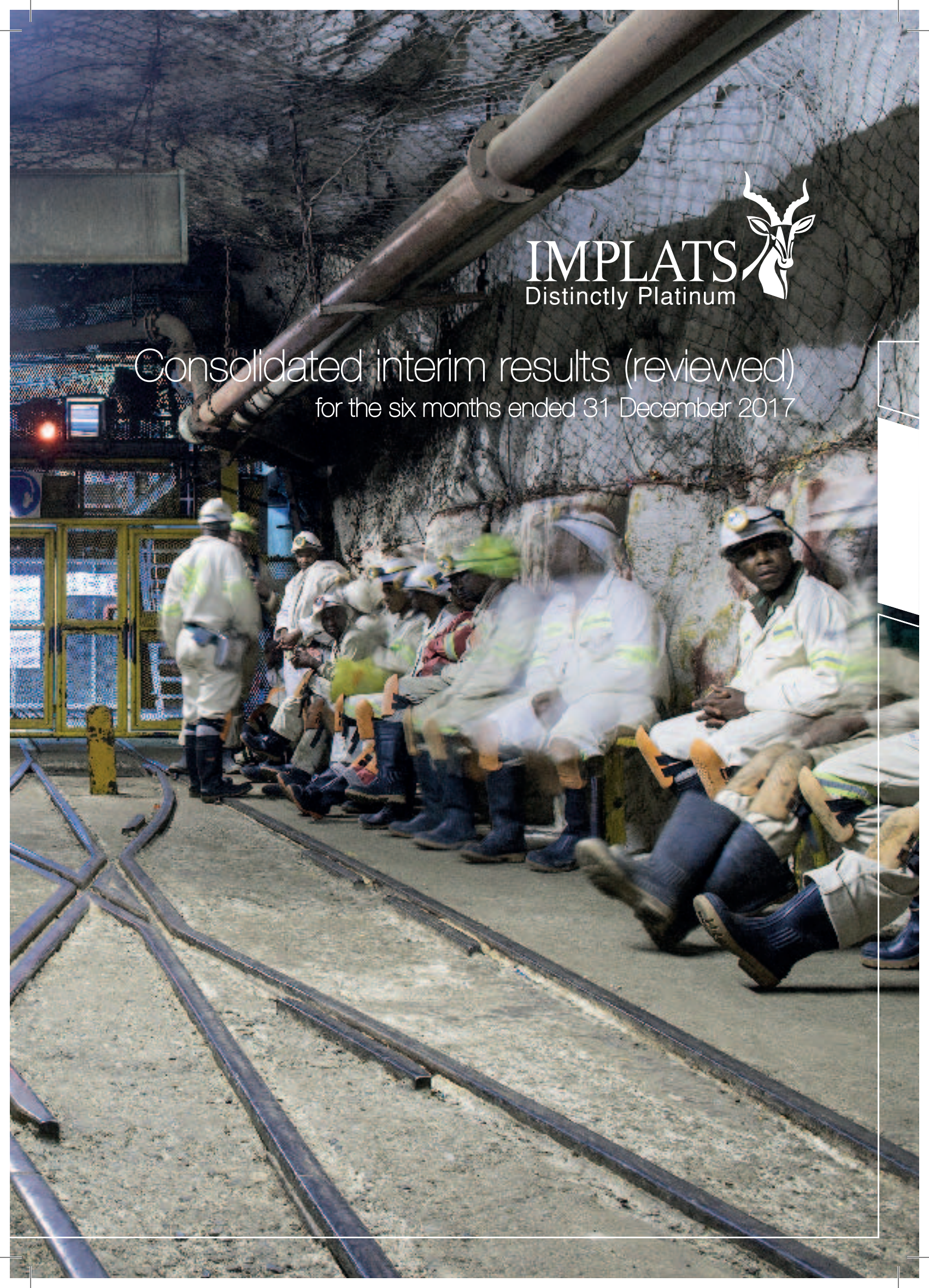




# Consolidated interim results (reviewed) for the six months ended 31 December 2017





## Our vision and mission

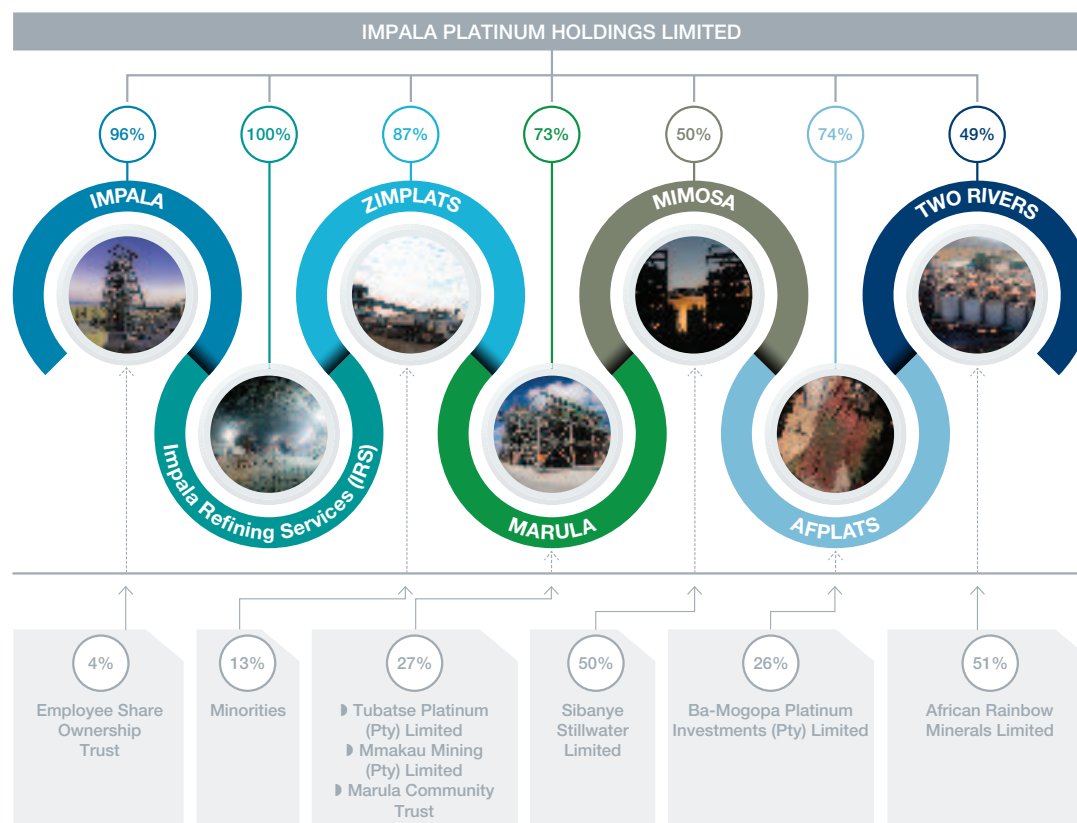
Our vision is to be the world's best platinum-producing company, delivering superior value to stakeholders relative to our peers

Our mission is to safely mine, process, refine and market our products at the best possible cost, ensuring sustainable value creation for all our stakeholders

## Our values



## Group structure



IMPALA PLATINUM HOLDINGS LIMITED  
(Incorporated in the Republic of South Africa)  
(Registration number 1957/001979/06)  
JSE Share code: IMP  
ISIN: ZAE000175873

ADR code: IMPUY  
ISIN: ZAE000083648  
ISIN: ZAE000247458  
(Implats or the Company or the Group)



## Key features for the year

### Financial

- Gross profit of R733 million, compared to a gross loss in the prior period of R139 million
- Profit before tax of R193 million, compared to a pre-tax loss in the prior period of R238 million
- R250 million higher “additional profits tax” provision by Zimplats contributed to the loss after tax of R164 million (December 2016: R328 million loss after tax)
- Headline loss per share of 21 cents: an improvement of 70.4%
- Gross cash at the end of the period amounted to R4.2 billion
- Committed (unutilised) banking facilities of R4.0 billion available



### Operational

- Overall mining performances improved
- Gross platinum in concentrate production increased 13.3%
- Furnace maintenance resulted in a pipeline increase of 75 000 platinum ounces at Impala
- Gross refined platinum production decreased 6.7%
- Stock-adjusted Group unit cost increased by 5.5% to R24 055 per platinum ounce



### Market

- Market fundamentals for platinum remain muted
- Market fundamentals for palladium and rhodium remain robust
- Rand revenue per platinum ounce sold was 4.2% higher and averaged R25 968 per ounce



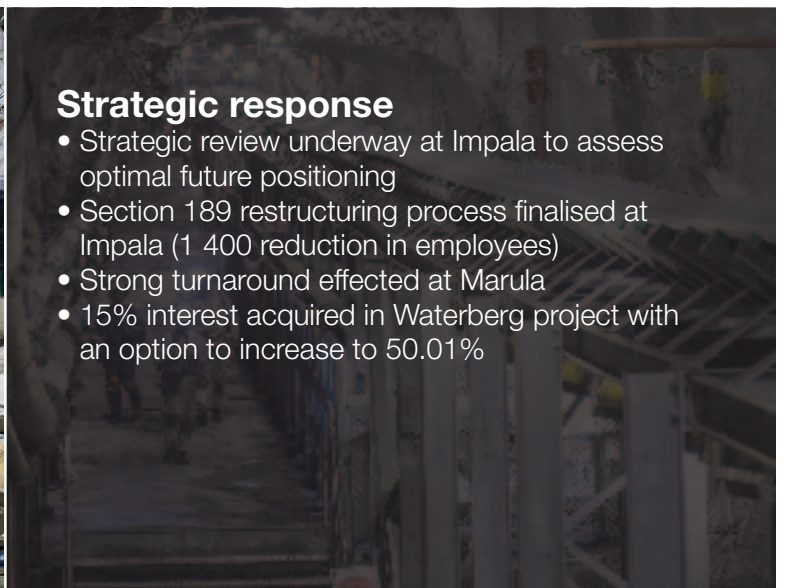
### Safety

- Safe production remains a challenge at Impala and Marula
- Six fatal incidents reported during the period



