Board of directors

as at 30 June 2007

Independent directors

Fred Roux (59) (Chairman)
BSc, MSc, PhD, MBA. Joined the board in 2004 and appointed chairman in 2004.

Michael McMahon* (60)
Pr.Eng. BSc (Mech Eng). Director of Gold Fields Limited and Murray & Roberts Holdings Limited. Joined the group in 1990 as managing director, appointed executive chairman in 1993 and a non-executive director in 2002.

Vivienne Mennell (64)
BA, MBA, FCMA, THD. Joined the board in 1990 as financial director. Re-joined the board in 1998 as a non-executive director.

Khotso Mokhele (51)
BSc (Agriculture), MSc (Food Science) PhD (Microbiology). Chairman Mittal Steel South Africa Limited and non-executive director of African Oxygen Limited and Tiger Brands Limited. Joined the board in 2004.

2007
ANNUAL REPORT

Thandi Orleyn (51)
B Juris, B Proc, LLB. Non-executive director of Mittal Steel South Africa Limited, Reunert Limited and the South African Reserve Bank. Joined the board in 2004.

John Roberts (65)
FCIS, FCMA, MBA. Joined the board in 1998.

Lex van Vught (64)
BSc (Hons) (Chemistry), B Comm. Chairman Tiger Brands Limited. Director AECI Limited Joined the board in 2004.

* British

Non-executive directors

Thabo Mokgatlha (32)
CA (SA). Financial Director of Royal Bafokeng Resources Management Services (Pty) Limited. Joined the board in 2003 as nominee of the Royal Bafokeng Nation.

Steve Phiri (51)
BJuris, LLB, LLM, HDip Co Law. Chief executive officer of Merafe Resources. Member of the Mineral and Mining Board. Non-executive director of Royal Bafokeng Resources Holdings (Pty) Limited and SA Eagle Limited. Joined the board in June 2007.

Executive directors

David Brown (Chief executive officer) (45)
CA (SA). Joined the group in 1999 as financial director and appointed chief executive officer in 2006. Director of Simmer and Jack Mines Limited.

Shadwick Bessit (Executive director) (45)
NHD (Metalliferous Mining) Joined the group in 2002 as a general manager at Impala Platinum. Appointed to the board in 2005.

Dawn Earp (Chief financial officer) (45)
B Com, B Acc, CA(SA) Joined the group in 2007 as chief financial officer.
Non-executive director of Rand Refineries Limited

Les Paton (Executive director) (55)
BSc (Hons) (Geology), B Comm. Pr SciNat FGSSA Joined the group as geologist in 1975 and appointed to the board in 2003.

From left to right:
Thabo Mokgatlha
Lex van Vught
Shadwick Bessit
John Roberts
David Brown (CEO)
Fred Roux (Chairman)
Dawn Earp (CFO)
Les Paton
Steve Phiri
Michael McMahon
Vivienne Mennell
Thandi Orleyn
Khotso Mokhele

Executive committee

Executive Committee (Exco)

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

David Brown (Chairman)
Chief executive officer
Brenda Berlin
Commercial executive
Shadwick Bessit
Executive director
Rob Dey
Group engineering manager
Dawn Earp
Chief financial officer
Derek Engelbrecht
Marketing executive
Paul Finney
Operations executive
Bob Gilmour
Investor Relations executive
Ramun Mahadevey
Group secretary and senior manager legal services
Les Paton
Executive director
Nonhlanhla Mgadza
Group internal auditor
Mike Rossouw
Consulting engineer – assets and risk
Mike Teke
Human resources executive

Excom

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

David Brown (Chairman)
Shadwick Bessit
Dawn Earp
Les Paton

Risk Management Committee

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

Mike Rossouw (Chairman)
Shadwick Bessit
David Brown
Rob Dey
Dawn Earp
Bob Gilmour
Chris McDowell
Les Paton

Hedging Committee

Area of responsibility: Hedging metal sales and conversion of foreign exchange proceeds to rands

David Brown (Chairman)
Dawn Earp
Derek Engelbrecht
Johan van Deventer

2007
ANNUAL REPORT

Operating committees

Impala Rustenburg

Front: Shadwick Bessit

Second row: Hans Baasden, Pieter Anderson, Luke Zindi

Third row: Seef Vermaak, Johan Muller, Paul Dunne, Themba Fikizolo

Back row: Dawie Stander, Marius Wenhold, Vaughan Townshend

Absent: Jon Andrews, Leon van Schalkwyk

Marula

Front: Lionel Black

Second Front: Zacharia Tsotetsi

Third Row: Ian Els, Pieter Sandilands, Nicholas Kumalinga

Fourth Row: Wicus van der Merwe, Dave Kearney, Frank O'Toole, Gerry Steyn, Tanosh Lala

Back: Jan Nel

Zimplats

Seated: Violet Mpinyuri, Steve Ndoro, Patrick Maseva-Shayawabaya, Felix Change

Standing: Enoch Gwarisa, Gus Simbanegavi, Stan Frost, Adrian Hutchings, Greg Sebborn, Jack Murehwa

Opposite page (from left to right): Nonhlanhla Mgadza, Bob Gilmour, Rob Dey, David Brown, Dawn Earp, Paul Finney (back), Les Paton, Mike Rossouw (back), Ramun Mahadevey, Mike Teke, Brenda Berlin, Shadwick Bessit and Derek Engelbrecht (front).

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' compliance with the King Report II is detailed and explained below.

King II recommendations	Implats' compliance
Board and directors	
Unitary board structures comprising executive and non-executive directors.	Unitary board structure as at 30 June 2007, comprising four executive directors, seven independent non-executive directors and two non-executive directors. Refer to pages 132 to 133.
The board to give strategic direction to the company.	A full-day session is held each year, attended by the board and senior executives of the company, to review strategy. Once issues are identified, they are reported on and monitored by the board at each quarterly board meeting.
The board should ensure that the company complies with all relevant laws, regulations and business practice.	Intensive audits are undertaken of all legal compliance. The findings are reported to the board on an ongoing basis. No major areas of concern were identified and steps are being taken to rectify minor issues identified.
The board should define clear levels of materiality and reserve specific power to itself, and delegate other matters by written authority to management.	The board has a formal board charter regulating the role of the board and outlining matters reserved for board approval. An approval framework defines the delegated authority of management.
The board should have access to independent professional advice.	In terms of a written policy (which also stipulates the procedure to be followed), board members, assisted by the company secretary, have access to independent professional advice.
The board should identify and monitor non-financial aspects of the company.	Safety, health and environmental issues as well as progress in implementing transformation of the organisation are reported at quarterly board meetings. Corporate social investment is included in the company's business plan. The company also produces a Corporate Responsibility Report dealing with issues such as safety, health and the environment.
The board should consider whether the company will continue as a going concern in the financial year ahead.	In place, refer to the Directors' report on page 153.
Items of special business in the notice of the annual general meeting should be accompanied by an explanation of the special resolutions.	In place, refer to page 144.
Encourage shareholders to attend general meetings and the chairmen of board committees should attend annual general meetings.	Timeous notice of annual general meetings is provided. The chairmen of all board committees attended the annual and general meetings of the company.
A brief CV of each director standing for re-election to the board should accompany the notice of the meeting.	In place, refer to page 140.
Every board should have a board charter setting out its responsibility.	The board has adopted a board charter which is available on the company website: www.implats.co.za.
Board composition	
The company should be headed by an effective board comprising a balance of executive and non-executive directors preferably with a majority of non-executive directors who are independent of management. In a South African context the demographics should also be brought into consideration.	As at 30 June 2007, the board comprised seven independent non-executive directors, two non-executive directors and four executive directors: 54% of the board are HDSAs and 23% female.
Procedures for appointments to the board should be formal and transparent assisted by a Nomination Committee.	A Nomination Committee comprising three independent non-executive directors recommends candidates to the board for appointment. The procedure in recommending appointment to the board is formal and transparent. In place, refer to page 141.
Rotation of directors should be staggered.	Board members are elected for three-year terms of office. Re-election of board members is 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, provided that, in the case of a non-executive director, his/her term of office continues on an annual basis, if a majority of his/her co-directors so request.

2007
ANNUAL REPORT

King II recommendations	Implats' compliance
Chairperson and Chief Executive Officer	
Chairperson should be an independent non-executive director.	The chairman of Implats is an independent non-executive director as defined in the King II, Report.
Separation of the roles of the chief executive officer (CEO) and chairman.	The role of the CEO and chairman are separate.
Board should appraise the performance of the chairman on an annual basis or other such basis as the board may determine.	An appraisal of the chairman was carried out during the year. In addition, the performance of the directors retiring by rotation was appraised by the board prior to their nomination for re-election. This is standard procedure and is included in the terms of reference of the Nomination Committee. See page 141.
The performance of the CEO should be evaluated annually and the results of the evaluation considered by the Remuneration Committee.	The Remuneration Committee appraises the performance of the CEO against pre-agreed criteria at the end of each financial year.
Directors	
Executive directors should be encouraged to hold other non-executive directorships to the extent that they do not interfere with their executive duties.	In terms of written policy, executive directors and senior managers are encouraged to hold non-executive directorships. Executive directors hold external directorships in companies in which the group has interests and limited directorships in companies in which the group has no interest.
Formal induction programme and training should be provided for directors.	A formal induction and orientation programme has been established for directors, in line with the terms of reference of the Nominations Committee. See page 141.
Remuneration	
Remuneration Committee to be appointed comprising independent non-executive directors.	Details of the Remuneration Committee membership which comprises three non-executive directors can be found on page 143.
Chairman of Remuneration Committee to be an independent non-executive director and attend the annual general meeting to answer questions from shareholders.	The chairman of the Remuneration Committee, an independent non-executive director, attended the annual general meeting on 12 October 2006.
Full disclosure of directors remuneration on an individual basis including share options granted to directors.	Full disclosure of the directors' remuneration, bonus and share scheme is contained in the Remuneration Report given on pages 155 to 161. No share options have been granted to non-executive directors.
Executive directors' fixed-term contracts should not exceed three years without prior shareholder approval.	Contracts of employment for a period exceeding three years do not exist.
Remuneration philosophy should be disclosed.	The remuneration philosophy of the group is disclosed in the Remuneration Report on page 155.
Remuneration of non-executive directors should be approved by shareholders prior to payment.	The remuneration for non-executive directors for FY2007 was approved at the last annual general meeting and only paid to directors once approved by shareholders.
Board meeting	
The board should meet at least once a quarter and more frequently if circumstances require. Attendance by the directors at board and committee meetings should be disclosed in the annual report.	The board meets regularly – six times a year – to review the operational performance of the group, strategic issues, the business plan, acquisition, disposals and other major contracts and commitments. The board meets on an *ad hoc* basis to consider specific issues, if the need arises. Details of attendance at board and committee meetings are given on pages 140 to 143.
The board should be briefed timeously and relevant information should be subject to internal controls to ensure a high standard of reporting at all times to enable the board to make informed decisions.	Board papers are distributed to board members approximately seven days prior to board meetings. Board papers are reviewed by an executive committee, Excom, which comprises the CEO, the CFO and the executive directors, to ensure that pertinent and sufficient information is provided in board papers.
Non-executive directors should have access to management without the attendance of executive directors.	Non-executive directors interact formally and informally with management on a regular basis.

Corporate governance

King II recommendations	Implats' compliance
Board committees	
Board committees should: • assist the board in fulfiling their duties; • be established with clear terms of reference; • ensure transparency and disclosure by the board committee to the board; • be free to take independent professional advice; • provide a brief remit of their duties and details of attendance at their meetings; and • be subject to regular evaluation.	The board has established five board committees: • Audit Committee • Safety, Health and Environmental (SHE) Audit Committee • Remuneration Committee • Nominations Committee • Transformation Committee All committees have been established in terms of clear written terms of reference and are chaired by independent non-executive directors. All committees report back regularly to the board at board meetings. A report from the chairman of the committee together with the minutes of the relevant committee meeting are tabled at the board meeting. Members of board committees are able to request outside independent advice when required. A brief description of each committee and its respective terms of reference are set out below under the relevant headings. The Nominations Committee oversees the evaluation of the effectiveness of all board committees and, where necessary, issues have been addressed.
Board and directors' evaluation	
	Retiring directors are evaluated prior to their nomination for re-election. In accordance with the terms of reference of the Nomination Committee, assessments of the board are conducted every two years; of board committees every alternate year; and of directors retiring in terms of the articles, annually. During the year, an assessments was conducted 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 officers may deal, either directly or indirectly, in the shares of the company or its listed subsidiaries.
Company secretary	
	Board members have access to a group secretary to provide guidance on their responsibilities and the discharge thereof.
Risk management	
	A comprehensive review of the group's risk management philosophy is described on pages 145 to 146.
Internal audit	
	An independent, objective, assurance function, which holds regular meetings with management and the Audit Committee, has direct access to the chairman of the board, and independently monitors the internal control systems. The Audit Committee gives input on the scope of coverage and approves the internal audit plan.
Sustainability reporting	
	The group publishes a Corporate Responsibility Report in conjunction with the Annual Report. Details of this report are available on the company's website: www.implats.co.za.

2007
ANNUAL REPORT

King II recommendations	Implats' compliance
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.
Accounting and auditing	
Auditing and non-auditing services	
Audit Committee should recommend the appointment of auditors and approve the use of the external auditor for non-audit work.	The appointment of external auditors is recommended by the Audit Committee for consideration by the board. The use of the external auditors for non-audit services is regulated by the Audit Committee and the nature and extent of their use for non-audit tasks is disclosed in the Annual Financial Statements. A policy document has been prepared and enforced regarding the appointment of auditors for non-audit services.
Reporting of a financial and non-financial nature	
Information	
	The board reviews the going-concern statement at year-end and reconsiders such a statement at the interim stage.
Audit Committee	
	Details of membership and attendance at Audit Committee meetings are set out on page 142.
Relations with shareholders	
	Investors, fund managers, analysts, the media and the market are kept fully, timeously and openly informed on 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 dividends 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 usually 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 reduced from 1.9 to 1.7.
	The shareholder communication functions of the group secretary and the share registrar are supported by an investor relations programme which operates in South Africa, Europe, the United States and Canada. This programme is aimed at maintaining contact with institutional shareholders, fund managers and analysts in these countries, as well as 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 website.
	The results announcements, both 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 are posted on the website.
Communication	
	A statement on the directors and auditors responsibility in reporting in this financial statement is set out in Approval of the Financial Statements and Auditors report on pages 148 and 149.

Corporate governance

Board of directors

Members

As at 30 June 2007, there were seven independent directors, two non-executive and four executive directors on the board. 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, Mr DS Phiri was appointed as an additional non-executive director on the board. Ms D Earp was appointed chief financial officer in place of Mr DH Brown who replaced Mr KC Rumble as chief executive officer. Ms CE Markus retired as a director of the company. Ms F Jakoet was appointed as an additional independent non-executive director in August 2007. There were no other appointments. The responsibilities of the board of directors are set out on page 136. The curriculum vitae of all directors to be re-elected at the annual general meeting are set out below:

Fred Roux (59) BSc; MSc; PhD; MBA (Chairman)
Previously chairman of Alusaf, executive director of Gencor Limited, and a director of Rustenburg Platinum Mines Limited. Joined the board as a non-executive director in 2004 and appointed chairman in 2004.

Michael McMahon (60) Pr.Eng; BSc (Mech Eng) (Independent non-executive director)
Director of Gold Fields Limited and Murray & Roberts Limited. Graduated from Glasgow University, Scotland as an engineer in 1968. Held numerous engineering positions on various mining operations and projects. Managing director and executive chairman of Implats from 1990 to 1998. Executive chairman of Gencor Limited from 1998 to 2002. Non-executive director since 2002.

Dawn Earp (45) BComm; BAcc; CA(SA) (Chief financial officer)
Non-executive director of Rand Refineries Limited. Graduated from the University of Witwatersrand in 1986 and completed her articles with BDO Spencer Steward. She moved through the ranks to Audit Manager. Joined Anglo American in 1989 as Vice President of Financial Accounting and was transferred to AngloGold Ashanti in 2000 where, later, appointed Executive officer: finance. Joined the group in 2007 as Chief financial officer.

Fatima Jakoet (47) BSc, CTA, CA(SA) (Independent non-executive director)
Non-executive director of the South African Reserve Bank, Metropolitan Holdings Group and MTN group (West African Region).

Steve Phiri (51) BJuris, LLB, LLM, HDip Co Law. (Non-executive director)
Chief executive officer of Merafe Resources. Member of the Mineral and Mining Board. Non-executive director of Royal Bafokeng Holdings (Pty) Limited and SA Eagle Limited. Joined the board in June 2007.

Attendance at board meetings during the year is detailed below:

Attendee	Attended	Date of meeting					
		15 Aug 06	27 Sep 06	15 Nov 06	13 Feb 07	25 May 07	13 Jun 07
FJP Roux (Chairman)	6/6	√	√	√	√	√	√
DH Brown (CEO)	6/6	√	√	√	√	√	√
S Bessit	6/6	√	√	√	√	√	√
D Earp (CFO)	3/3				√	√	√
JM McMahon	6/6	√	√	√	√	√	√
MV Mennell	6/6	√	√	√	√	√	√
K Mokhele	6/6	√	√	√	√	√	√
TV Mokgatlha	5/5	√	R	√	√	√	√
NDB Orleyn	6/6	√	√	√	√	√	√
LJ Paton	6/6	√	√	√	√	√	√
S Phiri	1/1						√
JV Roberts	6/6	√	√	√	√	√	√
LC Van Vught	6/6	√	√	√	√	√	√
KC Rumble (CEO)	1/1	√					
CE Markus	4/4	√	√	√	√		

R = recused due to conflict of interest

2007
ANNUAL REPORT

Board committees

Remuneration Committee

Details of the Remuneration Committee, its terms of reference and attendance at committee meetings is contained in the Remuneration Report on page 143.

Nomination Committee

Members:
Khotso Mokhele – Chairman
Vivienne Mennell
Fred Roux

As at 30 June 2007, the committee comprised three 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.

During the year, evaluation exercises were conducted on the board and board members and corrective action will be taken by the board to address issues identified. In addition, all the directors including those retiring and available for re-election were evaluated by their fellow board members who endorsed their re-appointment unanimously.

Attendance at Nomination Committee meetings during the year was as follows:

Names	Date of meeting			
	14 Aug 06	9 Nov 06	8 Feb 07	24 May 07
K Mokhele (Chairman)	√	√	√	√
MV Mennell	√	√	√	√
FJP Roux	√	√	√	√

Audit Committee

Members:
Lex van Vught – Chairman
Vivienne Mennell
Thabo Mokgatlha
John Roberts

As at 30 June 2007, the Audit Committee comprised three independent non-executive directors and one non-executive director. 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, judgements 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 and
- 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.

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Distinctly Platinum

Corporate governance

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.

Its terms of reference allow the 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 executive member of the board in attendance.

The Audit Committee oversees the Risk Management Committee. A 'whistle-blowing' toll-free helpline is in place to facilitate the confidential reporting of alleged incidents which are communicated to the chairman of the board.

During the year attendance at the Audit Committee meetings was as follows:

Names	Date of meeting			
	8 Aug 06	7 Nov 06	5 Feb 07	10 May 07
LC van Vught (Chairman)	√	√	√	√
MV Mennell	√	√	√	√
TV Mokgatlha	√	√	√	X
JV Roberts	√	√	√	√

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. In terms of the revised terms of reference, adopted in the current year, the committee must comprise four Implats directors, of which three must be non-executive directors, and the chief executive officer. The committee also contains an external consultant. During the year, Mr Tony Scurr retired as an external consultant and Mr Mike Pleming (a retired independent director of Implats) was appointed in his stead.

The chairman of this committee 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 or -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.

Attendance at SHE Audit Committee meetings during the year was as follows:

Names	Date of meeting			
	14 Aug 06	14 Nov 06	12 Feb 07	11 May 07
JM McMahon (Chairman)	√	√	√	√
DH Brown*		√	√	√
K Mokhele	√	√	√	√
MF Pleming#		√	√	√
FJP Roux	√	√	√	√
KC Rumble*	√			
T Scurr#	√	√		

* Chief Executive Officer

\# Independent Consultant

Remuneration Committee

The primary responsibility of the Remuneration Committee is to discharge the obligations of the board by ensuring objectivity regarding the remuneration of directors, to ensure that the company attracts, retains, trains and develops the right calibre of executive and senior management personnel, and that they are rewarded for individual performance and their contribution to the performance of the organisation.
The Remuneration Committee comprises three independent non-executive directors, one of whom 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.

As part of the process to rotate board responsibility, Ms NDB Orleyn was appointed chairman of the Remuneration Committee from 1 October 2006. For FY2007, members of the Remuneration Committee were the following non-executive directors: NDB Orleyn (chairman), JM McMahon and JV Roberts.

Attendance at Remuneration Committee meetings during the year was as follows:

Names	Date of meeting			
	14 Aug 06	14 Nov 06	12 Feb 07	24 May 07
NDB Orleyn (Chairman)	√	√	√	√
JM McMahon	X	√	√	√
JV Roberts	√	√	√	√

Transformation Committee

Members:
Thabo Mokgatlha (Chairman)
Khotso Mokhele
Thandi Orleyn

On 15 August 2006, the Implats board took a decision to establish a Transformation Committee reporting directly to the board. This replaced the previous Transformation Committee which reported to the CEO. The new committee has developed and adopted a set of terms of reference to guide the committee.

Attendance at Transformation Committee meetings during the year was as follows:

Names	Date of meeting		
	13 Nov 06	23 Jan 07	24 May 07
T Mokgatlha (Chairman)	√	√	√
K Mokhele	√	√	√
NBD Orleyn	√	√	√

Other corporate governance issues

Risk management

The group's philosophy on risk management is explained in a separate section of this report on pages145 and 146.

Code of values

The group has adopted a code of values governing the manner in which it does business with its stakeholders and, in particular, covering business integrity and development, and safety of employees. The process whereby employees have committed themselves to these values has resulted in the development of the principles of that code into a 'value statement' which interprets those values in a practical and easily understandable form. All employees and directors are required to adhere to the ethical standards contained in this code.

Corporate governance

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 group secretary.

Sponsor
Deutsche Bank is the corporate sponsor, in compliance with the JSE's listing requirements.

Annual general meeting
Effects and implications of the annual general meeting
The notice of the annual general meeting includes the following items:

1. To approve the annual financial statements for the year ended 30 June 2007.

2. To re-appoint as directors of the company, Dr FJP Roux and Mr JM McMahon who retire from office at the meeting. To appoint Ms D Earp, Ms F Jakoet and Mr DS Phiri as directors of the company. The articles of association require that additional directors appointed by the directors during the course of the year retire at the next annual general meeting but are eligible for re-election. 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 retiring directors are first those appointed by the directors during the year then those who have been longest in office since their last election or appointment.

   The curricula vitae of the retiring directors are set out on page 140.

3. To increase the remuneration of the non-executive directors by 20% and of the chairman of the board by 9%, 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 1.56% of the issued share capital in prior years, using 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.

