property, plant and equipment (note 30)	(6)	–
Operating cash flow	(3 299)	2 318

For the year ended 30 June

(All amounts in rand millions unless otherwise stated)	2008	2007

37 Cash generated from operations (continued)

Changes in working capital (excluding the effects of acquisition and disposal of subsidiaries):

	2008	2007
Trade and other receivables	(578)	(1 578)
Per the statement of financial position	(682)	(1 950)
Acquisition of a subsidiary (note 39)	–	4
Movement in short-term portion of long-term receivable	(79)	402
Other non cash movements	–	(15)
Exchange adjustment	183	(19)
Inventories	(2 437)	(1 258)
Per the statement of financial position	(1 895)	(1 062)
Unrealised profit in inventories	(582)	(193)
Translation of foreign subsidiaries	40	(3)
Trade and other payables	(90)	2 245
Per the statement of financial position	(56)	2 351
Acquisition of a subsidiary (note 39)	–	(106)
Exchange adjustment	(41)	5
Forward commitments (note 27)	7	(5)
Cash from changes in working capital	(3 105)	(591)

38 Contingent liabilities and guarantees

Guarantees

At year end the group had contingent liabilities in respect of bank and other guarantees and other matters arising in the ordinary course of business from which it is anticipated that no material liabilities will arise.

	2008	2007
Related party		
Two Rivers Platinum (Proprietary) Limited (note 8)	57	325
Collateral security for employee housing and loans	42	1
Department of Minerals and Energy (note 19)	391	293
Eskom	34	31
Registrar of medical aids	5	5
Total guarantees	529	655

Contingencies

BTX Mining, a contract miner for Barplats Mines Limited, has lodged a claim for an amount of R49 million against Impala Platinum Limited following the closure of the Barplats Mine. A preliminary finding pertaining to the merit of the claim is currently on appeal and Impala maintains its position that the claim lacks merit and therefore no amount is due to BTX Mining.

The City of Johannesburg Metropolitan Council has proceeded with legal action against Impala Platinum Holdings Limited in respect of Regional Services Council Levies claiming an amount of R50 million. The company is of the opinion that this amount is not due and will defend the legal action.

(All amounts in rand millions unless otherwise stated)	2008	2007

39 Business combinations

Acquisition of subsidiary

During the prior financial year, the group acquired the entire issued and to be issued share capital of African Platinum Plc, an exploration and development business focused on platinum group metals. The acquired business did not contribute to group revenue or profit for the year under review due to its nature as a developing mine and exploration activities.

	2008	2007
Details of the net assets acquired are as follows:		
Purchase consideration:		
Cash paid	–	4 096
Direct costs relating to the acquisition	–	62
Total purchase consideration	–	4 158
Less: Fair value of net assets acquired	–	(3 138)
Goodwill (note 7)	–	1 020

Goodwill is attributable to deferred tax provided on the fair value adjustments of the assets of Afplats at acquisition date.

	2008	2007
The assets and liabilities arising from the acquisition are as follows:		
Cash and cash equivalents	–	81
Assets under construction (note 5)	–	1 599
Exploration and evaluation assets (note 6)	–	4 318
Other equipment (note 5)	–	1
Intergroup loan	–	180
Trade and other receivables (note 37)	–	4
Trade, other payables and contingent liabilities	–	(106)
Deferred tax liabilities (note 18)	–	(1 512)
Net assets	–	4 565
Non-controlling interest	–	(1 427)
Net assets acquired	–	3 138
Goodwill (note 7)	–	1 020
Purchase consideration settle in cash	–	4 158
Warrant outstanding	–	(13)
Intergroup loan	–	(180)
Cash and cash equivalents in subsidiary acquired	–	(81)
Cash outflow on acquisition	–	3 884

For the year ended 30 June

(All amounts in rand millions unless otherwise stated)	2008	2007

40 Related party transactions

The following transactions were carried out with related parties:

	2008	2007
Equity accounted entities		
Refining fees	9	5
Interest received	109	95
Dividends received	33	–
Capital repayments received	42	–
Purchases of goods from equity accounted entities		
Purchases of mineral concentrates	6 331	5 193

Key management compensation

Key management compensation and options granted have been disclosed in the Directors' Report, as directors and senior management remuneration.

	2008	2007
Year-end balances arising from sales/purchases of goods/services		
Payables to associates (note 20)	581	1 513
Receivables from associates (note 13)	–	769
Loans to related parties		
Advances to associates:		
Beginning of the year	177	107
Loans advanced during year	2 357	2 297
Loan repayments received	(2 531)	(2 231)
Interest charged	36	37
Interest received	(32)	(33)
End of the year (note 13)	7	177
Shareholders loans to associates:		
Beginning of the year	785	925
Loans advanced during the year	–	61
Loan repayments received	(224)	(259)
Interest charges	74	58
End of the year	635	785
Contingencies		
Guarantees provided (note 38)	57	325

41 Principal subsidiaries

The principal subsidiaries of the group are set out in page 186.

(All amounts in rand millions unless otherwise stated)	2008	2007

42 Interest in joint venture

The group has a 50% interest in a joint venture, Mimosa Investments Limited, which is involved in the business of mining PGMs. The following amounts represent the group's 50% share of the assets, liabilities, sales and results of the joint venture and are included in the consolidated statement of financial position and income statement:

	2008	2007
Property, plant and equipment	644	341
Available-for-sale financial investments	35	–
Current assets	608	710
	1 287	1 051
Provisions for liabilities and charges	(45)	(33)
Current liabilities	(59)	(45)
	(104)	(78)
Net assets	1 183	973
Sales	958	843
Profit before tax	534	542
Income tax expense	(17)	(23)
Profit after tax	517	519

Inter-group sales and profit are eliminated on consolidation.

	2008	2007
Capital commitments – approved expenditure not yet contracted	257	168
Capital commitments – commitments contracted for	162	82
	419	250

There are no contingent liabilities relating to the group's interest in the joint venture.

43 Financial instruments by category

	Loans and receivables	Financial assets and liabilities at amortised cost	Financial instruments at fair value through profit and loss (held for trading)	Held-to-maturity financial assets	Available for sale	Total	Fair value
As at June 2008							
Asset per consolidated statement of financial position							
Available-for-sale financial assets					56	56	56
Held-to-maturity financial assets				47		47	47
Other financial assets – Loans BEE – companies	672					672	645
Trade and receivables	5 329					5 329	5 329
Cash and cash equivalents	10 393					10 393	10 393
Total	16 394	–	–	47	56	16 497	16 470
Liabilities per consolidated statement of financial position							
Borrowings		1 216				1 216	1 216
Trade and other payables		6 473				6 473	6 473
Forward commitments			318			318	318
Total	–	7 689	318	–	–	8 007	8 007
Total comprehensive income							
Finance income							
Other financial assets – interest	62					62	
Cash and cash equivalents	424					424	
Finance cost							
Borrowings		(183)				(183)	
Fair value adjustment					11	11	
	486	(183)	–	–	11	314	

43 Financial instruments by category (continued)

	Loans and receivables	Financial assets and liabilities at amortised cost	Financial instruments at fair value through profit and loss (held for trading)	Held-to-maturity financial assets	Available for sale	Total	Fair value
As at June 2007							
Asset per consolidated statement of financial position							
Available-for-sale financial assets					1 558	1 558	1 558
Held-to-maturity financial assets				121		121	121
Other financial assets – Loans BEE – Companies	610					610	571
Trade and receivables	4 859					4 859	4 859
Cash and Cash equivalents	3 222					3 222	3 222
Total	8 691	–	–	121	1 558	10 370	10 331
Liabilities per consolidated statement of financial position							
Borrowings		468				468	468
Bank overdrafts		4				4	4
Forward sales			49			49	49
Trade and other payables	6 761	–				6 761	6 761
Forward commitments			209			209	209
Total	6 761	472	258	–	–	7 491	7 491
As at June 2007							
Total comprehensive income							
Finance income							
Other financial assets – interest	53					53	
Cash and cash equivalents	488					488	
Finance cost							
Borrowings		(27)				(27)	
Fair value adjustment					682	682	
	541	(27)	–	–	682	1 196	

Company statement of financial position

As at 30 June

(All amounts in rand millions unless otherwise stated)	Notes	2008	2007
Assets			
Non-current assets			
Investments in associates	1	680	873
Investments in subsidiaries and joint venture		6 185	6 224
Loans to subsidiaries		19 609	13 206
Available-for-sale financial investments	2	–	1 558
Other receivables and prepayment	3	40	40
Deferred tax assets	4	357	–
		26 871	21 901
Current assets			
Trade and other receivables		80	84
Total assets		26 951	21 985
Equity and liabilities			
Equity			
Share capital	5	18 024	17 978
Retained earnings		8 879	2 457
Other components of equity		–	1 324
Total equity		26 903	21 759
Liabilities			
Non-current liabilities			
Deferred tax liability	4	–	190
Current liabilities			
Trade and other payables		9	26
Current tax payable		39	10
		48	36
Total liabilities		48	226
Total equity and liabilities		26 951	21 985

Company income statement

For the year ended 30 June

(All amounts in rand millions unless otherwise stated)	Notes	2008	2007
Profit on sale of investments	6	5 845	–
Other (expense)/income	7	(159)	(86)
Investment income	8	6 485	3 243
Profit before taxation		12 171	3 157
Income tax	9	306	(18)
Profit for the year		12 477	3 139

The notes on pages 179 to 186 and accounting policies on pages 104 to 123 are an integral part of these company financial statements.