### Strategic response

- Strategic review underway at Impala to assess optimal future positioning
- Section 189 restructuring process finalised at Impala (1 400 reduction in employees)
- Strong turnaround effected at Marula
- 15% interest acquired in Waterberg project with an option to increase to 50.01%



## Group performance

		Six months ended 31 December 2017	Six months ended 31 December 2016	% change
<b>Operating statistics</b>				
<b>Gross refined production</b>				
Platinum	(000 oz)	<b>726.7</b>	778.5	(6.7)
Palladium	(000 oz)	<b>406.0</b>	468.4	(13.3)
Rhodium	(000 oz)	<b>98.8</b>	91.4	8.1
Nickel	(tonne)	<b>7 907</b>	8 283	(4.5)
<b>IRS metal returned (toll refined)</b>				
Platinum	(000 oz)	<b>115.7</b>	–	
Palladium	(000 oz)	<b>55.0</b>	–	
Rhodium	(000 oz)	<b>19.4</b>	–	
Nickel	(tonne)	<b>1 765</b>	1 596	10.6
<b>Sales volumes</b>				
Platinum	(000 oz)	<b>648.8</b>	730.7	(11.2)
Palladium	(000 oz)	<b>369.7</b>	463.6	(20.3)
Rhodium	(000 oz)	<b>100.3</b>	94.2	6.5
Nickel	(tonne)	<b>6 283</b>	7 173	(12.4)
<b>Prices achieved</b>				
Platinum	(US\$/oz)	<b>940</b>	1 009	(6.8)
Palladium	(US\$/oz)	<b>930</b>	674	38.0
Rhodium	(US\$/oz)	<b>1 156</b>	672	72.0
Nickel	(US\$/t)	<b>10 334</b>	9 924	4.1
<b>Consolidated statistics</b>				
Average exchange rate achieved	(R/US\$)	<b>13.42</b>	14.04	(4.4)
Closing exchange rate for period	(R/US\$)	<b>12.38</b>	13.74	(9.9)
Revenue per platinum ounce sold	(US\$/oz)	<b>1 935</b>	1 775	9.0
	(R/oz)	<b>25 968</b>	24 921	4.2
Tonnes milled ex-mine	(000 t)	<b>9 944</b>	9 262	7.4
PGM production	(000 oz)	<b>1 434</b>	1 553	(7.7)
Capital expenditure	(Rm)	<b>1 903</b>	1 592	19.5
Group unit cost per platinum ounce	(US\$/oz)	<b>2 105</b>	1 623	(29.7)
	(R/oz)	<b>28 206</b>	22 797	(23.7)

Additional statistical information is available on the company's internet website



# Commentary

## INTERIM RESULTS FOR THE SIX MONTHS ENDED 31 DECEMBER 2017

### Introduction

The Implats Group has delivered an improved performance at most operations for the half-year ended 31 December 2017, but regrettably mourns the loss of six employees through work-related incidents.

Gross platinum in concentrate production for the Group increased by 13.3%, supported by a 7.4% increase in run-of-mine tonnes milled and higher deliveries from third-party toll refining customers. After toll treated material was returned to third-party customers, concentrate production was unchanged. Refined metal production was impacted by extensive maintenance to the number 5 furnace at the Impala Rustenburg smelting complex. As a result, gross refined platinum production decreased by 6.7% to 726 700 ounces, relative to 778 500 ounces in the comparable period.

The reduction in refined platinum ounces produced, combined with metal returns to third-party toll refining customers, resulted in a decline of 11.2% in platinum ounces sold to 648 800 ounces, compared with 730 700 ounces in the previous comparable period. This was offset by a 4.2% increase in the rand basket price, lower third-party concentrate purchases by Impala Refining Services (IRS), and a modest 4.2% inflationary increase in cash operating costs resulting in a total revenue of R17.28 billion, cost of sales of R16.55 billion, and a gross profit of R733 million for the period, compared to a gross loss of R139 million for the prior comparable period.

A significantly higher “additional profits tax” provision by Zimplats increased the tax charge period-on-period by R250 million, which was largely responsible for the Group recording a R164 million loss after tax compared to a profit before tax for the six months ended 31 December 2017. Cash generated from operations before changes in working capital improved from R2.0 billion in the comparable period to R2.9 billion for the period under review. However, net cash decreased by some R3.5 billion during the period under review, largely due to R1.9 billion used in investing activities and a R3.5 billion inventory cash outflow.

Gross cash at the end of the period amounted to R4.2 billion. In addition, the Group has committed (unutilised) banking facilities of R4.0 billion available until June 2021.

Market fundamentals for platinum remain muted. An industrial market deficit of some 230 000 platinum ounces recorded in calendar year 2017 is expected to revert in the short term to a balanced market due to lower requirements from the automotive, jewellery and investment sectors. However, fundamentals for both palladium and rhodium are robust with significant demand growth expected over the next few years from the automotive sector. The rand revenue

per platinum ounce sold for the period under review benefited from the improved palladium and rhodium fundamentals, recording a 4.2% increase from the prior corresponding period to average R25 968 per platinum ounce.

The first half of the year was characterised by an ongoing focus on the Group’s strategic response to the persistently low PGM prices with a view to improving business performance, with a particular emphasis on Impala. To this end, a strategic review of the operation was announced at the Group’s full-year results in September 2017, which is actively advancing measures to refocus or close unprofitable areas and rebase the overhead cost structure as soon as practically possible. Through this process, the Group aims to return Impala to profitability in a sustained low PGM price environment.

In addition, the Group succeeded in effecting a strong operational turnaround at Marula and acquired a 15% interest in the Waterberg project during the period under review with an option to increase its stake to 50.01%.

### Group safety review

Regrettably, five employees at Impala Rustenburg and one at Marula suffered fatal injuries at our operations during the six months ended 31 December 2017. Following the end of the reporting period, another employee was fatally injured at Impala Rustenburg during January 2018. The Implats board and management team express their sincere condolences to their families and friends.

The Company will continue to provide support to the dependants of the deceased. Management, in collaboration with officials from the representative union (AMCU), the Department of Mineral Resources (DMR) and the board health and safety sub-committee instituted a number of leadership workshops and independent assessments to determine the root causes of each incident as well as the overall decline in safety performance.

Safe production remains our top priority. Many individual business units across the Group continue to deliver exceptional safety performance, setting new records. Currently, Implats has nine “safety millionaire” shafts and units (units which have operated more than a million shifts without a fatality). Seven have operated for more than two years without a fatal incident, five have achieved more than four years, and two have worked for more than 15 years without a fatal incident. Our strategic focus will be on an improved safety performance at Marula and Impala Rustenburg in particular.

### Group operational review

The Group achieved encouraging period-on-period operational improvements over the past six months. Tonnes milled increased by 7.4% from 9.3 million tonnes in the prior corresponding period to 9.9 million tonnes. Increased production volumes from operations were supported by

## Commentary continued

higher deliveries from third-party toll refining customers yielding an 13.3% increase in platinum in concentrate from 766 200 ounces to 867 800 ounces. Very pleasing in particular was a 9.4% increase in platinum in concentrate contribution from Impala Rustenburg, which produced 348 300 ounces compared to 318 400 ounces in the prior corresponding period.

The unscheduled maintenance at Impala number 5 furnace resulted in a significant build-up of pipeline stock and a 6.7% decline in refined platinum ounces produced to 726 700 ounces, compared to 778 500 ounces in the comparable period.

### Managed operations

#### IMPALA

Improved operational efficiencies achieved during the first quarter of the financial year were negatively impacted by mine stoppages emanating from five fatal incidents recorded at the operation during September and October 2017. Notwithstanding, mill throughput increased by 12.4% to 5.7 million tonnes from the previous comparable period (H1 FY2017: 5.0 million), which was impacted by the temporary closure of the 14 Shaft decline section due to an underground fire and a reduction in some UG2 panel lengths following a fall-of-ground incident at 1 Shaft. The higher milled production is largely as a result of 14 Shaft ramping up after the fire (+480 000 tonnes), the 16 Shaft ramp-up (+255 000 tonnes), and performance improvements at 11, 12 and 1 Shafts (+191 000 tonnes). This was offset to some extent by declining production from old shafts (-392 000 tonnes) and weaker performances at 10 and 20 Shafts following safety incidents (-19 000 tonnes).

The PGE mill head grade deteriorated to 4.05 g/t (H1 FY2017: 4.15 g/t), largely due to planned rehabilitation work on the "C" ore pass system at 16 Shaft and a 2.9 kilometre (25%) increase in lower-grade reef development to increase mining face length. Rehabilitation of the "C" ore pass system necessitated dilution of reef with waste feed in the remaining reef passes. The reduction in grade partially offset the increase in mill throughput, resulting in a net 9.4% increase in platinum ounce in concentrate production to 348 300 ounces (H1 FY2017: 318 400 ounces).