5. Adoption of new Articles of Association
   This special resolution requires approval by a 75% majority of members present in person or by proxy at the meeting to adopt new articles of association which incorporate provisions for electronic communication between directors by means of teleconferencing and to allow shareholders to elect to receive annual financial statements in electronic form.

2007
ANNUAL REPORT

Risk factors and their management

Context

Implats understands and embraces the concept that risk management is as much about taking advantage of opportunities which present themselves, as it is about avoiding loss. In a business environment as dynamic as ours, opportunities continuously present themselves, and risk management enables real value to be added to the decision-making process by increasing confidence levels regarding the risks inherent in these opportunities.

With better knowledge, Implats can move more quickly and decisively to act on these opportunities when they represent a potential enhancement to its business. In the past, such actions might often have been perceived as being 'too risky'. However, with improved information of the potential risks and their assessment and management, decisions can be taken based on information that gives better insight into the risks of a venture. This results in greater confidence that the risks can be effectively managed, rather than avoiding an opportunity which potentially could have realised great value for Implats. More and more business will have to ask "why should we not do this?" rather than "why should we do it?". Given the risk management processes that have been in place, Implats is well-positioned to pursue this approach into the future.

In implementing the Implats Group Policy on Risk Management, which is available on the corporate website at www.implats.co.za/risk-policy.pdf, significant time and resources were dedicated to ensuring a common and integrated approach to the management of risk so that knowledge and experience are shared among employees and risk management becomes embedded in all business activities.

The board is routinely apprised of the inherent risks and state of risk-management controls in business activities, plans and projects.

A risk-based approach is applied as an integral part of strategic, tactical and operational planning, including that of projects. Operationally, it is standard practice for line managers to complete risks assessments as part of their planning activities. This includes, for example, employees doing pre-work risk assessments before the start of their daily operational tasks.

The challenge ahead is to further integrate risk management in all business processes and functions across all business units in the group (enterprise-wide risk management – EWRM).

Governance

Risk is a standard agenda item for board, executive and management meetings. The co-ordination of risk management activities and the aggregation of risk across the group are managed by a formal Risk Committee. In addition, the effectiveness of risk management processes, systems and organisation is routinely reviewed by the board and the Audit Committee which, from time to time, requests independent assessments of the effectiveness of the group's risk management.

Ultimate accountability for risk management rests with the board which assumes this responsibility by undertaking self audits of compliance, regularly reviewing the group's strategic risks and assessing the effectiveness of management's application of risk management. The objective of these reviews and audits is to ensure sustainability and continuous improvement in the management of risks and that appropriate and timely action is taken in response to inevitable changes in both the external and internal business environments. The board is assisted in this by the executive committee, board sub-committees, external specialists and the internal and external audit functions, as and when required.

Risk management processes, systems and organisation

Implats has adopted and implemented a common risk management methodology. Independent audit has confirmed that the design of Implats' risk management processes and systems is in line with internationally recognised best practice and that these systems and processes are able to assess all internal and external forms of business risk. A key consideration in the process and system design was to ensure that risk management was integral to the management of the business, with line managers taking full responsibility for the processes and all risks under their control.

There exists only one risk repository for the group, based and designed on the group's enterprise-wide risk management framework. This approach provides a total view of the business risks facing the group and simplifies the aggregation of risk and the sharing of information and best practice across the group.

Risk management activities in FY2007

As part of the process of continuous improvement and the embedding of risk management within the company, the following activities were undertaken in the period under review:

- The board reviewed the state of all strategic risks.
- Baseline risk assessments were completed for major projects and change initiatives. These are to be updated for the next business plan and

IMPLATS
Distinctly Platinum

Risk factors and their management

incorporated into key business functions such as safety, finance, human resources and capital, procurement, maintenance and production.

- The internal methodology for peer safety reviews was revised and enhanced following a full review of major safety risks across the group. Peer reviews are an additional means of strengthening existing assurance processes for ensuring safe work practices and eliminating injuries at work.
- The functions of risk management and internal audit have been further integrated. The internal audit policy calls for a risk-based approach to all audits. This approach ensures that assurance activities are aligned and prioritised in terms of the risk to the business.
- The group's risk management report, which is available on the Implats website at www.implats.co.za/risk-report.pdf was updated.

Insurable risks

The annual external operational review of the risks relating to physical assets and business interruption conducted in late 2006 found that the potential risk of damage to property and interruption to business had reduced for the fourth consecutive year. This annual review assists Implats with the management of its operational risk by helping to achieve the best possible insurance terms and enabling the insurers to better understand how the group manages its risk.

The company has taken steps to ameliorate potential losses by a variety of means. The comprehensive enterprise-wide risk management programme serves to integrate and co-ordinate risk-control activities.

Based on an annual re-assessment of residual risk (that is the risk that is calculated to remain after the implementation of risk control), a review is conducted of the appropriate level of self-insurance. Conventional insurance policies provide cover for the group over and above the group's level of self-insurance.

Internal control system

The group's accounting and administrative control systems are designed to provide reasonable assurance that the group's accounting records accurately reflect that all transactions are executed and recorded in accordance with sound business practices, that assets are safeguarded and that protection is provided against serious risk of error or loss in a cost-effective manner.

Summary of Implats' strategic risk focus in 2007

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

- Managing the uncertainties that may affect the Zimbabwe operations. The group is engaged on an ongoing basis with political leaders, ministries and key-decision makers in that country. To date, satisfactory progress has been made in discussions with political leaders and government, and such interactions and discussions are continuing.
- Developing an organisational strategy that will ensure:
  - The requisite resources, skills and structures are in place to deliver on the growth objectives approved by the board;
  - Continuous improvement in safety, health and environmental performance towards the goal of 'zero harm';
  - Organisational diversity and improved employee engagement and participation in all business activities; and
  - The company attracts, develops, retains and motivates the requisite management, operational, technical and business skills and pool of talent.
- Ensuring the retention of permission to operate and full legal and regulatory compliance in a continuously changing environment.
- 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.
- Addressing relevant issues regarding corporate responsibility, and being recognised as a good corporate citizen in the countries and communities where the company operates.
- Maintaining reliable and effective production processes and delivering product on time and to specification.
- Protecting and maintaining security and reliability of physical assets.
- Sustaining unit production costs in the lowest quartile of the industry.
- Maintaining effective project management processes and skills to ensure successful project implementation and delivery.
- Maintaining sound and mutually beneficial relationships with the communities in the vicinity of operations and with the general public.
- Retaining process, system and management technology competitiveness.
- Maintaining awareness of and attempting to mitigate the impact of new technological advances adversely affecting the demand for Implats' products.

2007
ANNUAL REPORT

Contents

Annual financial statements

Approval of the annual financial statements

The annual financial statements for the year ended 30 June 2007, which appear on pages 150 to 228 were approved by the board of directors on 30 August 2007.

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 168 to 180 of this report.

FJP Roux
Chairman

DH Brown
Chief Executive Officer

30 August 2007

Certificate by company secretary

I, the undersigned, in my capacity as Group Secretary, do hereby confirm that for the financial year ended 30 June 2007 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.

R Mahadevey
Group Secretary

30 August 2007

2007
ANNUAL REPORT

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 balance sheet and the consolidated balance sheet as at 30 June 2007, the income statement and the consolidated income statement, the statement of changes in equity and the consolidated statement of changes in equity, 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 150 to 228.

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.

Auditor's 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 from 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 purpose 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 2007, and their financial performance and their 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

30 August 2007

IMPLATS
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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 2007 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 the resultant PGMs and base metals, and through toll refining.
African Platinum Limited	Afplats	100	PGM mining
Afplats (Pty) Limited	Leeuwkop (Afplats)	74	PGM mining
Marula Platinum Limited	Marula	77.5	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
Aquarius Platinum (SA) (Pty) Limited	Aquarius (SA)	20	PGM mining
Aquarius Platinum Limited	Aquarius Platinum	8.6	PGM mining

Capital

Authorised and issued share capital

At the annual general meeting on 12 October 2006 the authorised share capital of the company was subdivided by a factor of eight with effect from 6 November 2006.

Prior to subdivision:

	R million
100,000,000 ordinary shares of 20 cents each	20.0
5,501,000 ordinary "A" shares of 20 cents each	1.1
	21.1

After subdivision:

	R million
800,000,000 ordinary shares of 2.5 cents each	20.0
44,008,000 ordinary "A" shares of 2.5 cents each	1.1
	21.1

At a general meeting of shareholders held on 29 November 2006, the "A" ordinary shares were converted into ordinary shares.

Following these changes the authorised share capital of the company at 30 June 2007 was 844,008,000 ordinary shares of 2.5 cents each

During the year 1,907,104 new ordinary shares were issued in terms of the Implats share option scheme. In addition, 16,432,576 new ordinary shares were issued to the Morokotso Trust at a price of R159.40 per share (2,054,072 ordinary shares at a price of R1,274.40 prior to the subdivision). These shares were issued in terms of an employee share ownership programme approved at a general meeting of shareholders on 4 July 2006.

The company issued 75,115,204 ordinary shares to the Royal Bafokeng Nation in terms of a black economic empowerment (BEE) initiative as described later in this report.

Following these issues the issued share capital currently stands at 630,899,228 ordinary shares of 2.5 cents each (2006: 537,444,344 ordinary shares of 2.5 cents each).

2007
ANNUAL REPORT

Treasury shares

The group holds 9,844,976 ordinary shares of 2.5 cents each (1.56%) (2006: 9,844,976) of its own shares in terms of an approved share buy-back scheme. 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 schemes. Details of participation in the share option scheme are set out in note 15 of the financial statements.

In line with recent remuneration developments the group will no longer offer employees any further options under the existing Share Incentive Scheme, but will pay 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 will be no different from those under the existing Share Incentive Scheme.

The trustees of the scheme are Ms NDB Orleyn and Messrs JM McMahon and JV Roberts.

Shareholding in the company

The issued capital of the company held by public and non-public entities as at 30 June 2007 is as follows:

	No. of shares (000's)	%
Public	520,773	82.5
Non-public	110,126	17.5
Directors	201	–
Trustees of share schemes	16,965	2.7
Right to appoint directors	83,115	13.2
Treasury shares	9,845	1.6
Total	630,899	100,0

The following shareholders beneficially hold more than 5% of the issued share capital:

Shareholders	No. of shares (000's)	%
Public Investment Commissioners	47,656	7.6
Royal Bafokeng Nation	83,115	13.2

Black economic empowerment

During the year it was agreed that Impala would pay an amount of R12.5 billion to the RBN in cash in respect of its obligations to pay royalties. Impala's obligations were fully and finally discharged by this payment with effect from 1 July 2007. The cash consideration of R12.5 billion was utilised by the RBN to subscribe for 75,115,204 Implats shares. This together with the 8,000,000 Implats shares already held by the RBN resulted in a holding of 83,115,204 Implats shares (13.4% holding on a fully diluted basis).

Investments

Zimplats Holdings Limited (Zimplats)

The company owns 86.9% of Zimplats Holdings Limited (Zimplats). Zimbabwe Platinum Mines 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.

Directors' report

Investments (continued)

Two Rivers

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

Aquarius Platinum

The company holds an 8.6% interest in Aquarius Platinum which is listed on the Australian Securities Exchange, London Stock Exchange and the JSE Limited.

Aquarius Platinum (SA) (Pty)

The company holds a 20% interest in Aquarius Platinum (SA) (Pty) Limited.

Marula

The company owns a 77.5% interest in Marula.

A 7.5 % equity stake in Marula is held by each of the following BEE companies:

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

The purchase price to each of the parties was R158.1 million of which R145 million was payable in cash on closure of the sale with the balance of R13.1 million being payable in instalments on completion of phase II of the mine development. Implats guaranteed the vendor finance (including all future funding obligations) of Tubatse and Mmakau until 31 December 2014, and Implats will provide funding on loan to the Trust until such time that the Trust is in a cash flow positive position. Implats has consolidated the BEE interest as these BEE parties are considered special purpose entities (SPE) for accounting purposes as the vendor finance is guaranteed by Implats.

Afplats Limited

During the year the company acquired a 100% interest in Afplats for a consideration of R4.2 billion.

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 150 to 228.

Dividends

An interim dividend (No 78) of 275 cents per share was declared on 15 February 2007, and a final dividend (No 79) of 700 cents per share was declared on 30 August 2007, payable on 25 September 2007 – a total of 975 cents per share (2006: 400 cents per share plus a special dividend of 687.5 cents per share, a total dividend of 1,087.5 cents per share). These dividends amounted to R5,887 million for the year (2006: R5,809 million).

Capital expenditure

Capital expenditure for the year amounted to R2,889 million (2006: R2,248 million).

The estimated R6.5 billion capital expenditure by Impala envisaged for the 2008 financial year will be funded from internal resources and, if appropriate, borrowings.

Post-balance sheet events

No 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.

Financial affairs (continued)

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 are given in note 7 of the financial statements and regarding subsidiaries on page 228.

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 D Earp was appointed as an executive director of the board and Ms CE Markus and Mr KC Rumble retired as an executive director and CEO respectively. Ms F Jakoet and Mr DS Phiri were appointed as additional non-executive directors. In terms of the articles of association, appointments by the directors of additional directors retain office until the next annual general meeting when they shall retire and be eligible for re-election. Shareholders will be asked to consider the election of Ms D Earp, Ms F Jakoet and Mr DS Phiri at the forthcoming annual general meeting.

The directors who retire at the next general meeting are Dr FJP Roux, Mr JV Roberts and Mr JM McMahon. Mr Roberts has indicated that he is not available for re-election. The other 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 1% of the issued share capital or voting control of the company.

	Direct		Indirect	
30 June	2007	2006	2007	2006
Beneficial				
Directors	**176,888**	141,808	**23,929**	4,000
DH Brown	**80,000**	48,000	**–**	–
MV Mennell	**61,808**	61,808	**–**	–
LJ Paton	**35,000**	32,000	**20,728**	800
S Phiri	**80**	–	**–**	–
LC van Vught	**–**	–	**3,200**	3,200
Senior management	**143,608**	138,720	**–**	–
Non-beneficial	**–**	–	**–**	–

Directors' remuneration

Details of the executive directors, non-executive directors and senior management remuneration are set out in the Remuneration Report on pages155 to 163.

Directors' interests

There were no contracts of significance during or at the end of the financial year in which the directors of the company were materially interested. No material change in the aforegoing interests has taken place between 30 June 2007 and the date of this report.

Directors' fees

Details of directors' fees paid during the 2007 financial year and fees proposed for the 2008 financial year are set out in the Remuneration Report on pages 155 and 156.

Directors' report

Administration

Special resolutions proposed

The following special resolutions will be proposed at the annual general meeting on 25 October 2007:

Acquisition of the company's shares

A renewal of the authority to acquire up to 10% of the company's shares subject to the JSE rules and the Companies Act.

Change of articles of association

To adopt new articles of association to the exclusion of and in substitution for the existing articles of association. The new articles incorporate provision for electronic communication between directors by means of teleconferencing and allow shareholders to elect to receive annual financial statements in electronic form.

A copy of the new articles of association is available from the company on request or from the company's website www.implats.co.za

Special resolutions passed

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

Implats

Share buy-back

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

Amendment to the Authorised Share Capital of the company

An amendment to the Authorised Share Capital of the company by converting the ordinary "A" shares into ordinary shares.

Amendments to the articles of association

An amendment to the articles of association deleting the terms and conditions of the ordinary "A" shares in the capital of the company.

An amendment to the company's articles of association to regulate the appointment of an independent non-executive chairman.

Marula – Amendment to authorised share capital

An amendment to the authorised share capital of Marula from 4,000 shares of R1 each to 400,000 shares of 1 cent each.

Financial, administrative and technical advisers

In terms of a service agreement, Impala Platinum Limited acts as financial, administrative and technical advisers to the Implats group during the year on a fee basis. Messrs S Bessit, DH Brown, 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, and 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.

London Secretaries

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

Public officer

Mr J van Deventer acted as public officer for the group for the year under review.

2007
ANNUAL REPORT

Directors' report – Remuneration report

Implats strives for competitive and fair remuneration practices that recognise and reward individual and team achievement and which contribute to organisational growth and prosperity. Implats also takes into account the broader aspects of human capital such as talent management, succession and transformation.

Remuneration in particular 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.

Remuneration policies and practices are guided by the Remuneration Committee of the board.

Remuneration policy and strategy

Implats policy is to implement competitive and fair remuneration practices that support its aim of ensuring organisational growth and prosperity while acknowledging individual and team achievements.

The main functions of the Remuneration Committee are to:

- determine remuneration (fixed and variable pay) for executive directors and senior executives;
- ensure the implementation of innovative 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 effective implementation of a comprehensive talent management process, encompassing employee development and succession planning;
- monitor the implementation of all transformation initiatives, which include those relating to employment equity (see table on page 163) and the Mining Charter;
- benchmark remuneration practices against both local and international best practice;
- monitor all retirement benefits; and
- recommend fees for non-executive directors.

During FY2007, the committee reviewed the group's talent management process, which is aimed at identifying critical talent for the business, and the implementation of the Employee Share Ownership Programme. It also reviewed both the Implats Share Appreciation Bonus Scheme and the Preferred Compensation Scheme.

Directors' remuneration

The Remuneration Committee provides guidance regarding remuneration for executive directors and senior executives.

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 2007 were approved at the annual general meeting on 12 October 2006. Fees for the services of a director are R166,000 per annum and R1.1 million for the chairman. This assumes attendance at all board committee meetings. Directors' fees for serving on board committees are set out below.

Directors' remuneration in aggregate for the year under review was as follows:

Non-executive directors' remuneration – for the year ended 30 June 2007 (R000)

	Directors' fees	Audit Committee	Remuneration Committee	SHE Audit Committee	Nomination Committee	Transformation Committee	Total	Total 2006
FJP Roux (Chairman)	1,100						1,100	735
JM McMahon	166		66	149			381	363
MV Mennell	166	83			66		315	379
TV Mokgatlha	166	83				75	324	237
NDB Orleyn	166		128			33	327	221
LC van Vught	166	198					364	347
K Mokhele	166			66	149	33	414	314
DS Phiri	17						17	–
JV Roberts	166	83	87				336	379
Total	2,279	447	281	215	215	141	3,578	2,975

IMPLATS
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Directors' report – Remuneration report

In order to ensure that directors' fees keep pace with inflation and in line with increases granted elsewhere in the organisation, it is proposed that directors' fees are increased as follows:

	Member	Chairman	Member	Chairman
With effect from	1 July 2007		1 July 2006	
Board	200,000	1,200,000	166,000	1,100,000*
Audit Committee	100,000	220,000	83,000	198,000
Safety, Health and Environment Audit Committee	75,000	165,000	66,000	149,000
Nomination Committee	75,000	165,000	66,000	149,000
Remuneration Committee	75,000	165,000	66,000	149,000
Transformation Committee	75,000	165,000	66,000	149,000

* includes attendance at all committee meetings.

These fees have been waived by the executive directors.

Executive directors' remuneration – for the year ended 30 June 2007 (R000)

Fixed remuneration	Package	Retirement funds	Other benefits	Total	Total 2006
Executive directors					
DH Brown	3,931	378	51	4,360	2,584
S Bessit	1,619	257	49	1,925	1,802
D Earp*	833	88	12	933	–
LJ Paton	1,994	288	59	2,341	2,095
CE Markus*	2,035	378	42	2,455	2,273
KC Rumble*	2,155	205	192	2,552	4,577
Senior executives	10,220	1,298	433	11,951	10,347
Secretary					
R Mahadevey	1,124	118	52	1,294	1,229
Total	**23,911**	**3,010**	**890**	**27,811**	**24,907**

* Proportioned for period of service

Executive directors' remuneration – for the year ended 30 June 2007 (R000)

Variable remuneration	Lump sum and leave encashment	Bonus	Preferred compensation (accrued)	Gains on share options exercised	Total	Total 2006
Executive directors						
DH Brown	–	345	920	5,019	6,284	5,413
S Bessit	–	119	360	3,849	4,328	1,453
D Earp	–	–	208	–	208	–
LJ Paton	–	372	519	3,328	4,219	2,084
CE Markus	291	330	573	11,016	12,210	5,207
KC Rumble	7,232	649	877	27,845	36,603	6,671
Senior executives	–	1,413	2,341	10,893	14,647	11,746
Secretary						
R Mahadevey	–	132	259	4,102	4,493	2,309
Total	**7,523**	**3,360**	**6,057**	**66,052**	**82,992**	**34,883**

A group-owned residential property made available to Mr KC Rumble on a rent-free basis is in the process of being sold following Mr Rumble's resignation.

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) of an executive director, that executive director is entitled to a severance package of 24 months' salary.