Company statement of total comprehensive income

(All amounts in rand millions unless otherwise stated)	Retained earnings	Other reserves	Total
30 June 2007			
Profit for the year	3 139		3 139
Fair value adjustment (note 2)		797	797
Deferred tax (note 4)		(116)	(116)
Total comprehensive income for the year	3 139	681	3 820
30 June 2008			
Profit for the year	12 477		12 477
Fair value adjustment (note 2)	–	650	650
Deferred tax (note 4)	–	(84)	(84)
Disposal of investment in available for sale financial asset (note 6)	–	(2 164)	(2 164)
Deferred tax (note 4)	–	274	274
Total comprehensive income for the year	12 477	(1 324)	11 153

Company statement of changes in equity

(All amounts in rand millions unless otherwise stated)	Share Capital (note 5)	Retained earnings	Fair value adjustments to investments	Total
Balance as at 30 June 2006	977	2 430	643	4 050
Employee share option scheme:				
– Proceeds from shares issued	2 728	–	–	2 728
– Fair value of employee service	17	–	–	17
Proceeds from shares issued	12 466	–	–	12 466
Dividends paid 2007 (note 11)	–	(3 112)	–	(3 112)
Comprehensive income for the year	–	3 139	681	3 820
BEE compensation charge	1 790	–	–	1 790
Balance as at 30 June 2007	17 978	2 457	1 324	21 759
Employee share option scheme:				
– Proceeds from shares issued	41	–	–	41
– Fair value of employee service	5	–	–	5
Dividends paid (note 11)	–	(6 055)	–	(6 055)
Comprehensive income for the year	–	12 477	(1 324)	11 153
Balance as at 30 June 2008	18 024	8 879	–	26 903

The notes on pages 179 to 186 and accounting policies on pages 104 to 123 are an integral part of these company financial statements.

Company cash flow statement

For the year ended 30 June

(All amounts in rand millions unless otherwise stated)	Notes	2008	2007
Cash flows from operating activities			
Cash inflow or outflow from changes in working capital	13	6 197	3 088
Income tax paid		(22)	(8)
Net cash from operating activities		6 175	3 080
Cash flows from investing activities			
Proceeds from investment sold	6	5 913	–
Purchase of associates	1	(9)	–
Increase in loan to associate		–	(119)
Proceeds from repayment by associate	1	202	–
Interest received		65	58
Dividends received	8	64	15
Loans to subsidiaries		(6 396)	(15 116)
Net cash used in investing activities		(161)	(15 162)
Cash flows from financing activities			
Issue of ordinary shares	5	41	15 194
Dividends paid to group shareholders	11	(6 055)	(3 112)
Net cash used in financing activities		(6 014)	12 082
Net (decrease)/increase in cash and cash equivalents		–	–
Cash and cash equivalents at end of year		–	–

The notes on pages 179 to 186 and accounting policies on pages 104 to 123 are an integral part of these company financial statements.

Notes to the company financial statements

Basis of preparation and accounting policies
The basis of preparation and principal accounting policies are disclosed on pages 104 to 123. Subsidiaries, associated undertakings and joint ventures are accounted for at cost less any impairment provision in the company financial statements.

For the year ended 30 June

(All amounts in rand millions unless otherwise stated)	2008	2007
1 Investments in associates		
Associates		
At cost		
Two Rivers Platinum (Proprietary) Limited (group note 8i)	680	669
Aquarius Platinum (South Africa) (Proprietary) Limited (group note 8ii)		
Beginning of the year	204	204
Shareholders loan repaid	(160)	–
Repayment of capital	(42)	–
Disposal of investment (note 6)	(2)	–
End of the year	–	204
During the year, the company disposed of its entire interest in Aquarius Platinum South Africa (Proprietary) Limited		
Silplat (Proprietary) Limited		
Transfer from available-for-sale financial investments (note 2)	15	–
Acquisition of additional shareholding	9	–
Fair value write off	(24)	–
End of the year	–	–
Total investment in associates	680	873
2 Available-for-sale financial assets		
Investment in listed shares		
Comprise shares in the following listed company		
Aquarius Platinum Limited		
Beginning of the year	1 543	746
Fair value gains transferred to equity	650	797
Disposal of investment (note 6)	(2 193)	–
End of the year	–	1 543
During the year, the company disposed of its entire interest of 7 141 966 shares in Aquarius Platinum Limited, which amounted to approximately 8.6% of the issued share capital of that company.		
Investment in unlisted shares		
Silplat (Proprietary) Limited		
Beginning of the year	15	15
Transferred to investment in associates (note 1)	(15)	–
End of the year	–	15
Total available for sale financial assets	–	1 558

For the year ended 30 June

(All amounts in rand millions unless otherwise stated)	2008	2007

3 Other receivables and prepayment

Loans to BEE Companies

Non-current	40	40

Loans granted to Tubatse Platinum (Pty) Limited, Marula Community Trust and Mmakau Platinum Mining (Pty) Ltd in terms of a BEE transaction. The loan is repayable on approval and adoption by the board of directors of Marula Platinum (Pty) Limited of a feasibility study on any aspect and/or portion of the non-cash producing portion of the Marula Mine.

4 Deferred income tax

Deferred income tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred income taxes relate to the same fiscal authority.

Deferred tax assets and liabilities are attributable to the following items:

Deferred tax assets		
Deferred tax asset to be recovered within 12 months	357	–
Deferred tax liabilities		
Deferred tax liability to be recovered within 12 months	–	(190)
Deferred tax assets/(liabilities) – net	357	(190)

There are no unrecognised temporary differences in the company (2007: nil)

Deferred income taxes are calculated at the prevailing tax rates of the different fiscal authorities where the asset or liability originates.

The movement on the deferred income tax account is as follows:		
Beginning of the year	(190)	(74)
Charge to income statement (note 9)	357	–
Charge from/(to) equity	190	(116)
End of the year	357	(190)

Deferred tax assets and liabilities are attributable to the following items:		
Deferred tax liabilities		
Market value adjustment of listed investments	–	(190)
Deferred tax assets		
Secondary tax on companies credit	351	–
Other	6	–
	357	(190)

(All amounts in rand millions unless otherwise stated)	2008	2007

5 Share capital

The authorised share capital of the holding company is as follows: 844 008 000 (2007: 844 008 000) ordinary shares with a par value of 2.5 cents each	21	21

The issued share capital of the holding company is as follows:

R millions	Number of shares issued	Ordinary shares	Share premium	Share based payment reserve	Total
Balance as at 30 June 2006	538	14	880	83	**977**
Issued to the share option scheme	2	–	113	–	**113**
Issued to the employee share ownership programme	16	–	2 615	–	**2 615**
Issued to the Royal Bafokeng Nation	75	2	12 482	–	**12 484**
Share issue cost	–	–	(18)	–	**(18)**
Cost of equity compensation plan	–	–	–	17	**17**
BEE compensation charge	–	–	–	1 790	**1 790**
Balance as at 30 June 2007	631	16	16 072	1 890	**17 978**
Issued to the share option scheme	1	–	41	–	**41**
Cost of equity compensation plan	–	–	–	5	**5**
Balance as at 30 June 2008	632	16	16 113	1 895	**18 024**

For the year ended 30 June

(All amounts in rand millions unless otherwise stated)	2008	2007
6 Profit on sale of investments		
Sale of investment in Aquarius Platinum (South Africa) (Proprietary) Limited		
Proceeds from disposal of investment in associates	3 509	–
Disposal of investment in associates (note 1)	(2)	–
Profit on sale of investment in associates	3 507	–
Sale of investment in Aquarius Platinum (Proprietary) Limited		
Proceeds from disposal of available for sale financial asset	2 193	–
Transaction costs	(10)	–
Carrying value of available-for-sale financial asset (note 2)	(2 193)	–
Net gains transferred from equity	2 164	–
Total profit on sale of investment	2 154	–
Sale of an additional 4.5% of Marula Platinum (Pty) Ltd		
Proceeds from disposal of investment in subsidiary	221	–
Cost of shares	(37)	–
Profit on sale of investment in subsidiary	184	–
Profit on sale of investments	5 845	–
7 Other (expenses)/income		
Net foreign exchange transaction losses	(69)	(15)
Corporate costs	(37)	(12)
Other expenses	(11)	(29)
Exploration expenditure	(42)	(30)
	(159)	(86)

For the year ended 30 June

(All amounts in rand millions unless otherwise stated)	2008	2007

8 Finance income

Interest income – associate (note 14)	74	58
South African Revenue Service	2	–
	76	58
Dividend received – investments	64	15
Dividend received – subsidiaries	6 345	3 170
	6 485	3 243

9 Income tax

Current tax		
South Africa company tax	51	18
Deferred tax [1]	(357)	–
	(306)	18

[1] The Secondary Tax on Companies credit represents the future tax benefit on dividends received that will realise when future dividends are declared.