During the period, a major unscheduled furnace rebuild was undertaken on one of the three operating furnaces at the smelting complex, which was necessitated by excessive wear. The build-up of pipeline stocks at Impala, amounting to some 75 000 ounces of platinum, was directly as a result of the furnace maintenance and resulted in refined platinum production declining 14.7% to 271 900 ounces (H1 FY2017: 318 700 ounces).

The increased production volumes, together with inflation, resulted in cash costs increasing by 11.3% to R8.27 billion (H1 FY2017: R7.43 billion). However, the increase in pipeline stocks and consequent lower refined metal output resulted in unit costs increasing by 30.5% to R30 405 per platinum ounce refined (H1 FY2017: R23 304). On a stock-adjusted

basis, unit costs increased by only 2.2% to R23 822 per platinum ounce refined, supported by higher levels of production.

Capital expenditure increased by 20.5% to R1.44 billion (H1 FY2017: R1.20 billion), of which R345 million was spent on the two major replacement shafts, 16 and 20 Shafts. Combined, these two shafts are scheduled to produce approximately 310 000 ounces of platinum from 2022.

Project progress at 16 Shaft remains largely on schedule. However, immediately mineable face length at the end of the reporting period was 1 085 metres, 22% below plan. Underground development is being accelerated to address this shortfall. The number of stoping teams has increased to 59 against a plan of 63 and stoping team productivity averaged 331 m<sup>2</sup> per team against a planned rate of 334 m<sup>2</sup> per team. The rate of production at the end of the period was in line with the project plan at 1.38 million tonnes per annum.

Challenging geological conditions and safety interruptions following a fatal incident at 20 Shaft have impacted the project. Immediately mineable face length at the end of the reporting period was 1 599 metres, 15% below plan. The number of stoping teams has increased to 54 against a plan of 58 and stoping team productivity averaged 251 m<sup>2</sup> per team against a planned rate of 327 m<sup>2</sup> per team. Geological conditions resulted in an abnormally high panel loss ratio (26%) during the period, which, together with the impact of the safety stoppage, affected team productivity. Consequently, the overall rate of production at the end of the period was 8% below the plan of 1.2 million tonnes per annum.

Impala is focused on returning the business to profitability in a sustained low PGM price environment. To this end a number of initiatives have been implemented to improve productivity and lower costs, including a Section 189 labour restructuring process as announced in September 2017. The labour restructuring resulted in a reduction of 1 400 employees by the end of the reporting period and will realise an annual saving of R350 million. In addition, a strategic review of all the business units and overhead structures at Impala was initiated and is interrogating the investment case and sustainability of individual shafts across the operation. The review includes a specific focus on optimising the cost base, which may lead to further responses, such as harvesting and/or closing certain shafts.

The leadership team has been strengthened with the appointment of Mark Munroe as Chief Executive of this operational unit. He has been specifically tasked to lead the strategic review at Impala Rustenburg and drive performance improvements in safety, efficiencies, cost and capital project execution at the operation.

Subsequent to the end of the period under review, in February 2018, an electrical failure at the Impala Rustenburg smelting complex triggered a fire at the number 5 furnace

transformers. Repairs to the transformers are well advanced and it is anticipated the production interruption will be approximately 10 weeks. In the interim, furnaces 3 and 4 are treating Impala's run-of-mine production. However, with the number 5 furnace not available for some time, contingency capacity is constrained and, as a result, approximately 60 000 platinum ounces of pipeline stocks are not expected to be refined within the financial year, which will impact cash flow in this financial year.

#### **IMPALA REFINING SERVICES (IRS)**

IRS once again contributed significantly to the Group's bottom line, despite persistently low PGM prices. Refined platinum production was maintained at 454 800 ounces (H1 FY2017: 459 800 ounces).

Platinum receipts from mine-to-market operations, at 317 000 ounces, were lower than the prior comparable period (H1 FY2017: 330 000 ounces), on the back of lower receipts from Two Rivers. Third-party purchased receipts decreased from 108 000 platinum ounces in the prior period to 86 000 ounces. A further 104 000 ounces were toll refined for a customer.

#### **ZIMPLATS**

Tonnes milled remained consistent with the prior comparable period at 3.3 million tonnes (H1 FY2017: 3.3 million tonnes) with all mining units sustaining exceptional operational performances. Platinum in matte production, inclusive of concentrates sold to IRS, was similarly in line with the prior performance at 136 200 ounces (H1 FY2017: 137 100 ounces).

Unit costs increased by 8.4% in dollar terms to US\$1 336 per platinum ounce in matte (H1 FY2017: US\$1 233), while in rand terms unit costs increased by only 3.4% to R17 900 per platinum ounce in matte (H1 FY2017: R17 316), due to a stronger rand exchange rate over the period.

The redevelopment of the Bimha Mine remains on schedule to reach full production in April 2018, while development of the 2.2 million tonnes per annum Mupani Mine is progressing according to plan and is targeting ore contact by May 2020, and full production from August 2025.

The new political dispensation in Zimbabwe is regarded as a positive development. Implats supports and shares Zimbabwe's aspirations to grow and diversify its PGM industry and continues to engage with the Government of Zimbabwe regarding its plans.

#### **MARULA**

Marula delivered a strong operational turnaround following a restructuring process implemented prior to the start of the financial year. The period under review saw a significant decline in community disruptions, mitigated by continued engagement processes by the Marula team and an intervention with the assistance of the DMR seeking to resolve the community chrome dispute. Agreement was secured from all stakeholders through this process to restart the chrome project in January 2018.

The operational recovery was impacted by safety stoppages following a fatal incident at the main underground operation during the second quarter of the financial year. Tonnes milled increased by 3.5% to 941 000 tonnes (H1 FY2017: 909 000 tonnes), while the PGE head grade deteriorated marginally to 4.36 g/t (H1 FY2017: 4.42 g/t). As a consequence, platinum in concentrate production was maintained at 43 200 ounces (H1 FY2017: 43 100 ounces), despite a reduction in total employees of some 800 people following the restructuring process.

On the back of this performance, unit costs were contained to a 3.7% increase at R24 954 per platinum ounce in concentrate (H1 FY2017: R24 060). Capital expenditure amounted to some R29 million for the period under review (H1 FY2017: R58 million).

Although the overall improvement in production and financial performance at Marula is encouraging, continued uninterrupted and profitable production is necessary to secure the future of the operation.

#### **Non-managed operations**

##### **MIMOSA**

Mimosa delivered another strong operational performance. Tonnes milled improved by 2.9% to 1.41 million tonnes (H1 FY2017: 1.37 million tonnes), and the PGE head grade was maintained at 3.85 g/t. This resulted in platinum in concentrate production increasing by 3.4% to 63 000 ounces (H1 FY2017: 60 900 ounces). Unit costs decreased by 3.9% in dollar terms to US\$1 479 per platinum ounce in concentrate (H1 FY2017: US\$1 539).

The envisaged export levy on "unbeneficiated" platinum has been restructured and deferred by the Government of Zimbabwe to 1 January 2019. Mimosa continues to consult with the Government of Zimbabwe on a range of important investment and regulatory considerations and remains confident that a mutually beneficial outcome can be secured.

##### **TWO RIVERS**

The operational performance at Two Rivers was impacted by the planned mining of low-grade split-reef areas during the period under review. Tonnes milled during the first half of the financial year decreased by 1.9% to 1.71 million tonnes, compared to 1.75 million tonnes milled during the prior comparable period, which included 58 700 tonnes milled at a neighbouring mine.

The PGE head grade was significantly lower at 3.70 g/t (H1 FY2017: 4.03 g/t) and platinum in concentrate production consequently reduced by 13.8% to 83 400 ounces (H1 FY2017: 96 700 ounces). As a result of the lower concentrate production, unit costs increased by 20.7% to R14 688 per platinum ounce in concentrate (H1 FY2017: R12 172). The operation has initiated a project to secure improved capacity to maintain its platinum production profile while mining split reef.

## Commentary continued

### Mineral Resources and Mineral Reserves

There has been no material change to the technical assumptions, assessment criteria, and information relating to the Group's Mineral Resource and Mineral Reserve estimates, as disclosed in the integrated report for the financial year ended 30 June 2017.

The revised Implats Mineral Resource and Mineral Reserve statement, as at 30 June 2018, will provide the detailed updated estimates.

### Financial review

Revenue, at R17.3 billion for the half-year ended 31 December 2017, was R1.2 billion or 6.5% lower than the comparative six months as a result of:

- A negative volume variance of R2.1 billion. Sales volumes declined due to the full rebuild of the number 5 furnace. Smelter stocks increased significantly period-on-period, but were offset to some extent by a draw down of the refinery pipeline and a draw down of refined stocks compared to a build-up in the prior period.
- A positive dollar metal price variance of R1.7 billion resulting from the average dollar revenue per platinum ounce sold, of US\$1 935, being US\$160 or 9.0% higher than the previous comparative period. The average prices achieved for palladium, rhodium and nickel were 38.0%, 72.0% and 4.1% higher. Platinum was 6.8% lower.
- A negative R765 million exchange rate variance resulting from the average rand-dollar exchange rate of R13.42/US\$ being approximately 4.4% stronger than the R14.04/US\$ achieved during the prior comparable period.

The resultant rand revenue per platinum ounce sold rose by 4.2% to R25 968.