2007
ANNUAL REPORT

Directors' share options

Details of Share Options and Share Appreciation Bonus rights outstanding and exercised by the executives and the executive directors are as follows:

		Additions		Disposals						
Name	Balance at 1 July 2006	Allocated during the year	Date of allocation	Number of shares sold	Forfeited	Date sold	Balance at 30 June 2007	Number of shares	Allocation price (R)	First release date
Executive directors										
DH Brown	Share options									
	50,568			2,392		4 Sep 06		0	63.38	18 Feb 04
				5,696		4 Sep 06		0	69.50	6 Jun 04
				872		4 Sep 06		5,720	60.51	16 Aug 04
				18,920		9 Mar 07		3,128	74.28	21 Jan 05
				3,104		15 Mar 07		3,288	47.63	5 May 05
				3,272		25 Jun 07		1,768	64.48	27 Aug 05
				2,408		25 Jun 07				
							13,904			
	Share Appreciation Scheme									
	152,384	65,130	1 Sep 06	19,368		30 Nov 06		58,104	56.52	15 Sep 06
		42,819	24 May 07	11,344		24 May 07		34,032	56.87	13 May 07
								3,952	103.24	1 Dec 07
								25,584	149.42	11 May 08
								65,130	160.14	1 Sep 08
								42,819	233.74	24 May 09
							229,621			
	202,952	107,949		67,376			243,525			
D Earp	Share Appreciation Scheme									
	–	72,858	1 Mar 07					72,858	205.88	1 Mar 09
							72,858			
	–	72,858					72,858			
LJ Paton	Share options									
	56,160			1,912		5 Sep 06		0	63.38	18 Feb 04
				3,744		5 Sep 06		1,936	69.50	6 Jun 04
				10,280		23 Feb 07		3,792	60.51	16 Aug 04
				1,688		23 Feb 07		1,688	74.28	21 Jan 05
				280		23 Feb 07		2,408	47.63	5 May 05
				7,680		23 Feb 07		576	64.48	27 Aug 05
				2,408		23 Feb 07		15,360	67.43	18 Sep 05
				2,408		16 May 07				
							25,760			
	Share Appreciation Scheme									
	103,336	9,343	27 Nov 06	13,184		22 Nov 06		39,552	56.52	15 Sep 06
		8,222	24 May 07	5,960		16 May 07		17,896	56.87	13 May 07
								9,752	103.24	1 Dec 07
								16,992	149.42	11 May 08
								9,343	167.19	27 Nov 08
								8,222	233.74	24 May 09
							101,757			
	159,496	17,565		49,544			127,517			

IMPLATS
Distinctly Platinum

Directors' report – Remuneration report

		Additions		Disposals						
Name	Balance at 1 July 2006	Allocated during the year	Date of allocation	Number of shares sold	Forfeited	Date sold	Balance at 30 June 2007	Number of shares	Allocation price (R)	First release date
Executive directors *(continued)*										
S Bessit	Share options									
	32,960			11,880		5 Dec 06		11,888	72.38	25 Nov 04
				3,056		28 Feb 07		6,136	73.38	16 Feb 06
							18,024			
	Share Appreciation Scheme									
	80,520	10,383	24 May 07	12,824		24 May 07		38,496	56.87	13 May 07
								29,200	149.42	11 May 08
								10,383	233.74	24 May 09
							78,079			
	113,480	10,383		27,760			96,103			
KC Rumble	Share options									
	94,048			23,608		6 Sep 06				
				11,904		6 Sep 06				
				22,576		6 Sep 06				
				35,960		6 Sep 06				
	Share Appreciation Scheme									
	251,376			113,432		6 Sep 06				
				59,480		6 Sep 06				
				35,088		10 Apr 07				
				43,376		10 Apr 07				
	345,424	–		345,424						
CE Markus	Share options									
	53,808			2,952		8 Sep 06				
				5,464		8 Sep 06				
				3,728		8 Sep 06				
				1,552		8 Sep 06				
				16,472		2 Apr 07				
				2,960		2 Apr 07				
				5,488		2 Apr 07				
				168		2 Apr 07				
				2,992		2 Apr 07				
				3,728		2 Apr 07				
				776		2 Apr 07				
					7,528					
	Share Appreciation Scheme									
	113,232	7,379	27 Nov 06	11,840		27 Oct 06				
				11,840		30 Mar 07				
				10,448		30 Mar 07				
					86,483					
	167,040	7,379		80,408	94,011					

2007
ANNUAL REPORT

		Additions		Disposals						
Name	Balance at 1 July 2006	Allocated during the year	Date of allocation	Number of shares sold	Forfeited	Date sold	Balance at 30 June 2007	Number of shares	Allocation price (R)	First release date
Secretary										
R Mahadevey	Share options									
	35,920			17,952		2 Apr 07		17,968	50.13	2 May 05
							17,968			
	Share Appreciation Scheme									
	32,992	465	27 Nov 06	1,232		27 Oct 06		3,720	56.52	15 Sep 06
		6,179	24 May 07	4,472		5 Jun 07		13,416	56.87	13 May 07
								10,152	149.42	11 May 08
								465	167.19	27 Nov 06
								6,179	233.74	24 May 09
							33,932			
	68,912	6,644		23,656			51,900			
Senior management										
	Share options									
	307,368			87,184	14,200	Various		2,256	43.00	11 Jan 03
								200	63.38	18 Feb 02
								21,920	63.38	18 Feb 04
								2,232	69.50	6 Jun 04
								15,672	60.51	16 Aug 04
								960	73.75	25 Nov 04
								9,104	74.28	21 Jan 05
								17,968	50.13	2 Apr 05
								8,184	47.63	5 May 05
								1,288	64.48	27 Aug 05
								5,592	73.38	16 Feb 06
								38,736	63.39	22 Apr 06
								23,160	68.03	22 Sep 06
								1,712	67.05	22 Sep 06
								57,000	63.16	22 Sep 06
							205,984			
	Share appreciation scheme									
	285,296	34,016	11 May 06	23,528		2 Apr 07		184,224	56.87	13 May 07
		3,120	1 Dec 06					34,520	63.75	13 May 07
		51,237	27 Nov 06					4,704	103.24	1 Dec 07
		40,442	24 May 07					75,456	149.42	11 May 08
								51,237	167.19	27 Nov 08
							390,583	40,442	233.74	24 May 09
	592,664	128,815		110,712	14,200		596,567			

IMPLATS
Distinctly Platinum

Directors' report – Remuneration report

Gains on shares options and share appreciation rights exercised

Name	Number of shares Purchased	Sold	Total	Allocation price (R)	Gains on share options exercised (R000)	Market price
Directors						
DH Brown						
Share options	18,920		18,920	63.38	–	
	2,392		2,392	69.50	–	
	5,696		5,696	60.51	–	
	120	2,984	3,104	74.28	401	208.50
	3,272		3,272	47.63	–	
	872		872	64.48	–	
	728	1,680	2,408	69.50	279	235.50
Share appreciation rights		19,368	19,368	56.52	2,411	181.00
		11,344	11,344	56.87	1,928	226.85
Total	32,000	35,376	67,376		5,019	
LJ Paton						
Share options	10,280		10,280	63.38	–	
	1,912		1,912	69.50	–	
	3,744		3,744	60.51	–	
	1,688		1,688	74.28	–	
	280		280	64.48	–	
		2,408	2,408	47.63	368	200.41
		2,408	2,408	47.63	435	228.08
	7,680		7,680	67.43	–	
Share appreciation rights		13,184	13,184	56.52	1,523	172.00
		5,960	5,960	56.87	1,002	225.00
Total	25,584	23,960	49,544		3,328	
S Bessit						
Share options		11,880	11,880	72.38	1,267	179.00
		3,056	3,056	72.38	402	204.00
Share appreciation rights		12,824	12,824	56.87	2,180	226.85
Total		27,760	27,760		3,849	
KC Rumble						
Share options	23,608	–	23,608	63.38	–	
	11,904	–	11,904	60.50	–	
	22,576	–	22,576	74.28	–	
	35,960	–	35,960	64.48	–	
Share appreciation rights		113,432	113,432	56.52	12,802	169.38
		59,480	59,480	56.87	6,692	169.38
		35,088	35,088	103.24	4,630	235.20
		43,376	43,376	149.42	3,721	235.20
Total	94,048	251,376	345,424		27,845	
CE Markus						
Share options	1,800	1,152	2,952	69.50	109	164.38
	3,560	1,904	5,464	60.51	198	164.38
	2,760	968	3,728	47.63	113	164.38
	592	960	1,552	64.48	96	164.38
		16,472	16,472	63.38	2,732	229.22
		2,960	2,960	69.50	473	229.22
		5,488	5,488	60.51	926	229.22
		168	168	73.75	26	229.22
		2,992	2,992	74.28	464	229.22
		3,728	3,728	47.63	677	229.22
		776	776	64.48	128	229.22
Share appreciation rights		11,840	11,840	56.52	1,255	162.50
		11,840	11,840	56.52	2,030	228.01
		10,448	10,448	56.87	1,788	228.01
Total	8,712	71,696	80,408		11,016	

2007
ANNUAL REPORT

Gains on shares options exercised *(continued)*

Name	Number of shares Purchased	Sold	Total	Allocation price (R)	Gains on share options exercised (R000)	Market price
Secretary						
R Mahadevey						
Share options		17,952	17,952	50.13	3,215	229.22
Share appreciation rights		1,232	1,232	56.52	131	162.50
		4,472	4,472	56.87	756	225.95
Total		23,656	23,656		4,102	
Senior management						
Share options		7,712	7,712	68.03	680	156.25
		19,000	19,000	63.16	1,889	162.56
	4,960	2,912	7,872	63.38	294	164.27
	8,112	280	8,392	63.38	28	164.27
	4,352	960	5,312	60.51	100	164.27
	3,184	984	4,168	74.28	89	164.27
	992	496	1,488	73.38	45	164.27
	2,160	1,200	3,360	63.39	121	164.27
		1,936	1,936	60.51	204	165.63
		424	424	64.48	43	165.63
		568	568	67.05	56	165.63
		952	952	75.75	132	214.02
		632	632	74.28	88	214.02
	5,392	12,560	17,952	50.13	2,249	229.22
		712	712	73.38	111	229.22
		4,296	4,296	63.38	738	235.27
	416		416	73.38	–	–
	1,992		1,992	69.50	–	–
Share appreciation rights		23,528	23,528	56.87	4,027	228.01
Total	31,560	79,152	110,712		10,894	

Directors' other remuneration

No share options were granted to non-executive directors. Other benefits accruing to executive directors are set out below.

There were no contracts of significance during or at the end of the financial year in which the directors of the company were materially interested. No material change in the aforegoing interests has taken place between 30 June 2007 and the date of this report.

Remuneration of senior management and all employees

Implats' remuneration strategy aims to match the market in certain key areas and this necessitates regular revision of its market position. Quarterly benchmark audits ensure market competitiveness and internal equity.

Bonus scheme

All Implats employees have a non-guaranteed variable pay portion that comprises the remuneration mix. A new bonus scheme (Amaching-ching) focusing on productivity, safety and costs was implemented in May 2007 at Impala's mining operations to retain and motivate employees. This bonus scheme will be rolled out to the rest of the group in the new financial year.

Senior employees' bonus scheme

Employees from Paterson E to F levels participate in a 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.

IMPLATS
Distinctly Platinum

Directors' report – Remuneration report

Implats Share Appreciation Bonus Plan

The Implats Share Appreciation Bonus Plan was introduced in May 2005 to replace the Implats Share Incentive Scheme (which closed in October 2004 to future issues). 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 Paterson D to F levels participate in this scheme.

Preferred compensation scheme

The preferred compensation scheme is part of the company's strategy to attract and retain skilled employees. Since its introduction in 2004, the scheme has been effective and in November 2006 the Remuneration Committee agreed to the continuation of this scheme. Participation in the scheme is targeted at Paterson D to F levels in the organisation.

The company pays an amount equivalent to 20% of the employees' basic remuneration package as a preferred compensation payment. This payment is taxed and then invested in an endowment policy. The benefits from this policy accrue to the employee after 36 months and every 24 months thereafter, provided the employee is still in the service of a group company.

Share option scheme

The directors are authorised to issue, allot or grant options to acquire up to a maximum of 17,416,000 ordinary shares in the unissued share capital of the company in terms of employee share option schemes. Details of participation in the share option scheme are set out in note 15 of the financial statements. In line with recent remuneration developments, the group will no longer offer employees any further options under the former share incentive scheme, but will pay relevant employees a fully taxable bonus based on the increase in the share price. 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 will be no different from those under the existing share incentive scheme. The trustees of the scheme are Ms NDB Orleyn and Messrs JM McMahon and JV Roberts.

Employee share ownership programme

An employee share ownership programme (ESOP) was approved in July 2006 that is applicable to all employees of the South African operations in Paterson bands A, B and C. These employees are the beneficiaries of the Morokotso Trust which holds 3% of Implats' issued share capital. The shares were acquired through a capital contribution made by Impala and Marula.

There are nine trustees, of which five are employee trustees, three are independent trustees and one a founding member trustee representing Impala.

Talent management process

The company is committed to a structured talent development process which encompasses succession planning, career paths and structured human resources development programmes. Further discussion on this may be found in the Corporate Responsibility Report.

Transformation

The challenge of achieving the company's strategic imperative of becoming a transformed workplace, hinges on it meeting and exceeding the targets and 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 the amendment to the Employment Equity Act, regarding the definition of designated groups.

The board Transformation Committee as well as the transformation steering committees at all South African operations monitor the achievement of these targets and numerical goals. The table and charts below reflect progress against these targets.

2007
ANNUAL REPORT

Breakdown of employment at Implats' South African operations by occupational level

	Designated							Non-designated			Total
	Male			Female				White	Foreign nationals		
Occupational level	Africans	Coloureds	Indians	Africans	Coloureds	Indians	Whites	male	Male	Female	
Top management	0	1	0	0	0	0	1	2	0	0	4
Senior management	9	2	2	2	0	0	5	60	5	0	85
Professionally qualified and experienced specialists and mid-management	114	9	15	21	1	9	63	296	14	2	544
Skilled technical and academically qualified workers, junior management, supervisors, foremen, and superintendents	2,032	13	8	125	4	4	135	1,125	389	1	3,836
Semi-skilled and discretionary decision making	3,555	9	4	338	4	2	74	168	622	0	4,776
Unskilled and defined decision making	16,324	11	2	974	2	0	1	30	4,182	1	21,527
Total permanent employees	22,034	45	31	1,460	11	15	280	1,682	5,212	4	30,772
Non-permanent employees	16	0	0	14	0	0	2	3	1	0	36
Grand total#	**22,050**	**45**	**31**	**1,474**	**11**	**15**	**281**	**1,684**	**5,213**	**4**	**30,808**

\# Total number of employees in service as at 30 June 2007 (head office, Impala and Marula).

In terms of the table above, employment is reported in line with the Employment Equity Act in terms of which a 'designated employee' is one who was historically disadvantaged but excludes white women. Implats is however also committed to reporting in line with the MPRDA and the Mining Charter Scorecard. As at 30 June 2007, the Implats board comprised 54% HDSAs (where HDSAs include designated employees as well as white women) against a Mining Charter Scorecard target of 40% by FY2009. In particular, women make up 23% of the board.

IMPLATS
Distinctly Platinum

Consolidated balance sheet

(All amounts in rand millions unless otherwise stated)	Notes	As at 30 June 2007	2006[1]
Assets			
Non-current assets			
Property, plant, equipment, exploration and evaluation assets	5	20,346.3	12,435.4
Intangible assets	6	1,020.2	–
Investments in equity accounted entities	7	1,416.5	1,167.9
Available-for-sale financial investments	8	1,557.9	761.1
Held-to-maturity investments	9	120.9	108.2
Other receivables and prepayments	10	12,738.8	611.3
		37,200.6	15,083.9
Current assets			
Inventories	11	3,997.4	2,936.0
Trade and other receivables	12	5,535.9	3,585.6
Cash and cash equivalents	13	3,221.9	1,864.4
		12,755.2	8,386.0
Non-current assets classified as held-for-sale	14	2.4	–
		12,757.6	8,386.0
Total assets		49,958.2	23,469.9
Equity			
Capital and reserves attributable to the equity holders of the company			
Share capital	15	14,809.1	457.9
Other reserves	16	676.2	18.7
Retained earnings		17,483.8	13,363.3
		32,969.1	13,839.9
Minority interest		1,730.1	214.9
Total equity		34,699.2	14,054.8
Liabilities			
Non-current liabilities			
Borrowings	17	685.6	174.0
Deferred income taxation	18	5,047.0	2,919.0
Provision for employee benefit obligations	19	560.6	187.5
Provision for future rehabilitation	20	330.1	335.4
Derivative financial instruments	21	–	38.2
		6,623.3	3,654.1
Current liabilities			
Trade and other payables	22	7,087.5	4,741.1
Current income taxation		1,373.4	926.9
Borrowings	17	32.1	27.8
Provision for employee benefit obligations	19	93.5	–
Derivative financial instruments	21	49.2	65.2
		8,635.7	5,761.0
Total liabilities		15,259.0	9,415.1
Total equity and liabilities		49,958.2	23,469.9

[1] 2006 restated for IFRIC 4 – refer note 47.

The notes on pages 168 to 219 are an integral part of these consolidated financial statements.

2007
ANNUAL REPORT

Consolidated income statement

(All amounts in rand millions unless otherwise stated)	Notes	Year ended 30 June 2007	2006[1]
Sales	4	31,481.5	17,500.2
On-mine operations	23	(5,900.7)	(4,708.6)
Concentrating and smelting operations	24	(1,315.8)	(1,129.6)
Refining operations	25	(594.1)	(523.4)
Amortisation of operating assets	34	(864.7)	(643.1)
Metals purchased		(9,369.1)	(4,326.2)
Increase in metal inventories	11	1,034.9	1,161.0
Cost of sales		(17,009.5)	(10,169.9)
Gross profit		14,472.0	7,330.3
Net foreign exchange transaction (losses)/gains	26	(15.5)	177.8
Other operating expenses	27	(478.0)	(340.0)
Other expenses	29	(214.1)	(147.6)
Share of profit of associates	30	388.5	114.8
Royalty expense		(1,703.4)	(851.8)
BEE compensation charge	31	(1,790.0)	(95.3)
Reversal of impairment of assets	5	–	583.1
Interest and other income – net	32	642.4	303.8
Finance costs	33	(81.9)	(79.0)
Profit before taxation	34	11,220.0	6,996.1
Income taxation expense	35	(3,894.7)	(2,614.5)
Profit for the year		7,325.3	4,381.6
Profit attributable to:			
Equity holders of the company		7,232.2	4,341.9
Minority interest		93.1	39.7
		7,325.3	4,381.6
Earnings per share (expressed in cents per share – cps)			
– basic	36	1,312	825
– diluted	36	1,272	823
Dividends to group shareholders – cps	37		
– interim dividend December 2006/5		275	125
– final dividend June 2007/6		700	275
– special dividend December 2005		–	688
		975	1,088

[1] 2006 restated for IFRIC 4 – refer note 47.

The notes on pages 168 to 219 are an integral part of these consolidated financial statements.

IMPLATS
Distinctly Platinum

Consolidated statement of changes in shareholders' equity

(All amounts in rand millions unless otherwise stated)	Notes	Attributable to equity holders of the Company Share capital (note 15)	Other reserves (note 16)	Retained earnings	Total	Minority interest	Total equity
Balance at 30 June 2005 (1)		120.4	(506.1)	14,489.3	14,103.6	159.9	14,263.5
Fair value gains, net of taxation:							
– Available-for-sale financial investments	16		414.4		414.4		414.4
Currency translation differences, net of taxation	16		110.7		110.7	16.3	127.0
Net income recognised directly in equity			525.1		525.1	16.3	541.4
Profit for the year[1]				4,341.9	4,341.9	39.7	4,381.6
Total recognised income for 2006			525.1	4,341.9	4,867.0	56.0	4,923.0
Employee share option scheme:							
– Proceeds from shares issued	15	213.9			213.9		213.9
– Fair value of employee service	15	28.3			28.3		28.3
Final dividend relating to 2005	37			(1,181.9)	(1,181.9)		(1,181.9)
Interim dividend relating to 2006	37			(661.9)	(661.9)		(661.9)
Special dividend	37			(3,624.1)	(3,624.1)		(3,624.1)
Share in revaluation reserve of associate	7, 16		0.2		0.2		0.2
BEE compensation charge from sale of shares in Marula Platinum (Pty) Limited	15, 31	95.3			95.3		95.3
Transactions with minorities							
Purchase of additional shares in Zimplats Holdings Limited	41		(0.5)		(0.5)	(1.0)	(1.5)
		337.5	(0.3)	(5,467.9)	(5,130.7)	(1.0)	(5,131.7)
Balance at 30 June 2006 (1)		457.9	18.7	13,363.3	13,839.9	214.9	14,054.8
Fair value gains, net of taxation:							
– Available-for-sale financial investments	16		681.3		681.3		681.3
Currency translation differences, net of taxation	16		(23.8)		(23.8)	(5.3)	(29.1)
Net income recognised directly in equity			657.5		657.5	(5.3)	652.2
Profit for the year				7,232.2	7,232.2	93.1	7,325.3
Total recognised income for FY2007			657.5	7,232.2	7,889.7	87.8	7,977.5
Employee share option scheme:							
– Proceeds from shares issued	15	79.1			79.1		79.1
– Fair value of employee service	15	17.1			17.1		17.1
Issue of shares to the Royal Bafokeng Nation (net of cost)	15	12,465.0			12,465.0		12,465.0
Final dividend relating to 2006	37			(1,451.7)	(1,451.7)		(1,451.7)
Interim dividend relating to 2007	37			(1,660.0)	(1,660.0)		(1,660.0)
BEE compensation charge from shares issued to the Royal Bafokeng Nation	15, 31	1,790.0			1,790.0		1,790.0
Acquisition of a subsidiary	42					1,427.4	1,427.4
		14,351.2		(3,111.7)	11,239.5	1,427.4	12,666.9
Balance at 30 June 2007		14,809.1	676.2	17,483.8	32,969.1	1,730.1	34,699.2

(1) Restated for IFRIC 4 – refer note 47.

The notes on pages 168 to 219 are an integral part of these consolidated financial statements.

2007
ANNUAL REPORT

Consolidated cash flow statement

(All amounts in rand millions unless otherwise stated)	Notes	Year ended 30 June 2007	2006[1]
Cash flows from operating activities			
Cash generated from operations	38	12,945.0	6,533.4
Interest paid	33	(42.0)	(60.8)
Income taxation paid		(2,931.4)	(1,553.8)
Net cash from operating activities		9,971.6	4,918.8
Cash flows from investing activities			
Acquisition of subsidiary, net of cash acquired	42	(3,884.2)	–
Increase in shareholding in subsidiary	41	–	(1.5)
Long-term royalty prepayment to the Royal Bafokeng Nation	10	(12,482.6)	–
Purchase of property, plant and equipment		(2,810.2)	(2,176.7)
Proceeds from sale of property, plant and equipment		4.2	101.7
Increase in investments in associates	7	(119.0)	(151.7)
Payment received from associate on shareholders loan	7	258.9	–
Loan repayments received	10	36.3	36.5
Interest received		547.6	356.3
Dividends received		22.6	10.9
Net cash used in investing activities		(18,426.4)	(1,824.5)
Cash flows from financing activities			
Issue of ordinary shares, net of cost	15	12,544.1	213.9
Lease liability repaid		(22.0)	(16.1)
Proceeds from short-term borrowings		–	6.9
Repayments of short-term borrowings		(11.3)	–
Proceeds from long-term borrowings		435.9	10.2
Repayments of long-term borrowings		(11.3)	–
Dividends paid to company's shareholders	37	(3,111.7)	(5,467.9)
Net cash from/(used in) in financing activities		9,823.7	(5,253.0)
Net increase/(decrease) in cash and cash equivalents		1,368.9	(2,158.7)
Cash and cash equivalents at beginning of year	13	1,864.4	3,984.3
Effects of exchange rate changes on monetary assets		(15.0)	38.8
Cash and cash equivalents at end of year	13	3,218.3	1,864.4

[1] Restated for IFRIC 4 – refer note 47.