The tax of the group's profit differs as follows from the theoretical charge that would arise using the basic tax rate for South African companies:

	2008 %	2007 %
Normal tax rate for companies	28.0	29.0
Adjusted for:		
Exempt income	(14.6)	(29.1)
Non taxable income	(13.4)	–
Capital gains tax	0.3	–
Other	(2.8)	0.5
Average effective tax rate	(2.5)	0.4

During the current year, a reduction in the South African Corporate Tax rate was effected from 29% to 28%.

For the year ended 30 June

(All amounts in rand millions unless otherwise stated)	2008	2007

10 Profit before taxation

The following disclosure items have been charged in arriving at profit before tax:		
Auditors' remuneration		
Fees for audit services	1	1
Professional fees	10	28

11 Dividends per share

At the board meeting on 28 August 2008, a final dividend in respect of 2008 of 1 175 cents per share amounting to R7 109 million was approved. The Secondary Tax on Companies (STC) on the dividend will amount to R711 million, before taking the deferred tax asset into account.

These financial statements do not reflect this dividend and related STC payable. The dividend will be accounted for in shareholders' equity as an appropriation of retained earnings in the year ending 30 June 2009.

Dividends paid		
Final dividend No. 79 for 2007 of 700 (2006: 700) cents per share	4 237	1 452
Interim dividend No 80 for 2008 of 300 (2007: 275) cents per share	1 818	1 660
	6 055	3 112

12 Contingent liabilities and guarantees

Guarantees

At year end the company had contingent liabilities in respect of bank and other guarantees and other matters arising in the ordinary course of business from which it is anticipated that no material liabilities will arise.

Related party contingencies		
Two Rivers Platinum (Pty) Ltd	57	325
Marula BEE parties	813	468
Zimbabwe Platinum Mines (Pvt) Ltd	404	–
Department of Minerals and Energy	391	293
Total guarantees	1 665	1 086

Contingencies

No compensation was received for the financial guarantees issued on behalf of Two Rivers Platinum (Pty) Ltd, the Marula BEE parties and Zimbabwe Platinum Mines (Pvt) Ltd, and as it had no material fair value on the date of issue, no liability was recognised.

The City of Johannesburg Metropolitan Council has proceeded with legal action against Impala Platinum Holdings Limited in respect of Regional Services Council levies, claiming an amount of R50 million. The company is of the opinion that this amount is not due and will defend the legal action.

(All amounts in rand millions unless otherwise stated)	2008	2007

13 Cash generated from operations

Reconciliation of net profit to cash generated from operations:

	2008	2007
Profit before tax	12 171	3 157
Adjustments for:		
Fair value write off (note 1)	24	–
Interest income (note 8)	(76)	(58)
Dividend income (note 8)	(64)	(15)
Profit on sale of financial assets (note 6)	(5 845)	–
	6 210	3 084
Changes in working capital (excluding the effects of acquisition and disposal of subsidiaries):		
Trade and other receivables	4	(18)
Trade and other payables	(17)	22
Cash generated from operations	6 197	3 088

14 Related party transactions

	2008	2007
Loans to related parties		
Loans to associates:		
Interest received (note 8)	74	58
End of the year (group note 8 i)	635	785
Guarantees provided (note 12)		

Subsidiaries (refer to page 186)
No interest were levied or paid to subsidiaries.

Share options granted to directors

The aggregate number of share options granted to key management (directors and key management) is disclosed in the Directors' Report.

15 Financial risk management

The company manages its risk on a group-wide basis. Refer to note 2 in the consolidated financial statements.

- Credit risk
  No debtors are past due. Credit risk mostly relates to group companies and is therefore limited.

- Liquidity risk
  The company does not have any significant creditors.

Principal subsidiaries and joint venture

For the year ended 30 June 2008

(All amounts in rand millions unless otherwise stated)	Issued share capital	Effective group interest % 2008	Effective group interest % 2007	Book value in holding company Shares 2008	Book value in holding company Shares 2007	Loans 2008	Loans 2007
Company and description							
Impala Holdings Limited Investment holding company						18 019	11 522
Impala Platinum Limited Mines, refines and markets PGMs	*	100	100				
Impala Platinum Investments (Pty) Ltd	*	100	100				
Impala Platinum Properties (Rustenburg) (Pty) Ltd	*	100	100				
Impala Platinum Properties (Johannesburg) (Pty) Ltd Own properties	*	100	100				
African Platinum Ltd [1] Owns mineral rights and platinum mine development	£46.6m	74	74	4 155	4 157	755	774
Barplats Holdings (Pty) Ltd Investment holding company	*	100	100	68	68	(358)	(360)
Gazelle Platinum Limited Investment holding company	*	100	100			235	235
Impala Refining Services Limited Provides toll refining services	*	100	100				
Impala Platinum Japan Limited [2] Marketing representative	¥ 10m	100	100	2	2	–	–
Impala Platinum Zimbabwe (Pty) Ltd Investment holding company	*	100	100	73	73	351	351
Impala Platinum BV [4] Investment holding company	0.02	100	–	900			
Zimplats Holdings Limited** [3] Owns mineral rights and mines PGMs	US$ 10.8m	87	87		900		
Zimbabwe Platinum Mines (Pvt) Limited [6] Owns mineral rights and mines PGMs	US$30.1m	87	87				
Mimosa Investments Limited [5] Investment holding company	US$48.0m	50	50	376	376		
Mimosa Holdings (Pvt) Ltd [6] Investment holding company	US$28.8m	50	50				
Mimosa Platinum (Pvt) Ltd [6] Owns mineral rights and mines PGMs	US$28.8m	50	50				
Marula Platinum (Pty) Ltd Owns mineral rights and mines PGMs	*	73	78	607	644	607	684
Sundry and dormant companies	*	100	100	4	4		0
Total				6 185	6 224	19 609	13 206
Total investment at cost						25 794	19 430

* Share capital less than R50 000
** Listed on the Australian Securities Exchange

1 Incorporated in United Kingdom
2 Incorporated in Japan
3 Incorporated in Guernsey
4 Incorporated in Netherlands
5 Incorporated in Mauritius and is a joint venture
6 Incorporated in Zimbabwe

Non-GAAP disclosure

The group utilises certain Non-GAAP performance measures and ratios in managing the business and may provide users of this financial information with additional meaningful comparisons between current results and results in prior operating periods. Non-GAAP financial measures should be viewed in addition to, and not as an alternative for, the reported operating results or cash flow from operations or any other measure of performance prepared in accordance with IFRS. In addition, the presentation of these measures may not be comparable to similarly titled measures other companies use.

For the year ended 30 June

(All amounts in rand millions unless otherwise stated)	Group note	Unaudited 2008	Unaudited 2007
Revenue per platinum ounce sold			
US dollar sales		5 140	4 375
US dollar toll refining income		(25)	(45)
		5 115	4 330
Sales volumes platinum (refer to operational statistics)		1 739	1 827
Dollar sales revenue per platinum ounce sold		2 941	2 369
Average rand exchange rate achieved		7.32	7.20
Rand sales revenue per platinum ounce sold		21 528	17 057
2 Cost per platinum ounce refined			
On-mine operations	24	7 303	5 901
Concentrating and smelting operations	24	1 478	1 316
Concentrating operations		1 035	936
Smelting operations		443	380
Refining operations	24	670	594
Other operating expenses	21	533	478
		9 984	8 289
* Mine-to-market platinum ounces		1 238	1 242
** Gross platinum ounces		1 907	2 026
On-mine operations*		5 899	4 751
Concentrating operations*		836	754
Smelting operations**		232	187
Refining operations**		352	293
Other operating expenses*		431	385
Group unit cost per platinum ounce		7 750	6 370

For the year ended 30 June

(All amounts in rand millions unless otherwise stated)	Group note	Unaudited 2008	Unaudited 2007
2 Cost per platinum ounce refined (continued)			
Share-based payments			
On-mine operations*		850	440
Refining operations**		84	41
Other operating expenses*		108	91
		1 042	572
Cost per platinum ounce excluding share-based payments			
On-mine operations*		5 212	4 396
Concentrating operations*		836	754
Smelting operations**		232	187
Refining operations**		307	273
Other operating expenses*		343	311
		6 930	5 921
3 Normalised headline earnings			
Headline earnings	35	12 485	7 232
BEE compensation charge	29	–	1 790
		12 485	9 022
Weighted average number of ordinary shares in issue (millions)	16	604.70	551.40
Normalised earnings – cent per share		2 065	1 636
4 Gross margin profit			
Gross profit		17 731	14 472
Gross revenue		37 619	31 482
Gross margin profit – %		47	46
5 Net profit margin			
Profit attributable to owners of the parent		17 596	7 232
Gross revenue		37 619	31 482
Net profit margin attributable to equity holders – %		47	23