Cost of sales, at R16.5 billion, decreased by R2.1 billion from the comparable six months. The main contributors to this decrease were:

- The full rebuild of number 5 furnace at Impala Rustenburg resulted in a significant build-up of stock in the period under review. The impact was a R2.4 billion additional decrease in cost of sales due to higher inventory levels.
- A R702 million decrease in the cost of metals purchased was due to lower volumes purchased by IRS from third-party concentrate customers.
- The decreases described above were partially offset by an increase in cash operating costs of R1.1 billion to R12.5 billion. After taking into account higher levels of production at Impala Rustenburg (9.4%) and once-off voluntary separation costs, the increase in cash operating costs was contained at mining inflation of 4.2%, comprising South African operations mining inflation of 6.2%, and Zimplats rand deflation of 3.3%.

As a result of the above, the Group generated a gross profit for the period of R733 million (H1 2017: R139 million gross loss).

The Group made a R193 million profit before tax, an improvement on the comparable period's pre-tax loss of R238 million. The improvement was achieved despite a negative impact from a fair value adjustment on IRS creditors of R296 million due to an increase in metal prices at the end of the period, and once-off insurance proceeds of R330 million in the prior period.

Significantly higher "additional profits tax" payable by Zimplats increased the tax charge period-on-period by R250 million, which was largely responsible for the R164 million loss after tax compared to a profit before tax for the six months ended 31 December 2017 (H1 2017: R328 million after tax loss).

Cash generated from operations (before changes in working capital) improved from R2.0 billion to R2.9 billion. An increase in the value of inventories of R3.5 billion was largely responsible for the negative cash from operations of R249 million (after changes in working capital). The increase in inventories, as reflected on the balance sheet, was affected by net realisable value adjustments.

Taking into account further planned smelter maintenance, and the extra build-up in the pipeline post period end due to the transformer fire referred to in the Impala operational review, it is expected that the build-up of inventory will be realised over the next 18 months. To alleviate constraints on cash, given that the bulk of the cash operating costs have been incurred, it was deemed prudent to forward sell some of the metals in the pipeline. In this regard, the Group realised almost R1 billion in January 2018.

Some R400 million was spent during the period to acquire a 15% stake in the Waterberg project.

Capital expenditure amounted to R1.9 billion, of which R345 million was spent on 16 and 20 Shafts.

Gross cash at the end of the period under review amounted to R4.2 billion. Debt (excluding leases but including the cross currency interest rate swap) amounted to R8.0 billion resulting in net debt at 31 December 2017 of R3.8 billion (June 2017: R332 million net debt).

In addition, the Group has committed (unutilised) banking facilities of R4.0 billion which are available until June 2021. This excludes the Zimplats-specific facilities.

Given the continued cash conservation strategy, the board has resolved not to declare an interim dividend for the six months ended 31 December 2017.



## Market review (calendar years unless otherwise stated).

The platinum and palladium markets experienced fundamental industrial deficits of approximately 230 000 ounces and 720 000 ounces respectively during 2017. However, the outlook and sentiment for these metals are profoundly different. The platinum deficit is expected to revert in the short term to a balanced market due to lower requirements from the automotive, jewellery and investment sectors. Significant deficits for palladium are expected to be sustained over this period on the back of increased usage in the automotive sector.

**Platinum** ended 2017 at US\$927 per ounce, 2% higher than the opening LBMA trade price, and on average traded at US\$946 per ounce over the year, which was 4% lower than in 2016 (2016: US\$987 per ounce). This was largely in response to a fall in Chinese jewellery demand, lower Japanese investment demand, and growing negative diesel sentiment in the important Western European automotive sector, which was partially offset by growing industrial demand.

In contrast, **palladium** ended the year at US\$1 056 per ounce, 54% higher than the opening LBMA trade price, and on average traded at US\$869 per ounce over the year, which was 42% higher than in 2016 (2016: US\$613 per ounce). Despite further exchange traded fund (ETF) liquidations, persistently strong fundamentals from the North American and Chinese automotive sector continue to support palladium's price performance, while speculative purchasing in China is also likely to have played a part.

The **rhodium** price more than doubled in 2017, increasing by US\$945 per ounce during the year. The price closed the year at US\$1 715 per ounce, some 123% higher than it opened on Johnson Matthey London trade. The metal traded at US\$1 109 per ounce on average over the year, 60% higher than in 2016 (2016: US\$694 per ounce). Rhodium prices were driven by strong fundamentals, especially from the automotive sector (in response to "real driving" emissions testing in Western Europe, as well as China 5 emission standards) and the chemical industry.

2017 was another positive year for the **automotive industry**, with global light-duty vehicle sales estimated to have reached 95.3 million units (up 2.4% from 2016) on the back of growth in Western Europe, China, Eastern Europe and Latin America. This offset a slight loss in the United States (US) where light-duty vehicle sales reached 17.2 million units, a 1.9% decline from 2016. Even though US sales were lower, automakers sold more sport-utility vehicles, crossovers and pick-ups, which are more heavily loaded with palladium and rhodium. However, concerns remain that rising interest rates could restrict credit availability this year, and a further decline in the US market to below 16 million units is anticipated for 2018.

Western European light-duty vehicle sales held up better than expected during 2017, reaching 14.3 million units, a 2.5% increase from 2016. However, the news was not

positive for platinum, as the diesel share in this market continues to decline due to sustained anti-diesel sentiment. Nonetheless, battery electric vehicles have yet to make any significant inroads into the gap created by the decline in diesel, as consumers in this region are switching to gasoline, thereby compounding CO<sub>2</sub> compliance issues and palladium deficits.

Chinese light-duty vehicle sales recorded 1.5% year-on-year growth, reaching 24.7 million units, a positive for both palladium and rhodium demand. Japanese auto sales topped 5 million units for the first time in two years and increased for the first time in three years. New auto sales in Japan rose by 5.3% during 2017 to 5.23 million units, led by new minicar models.

Stronger vehicle sales favoured palladium as more gasoline engines were sold. Historically, lower palladium prices, coupled with abundant Russian stocks, encouraged automakers and coaters to significantly engineer platinum out of gasoline and some diesel catalyst systems. However, the market is beginning to seriously consider the overreliance on palladium, and there is increasing research by both automakers and coaters into the reverse substitution of platinum in gasoline three-way catalysts. There is already evidence that platinum is being reintroduced into some diesel systems, where it had been partially engineered out.

The Chinese platinum **jewellery** market remains challenged. Retail sales dropped by approximately 5.5% last year, after an 8.3% decline in 2016. However, the latest data from the Platinum Guild International (PGI) indicates that the quarter-on-quarter contraction during 2017 is slowing and some PGI partner stores have started to show growth again. The Indian market was particularly strong during 2017 with sales growing by approximately 35% during the year. The latest figures from the US market show healthy sales on the back of ongoing PGI initiatives. Retail sales growth in the US is expected to surpass the PGI's upper forecast of 7% for 2017. The Japanese market continues to be challenged by the currently fashionable yellow gold trends, and the market may not reach the 2% PGI growth forecast for 2017. Overall, platinum jewellery demand is expected to be flat year-on-year.

As in 2016, the low prices of platinum and rhodium during the first half of 2017 generated additional **industrial** interest in these metals. The main drivers for this growth were the glass and chemical sectors. In contrast, increasing palladium prices affected industrial requirements, with substitution and thrifting resulting in lower palladium demand in the sector during the year.

Physical **investment** in small platinum bars was down in Japan year-on-year, but still accounted for net sales of some 150 000 platinum ounces in 2017.

The platinum and palladium **ETFs** followed different paths during 2017. Platinum ETFs grew by 107 000 ounces,

## Commentary continued

driven by lower prices, while palladium ETFs liquidated 376 000 ounces, mainly due to profit taking. This was the third consecutive year in which palladium ETFs experienced large liquidations, with the aggregate holding now becoming constrained in supporting future market deficits.

The platinum **paper markets** (NYMEX/TOCOM) declined by 142 000 ounces during 2017, highlighting a bearish price outlook for the metal. In contrast, palladium was the beneficiary of renewed speculative interest, with signs of growing physical market tightness supporting a 1.13 million ounce increase in long positions during 2017.

The market fundamentals for palladium and rhodium were particularly strong during 2017 and are projected to remain robust during 2018. In contrast, market fundamentals for platinum remain muted, with new heavy-duty diesel emission regulations and South African supply cuts only anticipated to materially impact market fundamentals from 2020. We expect the platinum market to be balanced during 2018, with a significant deficit of more than 1 million ounces in the palladium market underpinned by greater usage in gasoline catalyst systems and lower ETF liquidations. The rhodium market is forecast to be in a declining surplus, moving into a fundamental deficit, as both the automotive and industrial sectors consume more metal.

### Strategic response

The Implats strategy is aimed at improving the Group's competitive position and profitability in a sustained low metal price environment.

Key focus areas include:

- Improved operational performance at Impala Rustenburg and an ongoing strategic review to assess optimal future positioning in a low price environment.
- Ensuring profitability of the Marula mine or the suspension of operations.
- Enhancing the relative industry cost position of the Group's conventional mining operations.
- Optimised performance and profitability at low-cost Group assets.
- Leveraging IRS capacity and its contribution to the Group.
- Developing a long-term portfolio of lower-cost, shallow, mechanisable assets.