The notes on pages 168 to 219 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 financial statements 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 at 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 rands, which is the company's functional currency. All financial information is presented in rand millions, rounded to the nearest decimal, 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 judgement in the process of applying the group's accounting policies. The areas involving a higher degree of judgement 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 new interpretations of IFRS have been issued and have been adopted:

- IFRIC 4: Determining whether an Arrangement contains a Lease (effective 1 January 2006). The adoption of IFRIC 4 requires the group to identify any arrangement that does not take the legal form of a lease, but conveys a right to use an asset in return for a payment or series of payments. The effect of the implementation of this interpretation is set out in note 47.
- IFRIC 5 to IFRIC 9 were early adopted in prior years.
- IFRIC 10: Interim Financial Reporting and Impairment (effective 1 November 2006) prohibits the reversal of an impairment loss recognised in a previous interim period in respect of goodwill, an investment in an equity instrument or a financial asset carried at cost. The implementation of this interpretation had no material impact on the results of the group.
- IFRIC 11: IFRS 2 – Group and Treasury Share Transactions (effective 1 March 2007). This interpretation addresses how to apply IFRS 2 – Share-based Payments, to share-based payment arrangements involving an entity's own equity instruments or the equity instruments of another entity in the same group. The implementation of this interpretation had no material impact on the results of the group.
- IFRIC 12: Service Concession Arrangements (effective 1 January 2008). Service concessions are arrangements whereby a government or other public sector entity grants contracts for the supply of public services, such as roads, airports, prisons and energy and water supply and distribution facilities, to private sector operators. Control of the assets remains in public hands but the private sector operator is responsible for construction activities, as well as for operating and maintaining the public sector infrastructure. IFRIC 12 addresses how service concession operators should apply existing International Financial Reporting Standards (IFRSs) to account for the obligations they undertake and rights they receive in service concession arrangements. The implementation of this interpretation had no impact on the results of the group.
- IFRIC 13: Customer Loyalty Programmes. This interpretation addresses accounting by an entity which grants award credits to its customers. This interpretation had no effect on the group.

1 Summary of significant accounting policies (continued)

1.2 Changes in accounting policies (continued)

- IFRIC 14: IAS 19 – The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction. This interpretation addresses refunds or reductions in future contributions, the impact of minimum funding on future contributions and potential liabilities. The implementation of this interpretation had no impact on the results of the group.

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

- IAS 19 Employee Benefits (revised effective 1 January 2006). This standard deals with the accounting for employee benefits. The adoption of this accounting standard had no material 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 7: Financial Instruments: Disclosures and the Amendment to IAS 1 Presentation of Financial Statements: Capital Disclosures (effective 1 January 2007) require extensive disclosures about the significance of financial instruments for an entity's financial position and performance, and qualitative and quantitative disclosures on the nature and extent of risks. The group assessed the impact of IFRS 7 and the amendment to IAS 1 and concluded that the main additional disclosures will be the sensitivity analysis to market risk and capital disclosures required by the amendment of IAS 1. The group will apply IFRS 7 and the amendment to IAS 1 from the financial year beginning 1 July 2007.

IFRS 8: Operating Segments (effective 1 January 2009) requires the amount reported for each segment item to be the measure reported to the chief operating decision maker for the purposes of allocating resources to that segment and assessing their performance. The group assessed the impact of IFRS 8 and concluded that some additional information that is not critical to the business will have to be disclosed, even though the group already conforms to the main requirements.

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 such 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 acquisition date, irrespective of the extent of any minority 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 1.7).

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 have 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.

Notes to the consolidated financial statements

1 Summary of significant accounting policies (continued)

1.3 Consolidation (continued)

Transactions with minorities

Transactions with minorities, 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 minorities, is adjusted against other reserves.

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 1.7).

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, recognising in reserves, its share of post-acquisition movements. Under the equity method, the investment in associates is initially recognised at cost and the carrying amount is increased or decreased to recognise the investor's share of profit or loss in the investee, after the date of acquisition. Dividends received reduce the carrying amount in 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 venture's individual income and expenses, 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.

1.4 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. The consolidated financial statements are presented in South African rands, which is the functional and presentation currency of Impala Platinum Holdings Limited.

Group companies

Income statements of foreign subsidiaries, associates and joint ventures are translated into South African rands at average exchange rates for the year and the assets and liabilities are translated at the rates ruling at the balance sheet date. The exchange differences arising on the 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 from the acquisition of a foreign entity are treated as assets and liabilities of the foreign entity and translated at the closing rate.

1 Summary of significant accounting policies (continued)

1.4 Foreign currency translation (continued)

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.

The environmental rehabilitation obligation is included in the cost of the related asset and changes in the liability resulting from changes in the estimates are accounted for as follows:

– Any decrease in the cost of the asset is limited to its carrying amount and 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 other 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 cost less the residual value of the assets or component of the asset 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. Amortisation is not adjusted retrospectively 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, limited to the life of mine.

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 the life of mine using the units-of-production method and the economically recoverable proved and probable mineral reserves.

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Notes to the consolidated financial statements

1 Summary of significant accounting policies (continued)

1.5 Property, plant and equipment (continued)

Other assets

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

Asset type	Estimated useful life
– Furniture fittings and office equipment	5 years
– Information technology	3 years
– Vehicles	5 and 10 years
– Other assets (including company vehicles)	5 years

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 will more likely than not be realised, i.e. is probable. In evaluating whether expenditures meet this criterion for being capitalised, the directors use several different sources of information depending on the level of exploration. While the criteria for concluding that an expenditure should be capitalised is always probable, 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.

- 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 these are 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 of the specific exploration area.

1 Summary of significant accounting policies (continued)

1.7 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 the acquisition of subsidiaries is included in intangible assets. Goodwill on the acquisition 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 1.8). Impairment write downs on goodwill may not be reversed.

1.8 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 greater of the asset's fair value less cost to sell and its value in use is less than the carrying amount.

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 could 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 has been recognised. The reversal of an impairment will be limited to the lesser 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.

Financial assets

The group assesses at each balance sheet 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 profit or loss – is removed from equity and recognised in the income statement. Impairment losses on equity instruments recognised in the income statement are reversed through 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 on the part of the debtor, probability that the debtor will enter bankruptcy or financial reorganisation, and default 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.

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.

Notes to the consolidated financial statements

1 Summary of significant accounting policies (continued)

1.9 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. 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 an asset. Investments are initially recognised at fair value plus transaction costs except financial assets at fair value through profit or loss which is 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.

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 longer than 12 months after the balance sheet date. These are classified as non-current assets. Loans and receivables are included in trade and other receivables in the balance sheet (Refer note 1.15). 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 of holding and the ability to hold to maturity, and are included in non-current assets, except for those with maturities within 12 months of the balance sheet 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.

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 balance sheet 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 as gains and losses from investment securities in the income statement.

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.

1.10 Cash and cash equivalents

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

1.11 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.

1 Summary of significant accounting policies (continued)

1.11 Leases (continued)

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 lesser 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 a 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 a penalty is recognised as an expense in the period in which termination takes place.

1.12 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 matte produced by the smelter and precious metal concentrate produced by 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 in 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.

1.13 Financial instruments

Financial instruments carried on the balance sheet 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.

1.14 Derivative financial instruments

Metal futures, options and lease contracts are entered into from time to time to preserve and enhance future revenue streams. Forward exchange contracts are 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).

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Notes to the consolidated financial statements

1 Summary of significant accounting policies (continued)

1.14 Derivative financial instruments (continued)

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 the fair value 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 maturity of this 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.

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 hedges

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 period 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.

1.15 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.

1.16 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.

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

1.17 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.

1 Summary of significant accounting policies (continued)

1.18 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.

Rehabilitation costs

The net present value of future rehabilitation 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 used in calculating the present value.

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

Ongoing rehabilitation cost

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

Impala Pollution, 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.

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

1.19 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 by payments to insurance companies or trustee-administered funds, determined by periodic actuarial calculations.

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 obligation 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 employees and by relevant group companies to insurance companies or trustee-administered funds, determined by periodic actuarial calculations. 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 plans are multi-employer plans, where sufficient information is not available to account for them as defined benefit plans; they are accounted for in substance as defined contribution plans. 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.

Notes to the consolidated financial statements

1 Summary of significant accounting policies (continued)

1.19 Employee benefits (continued)

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 balance sheet 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 where contractually obliged to do so or where there is a past practice that has created a constructive obligation.

Share-based payments

Equity-settled share option incentive scheme

Impala 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 by 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 the granting of the options.

The fair value of 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 are detailed in note 3. At each balance sheet 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 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 up 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 the date of allocation.

Morokotso Trust

The Employee Share Ownership Programme (ESOP) for South African operations provides for as broad-based participation as possible by employees in the Morokotso Trust and is primarily for the benefit of historically disadvantaged employees in the A, B and C Paterson bands in the employ of the company before 4 July 2008. The trust acquired 16.4 million shares on behalf of employees. Each employee in the A, B and C Paterson bonds has an equal stake in the Trust.

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 money 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.

1 Summary of significant accounting policies (continued)

1.19 Employee benefits (continued)

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 balance sheet date. The binomial option valuation model is used to determine fair value (excluding non-market vesting conditions) and the assumptions on which the model is based are detailed in note 3.

1.20 Deferred income taxation

Deferred income taxation is provided in full, using the liability method, on temporary differences arising between the taxation bases of assets and liabilities and their carrying amounts in the consolidated financial statements. However, if the deferred income taxation 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 taxation is determined using taxation rates (and laws) that have been enacted or substantively enacted by the balance sheet date and are expected to apply when the related deferred income taxation asset is realised or the deferred income taxation liability is settled.

Deferred income taxation 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 taxation 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 taxation assets and deferred income taxation 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 off set current taxation assets against current taxation liabilities.

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

1.21 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.

Sales of metals mined and metals purchased

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 the 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-proportionate 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.

Government assistance

Government assistance is accounted for by applying the income approach and recognised through profit and loss on an accrual basis, in as far as the conditions attached to such assistance will be met and the grant has been received, or it is reasonably certain that it will be received.

IMPLATS
Distinctly Platinum

Notes to the consolidated financial statements

1 Summary of significant accounting policies (continued)

1.22 Segment reporting

A business segment is a group of assets and operations engaged in providing products or services that are subject to risks and returns that are different from those of other business segments. A geographical segment is engaged in providing products or services within a particular economic environment that is subject to risks and returns that are different from those of segments operating in other economic environments.

The group is an integrated PGM and associated base metal producer. On a primary basis, the business 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
- investment and other.

1.23 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.

1.24 BEE transactions

This accounting policy relates to transactions where the group grants or sells equity instruments to people in the 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 1.19 for discussion of share-based payments.

The fair value of the equity instruments is determined using the main assumptions as described in note 3 'Critical accounting estimates and judgements' for the 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 potentially 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 (group treasury/hedging committee) under policies approved by the Board of Directors, which identifies, evaluates and hedges financial risks in close co-operation with the group's operating units. The risk 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, the use of derivative financial instruments and non-derivative financial instruments, and the investing of 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 assets and liabilities and net investments in foreign operations.

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

Securities price risk

The group is exposed to equity securities price risk because of investments held by the group and classified on the consolidated balance sheet as available-for-sale financial assets. Group treasury continually monitors this exposure.

Commodity price risk

The group is exposed to fluctuations in metal prices. 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 its revenue streams.

2 Financial risk management (continued)

2.1 Financial risk factors (continued)

2.1.2 Credit risk

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

The group has no significant concentrations of credit risk. It has policies in place to ensure that sales of products are made to customers with an appropriate credit history. The group has policies that limit the amount of credit exposure to any single financial institution.

The potential concentration of credit risk consists mainly of cash and cash equivalents, trade debtors and other receivables.

The group limits its counter party exposures from its money market investment operations by dealing only with well-established financial institutions with a credit standing of a high quality. The credit exposure to any one counter party is managed by setting exposure limits which are reviewed regularly by the board of directors.

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 counter parties and limits the amount of contracts it enters into with any one party.

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 debtors are presented net of the allowance for impairment. No impairment was recognised as the principal debtors continue to be in a sound financial position.

Credit risk exposure in respect of trade receivables is analysed in note 12.

2.1.3 Interest rate risk

The group monitors its exposure to fluctuating interest rates. Cash and cash equivalents are primarily invested with short-term maturity dates, therefore the group is only exposed to cash flow interest risk. The group's primary exposure in respect of borrowings is detailed in note 17. At 30 June 2007 (2006: nil), the group did not consider there to be any significant exposure to interest rate risk.

2.1.4 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, the group treasury/hedging committee aims to maintain flexibility in funding by keeping committed credit lines available.

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 risk are monitored by management who actively engage with both local and foreign government officials and by operating within set frameworks to ensure favourable outcomes.

2.2 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 not generally applied and therefore changes in the fair value of any derivative instruments are recognised in the income statement immediately.

2.3 Fair value estimation

The fair value of financial instruments traded in active markets is based on quoted market prices at the balance sheet 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 balance sheet date.

Notes to the consolidated financial statements

2 Financial risk management (continued)

2.3 Fair value estimation (continued)

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

The nominal values 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 financial asset and liabilities approximate their fair values.

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 could differ from those estimates.

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 eg. 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 affected 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 to the extent that there are significant 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. These calculations require the use of estimates and assumptions. It is reasonably possible that the metal price assumption may change which may then impact the estimated life of mine determinant and may then require a material adjustment to the carrying value of goodwill and tangible assets.

3 Critical accounting estimates and judgements (continued)

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. 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.

The group tests whether assets have suffered any impairment, in accordance with the accounting policy stated in note 1.8. The recoverable amounts of cash-generating units have been derived from discounted cash flows. These calculations require the use of estimates of future commodity prices, exchange rates and reserves. Estimates are based on management's interpretation of market forecasts.

Changes to these assumptions contributed to the reversal of an impairment provision (refer note 5).

The key financial assumptions used in the calculations are:
- long-term real revenue per platinum ounce sold of R11,085 (2006: R7,850) and
- long-term real discount rate, a range of 8.0% to 10.0% (2006: 8.0% to 10.0%) for South African cash flows and 13.0% to 15.0% (2006: 13.0% to 15.0%) for Zimbabwean 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 to be moved into the production which stage. Some of the criteria would include, but are not limited to the following:
- the level of capital expenditure compared to construction cost estimates;
- completion of a reasonable period for the testing of 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 reserve development.

Income taxes

The group is subject to income taxes in numerous jurisdictions. Significant judgement is required in determining the worldwide provision for income taxes. There are many transactions and calculations for which the ultimate taxation determination is uncertain during the ordinary course of business. The group recognises liabilities for anticipated taxation audit issues based on estimates of whether additional taxes will be due. Where the final taxation outcome of these matters is different from the amounts that were initially recorded, such differences affect impact the income taxation and deferred taxation 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 balance sheet date. The group uses discounted cash flow analyses for various available-for-sale financial assets that are not traded in active markets.

Metal in process and product inventories

Costs that are incurred during or which 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 and long-term metals 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 engineering estimates are refined based on actual results over time.

IMPLATS
Distinctly Platinum

Notes to the consolidated financial statements

3 Critical accounting estimates and judgements (continued)

Provisions

Environmental rehabilitation obligations

The group's mining and exploration activities are subject to various laws and regulations governing 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 could differ materially from these estimates. Additionally, future changes to environmental laws and regulations, life of mine estimates and discount rates could affect the carrying amount of this provision. Such changes could similarly impact the useful lives of assets depreciated on a straight-line basis, where those lives are limited to the life of mine.

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

The net present value of current rehabilitation estimates is based on the assumption of a long-term real interest rate of 3.9% (2006: 4.0%).

Provisions for the costs of future rehabilitation have been determined, based on calculations which require the use of estimates (note 20).

Reserves

The estimation of reserves affects 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 affecting the determination of proven and probable reserves are:

- the grade of mineral reserves which 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; and
- 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' obligations and expenses 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. While Implats' believes that these assumptions are appropriate, significant changes in 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.

Actuarial parameters used by independent valuators assume 6.4% (2006: 6.37%) as the long-term medical inflation rate and an 8.5% (2006: 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 R4.1 million reduction in the provision and a decrease of 1% results in an increase in the provision of R4.9 million.

Provisions for post-retirement medical liability costs 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 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 balance sheet date.

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]		Share option scheme[4]		Share appreciation right scheme[5]	
	2007	2006	**2007**	2006	**2007**	2006
Weighted average share price on grant date	163.80	N/A	70.26	70.26	87.69	87.69
Weighted average share price on valuation date[1]	216.00	N/A	70.26	70.26	216.00	164.98
Weighted average exercise price[2]	159.18	N/A	61.03	62.81	110.33	77.96
Volatility[3]	46.00	N/A	42.03	42.03	46.00	40.36
Dividend yield (%)	2.20	N/A	5.75	5.75	2.20	2.12
Risk-free interest rate (%)	7.90	N/A	10.43	10.43	7.90	8.12

1 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.

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

3 Volatility for equity- and cash-settled shares is the 400-day moving average historical volatility on Implats shares on each valuation date.

4 This share option scheme was closed to future grants with effect from October 2004.

5 Cash-settled share based payments.

This calculation pertains to non-vested shares.

Financial liabilities

The fair values of derivative instruments are calculated at year-end. The fair value of the forward sales contract is determined by using platinum lease rates and the London Interbank Offer Rate (LIBOR) on the 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.

Purchase price allocation

In determining the purchase price for African Platinum Plc (Afplats), 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 were 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

Expected future royalty payments were valued using the life-of-mine discounted cash flow model for Impala Rustenburg. 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.

Notes to the consolidated financial statements

4 Segment information

Segment reporting

Primary reporting format – business segments

Year ended 30 June 2007

(All amounts in rand millions unless otherwise stated)	Mining segment Impala	Marula	Afplats	Zimplats	Mimosa	Total mining segment	Refining services segment	Investment and other segment	Inter-segment adjustment	Total
Sales from:										
Metals mined	17,400.8				290.4	17,691.2				17,691.2
Metals purchased	12,413.1					12,413.1	13,276.6		(12,226.0)	13,463.7
Refining services	12,229.2					12,229.2				12,229.2
Impala							12,226.0		(12,226.0)	–
Other	183.9					183.9	1,050.6			1,234.5
Toll income							372.7		(46.1)	326.6
Inter-company concentrate sales to IRS		1,212.7		1,697.3	552.6	3,462.6			(3,462.6)	–
Total sales	29,813.9	1,212.7		1,697.3	843.0	33,566.9	13,649.3		(15,734.7)	31,481.5
Segment operating expenses for:										
Metals mined	6,685.9	643.1		811.4	258.1	8,398.5			(46.1)	8,352.4
Administration fees paid		7.6				7.6			(7.6)	–
Metals purchased	12,374.4					12,374.4	12,683.3		(15,688.6)	9,369.1
Refining services	12,226.0					12,226.0			(12,226.0)	–
Inter-company concentrate purchases							3,462.6		(3,462.6)	–
Other	148.4					148.4	9,220.7			9,369.1
Other cost							322.9			322.9
Gross cost	19,060.3	650.7		811.4	258.1	20,780.5	13,006.2		(15,742.3)	18,044.4
(Increase)/decrease in metal inventories	(44.4)			(42.7)	3.4	(83.7)	(1,144.1)		192.9	(1,034.9)
Cost of sales	19,015.9	650.7		768.7	261.5	20,696.8	11,862.1		(15,549.4)	17,009.5
Gross profit	10,798.0	562.0		928.6	581.5	12,870.1	1,787.2		(185.3)	14,472.0
Net foreign exchange transaction gains/(losses)	46.7	(6.3)	(6.4)	(7.6)	(15.5)	10.9	(11.4)	(15.0)		(15.5)
Interest and (other expense)/income	(144.7)	6.1	(2.9)	(25.8)	9.1	(158.2)	130.7	(14.6)	(7.6)	(49.7)
Share of profit of associates								388.5		388.5
Royalty expense	(1,624.3)	(29.0)		(30.8)	(19.3)	(1,703.4)				(1,703.4)
BEE compensation charge	(1,790.0)					(1,790.0)				(1,790.0)
Finance cost	(25.4)	(22.5)		(18.8)	(14.2)	(80.9)	(1.0)			(81.9)
Profit before taxation	7,260.3	510.3	(9.3)	845.6	541.6	9,148.5	1,905.5	358.9	(192.9)	11,220.0
Income taxation expense	(3,066.5)	(112.8)		(129.3)	(23.0)	(3,331.6)	(592.6)	(17.5)	47.0	(3,894.7)
Profit for the year	4,193.8	397.5	(9.3)	716.3	518.6	5,816.9	1,312.9	341.4	(145.9)	7,325.3

2007
ANNUAL REPORT

4 Segment information (continued)

Segment reporting (continued)

Primary reporting format – business segments (continued)

Year ended 30 June 2007

(All amounts in rand millions unless otherwise stated)	Mining segment									
	Impala	Marula	Afplats	Zimplats	Mimosa	Total mining segment	Refining services segment	Investment and other segment	Inter-segment adjustment	Total
Additional segment information										
Segment assets	29,043.0	1,791.2	7,014.1	2,137.6	999.8	40,985.7	5,859.7	1,696.3		48,541.7
Associates								1,416.5		1,416.5
Total assets										49,958.2
Segment liabilities	3,446.7	1,045.5	86.9	311.4	38.9	4,929.4	3,156.7	34.8		8,120.9
Unallocated liabilities										7,138.1
Total liabilities										15,259.0
Other segment items										
Capital expenditure	2,097.7	279.8	4.2	448.7	56.5	2,886.9				2,886.9
Depreciation and amortisation	594.7	76.3		162.2	31.9	865.1	0.6			865.7
Statistical information:										
Total metals produced										
Platinum (000oz)	1,055					1,055	971			2,026
Palladium (000oz)	472					472	642			1,114
Rhodium (000oz)	103					103	144			247
Nickel (000 tonnes)	7.0					7.0	9.2			16.2
PGM in concentrate produced per entity and included in IRS refined metal (000oz)		171.4		205.7	81.7					
Gross margin analysis (%)										
Metals mined	61.8									
Metals purchased – Impala	0.3									
– IRS							13.1			
Inter-company concentrate purchases		46.3		54.7	69.0					

IMPLATS
Distinctly Platinum

Notes to the consolidated financial statements

4 Segment information (continued)

Segment reporting (continued)

Primary reporting format – business segments (continued)

Year ended 30 June 2006[1]

(All amounts in rand millions unless otherwise stated)	Mining segment				Total mining segment	Refining services segment	Investment and other segment	Inter segment adjustment	Total
	Impala	Marula	Zimplats	Mimosa					
Sales from:									
Metals mined	11,054.4			111.7	11,166.1				11,166.1
Metals purchased	5,810.5				5,810.5	6,047.2		(5,662.5)	6,195.2
Refining services	5,743.7				5,743.7				5,743.7
Impala						5,662.5		(5,662.5)	–
Other	66.8				66.8	384.7			451.5
Toll income						174.4		(35.5)	138.9
Inter-company concentrate sales to IRS		511.1	1,037.9	324.3	1,873.3			(1,873.3)	–
Total sales	16,864.9	511.1	1,037.9	436.0	18,849.9	6,221.6		(7,571.3)	17,500.2
Segment operating expenses for:									
Metals mined	5,552.2	416.2	611.8	221.4	6,801.6			(35.5)	6,766.1
Metals purchased	5,724.3				5,724.3	6,137.7		(7,535.8)	4,326.2
Refining services	5,662.5				5,662.5			(5,662.5)	–
Inter-company concentrate purchases						1,873.3		(1,873.3)	–
Other	61.8				61.8	4,264.4			4,326.2
Other cost						238.6			238.6
Gross cost	11,276.5	416.2	611.8	221.4	12,525.9	6,376.3		(7,571.3)	11,330.9
(Increase)/decrease in metal inventories	(363.6)		(7.5)	(14.4)	(385.5)	(1,039.8)		264.3	(1,161.0)
Cost of sales	10,912.9	416.2	604.3	207.0	12,140.4	5,336.5		(7,307.0)	10,169.9
Gross profit	5,952.0	94.9	433.6	229.0	6,709.5	885.1		(264.3)	7,330.3
Net foreign exchange transaction losses	(31.8)	15.6	(4.6)	6.9	(13.9)	191.6	0.1		177.8
Other operating (expenses)/gains	(146.0)	(30.1)	(31.9)	(10.3)	(218.3)	70.7	(39.1)	2.9	(183.8)
Share of profit of associates							114.8		114.8
Royalty expense	(811.3)	(10.7)	(19.7)	(10.1)	(851.8)				(851.8)
BEE compensation charge		(95.3)			(95.3)				(95.3)
Reversal of impairment provision		583.1			583.1				583.1
Finance costs	(42.4)		(11.2)	(7.0)	(60.6)	(22.6)	4.2		(79.0)
Profit before taxation	4,920.5	557.5	366.2	208.5	6,052.7	1,124.8	80.0	(261.4)	6,996.1
Income taxation expense	(1,574.0)	(154.9)	(60.8)	(33.7)	(1,823.4)	(409.8)	(435.0)	53.7	(2,614.5)
Profit for the year	3,346.5	402.6	305.4	174.8	4,229.3	715.0	(355.0)	(207.7)	4,381.6
Additional segment information									
Segment assets	13,838.6	1,374.8	1,778.7	574.9	17,567.0	3,811.1	923.9		22,302.0
Associates							1,167.9		1,167.9
Total assets									23,469.9
Segment liabilities	2,838.9	388.1	308.3	39.3	3,574.6	2,205.8	17.5		5,797.9
Unallocated liabilities									3,617.2
Total liabilities									9,415.1

[1] 2006 restated for IFRIC 4 – refer note 47.