For the year ended 30 June

(All amounts in rand millions unless otherwise stated)	Group note	2008	Unaudited 2007
6 EBITDA			
Profit before taxation		22 817	11 220
Finance income	27	(689)	(642)
Finance cost	28	155	82
Depreciation and amortisation	33	1 013	865
EBITDA (Earnings before interest, tax and depreciation)		23 296	11 525
Depreciation and amortisation	33	(1 013)	(865)
EBIT (Earnings before interest and tax)		22 283	10 660
Non-recurring/unusual transactions			
BEE compensation charge	29	–	1 790
Adjustment of headline earnings	35	(5 111)	
		17 172	12 450
7 Interest cover			
EBIT – adjusted for non-recurring transactions	Non Gaap note 6	17 172	12 450
Finance costs	28	155	82
Rehabilitation obligation – unwinding of the discount	28	(20)	(22)
Future commitments – unwinding of discount	28	(10)	(5)
		125	55
Interest cover – times		137	226
8 Dividend cover			
Normalised headline earnings	Non Gaap note 3	2 065	1 636
Dividends per share		1 475	975
Dividend cover – times		1.4	1.7
9 Return on equity			
Headline earnings	35	12 485	7 232
Shareholders' equity per statement of financial position – at the beginning of the year		32 968	13 839
Return on equity – %		38	52
10 Return on capital employed			
Headline earnings	35	12 485	7 232
Finance costs	28	155	82
		12 640	7 314
Capital employed	Non Gaap note 12	45 303	34 698
Return on net capital – %		28	21

Non-GAAP disclosure (continued)

For the year ended 30 June

(All amounts in rand millions unless otherwise stated)	Group note	Unaudited 2008	Unaudited 2007
11 Return on assets			
Headline earnings	35	12 485	7 232
Non current assets		39 605	37 202
Return on non current assets – %		32	19
12 Capital employed			
Total assets per statement of financial position		62 109	49 960
Current liabilities per balance sheet		(8 547)	(8 528)
		53 562	41 432
13 Total capital			
Total equity		45 303	34 698
Total borrowings		1 510	718
		46 813	35 416
14 Cash net of debt			
Long-term borrowings	17	(1 464)	(685)
Short-term borrowings	17	(46)	(33)
Total borrowings		(1 510)	(718)
Cash and cash equivalents	14	10 393	3 222
Cash net of debt		8 883	2 504
15 Gearing ratio			
Total borrowings		1 510	718
Total capital	Non GAAP note 13	46 813	35 416
Total gearing – %		3.2	2.0
16 Debt to equity			
Total borrowings	17	1 510	718
Shareholders' equity per statement of financial position at the end of the year		45 303	34 698
Total debt to ordinary shareholders equity – %		3.3	2.1
17 Current ratio			
Current assets		22 504	12 758
Current liabilities		8 547	8 528
Current assets to current liabilities – :1		2.6	1.5

For the year ended 30 June

(All amounts in rand millions unless otherwise stated)	Group note	Unaudited 2008	2007
18 Acid ratio			
Current assets		22 504	12 758
Inventories	12	(5 893)	(3 998)
		16 611	8 760
Current liabilities		8 547	8 528
Current assets excluding inventories to current liabilities – :1		2	1
19 Current liquidity			
Current assets		22 504	12 758
Current liabilities		(8 547)	(8 528)
Net current assets		13 957	4 230
Inventory	12	(5 893)	(3 998)
		8 064	232
20 Free cash flow			
Net cash inflow from operating activities per cash flow		11 241	9 973
Total capital expenditure		(5 291)	(2 810)
		5 950	7 163
21 Net asset value – cents per share			
Net asset value per statement of financial position		43 418	32 968
Number of shares issued outside the group	16	605.0	604.1
Net asset value – cents per share		7 177	5 457
Total number of ordinary shares in issue consists of: 631 578 772 (2007: 630 899 228) ordinary shares			
22 Net tangible asset value – cents per share			
Net asset value per statement of financial position		43 418	32 968
Intangible assets	7	(1 018)	(1 020)
		42 400	31 948
Number of shares		605.0	604.1
Net tangible asset value – cents per share		7 008	5 289
23 Market capitalisation			
Number of ordinary shares in issue at year-end (millions)		631.600	630.900
Closing share price as quoted on the JSE (Rand)		309	216
Market capitalisation (Rand million)		195 164	136 274

24 Segment information

June 2008 – unaudited

(All amounts in rand millions unless otherwise stated)	Impala	Marula	Zimplats	Mimosa	Afplats	Total mining segment
Segment profit						
Revenue from:						
Platinum	12 087	774	1 107	424		14 392
Palladium	1 173	185	204	80		1 642
Rhodium	5 179	795	444	140		6 558
Nickel	1 506	28	238	234		2 006
Other metal sales	944	45	139	80		1 208
Revenue	20 889	1 827	2 132	958		25 806
On-mine operations	(5 860)	(591)	(669)	(183)		(7 303)
Processing operations	(1 057)	(101)	(152)	(52)		(1 362)
Refining operations	(476)	–	–	–		(476)
Treatment charge	–	(2)	–	(43)		(45)
Amortisation	(691)	(83)	(208)	(31)		(1 013)
(Increase)/decrease in metal inventories	739	–	19	12		770
Cost of sales	(7 345)	(777)	(1 010)	(297)		(9 429)
Gross profit	13 544	1 050	1 122	661		16 377
Other operating expenses	(426)	–	(48)	(33)		(507)
Royalty expense	(548)	(36)	(41)	(23)		(648)
Profit from operations	12 570	1 014	1 033	605		15 222
Other income/(expense)	173	6	(61)	(71)	136	183
Profit/(loss) from metals purchased	54	–	–	–		54
Profit before tax	12 797	1 020	972	534	136	15 459
Income tax expense	(4 275)	(265)	(153)	(17)	25	(4 685)
Profit for the year	8 522	755	819	517	161	10 774

24 Segment information

June 2007 – unaudited

(All amounts in rand millions unless otherwise stated)	Impala	Marula	Zimplats	Mimosa	Afplats	Total mining segment
Segment profit						
Revenue from:						
Platinum	9 573	489	734	344		11 140
Palladium	1 068	144	173	72		1 457
Rhodium	4 061	494	323	105		4 983
Nickel	1 758	40	408	246		2 452
Other metal sales	941	46	59	76		1 122
Revenue	17 401	1213	1697	843		21 154
On-mine operations	(4 798)	(472)	(496)	(142)		(5 908)
Processing operations	(918)	(100)	(154)	(39)		(1 211)
Refining operations	(377)					(377)
Treatment charge		(2)		(44)		(46)
Amortisation	(594)	(76)	(162)	(32)		(864)
(Increase)/decrease in metal inventories	44		43	(3)		84
Cost of sales	(6 643)	(650)	(769)	(260)		(8 322)
Gross profit	10 758	563	928	583		12 832
Other operating expenses	(385)		(30)	(29)		(444)
Royalty expense	(1 624)	(29)	(31)	(19)		(1 703)
Profit from operations	8 749	534	867	535	–	10 685
Other income/(expense)	263	(23)	(22)	7	(9)	216
Profit from metal purchased	39					39
BEE compensation charge	(1 790)					(1 790)
Profit before tax	7 261	511	845	542	(9)	9 150
Income tax expense	(3 067)	(113)	(129)	(23)	–	(3 332)
Profit for the year	4 194	398	716	519	(9)	5 818

Ten-year statistics

Income statement (rands) *years ended 30 June*

(million)	2008	2007	2006	2005	2004	2003	2002	2001	2000	1999
Revenue	37 619	31 482	17 500	12 541	11 809	11 807	11 902	11 969	7 003	4 602
Platinum	20 388	15 577	9 991	8 132	7 941	7 391	6 137	5 253	3 017	2 252
Palladium	2 518	2 089	1 469	1 067	1 119	1 683	2 581	3 129	1 689	1 031
Rhodium	10 041	7 626	3 700	1 336	677	1 159	1 788	2 199	1 218	582
Nickel	2 733	4 062	1 431	1 323	1 284	938	682	700	600	364
Other	1 939	2 128	909	683	788	636	714	688	479	373
Cost of sales	(19 888)	(17 010)	(10 170)	(8 303)	(7 544)	(6 523)	(5 561)	(5 003)	(3 804)	(2 904)
On-mine operations	(7 303)	(5 901)	(4 709)	(4 100)	(3 668)	(3 251)	(2 567)	(2 330)	(1 997)	(1 880)
Concentrating and smelting operations	(1 478)	(1 316)	(1 130)	(1 043)	(967)	(801)	(643)	(493)	(441)	(415)
Refining operations	(670)	(594)	(523)	(480)	(468)	(412)	(355)	(333)	(308)	(296)
Amortisation of mining assets	(1 013)	(865)	(643)	(646)	(576)	(452)	(249)	(212)	(140)	(149)
Metals purchased	(11 012)	(9 369)	(4 326)	(2 489)	(2 259)	(1 474)	(1 883)	(1 969)	(699)	(288)
Increase/(decrease) in metal inventories	1 588	1 035	1 161	455	394	(133)	136	334	(219)	124
Gross profit	17 731	14 472	7 330	4 238	4 265	5 284	6 341	6 966	3 199	1 698
Other operating expenses	(533)	(478)	(340)	(319)	(255)	(264)	(204)	(117)	(97)	(83)
Royalty expense	(648)	(1 703)	(852)	(415)	(414)	(598)	(805)	(890)	(406)	(237)
Profit from operations	16 550	12 291	6 138	3 504	3 596	4 422	5 332	5 959	2 696	1 378
Finance income/costs	534	560	225	174	56	286	266	383	229	186
Net foreign exchange transaction gains/(losses)	439	(15)	178	33	(216)	(329)	131	158	20	–
Other (expense)/income	(131)	(214)	(148)	292	12	(55)	(98)	(63)	42	14
BEE compensation charge	–	(1 790)	(95)	–	–	–	–	–	–	–
Reversal of impairment/(impairment) of assets	(84)	–	583	(1 034)	–	–	–	–	–	–
Profit on sale of financial assets	4 831	–	–	3 155	322	–	–	–	–	–
Share of profit of associates	678	388	115	204	328	725	697	647	220	149
Profit before tax	22 817	11 220	6 996	6 328	4 098	5 049	6 328	7 084	3 207	1 727
Income tax expense	(5 112)	(3 895)	(2 614)	(1 079)	(1 141)	(1 622)	(1 737)	(2 431)	(949)	(470)
Profit for the year from continuing operations	17 705	7 325	4 382	5 249	2 957	3 427	4 591	4 653	2 258	1 257
Profit attributable to:										
Owners of the parent	17 596	7 232	4 342	5 233	2 940	3 404	4 581	4 648	2 255	1 252
Non-controlling interest	109	93	40	16	17	23	10	5	3	5
Earnings per share (cents)										
– basic	2 910	1 312	825	989	552	639	863	878	428	241
– headline	2 065	1 312	750	540	491	643	860	879	424	243
Dividends per share (cents)										
– interim + final	1 475	975	400	288	263	331	463	475	220	110
– special			688					375		