To this end, measures to enhance improvements and strengthen the Group's strategic response have been introduced, specifically at **Impala Rustenburg** where the transition to a more concentrated, lower-cost operation remains our most pressing priority. The strategic review, which was announced at the Group's full-year results in September 2017, is critically assessing the investment case of each shaft within the prevailing metal price environment, with the intention of refocusing or closing unprofitable areas and rebasing the overhead cost structure as soon as practically possible. This may lead to some shafts being closed or harvested sooner than originally planned. Through this process, Impala remains focused on returning the business to profitability in a low PGM price environment.

Actions taken at Impala in the period under review include:

- 4 Shaft suspended from January 2018.
- 1 Shaft, 9 Shaft and 12 Shaft being harvested with effect from January 2018.
- 10, 11 and 14 Shaft optimisation projects initiated during the review period.
- Section 189 restructuring process announced in September 2017.

As a result of these actions, it is estimated the operation will improve cash flow by more than R1 billion over the next two years. However, the production outlook for 2018 will be negatively impacted by both early closure and harvesting of some shafts, as well as the slower ramp up of 20 Shaft. Full-year guidance has reduced from approximately 700 000 platinum ounces to between 650 000 and 670 000 platinum ounces for the financial year. Further work over the next few months will prioritise additional cost and efficiency improvements and longer-term life-of-mine (LOM) profiles for each shaft in line with the revised operating mandate. There will be an intense focus on rebasing the support infrastructure and associated cost base to sustain the resulting LOM profile at the operation.

At **Marula**, restructuring processes implemented prior to the start of the financial year have already delivered an improved cost and operational performance. Tonnes milled per employee costed, has improved significantly from 392 tonnes per annum during the prior corresponding period to 485 tonnes for the period under review. Similarly, the operation has recovered from a gross loss of some R173 million in the prior corresponding period, to record a gross profit of R68 million during the half year ended 31 December 2017. Further work over the next few months will prioritise: measures to bed down improvements; securing operational continuity; and acquiring additional tailings deposition capacity (required from 2020).

Longer term, the acquisition of a minority interest in the **Waterberg** development project, with the option to acquire majority ownership on completion of the feasibility study, has advanced the Group's stated strategy to diversify the asset portfolio from deep, labour-intensive conventional operations. In addition, the changing political dispensation in **Zimbabwe** is being assessed and may offer further opportunities to the Group.

**IRS** remains an important strategic advantage and the Group will continue to seek further opportunities to build on its successful business model, leveraging spare processing capacity within the Group.

### Prospects

The challenges and uncertainties confronting the South African PGM industry remain significant. The market fundamentals for platinum are only expected to strengthen materially from 2020 onwards, with the introduction of stricter heavy-duty diesel emission regulations, and with supply from South Africa starting to taper off. However, the market fundamentals for palladium and rhodium remain



robust, supported by growing gasoline automotive demand, and the introduction of real driving emissions in Western Europe and China 5 emission standards. The Group, therefore, expects large fundamental deficits for palladium to be sustained well into the future, with platinum trading in a balanced market near term, and rhodium availability becoming increasingly constrained.

As a consequence, dollar metal prices should remain positive for palladium and rhodium, while platinum is likely to remain muted. This view will support near-term rand metal prices, but political changes in South Africa are likely to support the local currency (ZAR), which in turn will impact on rand metal basket prices. We are therefore working on the premise that the PGM rand basket could remain flat over the remainder of 2018 and 2019.

With the rand basket price expected to remain low, Implats will continue to prioritise measures to achieve safe production, lower operating costs, preserve cash, enhance productivity, and restore profitability at all operations. The new 2022 convertible bond, listed in late July 2017, will enable the redemption of the old 2018 bond and will provide approximately R2 billion in additional liquidity.

Further measures to bed down improvements and strengthen the Group's strategic response have been introduced, specifically at Impala Rustenburg where the transition to a more concentrated, lower-cost operation remains our most pressing priority. The strategic review, announced at the Group's full-year results in September 2017, is actively advancing measures to refocus or close unprofitable areas, and rebase the overhead cost structure at the operation as soon as practically possible. This may lead to shafts being harvested and/or closed sooner than originally planned. Through this process, a return to profitability in a low metal price environment is being targeted for both the managed South African operations.

Full-year production estimates are revised as follows:

- |                     |  |
|---------------------|--|
| • Rustenburg        | 650 000 – 670 000 platinum ounces in concentrate |
| • Zimplats          | 255 000 – 265 000 platinum ounces in concentrate |
| • Two Rivers        | 165 000 – 175 000 platinum ounces in concentrate |
| • Mimosa            | 115 000 – 120 000 platinum ounces in concentrate |
| • Marula            | 80 000 – 90 000 platinum ounces in concentrate   |
| • IRS (third party) | 250 000 – 260 000 platinum ounces in concentrate |

The full-year refined production for the Group is estimated at 1.5 million platinum ounces, subject to the rate at which the pipeline can be reduced.

The Group's operating cost is expected to be between R23 600 and R24 200 per platinum ounce on a stock-adjusted basis for the full financial year, with Group capital expenditure forecast at R4.7 billion.

The financial information on which this outlook is based has not been reviewed and reported on by Implats' external auditors.

## Changes to the board

During the period under review the following changes were made to the board:

- 7 July 2017 – resignation of Dr Nkosana Moyo as independent non-executive director with immediate effect
- 28 August 2017 – resignation of Ms Albertinah Kekana as non-executive director with immediate effect
- 28 August 2017 – appointment of Mr Udo Lucht as non-executive director with immediate effect
- 21 November 2017 – resignation of Ms Brenda Berlin as executive director and chief financial officer with effect from 28 February 2018
- 27 November 2017 – appointment of Ms Lee-Ann Samuel as executive director with immediate effect

## Approval of the financial statements

The directors of the Company are responsible for the maintenance of adequate accounting records and the preparation of the interim financial statements and related information in a manner that fairly presents the state of the affairs of the Company. These interim financial statements are prepared in accordance with International Financial Reporting Standards and incorporate full and responsible disclosure in line with the accounting policies of the Group which are supported by prudent judgements and estimates.

The interim financial statements have been prepared under the supervision of the chief financial officer, Ms B Berlin, CA(SA).

The directors are also responsible for the maintenance of effective systems of internal control which are based on established organisational structure and procedures. These systems are designed to provide reasonable assurance as to the reliability of the financial statements, and to prevent and detect material misstatement and loss.

The interim financial statements have been prepared on a going-concern basis as the directors believe that the Company and the Group will continue to be in operation in the foreseeable future.

The interim financial statements as set out on pages 12 to 24 have been approved by the board of directors and are signed on their behalf by:

**Dr MSV Gantsho**  
*Chairman*

**NJ Muller**  
*Chief executive officer*

Johannesburg  
1 March 2018



# Independent Auditor's Review Report On Interim Financial Statements

## To the Shareholders of Impala Platinum Holdings Limited

We have reviewed the condensed consolidated interim financial statements of Impala Platinum Holdings Limited in the accompanying interim report, which comprise the condensed consolidated statement of financial position as at 31 December 2017 and the related condensed consolidated statements of comprehensive income, changes in equity and cash flows for the six months then ended, and selected explanatory notes.

## Directors' Responsibility for the Interim Financial Statements

The directors are responsible for the preparation and presentation of these interim financial statements in accordance with the International Financial Reporting Standard, (IAS) 34 Interim Financial Reporting, the SAICA Financial Reporting Guides as issued by the Accounting Practices Committee and Financial Pronouncements as issued by the Financial Reporting Standards Council and the requirements of the Companies Act of South Africa, and for such internal control as the directors determine is necessary to enable the preparation of interim financial statements that are free from material misstatement, whether due to fraud or error.

## Auditor's Responsibility

Our responsibility is to express a conclusion on these interim financial statements. We conducted our review in accordance with International Standard on Review Engagements 2410, Review of Interim Financial Information Performed by the Independent Auditor of the Entity. ISRE 2410 requires us to conclude whether anything has come to our attention that causes us to believe that the interim financial statements are not prepared in all material respects in accordance with the applicable financial reporting framework. This standard also requires us to comply with relevant ethical requirements.

A review of interim financial statements in accordance with ISRE 2410 is a limited assurance engagement. We perform procedures, primarily consisting of making enquiries of management and others within the entity, as appropriate, and applying analytical procedures, and evaluate the evidence obtained.

The procedures in a review are substantially less than and differ in nature from those performed in an audit conducted in accordance with International Standards on Auditing. Accordingly, we do not express an audit opinion on these interim financial statements.

## Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying condensed consolidated interim financial statements of Impala Platinum Holdings Limited for the six months ended 31 December 2017 are not prepared, in all material respects, in accordance with the International Financial Reporting Standard, (IAS) 34 Interim Financial Reporting, the SAICA Financial Reporting Guides as issued by the Accounting Practices Committee and Financial Pronouncements as issued by the Financial Reporting Standards Council and the requirements of the Companies Act of South Africa.