2007
ANNUAL REPORT

4 Segment information (continued)

Segment reporting (continued)

Primary reporting format – business segments (continued)

Year ended 30 June 2006[1] (All amounts in rand millions unless otherwise stated)	Mining segment Impala	Mining segment Marula	Mining segment Zimplats	Mining segment Mimosa	Total mining segment	Refining services segment	Investment and other segment	Inter segment adjustment	Total
Other segment items									
Capital expenditure	1,600.5	291.2	252.5	104.2	2,248.4				2,248.4
Reversal of impairment provision		583.1			583.1				583.1
Depreciation and amortisation	517.9	37.4	68.0	21.0	644.3	0.6			644.9
Statistical information:									
Total metals produced									
Platinum (000oz)	1,125				1,125	721			1,846
Palladium (000oz)	492				492	497			989
Rhodium (000oz)	129				129	113			242
Nickel (000 tonnes)	7.9				7.9	7.7			15.6
PGM in concentrate produced per entity and included in IRS refined metal (000oz)		103.8	195.6	75.3					
Gross margin analysis (%)									
Metals mined	53.1								
Metals purchased – Impala	1.5								
– IRS						14.2			
Inter-company concentrate purchases		18.6	41.8	52.5					

Notes to business segment analysis:

Segment assets consist primarily of property, plant and equipment, intangible assets, inventories, receivables and operating cash. They exclude deferred taxation, investments and derivatives held for trading or designated as hedges of borrowings.

Segment liabilities comprise operating liabilities. They exclude items such as corporate borrowings and taxation and deferred taxation.

Capital expenditure comprises additions to property, plant and equipment (note 5), excluding additions resulting from acquisitions through business combinations.

Sales

Metals mined

Reflect the mine-to-market sales primarily from Impala Rustenburg's 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 IRS.
- for IRS this includes sales from purchases of metals from third party refining customers. The majority of sales are to Impala and a portion is directly to the market.

Toll income

Fees earned by IRS for the treatment of metals on behalf of third party refining customers.

Inter-company

Comprises sales of concentrate from Marula, Zimplats and Mimosa mining operations to IRS.

[1] 2006 restated for IFRIC 4 – refer note 47.

IMPLATS
Distinctly Platinum

Notes to the consolidated financial statements

(All amounts in rand millions unless otherwise stated)	Year ended 30 June 2007	2006

4 Segment information (continued)

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.

Secondary reporting format – geographical segments

Although the group's business segments are managed on a worldwide basis, they operate in two geographical areas.

South Africa is the home country of the parent company and the main operating company. The areas of operation are principally mining and toll refining activities in South Africa and Zimbabwe.

Analysis of sales by destination

	2007	2006
Main products		
Asia	10,338.5	5,233.4
North America	6,246.4	4,769.5
Europe	4,348.3	2,977.9
South Africa	4,331.5	2,173.3
	25,264.7	15,154.1
By-products		
South Africa	3,188.7	1,123.1
North America	1,472.6	549.1
Asia	847.8	333.2
Europe	381.0	201.8
	5,890.1	2,207.2
Toll income		
South Africa	263.2	58.1
North America	60.9	80.8
Asia	0.7	–
Europe	1.9	–
	326.7	138.9
	31,481.5	17,500.2

Sales and toll income are allocated based on the country in which the customer is located.

(All amounts in rand millions unless otherwise stated)	Notes	Year ended 30 June 2007	2006

4 Segment information (continued)

Analysis of sales by category

		2007	2006
Sales of goods			
Precious metals			
Platinum		15,577.1	9,991.0
Palladium		2,089.0	1,468.8
Rhodium		7,625.7	3,700.2
Ruthenium		796.8	218.9
Iridium		190.9	69.6
Gold		329.9	231.4
Silver		8.8	7.9
		26,618.2	15,687.8
Base metals			
Nickel		4,061.9	1,430.8
Copper		430.1	216.5
Cobalt		37.6	17.3
Chrome		7.0	8.9
		4,536.6	1,673.5
Revenue from services			
Toll refining		326.7	138.9
		31,481.5	17,500.2

Other segment information

	Sales		Capital Expenditure		Total assets	
	2007	2006	2007	2006	2007	2006[1]
South Africa	28,941.3	17,388.5	2,381.7	1,704.7	44,859.5	20,382.6
Zimbabwe	2,540.2	111.7	505.2	543.7	3,137.4	1,778.7
Other					544.8	140.7
Investment in associates					1,416.5	1,167.9
	31,481.5	17,500.2	2,886.9	2,248.4	49,958.2	23,469.9

(1) 2006 restated for IFRIC 4 – refer note 47.

Total 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.

Notes to the consolidated financial statements

5 Property, plant, equipment, exploration and evaluation assets

(All amounts in rand millions unless otherwise stated)	Shafts, mining development and infrastructure	Metallurgical and refining plants	Land and buildings	Assets under construction[1]	Exploration and evaluation assets	Other assets	Total
Cost							
Balance at 30 June 2005[2]	6,578.6	3,873.0	1,947.7	564.0		1,668.5	14,631.8
Exchange adjustment on translation of foreign subsidiaries and joint venture	35.9	49.1	11.9	18.5		38.6	154.0
Additions	845.1	181.8	45.9	926.7		248.9	2,248.4
Transfer from assets under construction	44.4			(44.4)			–
Transfers between categories	1,730.0	56.6	(1,388.4)	(129.8)		(268.4)	–
Disposals	(48.9)	(27.2)	(26.5)			(3.7)	(106.3)
Balance at 30 June 2006[2]	9,185.1	4,133.3	590.6	1,335.0		1,683.9	16,927.9
Exchange adjustment on translation of foreign subsidiaries and joint venture	(7.7)	(10.5)	(2.3)	(6.3)		(10.7)	(37.5)
Additions	1,127.9	575.8	22.7	914.3		246.2	2,886.9
Acquisition of a subsidiary (note 42)				1,598.9	4,318.3	1.3	5,918.5
Transfer from assets under construction	214.2	134.3		(371.4)		22.9	–
Transfer to assets held for sale (note 14)			(2.4)				(2.4)
Disposals	(0.5)	(1.2)				(12.8)	(14.5)
Balance at 30 June 2007	10,519.0	4,831.7	608.6	3,470.5	4,318.3	1,930.8	25,678.9
Accumulated amortisation and impairment							
Balance at 30 June 2005[2]	2,925.4	811.5	60.9			611.6	4,409.4
Exchange adjustment on translation of foreign subsidiaries and joint venture	6.1	9.9	1.1			8.8	25.9
Charge for the year	374.1	136.2	2.5			132.1	644.9
Reversal of impairment of assets	(364.9)		(218.2)				(583.1)
Transfers between categories	(268.1)	0.3	243.3			24.5	–
Disposals	(1.0)	(1.0)				(2.6)	(4.6)
Balance at 30 June 2006[2]	2,671.6	956.9	89.6			774.4	4,492.5
Exchange adjustment on translation of foreign subsidiaries and joint ventures	(9.4)	(2.6)	(0.3)			(2.6)	(14.9)
Charge for the year	382.4	195.1	58.6			229.6	865.7
Disposals	(0.3)	(0.8)				(9.6)	(10.7)
Balance at 30 June 2007	3,044.3	1,148.6	147.9			991.8	5,332.6
Carrying value at 30 June 2007	7,474.7	3,683.1	460.7	3,470.5	4,318.3	939.0	20,346.3
Carrying value at 30 June 2006	6,513.5	3,176.4	501.0	1,335.0		909.5	12,435.4

(1) Assets under construction consist mainly of capital expenditure on the Ngezi Phase 1 underground mine project in Zimbabwe, 16 and 20 shafts at Impala, the Leeuwkop project and at Marula.

(2) Restated for IFRIC 4 – refer note 47.

(All amounts in rand millions unless otherwise stated)	Year ended 30 June 2007	2006

5 Property, plant, equipment, exploration and evaluation assets (continued)

Impairment

The recoverable amount of a cash generating unit (CGU) is derived from discounted cash flows on a fair value less cost to sell basis. The calculations use cash flow projections, based on the life-of-mine plan, where cash flow estimates are subject to risks and uncertainties regarding future metal prices, exchange rates and input cost.

In 2005, Marula's mining assets were impaired due to a change in the mining method.

During the group's business planning cycle in 2006, the long-term assumptions regarding metal prices and the improvement in mining and processing at Marula indicated that the total impairment provision for this CGU was no longer necessary, therefore an amount of R583.1 million was reversed.

	2007	2006
Long-term real key assumptions (Marula specific)		
Revenue per platinum ounce sold (R)	N/A	7,850
Real discount rate (%)	N/A	8.0
Commitments in respect of property, plant and equipment		
Commitments contracted for	3,225.1	2,338.6
Approved expenditure not yet contracted for	10,756.9	9,517.6
	13,982.0	11,856.2
Not later than 1 year	2,497.6	3,523.5
Later than 1 year not later than 5 years	6,475.9	6,777.0
Later than 5 years	5,008.5	1,555.7
	13,982.0	11,856.2

This expenditure will be funded internally and, if necessary, from borrowings.

Assets are not encumbered by loans.

No finance cost was capitalised during the year.

6 Intangible assets

Goodwill

	2007	2006
Goodwill arising on acquisition of subsidiary (note 42)	1,020.2	–

The goodwill originated mainly from the deferred taxation provided on the fair value of the assets over the acquiree's carrying amount.

This goodwill is based on the provisional purchase price allocation of fair value. The purchase price allocation will be finalised in FY2008, subject to an independent review of resources acquired.

IMPLATS
Distinctly Platinum

Notes to the consolidated financial statements

(All amounts in rand millions unless otherwise stated)	Year ended 30 June 2007	2006
7 Investments in equity accounted entities		
i) Two Rivers Platinum (Proprietary) Limited		
Cumulative share of results	226.9	0.7
Unearned profit in the group [1]	(120.0)	–
Shares at cost	45.0	45.0
Shareholder's loan	624.8	505.8
Net book amount	776.7	551.5

Shares are beneficially owned in the company which is 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 borrowing by Two Rivers Platinum (Proprietary) Limited until such time as the technical completion tests of the project have been met. At 30 June 2007, the exposure under this guarantee amounted to R292.9 million (2006: R210.6 million).

The shareholder's loan bears interest at 10% (2006: nil) per annum and has no fixed term of repayment.

	2007	2006
Shareholding		
Number of shares		
Ordinary shares	270	270
Effective holding: 45.0% (2006: 45%)		
Summarised financial information as at 30 June and for the year then ended:		
Capital and reserves	594.1	101.3
Non-current liabilities	2,465.5	1,657.2
Current liabilities	218.1	142.8
	3,277.7	1,901.3
Non-current assets	2,169.9	1,789.7
Current assets	1,107.8	111.6
	3,277.7	1,901.3
Sales	1,407.8	–
Profit for the year	492.8	(0.6)

The results of the associate are based on audited financial statements.

[1] This adjustment relates to sales from Two Rivers to the Implats group, which at year-end were included in inventories, thus eliminating the unearned profit in the group.

(All amounts in rand millions unless otherwise stated)	Year ended 30 June 2007	2006
7 Investments in equity accounted entities (continued)		
ii) Aquarius Platinum (South Africa) (Proprietary) Limited		
Cumulative share of results	512.6	197.6
Unearned profit in the group [1]	(76.5)	(43.8)
Cumulative share of revaluation reserve	0.2	0.2
	436.3	154.0
Shares at cost	43.5	43.5
Shareholder's loan	160.0	418.9
Net book amount	639.8	616.4

Shares are beneficially owned in the company which is involved in the business of mining and marketing of PGMs.

The shareholder's loan is interest free and has no fixed term of repayment.

Shareholding	2007	2006
Number of ordinary shares	280	280
Effective holding: 20.0% (2006: 20.0%)		

Summarised financial information as at 30 June and for the year then ended:

	2007	2006
Capital and reserves	2,724.0	1,154.0
Non-current liabilities	2,113.5	2,900.8
Current liabilities	1,200.7	879.2
	6,038.2	4,934.0
Non-current assets	3,453.6	3,051.8
Current assets	2,584.6	1,882.2
	6,038.2	4,934.0
Sales	4,092.1	2,255.5
Profit for the year	1,571.3	300.1

The results of the associate for the year are based on audited financial statements.

Summary	2007	2006
Two Rivers Platinum (Proprietary) Limited	776.7	551.5
Aquarius Platinum (South Africa) (Proprietary) Limited	639.8	616.4
Total investments in associates	1,416.5	1,167.9

[1] This adjustment relates to sales from Aquarius to the Implats group, which at year-end were included in inventories, thus eliminating the unearned profit in the group.

IMPLATS
Distinctly Platinum

Notes to the consolidated financial statements

(All amounts in rand millions unless otherwise stated)	Year ended 30 June 2007	2006

8 Available-for-sale financial investments

Investment in listed shares

Comprise shares in the following listed company

	2007	2006
Aquarius Platinum Limited		
Beginning of the year	746.4	261.7
Exchange differences (note 16)	176.3	29.6
Share price movement (note 16)	620.5	455.1
End of the year	1,543.2	746.4

During the year, the group maintained its strategic shareholding in Aquarius Platinum Limited, holding 7,141,966 shares (2006: 7,141,966) which amounts to approximately 8.6% (2006: 8.6%) of the issued share capital of that company. The company is listed on the Australian Securities Exchange, the London Stock Exchange and the JSE Limited. The fair value of these shares as at the close of business on 30 June 2007 by reference to stock exchange-quoted prices and closing exchange rates was R1,543.2 million (2006: R746.4 million).

Investment in unlisted shares

	2007	2006
Fair value of shares beneficially owned in Silplats (Proprietary) Limited	14.7	14.7
Total available-for-sale-investments	1,557.9	761.1

9 Held-to-maturity-investments

	2007	2006
Investment in interest-bearing instruments	120.9	108.2

The investment is held through the Impala Pollution, Rehabilitation and Closure Trust Fund (note 20). The fund is an irrevocable trust under the group's control. The funds are invested primarily in interest-bearing instruments.

10 Other receivables and prepayments

Loans

	2007	2006
BEE companies		
Beginning of the year	557.2	513.7
Interest accrued	52.4	43.5
End of the year	609.6	557.2
Barplats Investments Limited	–	36.3
Less: current portion of loan (note 12)	–	(36.3)
	–	–
	609.6	557.2

Black economic empowerment companies (BEE)

As an integral part of the sale of the group's shares in Lonplats in 2005, an amount of R617.5 million was made available in equal amounts as loans to the following BEE companies:

- Thelo Incwala Investments (Proprietary) Limited
- Dema Incwala Investments (Proprietary) Limited
- Vantage Capital Incwala Investments (Proprietary) Limited

2007
ANNUAL REPORT

(All amounts in rand millions unless otherwise stated)	Year ended 30 June 2007	2006

10 Other receivables and prepayments (continued)

These loans are repayable within 4 to 6 years (2006: 5 to 7 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 9.8% (2006: 8.5%)

Barplats Investments Limited

The Barplats Investments Limited loan bore annual nominal interest at JIBAR plus 300 basis points, compounded monthly in arrears. The loan was repaid during the 2007 financial year.

	2007	2006
Royalty prepayments		
Beginning of the year	59.0	63.9
Additions	12,482.6	–
Charged to the income statement during the year	(4.8)	(4.9)
	12,536.8	59.0
Less: current portion of prepayment (note 12)	(407.6)	(4.9)
End of the year	12,129.2	54.1

Prior to 2007

Royalty prepayments represent the payments of royalties settled through an issue of shares to the mineral right holders of the Impala mining lease area during 1999.

In March 2007, the group finalised a deal with Royal Bafokeng Holdings (Proprietary) Limited. In terms of this transaction, Impala Platinum Limited agreed to pay the Royal Bafokeng Nation (RBN) all royalties due to them, thus effectively discharging any further obligation to pay royalties. In turn the RBN purchased, through Royal Bafokeng Impala Investment Holding Company (Pty) Limited and Royal Bafokeng Tholo Investment Holding Company (Pty) Limited, 75.1 million shares in Implats, giving them a 13.4% holding in the listed entity.

	2007	2006
Total other receivables	12,738.8	611.3

11 Inventories

	2007	2006
Refined metal		
At cost	441.1	514.7
At net realisable value	116.1	71.1
	557.2	585.8
In-process metal	3,193.9	2,124.3
Exchange adjustment on translation of foreign subsidiaries	(1.5)	6.1
Metal inventories	3,749.6	2,716.2
Stores and materials inventories	247.8	219.8
	3,997.4	2,936.0

Notes to the consolidated financial statements

(All amounts in rand millions unless otherwise stated)	Year ended 30 June 2007	2006
12 Trade and other receivables		
Trade receivables and advances	3,770.9	2,427.8
Receivables from related parties (note 43)	769.1	486.8
South African Revenue Services (Value added taxation)	240.2	263.3
Employee receivables	131.4	126.5
Advances and loan facilities provided to related parties (note 43)	177.2	107.2
Prepayments	28.6	71.8
Current portion of loans (note 10)	–	36.3
Other receivables	10.9	61.0
Current portion of royalty prepayment (note 10)	407.6	4.9
	5,535.9	3,585.6
Trade receivables and advances of R2,127.2 million (2006: R1,468.9 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)	392.6	202.4
The credit exposures of trade receivables and advances by country are as follows:		
South Africa	1,028.1	978.9
North America	1,985.8	964.6
Asia	375.6	232.8
Europe	304.9	177.0
Zimbabwe	76.5	74.5
	3,770.9	2,427.8
Other receivables represent primarily a South African exposure.		
13 Cash and cash equivalents		
Short-term bank deposits	2,290.3	1,500.0
Cash at bank	931.6	364.4
	3,221.9	1,864.4
The weighted average effective interest rate on short-term bank deposits was 8.17% (2006: 6.9%) and these deposits have a maximum maturity of 90 days (2006: 90 days).		
Cash and bank overdrafts include the following for the purposes of the cash flow statement:		
Cash and cash equivalents	3,221.9	1,864.4
Bank overdrafts (note 17)	(3.6)	–
	3,218.3	1,864.4
The net exposure to foreign currency denominated balances as at 30 June was as follows:		
Bank balances (US$ million)	195.6	93.1

2007
ANNUAL REPORT

(All amounts in rand millions unless otherwise stated)	Year ended 30 June 2007	2006
13 Cash and cash equivalents (continued)		
Exposures by country are as follows:		
South Africa	2,282.9	1,426.9
Europe	440.9	120.4
Zimbabwe	394.5	300.8
Asia	6.8	2.1
Mauritius	96.8	14.2
	3,221.9	1,864.4
The following cash and cash equivalents are restricted for use by the group by virtue of contractual agreements:		
Absa Bank deposit account for guarantees	5.5	–
Deposit with the Zimbabwean Reserve Bank	211.9	–
Commitments to Tau Mining (Afplats)	11.5	–
Insurance cell captive	50.5	67.0
	279.4	67.0

14 Non-current assets classified as held-for-sale

Investment property

Comprises freehold residential property situated at 5 Orchard Lane, Rivonia, and is held by title deed no T108787/2001. The property is not depreciated as the residual value is higher than the carrying value.

	2007	2006
At cost	2.2	–
Improvements	0.2	–
Transfer from property, plant and equipment (note 5)	2.4	–

The property is surplus to the group's requirements and has been placed with an estate agent to be sold.

15 Share capital

Share capital and share premium

A subdivision of shares was approved at the annual general meeting held on 12 October 2006.

The ordinary shares of the holding company were subdivided whereby each ordinary share of 20 cents was subdivided into eight ordinary shares of 2.5 cents each. The subdivided shares commenced trading on the JSE Limited on 6 November 2006.

The earnings and dividends per share reported for the previous financial years were recalculated, using the subdivided number of shares, to enable comparison with the current reporting period.

IMPLATS
Distinctly Platinum

Notes to the consolidated financial statements

(All amounts in rand millions unless otherwise stated)	Year ended 30 June 2007	2006
15 Share capital (continued)		
The authorised share capital of the holding company after the subdivision is as follows:		
844,008,000 (2006: 800,000,000) ordinary shares with a par value of 2.5 cents each	21.1	20.0

Ordinary A shares authorised during the year were converted to ordinary shares.

	2007	2006
The issued share capital of the holding company after the subdivision is as follows:		
Number of shares issued	630.899	537.445
Less: shares in the group		
Treasury shares	(9.845)	(9.845)
Morokotso Trust	(16.433)	–
Implats Share Incentive Trust	(0.532)	(0.563)
	604.089	527.037
Adjusted for weighted shares issued during the year	(52.689)	(0.889)
Weighted average number of ordinary shares in issue (millions) (note 36)	551.400	526.148
Adjustment for share option scheme	17.117	1.448
Weighted average number of ordinary shares for diluted earnings per share (note 36)	568.517	527.596

During the period under review, 16.4 million shares (2.1 million shares pre-subdivision) were issued in terms of an approved Employee Share Ownership Programme. The programme was put in place in 2006 and the shares were incorporated in calculations for 2006.

In addition, 75.1 million shares were issued to the Royal Bafokeng Nation (note 31).