Statement of financial position (rands) *years ended 30 June*

(million)		2008	2007	2006	2005	2004	2003	2002	2001	2000	1999
ASSETS											
Non-current assets		39 605	37 202	15 084	12 108	12 523	11 391	9 324	6 834	4 321	3 497
Property, plant and equipment		24 895	20 347	12 435	10 222	9 801	8 809	6 218	5 231	3 357	2 822
Investments and other		14 710	16 855	2 649	1 886	2 722	2 582	3 106	1 603	964	675
Current assets		22 504	12 758	8 386	8 895	4 680	4 878	5 448	5 162	4 504	3 168
Total assets		62 109	49 960	23 470	21 003	17 203	16 269	14 772	11 996	8 825	6 665
EQUITY AND LIABILITIES											
Capital and reserves		43 418	32 968	13 840	14 104	10 683	9 877	9 284	6 716	5 716	4 052
Non-controlling interest		1 885	1 730	215	160	128	419	62	19	14	47
Non-current liabilities		8 259	6 734	3 654	2 873	2 708	2 213	1 683	1 465	1 195	1 068
Borrowings		1 464	685	174	195	167	63	86	113	137	162
Deferred income tax liabilities		5 247	5 048	2 919	2 378	2 271	1 887	1 390	1 156	890	745
Provision for long-term responsibilities		1 548	1 001	561	300	270	263	207	196	168	161
Current liabilities		8 547	8 528	5 761	3 866	3 684	3 760	3 743	3 796	1 900	1 498
Total equity and liabilities		62 109	49 960	23 470	21 003	17 203	16 269	14 772	11 996	8 825	6 665
Cash, net of short-term borrowings †		10 347	3 189	1 837	3 981	636	2 120	3 124	3 013	3 081	1 865
Cash, net of all borrowings †		8 883	2 504	1 663	3 786	636	2 057	3 037	2 900	2 944	1 703
Current liquidity (net current assets excluding inventories) †		8 064	232	(311)	3 309	(233)	271	785	587	2 165	1 015
IMPLATS SHARE STATISTICS											
No. of shares in issue at year-end*	(m)	605	604	528	524	533	533	532	531	529	526
Average number of issued shares	(m)	605	551	526	529	533	533	531	529	527	519
No. of shares traded	(m)	576	443	529	530	524	571	400	291	253	241
Highest price traded	(cps)	36 800	25 500	17 938	7 688	8 013	8 125	9 000	5 913	3 700	2 150
Lowest price traded	(cps)	17 202	14 438	7 200	5 312	5 206	4 325	3 588	2 998	1 925	638
Year-end closing price	(cps)	30 900	21 600	16 498	7 463	5 888	5 575	7 148	5 045	3 153	1 898

* Excluding treasury and ESOP shares. All share information has been adjusted for the 8:1 share split that was effected in November 2006.

† Refer to Non-GAAP disclosure on pages 190 and 191.

Ten-year statistics (continued)

US dollar statistics *years ended 30 June*

(million)	2008	2007	2006	2005	2004	2003	2002	2001	2000	1999
Revenue	5 140	4 375	2 745	2 023	1 716	1 303	1 184	1 573	1 108	757
Platinum	2 780	2 166	1 563	1 312	1 156	819	606	690	471	370
Palladium	345	291	231	172	163	182	258	411	264	170
Rhodium	1 372	1 059	582	216	98	125	182	289	190	96
Nickel	378	564	227	213	187	107	67	92	94	60
Other	265	295	142	110	112	70	71	91	89	61
Cost of sales	(2 738)	(2 365)	(1 592)	(1 342)	(1 099)	(723)	(549)	(658)	(602)	(478)
On-mine operations	(1 006)	(820)	(737)	(663)	(535)	(360)	(253)	(306)	(316)	(309)
Concentrating and smelting operations	(204)	(183)	(177)	(169)	(141)	(89)	(63)	(65)	(70)	(68)
Refining operations	(92)	(83)	(82)	(78)	(68)	(46)	(35)	(44)	(49)	(49)
Amortisation of mining assets	(139)	(120)	(101)	(104)	(84)	(50)	(25)	(28)	(22)	(25)
Metals purchased	(1 516)	(1 303)	(677)	(402)	(329)	(163)	(186)	(259)	(111)	(47)
Increase/(decrease) in metal inventories	219	144	182	74	58	(15)	13	44	(34)	20
Gross profit	2 402	2 010	1 153	681	617	580	635	915	506	279
Net foreign exchange transaction gains/(losses)	60	(2)	28	5	(32)	(37)	13	21	3	–
Other operating expenses	(73)	(66)	(53)	(52)	(37)	(29)	(20)	(15)	(15)	(14)
Other (expenses)/income	(18)	(30)	(23)	47	2	(6)	(10)	(8)	7	2
Financial income – net	74	78	35	28	8	32	26	50	36	31
Share of profit of associates	93	54	18	33	48	80	69	85	35	25
Royalty expense	(89)	(237)	(133)	(67)	(60)	(66)	(79)	(117)	(64)	(39)
BEE compensation charge	–	(249)	(15)	–	–	–	–	–	–	–
Profit from sale of investments	665	–	–	510	47	–	–	–	–	–
Reversal of impairment/(impairment) of assets	(12)	–	91	(166)	–	–	–	–	–	–
Profit before tax	3 102	1 558	1 101	1 019	593	554	634	931	508	284
Income tax expense	(704)	(541)	(409)	(174)	(166)	(180)	(171)	(320)	(150)	(77)
Profit attributable to:										
Owners of the parent	2 398	1 017	692	845	427	374	463	611	358	207
Non-controlling interest	(15)	(13)	(6)	(3)	(3)	(3)	(1)	(1)	(0)	(1)
Profit for the year	2 383	1 004	686	842	424	371	462	610	358	206
Earnings per share (cents)										
– basic	394	182	130	159	80	70	87	115	68	40
– headline	278	182	119	87	71	70	87	115	67	40
Dividends per share (cents)										
– interim + final	203	136	63	46	38	37	46	62	35	18
– special	–		108					49		

Note: These numbers are provided for convenience and have not been audited. The income and expenditure items have been calculated using the average exchange rate for the year. Sales are the actual dollar receipts.