**PricewaterhouseCoopers Inc.**

**Director: CS Masondo**

*Registered Auditor*

1 March 2018

## Consolidated statement of financial position

(Rm)	Notes	As at 31 December 2017 (Reviewed)	As at 31 December 2016 (Reviewed)	As at 30 June 2017 (Audited)
<b>Assets</b>				
<b>Non-current assets</b>				
Property, plant and equipment	5	47 043	48 437	47 798
Exploration and evaluation assets		385	385	385
Investment property		90	173	89
Investment in equity-accounted entities	6	3 797	3 343	3 316
Deferred tax		373	—	389
Other financial assets		341	321	327
Derivative financial instruments	7	—	907	—
Prepayments		—	10 073	—
		<b>52 029</b>	<b>63 639</b>	<b>52 304</b>
<b>Current assets</b>				
Inventories	8	11 147	8 760	8 307
Trade and other receivables		3 998	4 355	3 736
Other financial assets		2	2	2
Prepayments		846	814	1 293
Cash and cash equivalents		4 208	5 419	7 839
		<b>20 201</b>	<b>19 350</b>	<b>21 177</b>
<b>Total assets</b>		<b>72 230</b>	<b>82 989</b>	<b>73 481</b>
<b>Equity and liabilities</b>				
<b>Equity</b>				
Share capital		20 451	20 044	20 000
Retained earnings		22 819	30 829	22 982
Other components of equity		3 216	4 392	3 825
Equity attributable to owners of the Company		<b>46 486</b>	<b>55 265</b>	<b>46 807</b>
Non-controlling interest		2 331	2 478	2 425
<b>Total equity</b>		<b>48 817</b>	<b>57 743</b>	<b>49 232</b>
<b>Liabilities</b>				
<b>Non-current liabilities</b>				
Deferred tax		3 830	7 766	4 390
Borrowings	9	7 610	7 987	8 373
Derivative financial instrument	7	676	—	1 233
Sundry liabilities		305	402	356
Provisions		1 124	1 062	1 099
		<b>13 545</b>	<b>17 217</b>	<b>15 451</b>
<b>Current liabilities</b>				
Trade and other payables		7 234	6 401	6 902
Current tax payable		1 112	791	702
Borrowings	9	1 418	735	1 088
Other financial liabilities		73	70	74
Sundry liabilities		31	32	32
		<b>9 868</b>	<b>8 029</b>	<b>8 798</b>
<b>Total liabilities</b>		<b>23 413</b>	<b>25 246</b>	<b>24 249</b>
<b>Total equity and liabilities</b>		<b>72 230</b>	<b>82 989</b>	<b>73 481</b>

The notes on pages 17 to 24 are an integral part of these condensed interim financial statements.



## Consolidated statement of profit or loss and other comprehensive income

(Rm)	Notes	Six months ended 31 December 2017 (Reviewed)	Six months ended 31 December 2016 (Reviewed)	Year ended 30 June 2017 (Audited)
<b>Revenue</b>		<b>17 280</b>	18 484	36 841
Cost of sales	10	<b>(16 547)</b>	(18 623)	(37 370)
<b>Gross profit/(loss)</b>		<b>733</b>	(139)	(529)
Other operating income		<b>25</b>	445	1 191
Other operating expenses		<b>(343)</b>	(54)	(325)
Impairment		<b>(30)</b>	—	(10 229)
Royalty expense		<b>(179)</b>	(260)	(561)
<b>Profit/(loss) from operations</b>		<b>206</b>	(8)	(10 453)
Finance income		<b>201</b>	196	411
Finance cost		<b>(535)</b>	(385)	(811)
Net foreign exchange transaction gains		<b>249</b>	133	154
Other income		<b>352</b>	120	398
Other expenses		<b>(468)</b>	(529)	(883)
Share of profit of equity-accounted entities		<b>188</b>	235	496
<b>Profit/(loss) before tax</b>		<b>193</b>	(238)	(10 688)
Income tax (expense)/income		<b>(357)</b>	(90)	2 590
<b>Loss for the period</b>		<b>(164)</b>	(328)	(8 098)
<b>Other comprehensive income/(loss), comprising items that may subsequently be reclassified to profit or loss:</b>				
Available-for-sale financial assets		<b>13</b>	13	14
– Deferred tax thereon		<b>(2)</b>	(3)	(3)
Share of other comprehensive income of equity-accounted entities		<b>(106)</b>	(125)	(219)
– Deferred tax thereon		<b>11</b>	12	22
Exchange differences on translating foreign operations		<b>(710)</b>	(900)	(1 555)
– Deferred tax thereon		<b>92</b>	117	203
<b>Other comprehensive income/(loss), comprising items that will not be subsequently reclassified to profit or loss:</b>				
Actuarial loss on post-employment medical benefit		<b>—</b>	—	2
– Deferred tax thereon		<b>—</b>	—	—
<b>Total comprehensive income/(loss)</b>		<b>(866)</b>	(1 214)	(9 634)
<b>Profit/(loss) attributable to:</b>				
Owners of the Company		<b>(163)</b>	(371)	(8 220)
Non-controlling interest		<b>(1)</b>	43	122
		<b>(164)</b>	(328)	(8 098)
<b>Total comprehensive income/(loss) attributable to:</b>				
Owners of the Company		<b>(772)</b>	(1 140)	(9 554)
Non-controlling interest		<b>(94)</b>	(74)	(80)
		<b>(866)</b>	(1 214)	(9 634)
<b>Earnings per share (cents per share):</b>				
– Basic		<b>(23)</b>	(52)	(1 145)
– Diluted		<b>(23)</b>	(51)	(1 145)

For headline earnings per share refer note 12.

The notes on pages 17 to 24 are an integral part of these condensed interim financial statements.

## Consolidated statement of changes in equity

(Rm)	Ordinary shares	Share premium	Share- based payments
<b>Balance at 30 June 2017</b>	<b>18</b>	<b>17 614</b>	<b>2 368</b>
Bond conversion option (note 7)	—	450	—
Shares purchased – Long-term Incentive Plan	—	(71)	—
Share-based compensation expense			
– Long-term Incentive Plan	—	—	72
Total comprehensive income/(loss)	—	—	—
Loss for the year	—	—	—
Other comprehensive income/(loss)	—	—	—
<b>Balance at 31 December 2017 (Reviewed)</b>	<b>18</b>	<b>17 993</b>	<b>2 440</b>
<b>Balance at 30 June 2016</b>	18	17 252	2 277
Shares issued			
– Employee Share Ownership Programme	—	479	—
Shares purchased – Long-term Incentive Plan	—	(35)	—
Share-based compensation expense			
– Long-term Incentive Plan	—	—	53
Total comprehensive income/(loss)	—	—	—
Profit/(loss) for the year	—	—	—
Other comprehensive income/(loss)	—	—	—
Transactions with non-controlling interest	—	—	—
Dividends	—	—	—
<b>Balance at 31 December 2016 (Reviewed)</b>	18	17 696	2 330
<b>Balance at 30 June 2016</b>	18	17 252	2 277
Shares issued			
– Employee Share Ownership Programme	—	479	—
Conversion option settlement	—	(79)	—
Shares purchased – Long-term Incentive Plan	—	(38)	—
Share-based compensation expense			
– Long-term Incentive Plan	—	—	91
Total comprehensive income/(loss)	—	—	—
Profit/(loss) for the year	—	—	—
Other comprehensive income/(loss)	—	—	—
Transactions with non-controlling interests	—	—	—
Dividends	—	—	—
<b>Balance at 30 June 2017 (Audited)</b>	18	17 614	2 368

\* The table above excludes the treasury shares.

The notes on pages 17 to 24 are an integral part of these condensed interim financial statements.

	Total share capital	Retained earnings	Foreign currency translation reserve	Other components of equity	Attributable to:		Total equity
					Owners of the Company	Non-controlling interest	
	20 000	22 982	3 745	80	46 807	2 425	49 232
	450	—	—	—	450	—	450
	(71)	—	—	—	(71)	—	(71)
	72	—	—	—	72	—	72
	—	(163)	(620)	11	(772)	(94)	(866)
	—	(163)	—	—	(163)	(1)	(164)
	—	—	(620)	11	(609)	(93)	(702)
	20 451	22 819	3 125	91	46 486	2 331	48 817
	19 547	31 200	5 092	69	55 908	2 548	58 456
	479	—	—	—	479	—	479
	(35)	—	—	—	(35)	—	(35)
	53	—	—	—	53	—	53
	—	(371)	(779)	10	(1 140)	(74)	(1 214)
	—	(371)	—	—	(371)	43	(328)
	—	—	(779)	10	(769)	(117)	(886)
	—	—	—	—	—	11	11
	—	—	—	—	—	(7)	(7)
	20 044	30 829	4 313	79	55 265	2 478	57 743
	19 547	31 200	5 092	69	55 908	2 548	58 456
	479	—	—	—	479	—	479
	(79)	—	—	—	(79)	—	(79)
	(38)	—	—	—	(38)	—	(38)
	91	—	—	—	91	—	91
	—	(8 218)	(1 347)	11	(9 554)	(80)	(9 634)
	—	(8 220)	—	—	(8 220)	122	(8 098)
	—	2	(1 347)	11	(1 334)	(202)	(1 536)
	—	—	—	—	—	11	11
	—	—	—	—	—	(54)	(54)
	20 000	22 982	3 745	80	46 807	2 425	49 232