	Number of shares issued (million)	Ordinary shares (R million)	Treasury shares (R million)	Share premium (R million)	Share-based payment reserve (R million)	Total (R million)
At 30 June 2005	524.304	13.2	(612.9)	665.1	55.0	120.4
Issued by the share option scheme	2.733			213.9		213.9
Cost of equity compensation plan					28.3	28.3
BEE compensation charge					95.3	95.3
At 30 June 2006	527.037	13.2	(612.9)	879.0	178.6	457.9
Issued by the share option scheme	1.937	0.1		79.0		79.1
Issued to the Royal Bafokeng Nation	75.115	1.8		12,480.8		12,482.6
Share issue cost [1]				(17.6)		(17.6)
Cost of equity compensation plan					17.1	17.1
BEE compensation charge					1,790.0	1,790.0
At 30 June 2007	604.089	15.1	(612.9)	13,421.2	1,985.7	14,809.1

[1] Includes an accrual of R10.0 million relating to the prospectus that will be issued according to the UK listing requirements.

15 Share capital (continued)

Share options

Movement in the number of share options outstanding was as follows:

	Year ended 30 June			
	2007		2006	
(All amounts in rand millions unless otherwise stated)	Number (000)	Weighted average exercise price (R)	Number (000)	Weighted average exercise price (R)
At beginning of year	3,539.2	67.1	7,020.8	65.6
Exercised	(1,380.0)	65.0	(3,294.4)	64.0
Granted				
Expired			(3.2)	74.9
Forfeited	(145.6)	64.5	(184.0)	66.4
At end of year	2,013.6	67.9	3,539.2	67.1
Exercisable	536.3	65.0	356.8	61.8
Not yet exercisable	1,477.3	67.7	3,182.4	67.9
	2,013.6	67.9	3,539.2	67.1

Refer to the Directors' Report for details on share options held by directors and key management personnel.

Share options outstanding (number in thousands) at the end of the year have the following terms:

	Vesting years							
Option price Rand per share	2001 – 2004	2005	2006	2007	2008	2009	2010	Total number
18.25	6.0							6.0
25.00	5.2	2.6						7.8
43.00			2.3					2.3
47.63		1.1	12.0	29.0	29.0			71.1
50.13					35.9			35.9
53.79			14.0	25.0	25.0	25.0		89.0
57.71				2.3	15.8	15.8	15.8	49.7
59.41				3.4	9.4	9.4	9.4	31.6
60.44				2.2	14.8	14.8	14.8	46.6
60.51		4.0	6.7	13.8	77.2			101.7
63.16					19.0	19.0	19.0	57.0
63.38	5.1	3.7	17.2	106.1				132.1
63.39			2.8	61.5	73.2	73.3		210.8
64.48				10.8	14.3	14.3		39.4
65.25				3.7				3.7
67.05				9.1	35.6	35.6	35.6	115.9
67.43					7.7	7.7		15.4
68.03					7.7	7.7	7.7	23.1
69.50			1.4	26.2				27.6
71.12					4.2			4.2
72.38				7.2	16.6			23.8
73.38				30.9	112.2	112.2		255.3
73.75			0.9	1.9	6.5			9.3
74.28			13.4	30.5	80.8			124.7
75.00				115.1	397.1			512.2
76.44				1.0	8.2	8.2		17.4
Total 2007	**16.3**	**11.4**	**70.7**	**479.7**	**990.2**	**343.0**	**102.3**	**2,013.6**
Total 2006	31.4	30.6	293.1	1,534.6	1,153.9	386.6	109.0	3,539.2
Average remaining contractual life (years):								
2007	2 – 5	3 – 6	4 – 7	5 – 8	6 – 9	7 –9	8	
2006	3 – 5	4 – 7	5 – 8	6 – 9	7 – 9	8 – 9	9	

The Share Option Scheme was closed to future grants with effect from October 2004.

Notes to the consolidated financial statements

16 Other reserves

(All amounts in rand millions unless otherwise stated)	Fair value adjustment of investments	Translation of foreign subsidiaries	Acquisition equity adjustment	Total
Balance 1 July 2005	228.6	(355.0)	(379.7)	(506.1)
Revaluation (note 8)	484.7			484.7
Deferred taxation charged to equity (note 18)	(70.3)			(70.3)
Currency translation differences		152.2		152.2
Deferred taxation charged to equity (note 18)		(41.5)		(41.5)
Additional shares acquired in Zimplats Holdings Limited (note 42)			(0.5)	(0.5)
Share of revaluation reserve in associate (note 7)	0.2			0.2
Balance 30 June 2006	643.2	(244.3)	(380.2)	18.7
Revaluation (note 8)	796.8			796.8
Deferred taxation charged to equity (note 18)	(115.5)			(115.5)
Fair value movement on cash flow hedges	(17.1)			(17.1)
Net loss on cash flow hedge removed from equity and included in the carrying amount of net assets (note 21)	17.1			17.1
Currency translation differences		(35.7)		(35.7)
Deferred taxation charged to equity (note 18)		11.9		11.9
Balance 30 June 2007	**1,324.5**	**(268.1)**	**(380.2)**	**676.2**

Fair value adjustments relate to available-for-sale investment; the translation of foreign subsidiaries represents the difference in exchange rate on conversion of financial statements and acquisition equity adjustment resulting from additional investment in Zimbabwean companies.

17 Borrowings

	Year ended 30 June	
(All amounts in rand millions unless otherwise stated)	**2007**	2006[1]
Current		
Standard Bank of South Africa Ltd	**17.8**	–
Absa Bank Limited	**–**	11.3
Bank overdrafts (note 13)	**3.6**	–
Lease liabilities	**10.7**	16.5
	32.1	27.8
Non-current		
Standard Bank of South Africa Ltd	**450.1**	–
Absa Bank Limited	**–**	11.3
Lease liabilities	**235.5**	162.7
	685.6	174.0
Total borrowings	**717.7**	201.8

Borrowings from Standard Bank Limited, amounting to R395.0 million, were raised during the financial year, which carries interest at JIBAR plus 90 basis points and a revolving credit facility amounting to R72.9 million, which carries interest at JIBAR plus 100 basis points. The loans are repayable within 8.5 years.

These loans were obtained by BEE partners for the purchase of a 22.5% share in Marula Platinum Limited and the BEE partnership in Marula is consolidated as the loans are guaranteed by Implats.

[1] Restated for IFRIC 4 – refer note 47.

2007
ANNUAL REPORT

17 Borrowings (continued)

Lease liabilities

(All amounts in rand millions unless Otherwise stated)	2007 Minimum lease payments	2007 Interest	2007 Principal	2006 Minimum lease payments	2006 Interest	2006 Principal
						Year ended 30 June
Less than one year	38.7	28.0	10.7	36.0	19.5	16.5
Between one and five years	206.1	162.3	43.8	136.6	109.5	27.1
More than five years	328.8	137.1	191.7	252.4	116.8	135.6
	573.6	327.4	246.2	425.0	245.8	179.2

The above finance lease liabilities relate to the implementation of IFRIC 4 (note 47).

The interest rates applicable are 5.0% for Zimbabwean US dollar liabilities and 11.5% for South African rand denominated liabilities.

	2007	2006
The effective interest rates for the year were as follows:	%	%
Bank loans (South African rand)	8.17	7.38
Bank loans (US dollar)	7.50	7.32

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 ordinary shareholders' equity.

Ordinary shareholders' equity	32,969.1	13,839.9
Currently utilised	717.7	201.8

18 Deferred income taxation [1]

Deferred income taxation assets and liabilities are offset when there is a legally enforceable right to offset current taxation assets against current taxation liabilities and when the deferred income taxes relate to the same fiscal authority. The offset amounts are as follows:

Deferred taxation assets		
– Deferred taxation asset to be recovered after more than 12 months	(522.5)	(137.2)
– Deferred taxation asset to be recovered within 12 months	(43.8)	(27.9)
Deferred taxation liabilities:		
– Deferred taxation liability to be recovered after more than 12 months	5,361.8	2,888.9
– Deferred taxation liability to be recovered within 12 months	251.5	195.2
Deferred taxation liabilities – net	5,047.0	2,919.0

There are no unrecognised temporary differences in the group (2006: nil)

[1] Restated for IFRIC 4 – refer note 47.

IMPLATS
Distinctly Platinum

Notes to the consolidated financial statements

(All amounts in rand millions unless otherwise stated)	Year ended 30 June 2007	2006

18 Deferred income taxation (continued)

Deferred income taxes are calculated at the prevailing rates of taxation of the different fiscal authorities where the asset or liability originates.

	2007	2006
The movement on the deferred income taxation account is as follows:		
At the beginning of the year	2,919.0	2,378.9
Acquisition of subsidiary (note 42)	1,512.0	–
Exchange adjustment on translation of foreign subsidiaries	(3.5)	8.9
Taxation charged to equity (note 16)	103.6	111.8
Income statement charge (note 35)	515.9	419.4
Net deferred taxation liability at the end of the year	5,047.0	2,919.0
Deferred taxation assets and liabilities are attributable to the following items:		
Deferred taxation liabilities		
Property, plant and equipment	3,759.7	3,207.6
Market value adjustment of listed investments	189.8	74.3
Pollution and rehabilitation trust	35.0	31.4
Prepaid royalties	116.8	–
Revaluation of assets of subsidiary on acquisition	1,512.0	–
	5,613.3	3,313.3
Deferred taxation assets		
Rehabilitation and post-retirement medical provisions	(83.6)	(76.3)
Lease liabilities	(70.1)	(47.8)
Share-based payments	(88.6)	(37.6)
Leave pay	(79.7)	(62.1)
Unrealised profit in metal inventories	(109.9)	(62.9)
Translation differences of foreign subsidiaries	(61.3)	(49.3)
Fair value adjustments	(58.2)	(47.5)
Other	(14.9)	(10.8)
	(566.3)	(394.3)
Net deferred taxation liability	5,047.0	2,919.0

The aggregate amount for deferred taxation liabilities relating to subsidiaries, associates and interest in joint venture is R4,857.2 million (2006: R2,844.7 million).

19 Provision for employee benefit obligations

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 Authority Scheme Zimbabwe (industry fund) [1]
- Zimasco Pension Fund
- Novel Platinum Pension Fund

[1] This is the only defined benefit plan. Information on 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 balance sheet. The number of employees that contribute to these funds represents approximately 8.5% of employees in the group.

The group accounts in substance for all multi-employer benefit plans as defined contribution plans (note 1.19).

(All amounts in rand millions unless otherwise stated)	Year ended 30 June 2007	2006

19 Provision for employee benefit obligations (continued)

Post-employment medical benefits

The amounts recognised in the income statement were as follows:

Movement in the liability recognised in the balance sheet:		
At beginning of year	58.0	59.7
Provided (note 28)	3.4	3.0
Paid	(5.6)	(4.7)
At end of year	55.8	58.0
Cash-settled share appreciation rights liability		
At beginning of year	129.5	4.9
Charge to income statement	557.9	125.5
Paid to employees during the year	(89.1)	(0.9)
At end of year	598.3	129.5
Current	93.5	–
Non-current	504.8	129.5
	598.3	129.5

Share appreciation rights, net of options forfeited, were granted to employees during the year at an average exercise price of R186.68 per share (2006: R128.94) and expire during 2017 (2006: 2016).

Movement in the number of share appreciation rights outstanding was as follows (000):

At beginning of year	4,630.0	3,200.0
Granted	18,758.8	1,999.6
Lapsed during the year	(403.0)	(488.0)
Paid to employees during the year	(679.1)	(81.6)
At end of year	22,306.7	4,630.0
Exercisable	316.6	–
Not yet exercisable	21,990.1	4,630.0
	22,306.7	4,630.0

Notes to the consolidated financial statements

19 Provision for employee benefit obligations (continued)

Share appreciation rights outstanding (number in thousands) at the end of the year have the following terms:

	Vesting years							Total
Price per share	2007	2008	2009	2010	2011	2012	2016	number
57.70		13.2	13.2	13.2				39.6
62.40	6.6	6.6	6.6	6.6				26.4
63.40		28.5	28.5	28.5				85.5
63.00		5.9	5.9	5.9				17.7
63.70	310.1	645.7	645.7	645.7				2,247.2
75.40		2.7	2.7	2.7	2.7			10.8
88.80		5.2	5.2	5.2	5.2			20.8
110.10		100.0	100.0	100.0	100.0			400.0
102.20		1.6	1.6	1.6	1.6			6.4
110.10		3.4	3.4	3.4	3.4			13.6
119.20		3.9	3.9	3.9	3.9			15.6
128.60		0.9	0.9	0.9	0.9			3.6
130.80		1.3	1.3	1.3	1.3			5.2
149.40		200.2	200.2	200.2	200.2			800.8
140.10		150.8	150.8	150.8	150.8			603.2
159.90			1.4	1.4	1.4	1.4		5.6
160.10			17.0	17.0	17.0	17.0		68.0
160.20			3.6	3.6	3.6	3.6		14.4
167.20			104.4	104.4	104.4	104.4		417.6
172.10			4.2	4.2	4.2	4.2		16.8
174.50			6.8	6.8	6.8	6.8		27.2
177.40			0.8	0.8	0.8	0.8		3.2
186.50			4.6	4.6	4.6	4.6		18.4
195.20			2.9	2.9	2.9	2.9		11.6
205.90			21.8	21.8	21.8	21.8		87.2
205.40			3.3	3.3	3.3	3.3		13.2
233.70			223.7	223.7	223.7	223.7		894.8
159.15 [1]					6,573.0		9,859.7	16,432.7
Total 2007	**316.7**	**1,169.9**	**1,564.4**	**1,564.4**	**7,437.5**	**394.5**	**9,859.7**	**22,307.1**
Total 2006	763.2	1,156.5	1,156.5	1,156.5	397.3			4,630.0
Average remaining contractual life (years):								
2007	8	8 – 9	8 – 10	8 – 10	9 – 10	10	10	
2006	9	9 – 10	9 – 10	9 – 10	10			

[1] The Employee Share Option Participation Scheme (ESOPS) for broad-based economic empowerment was introduced in 2007

The input parameters were the same as for the calculation of the share option scheme (refer note 3)

The total intrinsic value was R1,454.5 million (2006: R397.7 million) as determined by the year-end share price of R216.00 (2006: R164.98).

	Year ended 30 June	
(All amounts in rand million unless otherwise stated)	2007	2006
Summary		
– Post-employment medical benefits	55.8	58.0
– Cash-settled share appreciation rights liability	598.3	129.5
Total employee benefit obligations	654.1	187.5
Current	93.5	–
Non-current	560.6	187.5
	654.1	187.5

(All amounts in rand millions unless otherwise stated)	Year ended 30 June 2007	2006

20 Provision for future rehabilitation

	2007	2006
At beginning of year	335.4	234.9
Exchange adjustment on translation of foreign subsidiaries and joint venture	(1.2)	10.7
Change in estimate	(8.6)	71.7
Charge to income statement (note 33)	22.1	18.1
	347.7	335.4
Less: utilised during year	(17.6)	–
At end of year	330.1	335.4

Current cost rehabilitation estimate is R675.7 million (2006: R646.5 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:

	2007	2006
At beginning of year	108.2	99.3
Interest accrued (note 32)	12.7	8.9
At end of year	120.9	108.2

	2007	2006
Future value of rehabilitation obligation	2,259.3	2,642.4
Future value of rehabilitation trust investment	(1,309.3)	(1,171.9)
Future net environmental rehabilitation obligation	950.0	1,470.5

The future value of the rehabilitation obligation was calculated by inflating the current rehabilitation cost to an estimated future rehabilitation cost.

The future value of the rehabilitation trust investment was calculated by assuming that the present balance in the rehabilitation trust will be invested at the risk-free rate. The shortfall will be funded by contributions to the trust.

Guarantees have been provided to the various provincial departments of Minerals and Energy to satisfy the requirements of the Mineral and Petroleum Resources Development Act with respect to environmental rehabilitation (note 39).

Assumptions used in calculating the provision:

South African operations:

The interest rate used is the long-term risk-free rate as indicated by government bonds which ranged between 8.8% and 9.0% at the time of calculation. This resulted in a real interest rate of 3.9% (2006: 4.0%).

Zimbabwean operations:

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

US inflation rates	3%
US interest rates	5%

IMPLATS
Distinctly Platinum

Notes to the consolidated financial statements

(All amounts in rand millions unless otherwise stated)	Year ended 30 June 2007	2006

21 Derivative financial instruments

	2007	2006
At beginning of year	103.4	–
Fair value movement (note 32)	4.5	120.4
Realised	(58.7)	(17.0)
At end of year	49.2	103.4
Current	49.2	65.2
Non-current	–	38.2
	49.2	103.4

At 30 June 2007, the group had forward sales contracts of 22,000 platinum oz (2006: 48,000 platinum oz). This fair value adjustment will realise over the period of forward sales which ends by December 2007. The group intends to settle the outstanding contracts in cash. Apart from this, there were no material metal futures, options or lease contracts in place at year-end (2006: nil).

During the year, the group entered into forward exchange contracts to cover the foreign currency risk relating to the highly probable acquisition of Afplats. This transaction was accounted for as a cash flow hedge. The full amount was settled before year-end. The cash flow hedges occurred from 3 May 2007 to 14 May 2007. A R17.1 million loss was recognised in equity during the period. This amount was transferred from equity and included in the carrying amount of the net assets acquired (note 16).

22 Trade and other payables

	2007	2006
Trade payables	3,352.8	2,272.8
Payables to related parties (note 43)	1,513.1	1,176.0
Royalties payable	1,696.7	821.2
Forward commitments (note 40)	208.7	206.0
Leave liability	290.3	228.7
Other payables	25.9	36.4
	7,087.5	4,741.1

The uncovered foreign currency denominated balances as at 30 June were as follows:

	2007	2006
Trade and other payables (US$ million)	62.2	48.3
Forward commitments (US$ million) (note 40)	29.5	28.8
	91.7	77.1

Royalties payable

This comprises the accrual of royalty payments to the holders of mineral rights. The calculation is based on mining taxable income and is only finalised once that has been assessed by the South African Revenue Services. Payments are made in accordance with an agreed schedule. Royalties payable to the Royal Bafokeng Nation from 1 July 2007 have been pre-paid. Refer note 10.

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 balance sheet date.

2007
ANNUAL REPORT

(All amounts in rand millions unless otherwise stated)	Year ended 30 June 2007	2006
23 On-mine operations [1]		
On-mine costs exclude amortisation and comprise the following principal categories:		
Labour	3,381.7	2,546.5
Materials and other costs	2,310.4	1,964.4
Utilities	208.6	197.7
	5,900.7	4,708.6
24 Concentrating and smelting operations		
Concentrating and smelting costs exclude amortisation and comprise the following principal categories:		
Labour	250.2	229.6
Materials and other costs	798.5	670.3
Utilities	267.1	229.7
	1,315.8	1,129.6
25 Refining operations [1]		
Refining costs exclude amortisation and comprise the following principal categories:		
Labour	309.7	262.6
Materials and other costs	252.1	202.4
Utilities	32.3	58.4
	594.1	523.4
26 Net foreign exchange transaction losses/(gains)		
The exchange differences charged to the income statement are included as follows:		
Sales	12.7	(177.4)
Forward cover contracts	2.8	(0.4)
	15.5	(177.8)
27 Other operating expenses		
Other costs comprise the following principal categories:		
Corporate costs	325.8	257.8
Selling and promotional expenses	152.2	82.2
	478.0	340.0
28 Employee benefit expense		
Employment costs		
Wages and salaries	3,254.7	2,915.7
Other post-retirement benefits (note 19)	3.4	3.0
Pension costs – defined contribution plans	260.7	85.2
Share-based compensation	575.0	159.4
– Equity-settled (note 15)	17.1	28.3
– Cash-settled (note 19)	557.9	131.1
	4,093.8	3,163.3

[1] Restated for IFRIC 4 – refer note 47.

IMPLATS
Distinctly Platinum

Notes to the consolidated financial statements

(All amounts in rand millions unless otherwise stated)	Year ended 30 June 2007	2006
29 Other expense/(income)		
Exploration expenditure	31.3	12.7
Sale of prospecting right [1]	–	(111.0)
Insurance commissions	–	(0.3)
Ambatovy project[2]	–	193.1
Portion of carrying value of mining claims on the Hartley Complex derecognised on exchange for empowerment credits in Zimbabwe[3]	–	17.3
RBN community development project[4]	87.5	–
Geology charges	26.0	10.0
Corporate and other costs	69.3	25.8
	214.1	147.6

[1] Profit on sale of the prospecting right in respect of the farm Spitzkop for R111 million.

[2] On 30 November 2005, Implats advised that pursuant to its review of the Ambatovy Project, it had delivered a formal notice of withdrawal under the shareholders agreement. While there were still synergies for Implats' own nickel production cost profile, in Implats' view, the project as a whole did not meet Implats' hurdle rates. The amount written off consisted of the following: investment in the project of R127.1 million and a bankable feasibility study cost of R66.0 million, giving a total amount written off of R193.1 million.

[3] On 31 May 2006, the group announced that agreement had been reached with the government of Zimbabwe relating to the release of mining claims comprising 36% of Zimplats' resource base, with a market value of US$153 million, in exchange for empowerment credits amounting to US$102 million and a future payment of US$51 million in cash or equity in a joint venture that is to be established. The loss represents the carrying value of the mining claims transferred in exchange for empowerment credits. The transaction with regard to the US$51 million will only be recognised once there is more clarity on its outcome.

[4] An expense for the commitment to contribute up to R170 million up to 30 June 2017 to the Impala Bafokeng Trust amounting to a liability of R87.5 million (present value of estimated future payments) with a corresponding 'community development expense to the income statement.

	2007	2006
30 Share of profit of associates		
Two Rivers Platinum (Proprietary) Limited (note 7 i)	106.2	0.7
Aquarius Platinum (South Africa) (Proprietary) Limited (note 7 ii)	282.3	114.1
	388.5	114.8
31 Black economic empowerment (BEE) compensation charge		
Marula Platinum (Proprietary) Limited		
Sale of shares in Marula Platinum (Proprietary) Limited (note 15)	–	95.3
Impala Platinum Limited		
Discount on shares issued relating to future royalties (note 15)	1,790.0	–
	1,790.0	95.3

Marula Platinum (Proprietary) Limited

	2007	2006
In 2006 the group announced the signing of agreements with Tubatse Platinum (Pty) Limited, Marula Community Trust and Mmakau Mining (Pty) Limited relating to the acquisition of a stake in Marula Platinum (Proprietary) Limited. The compensation charge represents the difference between the selling price of the shares and the fair value at 30 June 2006. Although the agreements were dated 1 July 2006, the transactions were in essence completed on 30 June 2006.	–	95.3

(All amounts in rand millions unless otherwise stated)	Year ended 30 June 2007	2006
31 Black economic empowerment (BEE) compensation charge (continued)		
Impala Platinum Limited		
Implats issued 75,115,204 million shares to the Royal Bafokeng Nation whereby the Royal Bafokeng nation acquired an effective shareholding of 13.17% in Implats. The shares were issued at a discount which represented the difference between the 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 up to 2038 at a discount rate of 11.13%,	(12,482.6)	–
Market value of 75,115,204 Implats' shares issued at R190.01 per share	14,272.6	–
Discount on issue of Implats shares on the fair value of royalty payments	1,790.0	95.3
32 Interest and other income – net		
Other gains consist of the following principal categories:		
Interest income		
Short-term bank deposits	488.7	346.1
Effective interest on fair value adjusted loans	22.1	43.5
Rehabilitation and closure trust fund (note 20)	12.7	8.9
Loans and advances	61.6	7.0
Settlement discounts	12.7	9.7
Interest bearing securities	6.4	3.8
Employee loans	8.1	6.3
Other	0.1	–
	612.4	425.3
Fair value gain/(loss) on financial instruments	0.1	(22.0)
Fair value loss on forward metal sales (note 21)	(4.5)	(120.4)
Dividends received	22.6	10.9
Metal lease fees	11.8	10.0
	30.0	(121.5)
	642.4	303.8
33 Finance costs		
Bank borrowings	(26.2)	(20.6)
Interest on finance leases [1]	(29.3)	(20.5)
Other	(4.3)	(19.8)
Rehabilitation obligation – unwinding of the discount (note 20)	(22.1)	(18.1)
	(81.9)	(79.0)

[1] Restated for IFRIC 4 – refer note 47.