Operating statistics *years ended 30 June*

(million)		2008	2007	2006	2005	2004	2003	2002	2001	2000	1999
Gross refined production											
Platinum	(000oz)	1 907	2 026	1 846	1 848	1 961	1 673	1 387	1 291	1 199	1 181
Palladium	(000oz)	1 044	1 114	989	1 029	1 046	893	732	681	636	651
Rhodium	(000oz)	261	247	242	234	251	215	177	164	155	159
Nickel	(000t)	14.8	16.2	15.6	16.0	16.4	14.7	13.0	14.0	13.8	14.9
Impala refined production											
Platinum	(000oz)	1 044	1 055	1 125	1 115	1 090	1 040	1 025	1 002	1 020	1 065
Palladium	(000oz)	437	472	492	515	501	478	489	481	493	516
Rhodium	(000oz)	125	103	129	130	116	134	123	128	131	143
Nickel	(000t)	6.9	7.0	7.9	7.9	6.9	8.0	7.7	7.0	7.2	7.7
IRS refined production											
Platinum	(000oz)	863	971	721	733	871	633	362	289	179	116
Palladium	(000oz)	607	642	497	514	545	415	243	200	143	135
Rhodium	(000oz)	136	144	113	104	135	81	54	36	24	16
Nickel	(000t)	7.9	9.2	7.7	8.1	9.5	6.7	5.3	7.0	6.6	7.2
IRS returned metal											
Platinum	(000oz)	208	262	246	246	501	252	152	164	102	84
Palladium	(000oz)	199	191	190	160	314	174	102	116	93	104
Rhodium	(000oz)	42	47	42	54	97	18	16	21	17	8
Nickel	(000t)	2.1	0.9	2.2	1.9	1.5	0.9	0.7	0.5	–	–
Group consolidated statistics											
Exchange rate:	(R/$)										
Closing rate		7.93	7.06	7.16	6.66	6.17	7.52	10.32	8.06	6.92	6.00
Average spot rate		7.26	7.19	6.39	6.19	6.86	9.02	10.13	7.61	6.32	6.08
Average rate achieved		7.32	7.26	6.37	6.20	6.88	9.06	10.16	7.68	6.40	6.08
Free market revenue per platinum ounce sold	($/oz)	3 053	2 445	1 791	1 304	1 140	939	934	1 376	1 005	697
Revenue per platinum ounce sold	($/oz)	2 941	2 369	1 721	1 279	1 116	935	934	1 321	904	693
	(R/oz)	21 528	17 057	10 963	7 930	7 678	8 471	9 489	10 145	5 786	4 213
Prices achieved											
Platinum	($/oz)	1 598	1 185	988	840	773	597	485	586	428	358
Palladium	($/oz)	390	334	258	208	223	264	389	773	465	311
Rhodium	($/oz)	6 963	5 152	3 015	1 217	548	646	1 098	2 001	1 223	719
Nickel	($/t)	30 253	34 486	15 343	14 592	11 843	7 664	5 594	6 951	7 500	4 466
Sales volumes											
Platinum	(000oz)	1 739	1 827	1 582	1 562	1 495	1 373	1 251	1 177	1 209	1 076
Palladium	(000oz)	885	870	896	826	733	688	663	543	656	585
Rhodium	(000oz)	197	206	193	177	179	193	165	145	171	140
Nickel	(000t)	12.5	16.3	14.8	14.6	15.8	13.9	12.0	14.1	14.0	14.9
Financial ratios											
Gross margin achieved	(%)	47	46	42	34	36	45	53	58	46	37
Return on equity*	(%)	38	52.	28	27	27	37	68	81	55	43
Return on assets*	(%)	32	19	26	24	21	30	49	68	52	36
Debt to equity		3	2	1	1	7	3	1	2	3	5
Current ratio		2.6:1	1.5:1	1.5:1	2.3:1	1.3:1	1.3:1	1.5:1	1.4:1	2.4:1	2.1:1
Operating indicators											
Tonnes milled ex-mine	(000t)	20 380	20 732	20 197	19 315	19 065	17 483	15 607	15 184	14 662	14 638
PGM refined production	(000oz)	3 644	3 858	3 490	3 549	3 725	3 162	2 639	2 464	2 308	2 299
Capital	(Rm)	5 368	2 887	2 248	1 992	1 822	1 787	1 250	2 090	783	431
expenditure	($m)	739	401	352	322	265	198	123	275	124	71
Cost per platinum	(R/oz)	7 750	6 370	5 009	4 522	4 140	3 978	3 426	3 134	2 724	2 470
ounce**	($/oz)	1 067	886	784	731	603	441	338	412	431	406
Cost per platinum	(R/oz)	6 930	5 921	4 890	4 501	4 122	3 968	3 426	3 134	2 724	2 470
ounce ***	($/oz)	954	823	765	727	601	440	338	412	431	406

* Based on headline earnings ** Including share-based payments *** Excluding share-based payments

Shareholder information

Shareholders' diary

Annual general meeting	Thursday, 23 October 2008
Final dividend declared August 2008. Paid	22 September 2008
Interim report release	February 2009
Interim dividend declared February 2009. Paid	April 2009
Financial year end	30 June 2009
Annual report release	August 2009

Size of shareholding

	Number of share-holders	%	Number of shares (000s)	%
1 – 1 000	19 821	75.1	6 367	1.0
1 001 – 10 000	5 183	19.7	15 303	2.4
10 001 – 100 000	1 037	3.9	34 475	5.5
100 001 – 1 000 000	299	1.1	94 144	14.9
Over 1 000 000	61	0.2	481 290	76.2
	26 401	100.0	631 579	100.0

Analysis of shareholdings

	Number of share-holders	%	Number of shares (000s)	%
Other companies	1 244	4.7	125 311	19.9
Trust funds and investment companies	6 582	24.9	113 734	18.0
Insurance companies	117	0.5	39 877	6.3
Pension funds	630	2.4	96 837	15.3
Individuals	17 555	66.5	14 591	2.3
Banks	273	1.0	241 229	38.2
	26 401	100.0	631 579	100.0

Glossary of terms

General

Afplats: African Platinum Limited

Aquarius: Aquarius Platinum Limited

ARM: African Rainbow Minerals Limited of which ARM Platinum is a subsidiary.

BEE: Black economic empowerment.

Bord and pillar: Underground mining method where ore is extracted from rectangular shaped rooms, leaving parts of the ore as pillars to support the roof. Pillars are usually rectangular and arranged in a regular pattern.

BMR: Base Metals Refinery.

BRIC: Brazil, Russia, India and China.

Concentrating: A process of splitting the ground ore in two fractions, one containing the valuable minerals, the other waste.

Cost per tonne/refined platinum ounce/ refined PGM ounce: The cash cost of mining, concentrating, smelting, refining, marketing and corporate office expressed per unit of measure.

Decline: A shallow dipping mining excavation used to access the orebody.

Development: Underground excavation for the purpose of accessing Mineral Reserves.

DME: Department of Minerals and Energy.

FIFR: A rate expressed per million man hours of any Impala employee, Contractor or Contractor employee or visitor who is involved in an incident whilst performing his duties at work and who sustains terminal injuries shall constitute a FATAL. Any road related fatal where the company is in full control of the vehicle, the driver and conditions related to the road injury of an employee shall constitute a fatal. A fatal injury may occur such that an employee is incapacitated for a period of time prior to expiration, thus requiring a revision of injury status from 'LTI' to 'Fatality'.

GJ: Gigajoule, a unit of energy consumption. 1GJ = one thousand million (10^9) joules.

g/t: grammes per tonne. The unit of measurement of grade, equivalent to parts per million.

Group unit cost per refined platinum ounce/refined PGM ounce: The cash cost of mining, concentrating and other operating expenses (marketing, corporate office) expressed per unit of mine-to-market measure, as well as the cost of smelting and refining expressed per gross unit of measure.

GSSA: Geological Society of South Africa

HDSA: Historically disadvantaged South Africans, being South African nationals who were, prior to 1994, disadvantaged whether by legislation or convention.

Head grade: The value, usually expressed in parts per million or gram per tonne, of the contained mineralisation of economic interest in material delivered to the mill.

In situ: In its natural position or place.

IRS: Impala Refining Services Limited.

JORC: The Australasian Code for Reporting of Mineral Resources and Ore Reserves.

JSE: JSE Limited, the South African securities exchange based in Johannesburg. Formerly, the JSE Securities Exchange and prior to that the Johannesburg Stock Exchange.

LSE: London Stock Exchange.

LME: London Metals Exchange.

LHD: Load-haul dumper vehicle.

LTIFR: A rate expressed per million man hours of a work-related injury resulting in the employee being unable to attend work, at his/her place of work, performing his/her assigned duties, on the next calendar day (whether a scheduled work day or not) after the day of the injury. If the appointed medical professional advises that the injured person is unable to attend work on the next calendar day after the injury, regardless of the injured person's next rostered shift, a lost-time injury is deemed to have occurred. Lost-time injuries (LTI) include reportable and fatal injuries.

Merensky Reef: A horizon in the Critical Zone of the Bushveld Complex often containing economic grades of PGM. The term "Merensky Reef" as it is generally used refers to that part of the Merensky unit that is economically exploitable, regardless of the rock type.

Milling: Grinding of ore into the fine particles to expose the valuable minerals.

MPRDA: The Minerals and Petroleum Resources Development Act of 2002.

NYSE: New York Stock Exchange.

3PGE+Au: Refers to the sum of platinum, palladium, rhodium and gold as determined by a fire assay method (typically by a lead collection procedure); notably there are various methods in use at different laboratories and companies; these are not directly comparable. These fire assay methods typically under-measure the actual content of total platinum, palladium, rhodium and gold content.

5PGE+Au: Refers to the sum of platinum, palladium, rhodium, ruthenium, iridium and gold as determined by a NiS (define) fire assay procedure; this is the most accurate assay procedure, the results of which can be compared between laboratories. It is however time consuming and expensive.

PGE: Platinum group elements comprising six elemental metals of the platinum group. The metals are platinum, palladium, rhodium, ruthenium, iridium and osmium.

PGM: Platinum group metals being the metals derived from PGE.

PMR: Precious Metals Refinery.

Red data species: The International Union for Conservation of Nature (IUCN) has established a list of endangered and threatened species. A species on this list is called a red data species.