## Consolidated statement of cash flows

(Rm)	Notes	Six months ended 31 December 2017 (Reviewed)	Six months ended 31 December 2016 (Reviewed)	Year ended 30 June 2017 (Audited)
<b>Cash flows from operating activities</b>				
Cash generated from operations	11	(249)	539	3 049
Exploration cost		(2)	(5)	(8)
Finance cost		(521)	(313)	(716)
Income tax paid		(366)	(367)	(1 312)
<b>Net cash (used in)/from operating activities</b>		<b>(1 138)</b>	<b>(146)</b>	<b>1 013</b>
<b>Cash flows from investing activities</b>				
Purchase of property, plant and equipment		(1 903)	(1 595)	(3 432)
Proceeds from sale of property, plant and equipment		13	27	49
Purchase of investment property		(1)	—	—
Purchase of interest in associate – Waterberg	6	(408)	—	—
Purchase of available-for-sale financial assets		—	(3)	(7)
Interest received from held-to-maturity financial assets		3	4	7
Loans granted		—	(1)	(1)
Loan repayments received		—	15	15
Finance income		240	204	426
Dividends received		61	89	279
<b>Net cash used in investing activities</b>		<b>(1 995)</b>	<b>(1 260)</b>	<b>(2 664)</b>
<b>Cash flows from financing activities</b>				
Issue of ordinary shares		—	479	479
Shares purchased – Long-term Incentive Plan		(71)	(35)	(38)
Repayments of borrowings		(341)	(348)	(4 593)
Cash from CCIRS		—	—	728
Proceeds from borrowings net of transaction costs		—	—	6 278
Dividends paid to non-controlling interests		—	(7)	(54)
<b>Net cash (used in)/from financing activities</b>		<b>(412)</b>	<b>89</b>	<b>2 800</b>
<b>Net (decrease)/increase in cash and cash equivalents</b>		<b>(3 545)</b>	<b>(1 317)</b>	<b>1 149</b>
Cash and cash equivalents at beginning of period		7 839	6 788	6 788
Effect of exchange rate changes on cash and cash equivalents held in foreign currencies		(86)	(52)	(98)
<b>Cash and cash equivalents at end of period</b>		<b>4 208</b>	<b>5 419</b>	<b>7 839</b>

The notes on pages 17 to 24 are an integral part of these condensed interim financial statements.

# Notes to the consolidated financial information

for the six months ended 31 December 2017

## 1. General information

Impala Platinum Holdings Limited ("Implats", "the Company" or "the Group") is one of the world's leading producers of platinum and associated platinum group metals (PGMs). Implats is structured around five mining operations and a toll refining business in Springs in the Gauteng province. The mining operations are located on the Bushveld Complex in South Africa and the Great Dyke in Zimbabwe, the two most significant PGM-bearing ore bodies in the world.

The Company has its listing on the securities exchange operated by JSE Limited in South Africa, the Frankfurt Stock Exchange (2022 US\$ convertible bonds) and a level 1 American Depositary Receipt programme in the United States of America.

The condensed consolidated interim financial information was approved for issue on 1 March 2018 by the board of directors.

## 2. Basis of preparation

The condensed consolidated interim financial statements have been prepared in accordance with International Financial Reporting Standard (IFRS), IAS 34 Interim Financial Reporting, the SAICA Financial Reporting Guides as issued by the Accounting Practices Committee and Financial Pronouncements as issued by the Financial Reporting Standards Council, requirements of the Companies Act, 71 of 2008, and the Listings Requirements of the JSE Limited.

The condensed consolidated interim financial statements should be read in conjunction with the annual consolidated financial statements for the year ended 30 June 2017, which have been prepared in accordance with IFRS, and the commentary included in the interim results.

The condensed consolidated interim financial statements have been prepared under the historical cost convention except for certain financial assets, financial liabilities and derivative financial instruments which are measured at fair value and some equity and liabilities for share-based payment arrangements which are measured using a binomial option model.

The condensed consolidated interim financial information is presented in South African rand, which is the Company's functional currency.

Taxes on income in the interim periods are accrued using the tax rate that would be applicable to expected total annual earnings.

## 3. Accounting policies

The principal accounting policies applied are in terms of IFRS and are consistent with those of the annual consolidated financial statements for the year ended 30 June 2017.

## Notes to the consolidated financial information continued

for the six months ended 31 December 2017

### 4. Segment information

The Group distinguishes its segments between the mining operations, refining services, chrome processing and an "all other segment."

Management has defined the operating segments based on the business activities and management structure within the Group.

Capital expenditure comprises additions to property, plant and equipment (note 5).

The reportable segments' measure of profit or loss is profit after tax. This is reconciled to the consolidated profit after tax.

Impala mining segment's two largest sales customers amounted to 13% and 8% of total sales (December 2016: 10% and 8%) (June 2017: 11% and 10%).

(Rm)	Six months ended 31 December 2017 (Reviewed)		Six months ended 31 December 2016 (Reviewed)		Year ended 30 June 2017 (Audited)	
	Revenue	Profit/ (loss) after tax	Revenue	Profit/ (loss) after tax	Revenue	Profit/ (loss) after tax
Mining						
– Impala	6 685	(1 060)	7 078	(1 126)	14 604	(9 860)
– Zimplats	3 834	277	3 352	116	7 038	576
– Marula	1 242	(24)	971	(232)	1 616	(709)
Impala Refining Services	10 657	719	10 916	727	21 711	1 292
Impala Chrome	60	(2)	289	96	432	127
All other segments	—	(22)	—	(70)	—	29
Inter-segment revenue	(5 198)	—	(4 122)	—	(8 560)	—
<b>Total segmental revenue/loss after tax</b>	<b>17 280</b>	<b>(112)</b>	<b>18 484</b>	<b>(489)</b>	<b>36 841</b>	<b>(8 545)</b>
<b>Reconciliation:</b>						
Share of profit of equity accounted entities		188		235		496
Unrealised profit in stock consolidation adjustment		(274)		(47)		(51)
Additional depreciation on assets carried at consolidation		(15)		(15)		(23)
IRS pre-production realised on Group		43		—		42
Net realisable value adjustment made on consolidation		6		(12)		(17)
<b>Total consolidated loss after tax</b>		<b>(164)</b>		<b>(328)</b>		<b>(8 098)</b>



#### 4. Segment information continued

(Rm)	Six months ended 31 December 2017 (Reviewed)		Six months ended 31 December 2016 (Reviewed)		Year ended 30 June 2017 (Audited)	
	Capital expenditure	Total assets	Capital expenditure	Total assets	Capital expenditure	Total assets
Mining						
– Impala	1 442	37 688	1 197	46 134	2 472	35 696
– Zimplats	432	17 973	353	18 329	864	18 353
– Marula	29	2 878	58	2 456	113	2 582
Impala Refining Services	—	7 562	—	7 508	—	8 402
Impala Chrome	—	153	—	288	1	161
All other segments	—	34 379	(16)	30 195	(16)	32 257
<b>Total</b>	<b>1 903</b>	<b>100 633</b>	<b>1 592</b>	<b>104 910</b>	<b>3 434</b>	<b>97 451</b>
Intercompany accounts eliminated		(32 168)		(25 820)		(27 361)
Investment in equity-accounted entities		3 797		3 343		3 316
Mining right accounted on consolidation		790		823		811
Unrealised profit in stock, NRV and other adjustments to inventory		(822)		(267)		(736)
<b>Total consolidated assets</b>		<b>72 230</b>		<b>82 989</b>		<b>73 481</b>

#### 5. Property, plant and equipment

(Rm)	Six months ended 31 December 2017 (Reviewed)		Six months ended 31 December 2016 (Reviewed)		Year ended 30 June 2017 (Audited)	
<b>Opening net book amount</b>	<b>47 798</b>		49 722		49 722	
Additions	1 903		1 592		3 434	
Interest capitalised	—		3		—	
Disposals	(5)		(13)		(22)	
Depreciation	(1 927)		(1 867)		(3 702)	
Impairment	(30)		—		—	
Rehabilitation adjustment	4		(33)		16	
Exchange adjustment on translation	(700)		(967)		(1 650)	
<b>Closing net book amount</b>	<b>47 043</b>		48 437		47 798	
<b>Capital commitment</b>						
Commitments contracted for	1 685		1 969		1 636	
Approved expenditure not yet contracted	7 946		6 465		5 364	
	<b>9 631</b>		8 434		7 000	
Less than one year	4 669		4 415		4 338	
Between one and five years	4 962		4 019		2 662	
	<b>9 631</b>		8 434		7 000	

This expenditure will be funded from internal cash flows and, if necessary, from borrowings.

## Notes to the consolidated financial information continued

for the six months ended 31 December 2017

### 6. Investment in equity-accounted entities

(Rm)	Six months ended 31 December 2017 (Reviewed)	Six months ended 31 December 2016 (Reviewed)	Year ended 30 June 2017 (Audited)
<b>Summary- Balances</b>			
<b>Joint venture</b>			
Mimosa	1 931	1 920	1 961
<b>Associates</b>			
Two Rivers	1 361	1 336	1 260
Makgomo Chrome	69	62	70
Friedshelf	28	25	25
Waterberg	408	—	—
<b>Total investment in equity accounted entities</b>	<b>3 797</b>	<b>3 343</b>	<b>3 316</b>
<b>Summary movement</b>			
Beginning of the period	3 316	3 342	3 342
Addition – Waterberg	408	—	—
Share of profit	240	215	472
Share of other comprehensive income	(106)	(125)	(219)
Dividends received	(61)	(89)	(279)
<b>End of the period</b>	<b>3 797</b>	<b>3 343</b>	<b>3 316</b>
Share of equity-accounted entities is made up as follows:			
Share of profit	240	215	472
Movement in unrealised profit in stock	(52)	20	24
<b>Total share of profit of equity-accounted entities</b>	<b>188</b>	<b>235</b>	<b>496</b>

#### Waterberg

During the period Implats acquired a 15% interest in Waterberg for \$30 million (R408 million). Waterberg's asset is a large scale platinum group metal ("PGM") resource with an attractive risk profile given its shallow nature.