Notes to the consolidated financial statements

(All amounts in rand millions unless otherwise stated)	Year ended 30 June 2007	2006

34 Profit before taxation

The following disclosable items have been charged in arriving at profit before taxation:

	2007	2006
Auditors' remuneration	5.8	4.9
Fees for audit services	5.4	3.9
Audit related services	0.4	1.0
Provision for rehabilitation obligation – unwinding of discount (note 20)	22.1	18.1
Amortisation of property, plant, equipment, exploration and evaluation assets (note 5)	865.7	644.9
Amortisation included in cost of sales	864.7	643.1
Amortisation included in other cost	1.0	1.8
Repairs and maintenance expenditure on property, plant and equipment	214.5	193.5
Operating lease rentals	29.3	20.6
Professional fees	55.9	49.0
Employee benefit expense (note 28)	4,093.8	3,163.3

35 Income taxation expense [1]

	2007	2006
Current taxation		
South Africa company taxation		
Mining	2,335.0	1,049.3
Non-mining	547.8	442.7
Prior year over provision	(0.4)	(64.9)
	2,882.4	1,427.1
Other countries company taxation		
Foreign taxation	108.1	69.3
Deferred taxation (note 18)	515.9	419.4
Capital gains taxation	–	15.5
Secondary taxation on companies	388.3	683.2
Interim dividend and final dividend of previous financial year	388.3	230.2
Special dividend	–	453.0
Taxation for the year	3,894.7	2,614.5

The taxation of the group's profit differs as follows from the theoretical charge that would arise using the basic taxation rate for South African companies:

	%	%
Normal taxation rate for companies	29.0	29.0
Adjusted for:		
Disallowable expenditure	1.3	1.5
BEE compensation charge	4.6	0.1
Exempt income	(0.1)	–
Capital gains taxation	–	(0.2)
Prior year over provision	–	(0.9)
Effect of after taxation share of profit from associates	(1.0)	(0.5)
Effect of different taxation rates of foreign subsidiaries	(2.6)	(1.4)
Secondary taxation on companies	3.5	9.8
Interim dividend and final dividend of previous financial year	3.5	3.3
Special dividend	–	6.5
Effective taxation rate	34.7	37.4

[1] Restated for IFRIC 4 – refer note 47.

(All amounts in rand millions unless otherwise stated)	Year ended 30 June 2007	2006

36 Earnings per share [1]

Basic earnings per share is calculated by dividing the net profit by the weighted average number of ordinary shares in issue during the year.

	2007	2006
Profit attributable to equity holders of the company	7,232.2	4,341.9
Weighted average number of ordinary shares in issue (millions) (note 15)	551.400	526.148
Basic earnings per share (cents)	1,312	825

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 to the number of shares that would have been issued assuming the exercise of the share options.

	2007	2006
Profit attributable to equity holders of the company	7,232.2	4,341.9
Weighted average number of ordinary shares in issue (millions) (note 15)	551.400	526.148
Adjustments for share options (millions) (note 15)	17.117	1.448
Weighted average number of ordinary shares for diluted earnings per share (millions) (note 15)	568.517	527.596
Diluted earnings per share (cents)	1,272	823

Headline earnings per share is disclosed as required by the JSE Limited (JSE).

The calculation for headline earnings per share is based on the basic earnings per share calculation adjusted for the following items:

	2007	2006
Profit attributable to equity holders of the company	7,232.2	4,341.9
Adjustments net of taxation:		
Sale of prospecting right	–	(95.7)
Sale of investment in Teba	–	(5.2)
Impairment write-back of assets	–	(421.6)
Investment in Ambatovy written off (note 29)	–	127.1
Profit on disposal of fixed assets	(0.4)	–
Headline earnings	7,231.8	3,946.5
Headline earnings per share (cents)		
– Basic	1,312	750
– Diluted	1,272	748

[1] Restated for IFRIC 4 – refer note 47.

Notes to the consolidated financial statements

(All amounts in rand millions unless otherwise stated)	Year ended 30 June 2007	2006

37 Dividends per share

At the board meeting on 30 August 2007, a final dividend in respect of 2007 of 700 cents per share amounting to R4,228.6 million was approved. Secondary taxation on Companies (STC) on the dividend will amount to R528.6 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 2008.

Dividends paid

	2007	2006
Final dividend No. 77 for 2006 of 275 (2005: 225) cents per share	1,451.7	1,181.9
Interim dividend No. 78 for 2007 of 275 (2006: 125) cents per share	1,660.0	661.9
Special dividend No. 2 for 2006 of 687.5 cents per share	–	3,624.1
	3,111.7	5,467.9

Dividends per share for 2006 were restated for the share split (note 15).

38 Cash generated from operations [1]

Reconciliation of net profit to cash generated from operations:

	2007	2006
Profit before taxation for the year	11,220.0	6,996.1
Adjustments for:		
Amortisation (notes 5, 34)	865.7	644.9
Fair value gain/(loss) on financial instruments (note 32)	(0.1)	22.0
Interest income (note 32)	(612.4)	(425.3)
Dividend income (note 32)	(22.6)	(10.9)
Finance cost	81.9	79.0
Share of results of associates (notes 30)	(388.5)	(114.8)
Retirement benefit obligations (note 19)	3.4	3.0
Payments made for employee benefit obligations (note 19)	(94.7)	(5.6)
Payments made for rehabilitation (note 20)	(17.6)	–
Reversal of impairment of assets (note 5)	–	(583.1)
Share-based compensation (note 28)	575.0	153.8
Amortisation of prepaid royalty (note 10)	4.8	4.9
BEE compensation charge (notes 15, 31)	1,790.0	95.3
Derivative financial instruments (note 21)	(58.7)	103.4
Unrealised profit in stocks	192.9	264.3
Changes in working capital (excluding the effects of acquisition and disposal of subsidiaries):		
Inventories	(1,065.1)	(1,198.5)
Trade and other receivables	(1,774.2)	(614.8)
Payables	152.5	37.8
Accruals	2,092.7	1,081.9
Cash generated from operations	12,945.0	6,533.4

[1] Restated for IFRIC 4 – refer note 47.

(All amounts in rand millions unless otherwise stated)	Year ended 30 June 2007	2006

39 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.

	2007	2006
Related party contingencies		
Two Rivers Platinum (Proprietary) Limited (note 7 ii)	292.9	210.6
Collateral security for employee housing and loans	1.4	2.7
Department of Minerals and Energy (note 20)	324.9	296.9
Eskom	30.7	17.2
Registrar of medical aids	5.0	5.0
Total guarantees	654.9	532.4

Contingencies

BTX Mining, a contract miner for Barplats Limited, has lodged a claim for an amount of R49.0 million against Impala Platinum Limited following the closure of the Barplats Mine. The company maintains its position that the claim lacks merit and therefore no amount is due to BTX Mining.

40 Commitments

Commitments at balance sheet date, but not recognised in the financial statements, are as follows:

	2007	2006
Operating lease rentals for mining accommodation		
Not later than one year	–	2.8
Later than one year not later than five years	–	11.4
	–	14.2

Operating lease rentals were cancelled in 2007.

The forward commitments recognised in the financial statements are as follows:

Metal purchase 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.

	2007	2006
Fair value US$ millions (note 22)	29.5	28.8
Fair value R millions (not later than 1 year) (note 22)	208.7	206.0

Refer note 5 for disclosure on capital commitments.

Notes to the consolidated financial statements

(All amounts in rand millions unless otherwise stated)	Year ended 30 June 2007	2006

41 Transaction with minorities

Zimplats Holdings Limited

During 2006, 0.1 million shares were acquired for an amount of R1.5 million (AU$0.3 million).

Details of the transactions are as follows:

	2007	2006
Purchase consideration:		
Cash paid	–	1.5
Carrying value of minorities acquired	–	(1.0)
Movement in other reserves (note 16)	–	0.5

42 Business combinations

Acquisition of subsidiary

On 14 May 2007, the group acquired the entire issued and to be issued share capital of African Platinum Plc, an exploration and development business focussed on platinum group metals. The acquired business did not contribute to group revenue or profit for the year under review given the explorative nature of its activities and that a mine is still to be developed.

Details of net assets acquired are as follows:

	2007	2006
Purchase consideration:		
Consideration	4,096.1	
Direct costs relating to the acquisition	60.8	
Total purchase consideration	4,156.9	
Less: fair value of net assets acquired	3,136.7	
Goodwill (note 6)	1,020.2	

Goodwill is attributable to deferred taxation provided on the fair value adjustments of the assets of Afplats at acquisition date.

The assets and liabilities arising from the acquisition are as follows:

	2007	2006
Cash and cash equivalents	80.5	
Assets under construction (note 5)	1,598.9	
Exploration and evaluation assets (note 5)	4,318.3	
Other equipment (note 5)	1.3	
Intergroup loan	179.7	
Trade and other receivables	4.4	
Trade and other payables	(101.4)	
Contingent liabilities	(5.6)	
Deferred taxation liabilities (note 18)	(1,512.0)	
Net assets	4,564.1	
Minority interests	(1,427.4)	
Net assets acquired	3,136.7	
Goodwill (note 6)	1,020.2	
Purchase consideration	4,156.9	
Warrant outstanding	(12.5)	
Intergroup loan	(179.7)	
Cash and cash equivalents in subsidiary acquired	(80.5)	
Cash outflow on acquisition	3,884.2	

2007
ANNUAL REPORT

(All amounts in rand millions unless otherwise stated)	Year ended 30 June 2007	2006
43 Related party transactions		
The following transactions were carried out with related parties:		
Services to associates		
Sales of services		
Refining fees	5.1	–
Purchases of goods from associates		
Purchases of mineral concentrates	5,192.9	2,488.5
Key management compensation		
Key management compensation has been disclosed in the Directors' Report as directors and senior management remuneration.		
Year-end balances arising from sales/purchases of goods/services		
Payables to associates (note 22)	1,443.1	1,176.0
Receivables from associates (note 12)	769.1	485.6
Loans to related parties		
Loans to associates:		
Beginning of the year	107.2	340.6
Loans advanced during year	2,297.5	3,557.5
Loan repayments received	(2,231.3)	(3,793.6)
Interest charged	36.8	15.7
Interest received	(33.0)	(13.0)
End of the year (note 12)	177.2	107.2
Contingencies		
Guarantees provided (note 39)	292.9	210.6

Share options granted to directors

The aggregate number of share options granted to directors and key members of management is disclosed in the Directors' Report.

44 Principal subsidiaries

The principal subsidiaries of the group are set out on page 228.

IMPLATS
Distinctly Platinum

Notes to the consolidated financial statements

(All amounts in rand millions unless otherwise stated)	Year ended 30 June 2007	2006

45 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 and liabilities and sales and results of the joint venture and are included in the consolidated balance sheet and income statement:

	2007	2006
Property, plant and equipment	341.2	317.3
Current assets	709.9	176.4
	1,051.1	493.7
Provisions for liabilities and charges	(33.1)	(40.4)
Current liabilities	(45.0)	(50.4)
	(78.1)	(90.8)
Net assets	973.0	402.9
Sales	842.9	436.0
Inter-group sales are eliminated on consolidation.		
Profit before taxation	541.7	208.5
Income taxation expense	(23.0)	(33.7)
Profit after taxation	518.7	174.8
Capital commitments – approved expenditure not yet contracted	168.1	22.3
– commitments contracted for	81.7	13.3
	249.8	35.6

There are no contingent liabilities relating to the group's interest in the joint venture.

46 Events after the balance sheet date

Post balance sheet events are disclosed in the Directors' Report.

2007
ANNUAL REPORT

Year ended 30 June

(All amounts in rand millions unless otherwise stated)

47 Change in accounting policy

IFRIC 4 – Determining whether an arrangement contains a Lease

The adoption of IFRIC 4 requires the group to identify any arrangement that does not take the legal form of a lease, but conveys a right to use an asset in return for a payment or series of payments. The interpretation provides guidance for determining whether such arrangements are, or contain, leases that should be accounted for in accordance with IAS 17 – Leases.

The group has identified arrangements that contain leases and reported these arrangements in terms of IAS 17. The retrospective adoption of this interpretation resulted in the recognition of assets and corresponding finance lease liabilities, as detailed in note 17.

	2007			2006		
Balance sheet	Prior to adoption	Adjustment	Current	As previously reported	Adjustment	Restated
Assets						
Non-current assets						
Property plant and equipment	20,287.7	58.6	20,346.3	12,270.1	165.3	12,435.4
Liabilities						
Non current liabilities						
Deferred income taxation liabilities	5,049.4	(2.4)	5,047.0	2,922.8	(3.8)	2,919.0
Finance lease liabilities	162.7	72.8	235.5	–	163.2	163.2
Current liabilities						
Finance lease liabilities	–	10.7	10.7	–	16.0	16.0
Income statement						
On-mine operations	5,914.9	(14.2)	5,900.7	4,722.7	(14.1)	4,708.6
Refining operating costs	628.2	(34.1)	594.1	545.2	(21.8)	523.4
Amortisation of assets	837.9	26.8	864.7	622.5	20.6	643.1
Finance costs	52.6	29.3	81.9	58.5	20.5	79.0
Income taxation expense	3,897.1	(2.4)	3,894.7	2,616.2	(1.7)	2,614.5
Statement of changes in equity						
Retained earnings						
Balance at 30 June 2005/2006	13,373.5	(10.2)	13,363.3	14,496.0	(6.7)	14,489.3
Profit for the year	7,237.6	(5.4)	7,232.2	4,345.4	(3.5)	4,341.9
	20,611.1	(15.6)	20,595.5	18,841.4	(10.2)	18,831.2
Cash flow statement						
Cash flows from operating activities						
Cash generated from operations	12,914.7	21.5	12,936.2	6,497.0	36.4	6,533.4
Interest paid	(30.5)	(29.3)	(59.8)	(40.4)	(20.5)	(60.9)
Cash flows from financing activities						
Repayment of lease liabilities	–	(22.0)	(22.0)	–	(16.1)	(16.1)
Earnings per share (cps)						
– basic	1,313	(1)	1,312	826	(1)	825
– diluted	1,273	(1)	1,272	824	(1)	823

Company balance sheet

(All amounts in rand millions unless otherwise stated)	Notes	Year ended 30 June 2007	2006
Assets			
Non-current assets			
Investments in associates	1	873.3	1,013.2
Investments in subsidiaries and joint venture	1	19,430.4	1,812.1
Available-for-sale financial investments	2	1,557.9	761.1
Other receivables	3	39.6	39.6
		21,901.2	3,626.0
Current assets			
Trade and other receivables	4	84.1	66.0
Cash and cash equivalents	5	0.0	0.0
Other receivables	3	–	435.8
		84.1	501.8
Total assets		21,985.3	4,127.8
Equity			
Share capital	6	17,977.6	976.6
Other reserves	7	1,324.3	643.0
Retained earnings		2,456.7	2,429.1
Total equity		21,758.6	4,048.7
Liabilities			
Non-current liabilities			
Deferred income taxation liabilities	8	189.8	74.3
Current liabilities			
Trade and other payables	9	27.4	4.8
Current income taxation liabilities		9.5	–
		36.9	4.8
Total liabilities		226.7	79.1
Total equity and liabilities		21,985.3	4,127.8

These financial statements have been approved for issue by the Board of Directors on 30 August 2007.

Company income statement

(All amounts in rand millions unless otherwise stated)	Notes	Year ended 30 June 2007	2006
Other (expense)/income	10	(85.9)	241.3
Investment income	11	3,242.8	6,353.8
Profit before taxation	12	3,156.9	6,595.1
Income taxation expense	13	(17.6)	(2.3)
Profit for the year		3,139.3	6,592.8

The notes on pages 223 to 228 and accounting policies on pages 168 to 185 are an integral part of these company financial statements.

2007
ANNUAL REPORT

Company statement of changes in shareholders' equity

(All amounts in rand millions unless otherwise stated)	Notes	Share capital	Other reserves	Retained earnings	Total
Balance at 30 June 2005		781.7	228.6	1,304.2	2,314.5
Fair value gains, net of taxation:					
– Available-for-sale financial investments	7		414.4		414.4
Net expense recognised directly in equity			414.4		414.4
Profit for the year				6,592.8	6,592.8
Total recognised income for 2006			414.4	6,592.8	7,007.2
Proceeds from shares issued	6	166.6			166.6
Fair value of employee service		28.3			28.3
Final dividend relating to 2005				(1,181.9)	(1,181.9)
Interim dividend relating to 2006	14			(661.9)	(661.9)
Special dividend	14			(3,624.1)	(3,624.1)
		194.9		(5,467.9)	(5,273.0)
Balance at 30 June 2006		976.6	643.0	2,429.1	4,048.7
Fair value gains, net of taxation:					
– Available-for-sale financial investments	7		681.3		681.3
Net income recognised directly in equity			681.3		681.3
Profit for the year				3,139.3	3,139.3
Total recognised income for 2006			681.3	3,139.3	3,820.6
Proceeds from shares issued	6	16,983.9			16,983.9
Fair value of employee service		17.1			17.1
Final dividend relating to 2006	14			(1,451.7)	(1,451.7)
Interim dividend relating to 2007	14			(1,660.0)	(1,660.0)
		17,001.0		(3,111.7)	13,889.3
Balance at 30 June 2007		**17,977.6**	**1,324.3**	**2,456.7**	**21,758.6**

The notes on pages 223 to 228 and accounting policies on pages 168 to 185 are an integral part of these company financial statements.

IMPLATS
Distinctly Platinum

Company cash flow statement

(All amounts in rand millions unless otherwise stated)	Notes	Year ended 30 June 2007	2006
Cash flows from operating activities			
Cash generated from operations	15	3,087.9	6,305.7
Taxation paid		(8.1)	(4.1)
Net cash from operating activities		3,079.8	6,301.6
Cash flows from investing activities			
Increase in investments in associates		(119.0)	(151.7)
Payment received from associate on shareholders loan		258.9	–
Purchase of investments in subsidiaries		–	(1.5)
Loans to subsidiaries		(15,375.4)	(882.7)
Interest received	11	58.2	0.2
Dividends received	11	15.3	7.1
Net cash from investing activities		(15,162.0)	(1,028.6)
Cash flows from financing activities			
Issue of ordinary shares net of cost	6	15,193.9	194.9
Dividends paid to shareholders	14	(3,111.7)	(5,467.9)
Net cash used in financing activities		12,082.2	(5,273.0)
Cash and cash equivalents at end of year		0.0	0.0

The notes on pages 223 to 228 and accounting policies on pages 168 to 185 are an integral part of these company financial statements.

2007
ANNUAL REPORT

Notes to the company financial statements

(All amounts in rand millions unless otherwise stated)	Year ended 30 June 2007	2006

Basis of preparation and accounting policies

The basis of preparation and principal accounting policies are disclosed on page 168 to page 185. Subsidiaries, associated undertakings and joint ventures are accounted for at cost less any impairment provision in the company financial statements.

1 Investments in subsidiaries, associates and joint ventures

	2007	2006
Associates	873.3	1,013.2
Subsidiaries and joint venture (see page 228)	19,430.4	1,812.1
	20,303.7	2,825.3
Associates		
At cost		
Two Rivers Platinum (Proprietary) Limited (group note 7 i)	669.8	550.8
Aquarius Platinum (South Africa) (Proprietary) Limited (group note 7 ii)	203.5	462.4
Total investments in associates	873.3	1,013.2

2 Available-for-sale financial investments

	2007	2006
Investment in listed shares		
Comprise shares in the following listed company		
Aquarius Platinum Limited		
Beginning of the year	746.4	261.7
Exchange differences (note 7)	176.3	29.6
Share price movement (note 7)	620.5	455.1
End of the year	1,543.2	746.4

During the year, the group maintained its strategic shareholding in Aquarius Platinum Limited of 7,141,966 shares (2006: 7,141,966) which amounts to approximately 8.6% (2006: 8.6%) of the issued share capital of that company. The company is listed on the Australian Securities Exchange, the London Stock Exchange and the JSE. The fair value of these shares as at the close of business on 30 June 2007, by reference to stock exchange-quoted prices and closing exchange rates, was R1,543.2 million (2006: R746.4 million)

	2007	2006
Investment in unlisted shares		
Fair value of shares beneficially owned in:		
Silplats (Proprietary) Limited	14.7	14.7
	1,557.9	761.1

3 Other receivables

	2007	2006
Loans to BEE companies		
Current	–	435.8
Non-current	39.6	39.6
	39.6	475.4

Loans granted to Tubatse Platinum (Pty) Limited, Marula Community Trust and Mmakau Mining (Pty) Ltd in terms of a BEE transaction. The R435.8 million was repaid on 5 July 2006 and the remainder 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. Interest at prime less 3 percent is payable on the outstanding balance of the loan.

IMPLATS
Distinctly Platinum

Notes to the company financial statements

(All amounts in rand millions unless otherwise stated)	Year ended 30 June 2007	2006
4 Trade and other receivables		
Other receivables	84.1	66.0
5 Cash and cash equivalents		
For the purposes of the cash flow statement, the cash and cash equivalents comprise cash and bank balances.	0.0	0.0

6 Share capital

A subdivision of shares was approved at the annual general meeting held on 12 October 2006.

The ordinary shares of the holding company were sub-divided whereby each ordinary share of 20 cents was sub-divided into eight ordinary shares of 2.5 cents each. The sub-divided shares commenced trading on the JSE Limited on 6 November 2006.

The earnings and dividends per share reported for the previous financial year were recalculated, using the sub-divided number of shares, to enable comparison with the current reporting period.

	2007	2006
The authorised share capital of the holding company after the sub-division is as follows: 844,008,000 (2006: 800,000,000) ordinary shares with a par value of 2.5 cents each	21.1	20.0

Ordinary A shares authorised during the year were converted to ordinary shares.