Reef: A local term for a metalliferous mineral deposit.

SAIMM: South African Institute of Mining and Metallurgy.

SAMREC: South African Mineral Resource Committee.

SAMREC code: The South African code for the reporting of exploration results, Mineral Resources and Mineral Reserves.

Seismic surveys: A geophysical exploration method whereby rock layers can be mapped based on the time taken for energy reflected from these layers to return to surface.

Smelting: A smelting process to upgrade further the fraction containing the valuable minerals.

Stoping: Underground excavations to effect the removal of ore.

UG2 Reef: A distinct chromitite horizon in the Critical Zone of the Bushveld Complex often containing economic grades of PGM.

Resource and Reserve definitions

SAMREC Code – The South African Code for Reporting of Mineral Resources and Mineral Reserves sets out minimum standards, recommendations and guidelines for Public Reporting of Exploration Results, Mineral Resources and Mineral Reserves in South Africa. SAMREC was established in 1998 and is modelled on the Australasian Code for Reporting of Mineral Resources and Ore Reserves (JORC Code). An updated version of SAMREC was published in 2007.

In terms of SAMREC, a Competent Person is one who is registered with the South African Council for National Scientific Professions (SACNASP), the Engineering Council of South Africa (ECSA) or the South African Council for Professional Land Surveyors and Technical Surveyors (PLATO), or is a member of or Fellow of the SAIMM, the GSSA or a recognised overseas professional organisation (ROPO). A complete list of such recognised organisations is promulgated by the SSC from time to time. The Competent Person must comply with the provisions of the relevant promulgated Acts. A Competent Person must have a minimum of five years' experience relevant to the style of mineralisation and type of deposit or class of deposit under consideration and to the activity they undertake. If the competent person is estimating or supervising the estimation of Mineral Resources, the relevant experience must be in the estimation, assessment and evaluation of Mineral Resources. If the competent person is estimating or supervising the estimation of Mineral Reserves, the relevant experience must be in the estimation, assessment and evaluation of Mineral Reserves. Persons called upon to sign as a Competent Person must be clearly satisfied in their own minds that they are able to face their peers and demonstrate competence in the commodity, type of deposit and situation under consideration.

A **Mineral Resource** is a concentration (or occurrence) of material of economic interest in or on the Earth's crust in such form, quality and quantity that there are reasonable and realistic prospects for eventual economic extraction. The location, quantity, grade, continuity and other geological characteristics of a Mineral Resource are known, estimated from specific geological evidence and knowledge, or interpreted from a well constrained and portrayed geological model. Mineral Resources are subdivided, in order of increasing confidence in respect of geoscientific evidence, into Inferred, Indicated and Measured categories.

An **Inferred Mineral Resource** is that part of a Mineral Resources for which tonnage, grade and mineral content can be estimated with a low level of confidence. It is inferred from geological evidence and assumed but not verified geological and/or grade continuity. It is based on information gathered through appropriate techniques from locations such as outcrops, trenches, pits, workings and drill holes that may be limited or of uncertain quality and reliability.

An **Indicated Mineral Resource** is that part of a Mineral Resource for which tonnage, densities, shape, physical characteristics, grade and mineral content can be estimated with a reasonable level of confidence. It is based on exploration, sampling and testing information gathered through appropriate techniques from locations such as outcrops, trenches, pits, workings and drill holes. The locations are too widely or inappropriately spaced to confirm geological and/or grade continuity but are spaced closely enough for continuity to be assumed.

A **Measured Mineral Resource** is that part of a Mineral Resource for which tonnage, densities, shape, physical characteristics, grade and mineral content can be estimated with a high level of confidence. It is based on detailed and reliable exploration, sampling and testing information gathered through appropriate techniques from locations such as outcrops, trenches, pits, workings and drill holes. The locations are spaced closely enough to confirm geological and grade continuity.

A **Mineral Reserve** is the economically mineable material derived from a Measured and/or Indicated Mineral Resource. It is inclusive of diluting materials and allows for losses that may occur when the material is mined. Appropriate assessments, which may include feasibility studies, have been carried out, including consideration of and modification by realistically assumed mining, metallurgical, economic, marketing, legal, environmental, social and government factors. These assessments demonstrate at the time of reporting that extraction is reasonably justified. Mineral Reserves are sub-divided in order of increasing confidence into Probable Mineral Reserves and Proved Mineral Reserves.

A **Probable Mineral Reserve** is the economically mineable material derived from a Measured and/or Indicated Mineral Resource. It is estimated with a lower level of confidence than a Proved Mineral Reserve. It is inclusive of diluting materials and allows for losses that may occur when the material is mined. Appropriate assessments, which may include feasibility studies, have been carried out, including consideration of, and modification by, realistically assumed mining, metallurgical, economic, marketing, legal, environmental, social and governmental factors. These assessments demonstrate at the time of reporting that extraction is reasonably justified.

A **Proved Mineral Reserve** is the economically mineable material derived from a Measured Mineral Resource. It is estimated with a high level of confidence. It is inclusive of diluting materials and allows for losses that may occur when the material is mined. Appropriate assessments, which may include feasibility studies, have been carried out, including consideration of and modification by realistically assumed mining, metallurgical, economic, marketing, legal, environmental, social and governmental factors. These assessments demonstrate at the time of reporting that extraction is reasonably justified.

Notice to shareholders

The fifty-second annual general meeting of members will be held in the Boardroom, 2nd Floor, 2 Fricker Road, Illovo, Johannesburg on Thursday, 23 October 2008 at 09:00 for the following purposes:

Annual financial statements

1. To receive and consider the financial statements for the year ended 30 June 2008.

Directorate

2. To elect directors in place of those retiring in terms of the articles of association. The following directors are eligible and offer themselves for re-election:

   Ms MV Mennell, Messrs DH Brown, TV Mokgatlha, LJ Paton and LC van Vught.

   Curriculum vitae of the retiring directors are set out on page 81.

3. To determine the remuneration of the non-executive directors (refer to page 98 of the Remuneration Report).

Special business

4. To pass with or without modification the following resolution as a special resolution:

Share buy-back

Special Resolution

Resolved that in terms of the company's articles of association, the company's directors be hereby authorised, by way of a general authority to repurchase issued shares in the company or to permit a subsidiary of the company to purchase shares in the company, as and when deemed appropriate, subject to the following initiatives:

(a) that this authority shall be valid until the company's next annual general meeting provided that it shall not extend beyond fifteen (15) months from the date of this annual general meeting;

(b) that any such repurchase be effected through the order book operated by the JSE Limited (JSE) trading system and done without any prior understanding or agreement between the company and the counterparty;

(c) that a paid announcement giving such details as may be required in terms of JSE Listings Requirements be published when the company or its subsidiaries have repurchased in aggregate 3% of the initial number of shares in issue, as at the time that the general authority was granted, and for each 3% in aggregate of the initial number of shares which are acquired thereafter;

(d) that a general repurchase may not in the aggregate in any one financial year exceed 10% of the number of shares in the company's issued share capital at the time this authority is given, provided that a subsidiary of the company may not hold at any one time more than 10% of the number of issued shares of the company;

(e) that no repurchase will be effected during a prohibited period (as defined by the JSE Listings Requirements) unless a repurchase programme is in place, where dates and quantities of shares to be traded during the prohibited period are fixed and full details of the programme have been disclosed in an announcement over SENS prior to the commencement of the prohibited period;

(f) that at any one point in time, the company may only appoint one agent to effect repurchases on the company's behalf;

(g) that the company may only undertake a repurchase of securities if, after such repurchase, the spread requirements of the company comply with JSE Listings Requirements;

(h) that, in determining the price at which shares may be repurchased in terms of this authority, the maximum premium permitted is 10% above the weighted average traded price of the shares as determined over the five (5) days prior to the date of repurchase; and

(i) that such repurchase shall be subject to the Companies Act and the applicable provisions of the JSE Listings Requirements.

The board of directors as at the date of this notice, has stated its intention to examine methods of returning capital to shareholders in terms of the general authority granted at the last annual general meeting. The Board believes it to be in the best interest of Implats that shareholders pass a special resolution granting the company and/or its subsidiaries a further general authority to acquire Implats shares. Such general authority will provide Implats and its subsidiaries with the flexibility, subject to the requirements of the Companies Act and the JSE, to purchase shares should it be in the interest of Implats and/ or its subsidiaries at any time while the general authority subsists.

The directors undertake that they will not implement any repurchase during the period of this general authority unless:

- the company and the group will be able, in the ordinary course of business to pay their debts for a period of 12 months after the date of the annual general meeting;
- the assets of the company and the group will be in excess of the combined liabilities of the company and the group for a period of 12 months after the date of the notice of the annual general meeting. The assets and liabilities have been recognised and measured for this purpose in accordance with the accounting policies used in the latest audited annual group financial statements;
- the company's and the group's ordinary share capital and reserves will, after such payment, be sufficient to meet their needs for a period of 12 months following the date of the annual general meeting;
- the company and the group will, after such payment's have sufficient working capital to meet their needs for a period of 12 months following the date of the annual general meeting; and
- the sponsor of the company provides a letter to the JSE on the adequacy of the working capital in terms of section 2.12 of the JSE Listings Requirements prior to the commencement of the repurchase.