The issued share capital of the holding company after the subdivision are as follows:

	Number of shares issued (million)	Ordinary shares (R million)	Share premium (R million)	Share based payment reserve (R million)	Total (R million)
At 30 June 2005	534.761	13.4	713.3	55.0	781.7
Issued to the share option scheme	2.653	0.1	166.5		166.6
Cost of equity compensation plan				28.3	28.3
At 30 June 2006	537.414	13.5	879.8	83.3	976.6
Issued to the share option scheme	1.937	0.1	79.0		79.1
Issued to Employees Share Option Participation Plan	16.433	0.3	2,645.9		2,646.2
Issued to the Royal Bafokeng Nation	75.115	1.8	12,484.4		12,486.2
Share issue cost [1]			(17.6)		(17.6)
Cost of equity compensation plan				17.1	17.1
BEE compensation charge				1,790.0	1,790.0
At 30 June 2007	630.899	15.7	16,071.5	1,890.4	17,977.6

During the period under review 16.4 million shares (2.1 million shares prior to the sub-division) were issued in terms of an approved Employee Share Ownership Programme. The programme was put in place in 2006 and the shares were incorporated in calculations for 2006. The associated share-based payment costs for the year under review amounted to R183.8 million which is included in cost of sales.

In addition 75.1 million shares were issued to the Royal Bafokeng Nation.

[1] Includes an accrual of R10.0 million relating to the prospectus that will be issued according to the UK listing requirements.

2007
ANNUAL REPORT

(All amounts in rand millions unless otherwise stated)	Year ended 30 June 2007	2006
7 Other reserves		
Fair value adjustment: Available-for-sale investments		
Balance 1 July 2005	228.6	152.0
Revaluation	484.7	90.0
Deferred taxation charged to equity	(70.3)	(13.4)
Balance 30 June 2006	643.0	228.6
Revaluation (note 2)	796.8	484.7
Deferred taxation charged to equity (note 8)	(115.5)	(70.3)
Balance 30 June 2007	1,324.3	643.0
8 Deferred income taxation		
Deferred income taxation assets and liabilities are offset when there is a legally enforceable right to offset current taxation assets against current taxation liabilities and when the deferred income taxation relates to the same fiscal authority. The offset amounts are as follows:		
Deferred taxation liability		
– Deferred taxation asset to be recovered after more than 12 months	(189.8)	(74.3)
The movement on the deferred income taxation account is as follows:		
At the beginning of the year	(74.3)	(4.0)
Taxation charge to equity (note 7)	(115.5)	(70.3)
Net deferred taxation liability at the end of the year	(189.8)	(74.3)
9 Trade and other payables		
Trade payables	27.4	4.8
10 Other (expense)/income		
Exploration expenditure	(29.7)	(12.7)
Reversal of impairment of investment in subsidiary [1]	–	193.9
Professional fees	(28.5)	(18.5)
Net foreign exchange transaction (losses)/gains	(14.9)	0.1
Profit on sale of shares in Marula Platinum (Pty) Limited	–	89.7
Corporate and other costs	(12.8)	(11.2)
	(85.9)	241.3
[1] Refer note 5 of consolidated financial statements.		
11 Investment income		
Other gains consist of the following principal categories:		
Interest income	58.2	0.2
Dividends received – investments	15.3	7.1
Dividends received – subsidiaries	3,169.3	6,346.5
	3,242.8	6,353.8

Notes to the company financial statements

(All amounts in rand millions unless otherwise stated)	Year ended 30 June 2007	2006
12 Profit before taxation		
The following items have been charged in arriving at profit before taxation:		
Auditors' remuneration		
Fees for audit services	0.7	0.7
Professional fees	28.5	18.5
13 Income taxation expense		
Current taxation		
Charge for the year	17.6	2.3
The taxation of the company's profit differs as follows from the theoretical charge that would arise using the basic rate of taxation:	%	%
Normal rate of taxation for companies	29.0	29.0
Adjusted for:		
Disallowable expenditure	(0.5)	(1.1)
Exempt income	(29.1)	(27.9)
Effective rate of taxation	(0.6)	–

14 Dividends per share

At the board meeting on 30 August 2007, a final dividend in respect of 2007 of 700 cents per share amounting to R4,228.6 million was approved. Secondary taxation on Companies (STC) on the dividend will amount to R528.6 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 2008.

	2007	2006
Dividends paid		
Final dividend No. 77 for 2006 of 700 (2005: 225) cents per share	1,451.7	1,181.9
Interim dividend No. 78 for 2007 of 275 (2006: 125) cents per share	1,660.0	661.9
Special dividend No. 2 for 2005 of 687.5 cents per share	–	3,624.1
	3,111.7	5,467.9

15 Cash generated from operations

Reconciliation of net profit to cash generated from operations:

	2007	2006
Profit before taxation for the year	3,156.9	6,595.1
Adjustments for:		
Interest income (note 11)	(58.2)	(0.2)
Dividend income (note 11)	(15.3)	(7.1)
Profit on sale of investment (note 10)	–	(89.7)
Reversal of impairment of investment in subsidiary	–	(193.9)
Changes in working capital:		
Trade and other receivables	(18.1)	22.8
Trade and other payables	22.6	(21.3)
Cash generated from operations	3,087.9	6,305.7

2007
ANNUAL REPORT

(All amounts in rand millions unless otherwise stated)	Year ended 30 June 2007	2006

16 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.

	2007	2006
Related party contingencies		
Zimbabwe Platinum Mines (Pvt) Limited	–	22.6
Two Rivers Platinum (Proprietary) Limited	324.9	210.6
Department of Minerals and Energy	296.9	296.9
Marula BEE parties guarantee	467.9	–
Total guarantees	1,089.7	530.1

No compensation was received for the financial guarantees issued on behalf of Two Rivers Platinum (Pty) Ltd and the Marula BEE parties and, as they had no material fair value on the date of issue, no liability was recognised.

17 Related party transactions

Loans to related parties

	2007	2006
Loans to associates		
Interest received	57.7	–
End of the year (group note 7)	784.8	924.7

Guarantees provided (note 16)

Subsidiaries (refer page 228)

No interest was levied or paid to subsidiaries.

Share options granted to directors

The aggregate number of share options granted to directors and key management is disclosed in the Directors' Report as directors and senior management remuneration.

IMPLATS
Distinctly Platinum

Notes to the company financial statements

Principal subsidiaries and joint ventures	Notes	Year ended 30 June 2007	2006
(All amounts in rand millions unless otherwise stated)			

Company and description	Issued share capital	Effective group interest % 2007	Effective group interest % 2006	Book value in holding company Shares 2007	Shares 2006	Loans 2007	Loans 2006
Impala Holdings Limited Investment holding company	*	100	100			11,521.8	(1,165.9)
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 Owns properties	*	100	100				
African Platinum Ltd [1] Owns mineral rights and platinum mine development	£46.6m	74	–	4,156.9		773.7	
Barplats Holdings (Pty) Ltd Investment holding company	*	100	100	68.0	68.0	(359.5)	(359.6)
Gazelle Platinum Limited Investment holding company	*	100	100			235.1	235.1
Impala Refining Services Limited Provides toll refining services	*	100	100				
Impala Platinum Japan Limited [2] Marketing representative	¥10m	100	100	1.5	1.5		
Impala Platinum Zimbabwe (Pty) Ltd Investment holding company	*	100	100.0	72.8	72.8	350.7	350.7
Zimplats Holdings Limited** [3] Owns mineral rights and mines PGMs	US$10.8m	87	87	900.5	900.5		
Zimbabwe Platinum Mines (Pvt) Limited [5] Owns mineral rights and mines PGMs	US$30.1m	87	87				
Mimosa Investments Limited [4] Investment holding company	US$48.0m	50	50	376.6	376.6		
Mimosa Holdings (Pvt) Ltd [5] Investment holding company	US$28.8m	50	50				
Mimosa Platinum (Pvt) Ltd [5] Owns mineral rights and mines PGMs	US$28.8m		50				
Marula Platinum (Pty) Ltd Owns mineral rights and mines PGMs	*	78	100	644.5	644.5	684.2	684.2
Platexco (South Africa) (Pty) Ltd Exploration company	*	0	100				
Sundry and dormant companies	*	100	100	3.7	3.7	(0.1)	0.0
Total				6,224.5	2,067.6	13,205.9	(255.5)
Total investment at cost						19,430.4	1,812.1

* 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 Mauritius and is a joint venture
[5] Incorporated in Zimbabwe

2007
ANNUAL REPORT

Non-GAAP disclosure

(All amounts in rand millions unless otherwise stated)	Group note	Year ended 30 June 2007	2006

The group utilises certain Non-GAAP (Generally Accepted Accounting Procedures) 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 to, 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 used by other companies.

1 Revenue per platinum ounce sold

	Group note	2007	2006
US dollar sales		4,374.8	2,745.2
US dollar toll refining income		(45.3)	(21.8)
		4,329.5	2,723.4
Sales volumes platinum (refer to operational statistics)		1,827.222	1,582.101
Dollar sales revenue per platinum ounce refined		2,369.4	1,721.4
Average rand exchange rate achieved		7.20	6.37
Rand sales revenue per platinum ounce sold		17,059.7	10,965.3

2 Cost per platinum ounce refined

	Group note	2007	2006
On-mine operations	23	5,900.7	4,708.6
Concentrating and smelting operations	24	1,315.8	1,129.6
Concentrating operations		936.4	772.0
Smelting operations		379.4	357.6
Refining operations	25	594.1	523.4
Other operating expenses	27	478.0	340.0
		8,288.6	6,701.6
Mine-to-market platinum ounces (1)		1,242.1	1,284.4
Gross platinum ounces (2)		2,026.2	1,846.3
On-mine operations (1)		4,750.6	3,666.0
Concentrating operations (1)		753.9	601.1
Smelting operations (2)		187.2	193.7
Refining operations (2)		293.2	283.5
Other operating expenses (1)		384.8	264.7
Group unit cost per platinum ounce		6,369.7	5,009.0
Share-based payments			
On-mine operations (1)		440.0	74.8
Refining operations (2)		41.1	20.1
Other operating expenses (1)		91.4	64.5
		572.5	159.4
Cost per platinum ounce excluding share-based payments			
On-mine operations (1)		4,396.3	3,607.8
Concentrating operations (1)		753.9	601.1
Smelting operations (2)		187.2	193.7
Refining operations (2)		272.9	272.6
Other operating expenses (1)		311.1	214.5
		5,921.4	4,889.7

(1) Refers to costs incurred at Implats' mine-to-market operations.

(2) Refers to costs incurred at the smelter and refining operations to produce gross refined platinum.

IMPLATS
Distinctly Platinum

Non-GAAP disclosure

(All amounts in rand millions unless otherwise stated)	Group note	Year ended 30 June 2007	2006
3 Normalised headline earnings			
Headline earnings	36	7,231.8	3,946.5
BEE compensation charge		1,790.0	95.3
		9,021.8	4,041.8
Weighted average number of ordinary shares in issue (millions)	15	551.400	526.148
Normalised earnings - cent per share		1,636	768
4 Gross margin profit			
Gross profit		14,472.0	7,330.3
Gross revenue		31,481.5	17,500.2
Gross margin profit – %		46.0	41.9
5 Net profit margin			
Profit attributable to equity holders of the company		7,232.2	4,341.9
Gross revenue		31,481.5	17,500.2
Net margin profit attributable to equity holders – %		23.0	24.8
6 EBITDA			
Profit before taxation		11,220.0	6,996.1
Net finance cost		(530.5)	(346.3)
Interest received	32	(612.4)	(425.3)
Interest paid	33	81.9	79.0
Depreciation and amortisation	34	865.7	644.9
EBITDA (Earnings before interest, taxation and depreciation)		11,555.2	7,294.7
Depreciation and amortisation	34	(865.7)	(644.9)
EBIT (Earnings before interest and taxation)		10,689.5	6,649.8
Non-recurring/unusual transactions			
BEE compensation charge	31	1,790.0	95.3
Reversal of impairment of assets	5		(583.1)
		12,479.5	6,745.1
7 Interest cover			
EBIT – adjusted for non-recurring transactions	Non-GAAP note 6	12,479.5	6,745.1
Finance costs	33	81.9	79.0
Rehabilitation obligation – unwinding of the discount	20	(22.1)	(18.1)
		59.8	60.9
Interest cover – times		209	111
8 Dividend cover			
Normalised headline earnings	Non-GAAP note 3	1,636	768
Dividends per share per the income statement (excluding special dividend)		975	400
Dividend cover		1.7	1.9

2007
ANNUAL REPORT

(All amounts in rand millions unless otherwise stated)	Group note	Year ended 30 June 2007	2006
9 Return on equity			
Headline earnings	36	7,231.8	3,946.5
Shareholders' equity per balance sheet - at the beginning of the year		13,839.9	14,103.6
Return on equity – %		52.3	28.0
10 Return on capital employed (normalised)			
Headline earnings	36	7,231.8	3,946.5
Interest paid	33	81.9	79.0
		7,313.7	4,025.5
Capital employed	Non-GAAP note 12	41,322.5	17,708.9
Return on net capital – %		17.7	22.7
11 Return on assets			
Headline earnings	36	7,231.8	3,946.5
Non-current assets per balance sheet		37,200.6	15,083.9
Return on non-current assets – %		19.4	26.2
12 Capital employed			
Non-current assets		37,200.6	15,083.9
Current assets		12,757.6	8,386.0
		49,958.2	23,469.9
Current liabilities		(8,635.7)	(5,761.0)
		41,322.5	17,708.9
13 Cash net of debt			
Borrowings – long-term portion	17	(685.6)	(174.0)
Borrowings – short-term portion	17	(32.1)	(27.8)
Total borrowings		(717.7)	(201.8)
Cash and cash equivalents	13	3,221.9	1,864.4
Cash net of short term borrowings		2,504.2	1,662.6
14 Debt to equity			
Borrowings – long-term portion	17	685.6	174.0
Borrowings – short-term portion	17	32.1	27.8
		717.7	201.8
Shareholders' equity per balance sheet at the end of the year		34,699.2	14,054.8
Total debt to ordinary shareholders equity – %		2.1	1.4
15 Current ratio			
Current assets		12,757.6	8,386.0
Current liabilities		8,635.7	5,761.0
Current assets to current liabilities – :1		1.5	1.5

IMPLATS
Distinctly Platinum

Non-GAAP disclosure

(All amounts in rand millions unless otherwise stated)	Group note	Year ended 30 June 2007	2006
16 Acid ratio			
Current assets		12,757.6	8,386.0
Inventories	11	(3,997.4)	(2,936.0)
		8,760.2	5,450.0
Current liabilities		8,635.7	5,761.0
Current assets excluding inventories to current liabilities – :1		1.0	0.9
17 Current liquidity			
Current assets		12,757.6	8,386.0
Current liabilities		(8,635.7)	(5,761.0)
Net current assets		4,121.9	2,625.0
Inventory	11	(3,997.4)	(2,936.0)
		124.5	(311.0)
18 Free cash flow			
Net cash inflow from operating activities per cash flow		9,936.0	4,918.8
Total capital expenditure		(2,810.2)	(2,176.7)
		7,125.8	2,742.1
19 Net asset value – cents per share			
Net asset value per balance sheet		34,699.2	14,054.8
Weighted average number of ordinary shares (millions) issued outside the group	15	630.9	553.9
Net asset value – cents per share		5,500	2,538
Total number of ordinary shares in issue consists of: 630,899,228 (2006: 553,876,920) ordinary shares			
20 Net tangible asset value – cents per share			
Net asset value per balance sheet	15	34,699.2	14,054.8
Intangible assets	6	(1,020.2)	–
		33,679.0	14,054.8
Weighted average number of ordinary shares (millions) issued outside the group		630.9	553.9
Net tangible asset value – cents per share		5,338	2,538
21 Market capitalisation			
Number of ordinary shares in issue at year-end (millions)		630.899	553.877
Closing share price as quoted on the JSE (Rand)		216.00	164.98
Market capitalisation (Rand million)		136,274.2	91,378.6

2007
ANNUAL REPORT

Shareholder information

Shareholders' diary

Annual general meeting	Thursday, 25 October 2007
Final dividend declared	30 August 2007
Final dividend paid	25 September 2007
Interim report release	February 2008
Interim dividend declared	February 2008
Interim dividend paid	April 2008
Financial year-end	30 June 2008
Annual report release	August 2008

Analysis of shareholdings

	Number of shareholders	%	Number of shares (000s)	%
1 – 1,000	14,849	71.2	5,148	0.8
1,001 – 10,000	4,505	21.6	13,426	2.1
10,001 – 100,000	1,032	5.0	35,943	5.7
100,001 – 1,000,000	386	1.9	113,718	18.0
Over 1,000,000	69	0.3	462,664	73.4
	20,841	100.0	630,899	100.0

Analysis of shareholdings

	Number of shareholders	%	Number of shares (000s)	%
Other companies	866	4.2	143,925	22.8
Trust funds and investment companies	5,316	25.5	158,521	25.1
Insurance companies	40	0.2	13,626	2.2
Pension funds	565	2.7	93,411	14.8
Individuals	13,798	66.2	15,098	2.4
Banks	256	1.2	206,318	32.7
	20,841	100.0	630,899	100.0

Glossary of terms

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.
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.
Dense media separation	A means of separating reef from waste, exploiting differences in density.
Development	Underground excavation for the purpose of accessing mineral reserves.
DME	Department of Minerals and Energy.
FIFR	Fatal injury frequency rate which is the number of fatal injuries expressed as a rate per million manhours worked.
g/t	Grams per tonne. The unit of measurement of grade, equivalent to parts per million.
Group unit cost per refined 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.
HDSA	Historically disadvantaged South Africans, being South African nationals who were, prior to 1994, disadvantaged whether by legislation or convention.
Headgrade	The value, usually expressed in parts per million or grams 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.
Kriging	A geostatistical estimation method that gives the best unbiased linear estimates of point values or of block averages.
LTIFR	Lost-time injury frequency rate which is the number of lost-time injuries expressed as a rate per million manhours worked.

2007
ANNUAL REPORT

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.
MF2	Two-stage milling and flotation (mill-float, mill-float).
Milling	Grinding of ore into the fine particles to expose the valuable minerals.
NOx	Nitrous oxides contained in exhaust emissions.
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 as referred to in this report includes the suite of five platinum group metals (platinum, palladium, rhodium, ruthenium and iridium) and gold, which are otherwise referred to as 5PGM+Au.
RBH	Royal Bafokeng Holdings (Pty) Limited.
RBN	Royal Bafokeng Nation.
Remnant areas	Remnant, or white areas, are previously abandoned sections at Impala which are currently being mined.
Seismic surveys	A geographysical 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	A distinct chromitite horizon in the Critical Zone of the Bushveld Complex often containing economic grades of PGM.

Notice to shareholders

The fifty-first annual general meeting of members of Impala Platinum Holdings Limited will be held in the Boardroom, 2nd Floor, 2 Fricker Road, Illovo, Johannesburg on 25 October 2007 at 11:00 for the following purposes:

Annual Financial Statements

1. To receive and consider the financial statements for the year ended 30 June 2007.

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:

   Re-appointments:
   Dr FJP Roux and Mr JM McMahon.

   New appointments:
   Ms D Earp, Ms F Jakoet and Mr DS Phiri

   Curriculum vitae of the retiring directors are set out on page 140.

3. To determine the remuneration of the directors (refer to page 156 of the Remuneration Report)

Special business

4. To pass with or without modification the following resolutions as special resolutions:

   Share buy-back

   Special Resolution No. 1
   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 priority 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 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);

   (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;

Special business (continued)

(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, 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.

Reasons for and effect of Special Resolution No.1

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 132 to 134 of this report.
- Major shareholders – refer page 151 of this report.
- Directors' interest in securities – refer page 153 of this report.
- Share capital of the company – refer page 150 of this report.
- The directors, whose names are set out on pages 132 and 133 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 the 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.

Notice to shareholders

Special business (continued)

Articles of Association

Special Resolution No.2

"Resolved as a special resolution, that the new articles of association contained in the document marked 'X' laid before this meeting and signed by the chairman for the purpose of identification be and are hereby approved and adopted as the articles of association of the company to the exclusion of, and in substitution for, the existing articles of association."

The reason for Special Resolution No 2 is to adopt new articles of association which incorporate provisions for electronic communication among the company's directors and electronic communication between the company and its shareholders. The effect of Special Resolution No. 2 will be to adopt new articles of association which allow firstly communication among directors by teleconferencing and secondly shareholders to receive annual financial statements in electronic form.

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
R Mahadevey
Group Secretary

30 August 2007

Registered Office
2nd Floor,
2 Fricker Road,
Illovo,
Johannesburg
2196

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.

2007
ANNUAL REPORT

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 shareholder.

For use at the annual general meeting of the company to be held on Thursday, 25 October 2007 at 11:00 (the annual general meeting)

I/We (name/s in full – please print) ______

of (address) ______

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 11:00 on Thursday, 25 October 2007, 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			
Re-election of directors			
FJP Roux			
JM McMahon			
Appointment of			
D Earp			
F Jakoet			
DS Phiri			
Directors' remuneration			
Special resolutions			
Special resolution No.1 – share buy-back			
Special resolution No.2 – Articles of Association			

Insert in the relevant space above the number of shares held.

Signed at ______ on ______ 2007

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.

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 hereof, 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 2004 (Pty) Limited
70 Marshall Street
Johannesburg
2001
(PO Box 62053
Marshalltown
2107)

London transfer secretaries

Computershare Investor
Services plc
The Pavilions
Bridgwater Road
Bristol
BS13 8AE

Contact details and administration

Registered office and Secretary
2 Fricker Road
Illovo, 2196
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

Implats and Impala Refining Services
Head office
2 Fricker Road
Illovo 2196
Private Bag X18
Northlands, 2116
Telephone: +27 (11) 731 9000
Telefax: +27 (11) 731 9254

Impala Platinum (Rustenburg)
PO Box 5683
Rustenburg 0300
Telephone: +27 (14) 569 0000
Telefax: +27 (14) 569 6548

Impala Platinum Refineries
PO Box 222
Springs 1560
Telephone: +27 (11) 360 3111
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 Limited
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
Ramun Mahadevey

London 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
Johan van Deventer

Transfer Secretaries
South Africa
Computershare Investor Services 2004 (Pty) Limited
70 Marshall Street
Johannesburg 2000
P.O Box 61051
Marshalltown 2107
Telephone: +27(11) 370 5000
Telefax: +27 (11) 688 5200

United Kingdom
Computershare Investor Services plc
The Pavilions
Bridgewater Road
Bristol
BS13 8AE

Auditors
PricewaterhouseCoopers Inc
2 Eglin Road
Sunninghill
Johannesburg
2157

Investor Relations
Bob Gilmour
Investors queries may be directed to:
Email: investor@implats.co.za

Russell and Associates

IMPLATS
Distinctly Platinum

www.implats.co.za
Impala Platinum Holdings Limited
Reg no. 1957/001979/06
ISIN code: ZAE000083648