Reasons for and effect of the Special Resolution

The reason for and the effect of the special resolution is to grant the company's directors a general authority, up to and including the date of the following annual general meeting of the company, to approve the company's purchase of shares in itself, or to permit a subsidiary of the company to purchase shares in the company.

For purposes of considering the special resolution and in compliance with rule 11.26 of the JSE Listings Requirements, the information listed below has been included in this annual report:

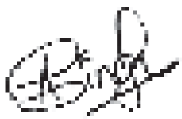
- Directors and management – refer pages 70 to 73 of this report.
- Major shareholders – refer page 87 of this report.
- Directors' interest in securities – refer page 90 of this report.
- Share capital of the company – refer page 86 of this report.
- The directors, whose names are set out on page 71 of this report, collectively and individually accept full responsibility for the accuracy of the information contained in this

special resolution and certify that to the best of their knowledge and belief there are no other facts, the omission of which would make any statement false or misleading, and that they have made all reasonable enquiries in this regard.

- Litigation – there are no legal or arbitration proceedings (including any such proceedings that are pending or threatened of which the company is aware) which may have or have had a material effect on the group's financial position in the previous 12 months.

In terms of the JSE Listing Requirements, shares held by and registered in the name of any Implats employee share trust will not be voted at the annual general meeting.

By order of the board
Registered Office
2nd Floor,
2 Fricker Road,
Illovo,
Johannesburg
2196



A Parboosing
Company Secretary

28 August 2008

Note

A member entitled to attend and vote is entitled to appoint one or more proxies to attend and speak and vote in his stead. A proxy need not be a member.

Forward-looking statements

Certain statements contained in this document other than statements of historical fact contain forward-looking statements regarding Implats' operations, economic performance or financial condition, including, without limitation, those concerning the economic outlook for the platinum industry, expectations regarding metal prices, production, cash costs and other operating results, growth prospects and the outlook of Implats' operations, including the completion and commencement of commercial operations of certain of Implats' exploration and production projects, its liquidity and capital resources and expenditure, and the outcome and consequences of any pending litigation or enforcement proceedings. Although Implats believes that the expectations reflected in such forward-looking statements are reasonable, no assurance can be given that such expectations will prove to be correct. Accordingly, results may differ materially from those set out in the forward-looking statements as a result of, among other factors, changes in economic and market conditions, success of business and operating initiatives, changes in the regulatory environment and other government actions, fluctuations in metal prices and exchange rates, and business and operational risk management. For a discussion on such factors, refer to the risk management section of these Annual Financial Statements. Implats is not obliged to update publicly or release any revisions to these forward-looking statements to reflect events or circumstances after the dates of the Annual Financial Statements or to reflect the occurrence of unanticipated events. All subsequent written or oral forward-looking statements attributable to Implats or any person acting on its behalf are qualified by the cautionary statements herein.

Form of proxy

IMPALA PLATINUM HOLDINGS LIMITED
(Incorporated in the Republic of South Africa)
(Registration number: 1957/001979/06)
(Share code:IMP) (ISIN:ZAE000083648)
("Implats" or "the Company")

FOR USE BY:

CERTIFICATED REGISTERED MEMBERS on the South African and London register
Dematerialised "own name" registered holders

This form of proxy is not for use by members who have already dematerialised their Implats shares through a CSDP other than "own name" dematerialised shareholders.

For use at the annual general meeting of the Company to be held on Thursday, 23 October 2008 at 09:00 (the annual general meeting)

I/We

of

appoint (See note 1):

1. or, failing him,

2. or, failing him,

3. the chairman of the annual general meeting.

As my/our proxy to act for me/us at the annual general meeting of the Company which will be held in the 2nd Floor Boardroom, 2 Fricker Road, Illovo, Johannesburg, at 09:00 on Thursday, 23 October 2008, and at each adjournment or postponement thereof, and to vote for and/or against the resolutions and/or abstain from voting in respect of the shares in the issued capital of the Company registered in my/our name/s (see note 2).

	Number of ordinary shares		
Resolutions	For	Against	Abstain
Ordinary resolutions **Approval of Annual Financial Statements**			
Re-election of directors – MV Mennell			
DH Brown			
TV Mokgatlha			
LJ Paton			
LC van Vught			
Non-executive directors' remuneration			
Special business Special resolution – share buy-back			

Insert in the relevant space above the number of shares held.

Signed at on 2008

Signature

Assisted by (where applicable)

Each ordinary shareholder is entitled to appoint one or more proxies (who need not be a shareholder/s of the Company) to attend, speak and vote in place of that shareholder at the annual general meeting.

Form of proxy (continued)

Notes

1. A shareholder may insert the name of a proxy or the names of two alternative proxies of the shareholder's choice in the space provided, with or without deleting "the chairman of the annual general meeting". Any such deletion must be initialled by the shareholder. The person present at the meeting whose name appears first on the form of proxy and has not been deleted will be entitled to act as proxy to the exclusion of those whose names follow.

2. A shareholder's instructions to the proxy must be indicated by the insertion of the relevant number of votes exercisable by that shareholder in the appropriate space provided. Failure to comply with the above will be deemed to authorise the proxy to vote or to abstain from voting at the annual general meeting as he deems fit in respect of all the shareholder's votes exercisable thereat. A shareholder or his proxy is not obliged to use all the votes exercisable by the shareholder or by his proxy, but the total of the votes cast and in respect whereof abstention is recorded may not exceed the total of the votes exercisable by the shareholder or his proxy.

3. Any alteration or correction to this form must be initialled by the signatory/ies.

4. Documentary evidence establishing the authority of a person signing this form of proxy in a representative capacity must be attached to this form unless previously recorded by the transfer secretaries of the company or waived by the chairman of the annual general meeting.

5. The completion and lodging of this form will not preclude the relevant shareholder from attending the annual general meeting and speaking and voting in person thereat to the exclusion of any proxy appointed in terms thereof, should such shareholder wish to do so.

6. Forms of proxy must be lodged with or posted to the company's transfer secretaries to be received not later than 24 hours (excluding Saturdays, Sundays and public holidays) before the time of the meeting.

7. This form of proxy expires after the conclusion of the meeting stated herein except at an adjournment of that meeting or at a poll demanded at such meeting.

Transfer Secretaries
Computershare Investor Services (Pty) Limited
70 Marshall Street
Johannesburg
2001
(PO Box 62053
Marshalltown
2107)

United Kingdom Transfer Secretaries
Computershare Investor Services plc
The Pavilions
Bridgwater Road
Bristol
BS13 8AE

Contact Details and Administration

Registered Office

2 Fricker Road
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Private Bag X18
Northlands, 2116
Telephone: +27(11) 731 9000
Telefax: +27(11) 731 9254
email: investor@implats.co.za

Registration No: 1957/001979/06
Share codes:
JSE: IMP/IMPO LSE: IPLA ADRs: IMPUY
ISIN: ZAE 000083648
Website: www.implats.co.za

Impala and Impala Refining Services

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Telephone: +27 (11) 731 9000
Telefax: +27 (11) 731 9254

Impala Platinum (Rustenburg)

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Telefax: +27 (14) 569 6548

Impala Platinum Refineries

P.O. Box 222
Springs 1560
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Telefax: +27 (11) 360 3680

Marula Platinum

2 Fricker Road
Illovo 2196
Private Bag X18
Northlands, 2116
Telephone: +27 (11) 731 9000
Telefax: +27 (11) 731 9254

Zimplats

Block B
Emerald Park
30 The Chase (West)
Emerald Hill
Harare
PO Box 6380
Harare
Zimbabwe
Telephone: +26 (34) 332 590/3
Fax: +26 (34) 332 496/7
email: info@zimplats.co.zw

Impala Platinum Japan

Uchisaiwaicho Daibiru, Room No. 702
3-3 Uchisaiwaicho
1-Chome, Chiyoda-ku
Tokyo
Japan
Telephone: +81 (3) 3504 0712
Telefax: +81 (3) 3508 9199

Secretary

Avanthi Parboosing
avanthi.parboosing@implats.co.za

United Kingdom Secretaries

St James's Corporate Services Limited
6 St James's Place
London
SW1A 1NP
United Kingdom
Telephone: +44 (020) 7499 3916
Telefax: +44 (020) 7491 1989
email: phil.dexter@corpserv.co.uk

Public Officer

François Naude
francois.naude@implats.co.za

Transfer Secretaries

South Africa
Computershare Investor Services (Pty) Limited
70 Marshall Street
Johannesburg 2001
P.O Box 61051
Marshalltown 2107
Telephone: +27(11) 370 5000
Fax: +27 (11) 688 5200

United Kingdom

Computershare Investor Services plc
The Pavilions
Bridgwater Road
Bristol
BS13 8AE

Auditors

PricewaterhouseCoopers Inc
2 Eglin Road
Sunninghill
Johannesburg
2157

Investor Relations

Bob Gilmour
Investors queries may be directed to:
investor@implats.co.za

IMPLATS
Distinctly Platinum

www.implats.co.za