Implats exercises significant influence through board representation and therefore applies the equity method to account for the investment. Implats has an option to increase its stake to 50.01% in Waterberg within 90 days of the Waterberg shareholders approving the definitive feasibility study on the project.

### 7. Derivative financial instrument

(Rm)	Six months ended 31 December 2017 (Reviewed)	Six months ended 31 December 2016 (Reviewed)	Year ended 30 June 2017 (Audited)
<b>Asset</b>			
Cross Currency Interest Rate Swap (2018)	—	907	—
	—	907	—
<b>Liability</b>			
Cross Currency Interest Rate Swap (2022)	299	—	49
Conversion option - US\$ convertible bond (2022)	377	—	547
Conversion option - ZAR convertible bond (2022)	—	—	637
	<b>676</b>	<b>—</b>	<b>1 233</b>

**7. Derivative financial instrument** continued**Cross Currency Interest Rate Swap (CCIRS) (2022)**

Implats entered into a CCIRS amounting to US\$250 million to hedge the foreign exchange risk on the US\$ convertible bonds, being: exchange rate risk on dollar interest payments and the risk of a future cash settlement of the bonds at a rand-dollar exchange rate weaker than R13.025/US\$. US\$250 million was swapped for R3 256 million on which Implats pays a fixed interest rate to Standard Bank of 9.8%. Implats receives the 3.25% coupon on the US\$250 million from Standard Bank on the same date which Implats pays bond holders and the interest thereon. In June 2022, Implats will receive \$250 million for a payment of R3 256 million.

The CCIRS is carried at its fair value of R299 (June 2017: R49) million. Hedge accounting has not been applied.

**Conversion option - US\$ convertible bond (2022)**

The US\$ bond holders have the option to convert the bonds to Implats shares at a price of \$3.89. The conversion option is carried at its fair value of R377 (June 2017: R547) million.

**Conversion option - ZAR convertible bond (2022)**

The ZAR bond holders have the option to convert the bonds to Implats shares at a price of R50.01. At the general meeting held by shareholders on 24 July 2017, the approval to settle this option by means of Implats shares was obtained. This option meets the definition of equity and an amount of R625 million (R450 million after deferred tax) was therefore accounted within equity as from 24 July 2017.

**8. Inventories**

(Rm)	Six months ended 31 December 2017 (Reviewed)	Six months ended 31 December 2016 (Reviewed)	Year ended 30 June 2017 (Audited)
<b>Mining metal</b>			
Refined metal	708	328	350
In-process metal	4 526	2 848	2 977
<b>Non-mining metal</b>			
Refined metal	1 269	1 520	993
In-process metal	3 882	3 234	3 252
<b>Total metal inventories</b>	<b>10 385</b>	7 930	7 572
<b>Stores and materials inventories</b>	<b>762</b>	830	735
	<b>11 147</b>	8 760	8 307

The write-down to net realisable value comprises R82 (December 2016: R159) (June 2017: R78) million for refined mining metal and R1 124 (December 2016: R1 167) (June 2017: R948) million for in-process mining metal.

Included in refined metal is metal on lease to third parties of 40 000 (December 2016: 36 000) (June 2016: 36 000) ruthenium ounces.

Changes in engineering estimates of metal contained in-process resulted in a R431 (December 2016: R356) (June 2017: R376) million increase of in-process metal.

Non-mining metal consists of IRS inventory. No inventories are encumbered.



## Notes to the consolidated financial information continued

for the six months ended 31 December 2017

### 9. Borrowings

(Rm)	Six months ended 31 December 2017 (Reviewed)	Six months ended 31 December 2016 (Reviewed)	Year ended 30 June 2017 (Audited)
Standard Bank Limited – BEE partners Marula	887	884	889
Standard Bank Limited – Zimplats term loan	1 053	1 168	1 111
Standard Bank Limited – Zimplats revolving credit facility	—	—	314
Convertible bonds – ZAR (2018)	308	2 616	303
Convertible bonds – US\$ (2018)	364	2 692	380
Convertible bonds – ZAR (2022)	2 571	—	2 516
Convertible bonds – US\$ (2022)	2 524	—	2 609
Finance leases	1 321	1 362	1 339
	<b>9 028</b>	8 722	9 461
Current	<b>1 418</b>	735	1 088
Non-current	<b>7 610</b>	7 987	8 373
Beginning of the period	<b>9 461</b>	9 279	9 279
Proceeds	—	—	6 278
Interest accrued	455	312	664
Interest repayments	(334)	(241)	(533)
Capital repayments	(341)	(348)	(4 593)
Conversion option on 2022 bonds	—	—	(1 156)
Conversion option on 2018 bonds	—	—	8
Exchange adjustment	(213)	(280)	(486)
End of the period	<b>9 028</b>	8 722	9 461
<b>Committed facilities</b>			
South African banks	<b>4 000</b>	4 750	4 000
Foreign banks	<b>421</b>	467	445
	<b>4 421</b>	5 217	4 445

All of the facilities remain undrawn. Of these facilities, R4.0 billion expires on 30 June 2021.

### 10. Cost of sales

(Rm)	Six months ended 31 December 2017 (Reviewed)	Six months ended 31 December 2016 (Reviewed)	Period ended 30 June 2017 (Audited)
On-mine operations	8 706	7 936	16 341
Processing operations	2 734	2 510	5 055
Refining and selling	741	677	1 378
Corporate costs	347	352	736
Share-based compensation	32	79	88
Chrome operation – cost of sales	64	105	186
Depreciation of operating assets	1 927	1 867	3 702
Metals purchased	4 896	5 598	10 030
Change in metal inventories	(2 900)	(501)	(146)
	<b>16 547</b>	18 623	37 370

**11. Cash generated from operations**

(Rm)	Six months ended 31 December 2017 (Reviewed)	Six months ended 31 December 2016 (Reviewed)	Period ended 30 June 2017 (Audited)
Profit/(loss) before tax	193	(238)	(10 688)
Adjustments for:			
Depreciation	1 927	1 867	3 702
Finance cost	535	385	811
Impairment	30	—	10 229
Other	234	(17)	(283)
	2 919	1 997	3 771
Cash movements from changes in working capital:			
Inventory	(3 464)	(1 240)	(593)
Receivables/payables	296	(218)	(129)
<b>Cash generated from operations</b>	<b>(249)</b>	539	3 049

**12. Headline earnings**

Headline earnings attributable to equity holders of the Company arises from operations as follows:

(Rm)	Six months ended 31 December 2017 (Reviewed)	Six months ended 31 December 2016 (Reviewed)	Year ended 30 June 2017 (Audited)
Profit/(loss) attributable to owners of the Company	(163)	(371)	(8 220)
Remeasurement adjustments:			
– Profit on disposal of property, plant and equipment	(8)	(15)	(24)
– Impairment	30	—	10 229
– Insurance compensation	—	(175)	(154)
– Total non-controlling interest effects of adjustments	(4)	—	—
– Total tax effects of adjustments	(5)	53	(2 814)
<b>Headline earnings</b>	<b>(150)</b>	(508)	(983)
Weighted average number of ordinary shares in issue for basic earnings per share (million)	718.54	717.54	718.03
Weighted average number of ordinary shares for diluted earnings per share (million)	721.30	720.69	721.78
<b>Headline earnings per share (cents)</b>			
Basic	(21)	(71)	(137)
Diluted	(21)	(71)	(137)

## Notes to the consolidated financial information continued

for the six months ended 31 December 2017

### 13. Contingent liabilities and guarantees

As at the end of December 2017 the Group had contingent liabilities in respect of guarantees and other matters arising in the ordinary course of business from which it is anticipated that no material liabilities will arise. The Group has issued guarantees of R114 (December 2016: R122) (June 2017: R118) million. Guarantees of R1 396 (December 2016: R1 269) (June 2017: R1396) million have been issued by third parties and financial institutions on behalf of the Group consisting mainly of guarantees to the Department of Mineral Resources for R1 277 (December 2016: R1 150) (June 2017: R1 277) million.

### 14. Related party transactions

- The Group entered into PGM purchase transactions of R1 831 (December 2016: R1 782) (June 2017: R3 745) million with Two Rivers, an associate company, resulting in a payable of R1 041 (December 2016: R860) (June 2017: R1 034) million. It received refining fees to the value of R17 (December 2016: R16) (June 2017: R32) million.
- The Group previously entered into sale and leaseback transactions with Friedsheff, an associate company. At the end of the period, R1 206 (December 2016: R1 230) (June 2017: R1 215) million was outstanding in terms of the lease liability. During the period, interest of R63 (December 2016: R63) (June 2017: R130) million was charged and a R72 (December 2016: R66) (June 2017: R147) million repayment was made. The finance leases have an effective interest rate of 10.2%.
- The Group entered into PGM purchase transactions of R 1 561 (December 2016: R1 386) (June 2017: R3 199) million with Mimosa, a joint venture, resulting in a payable of R920 (December 2016: R725) (June 2017: R844) million. It also received refining fees and interest of R150 (December 2016: R147) (June 2017: R317) million.

These transactions are entered into on an arm's-length basis at prevailing market rates.

- Key management compensation (fixed and variable) was R31 (December 2016: R44) (June 2017: R90) million.

### 15. Financial instruments

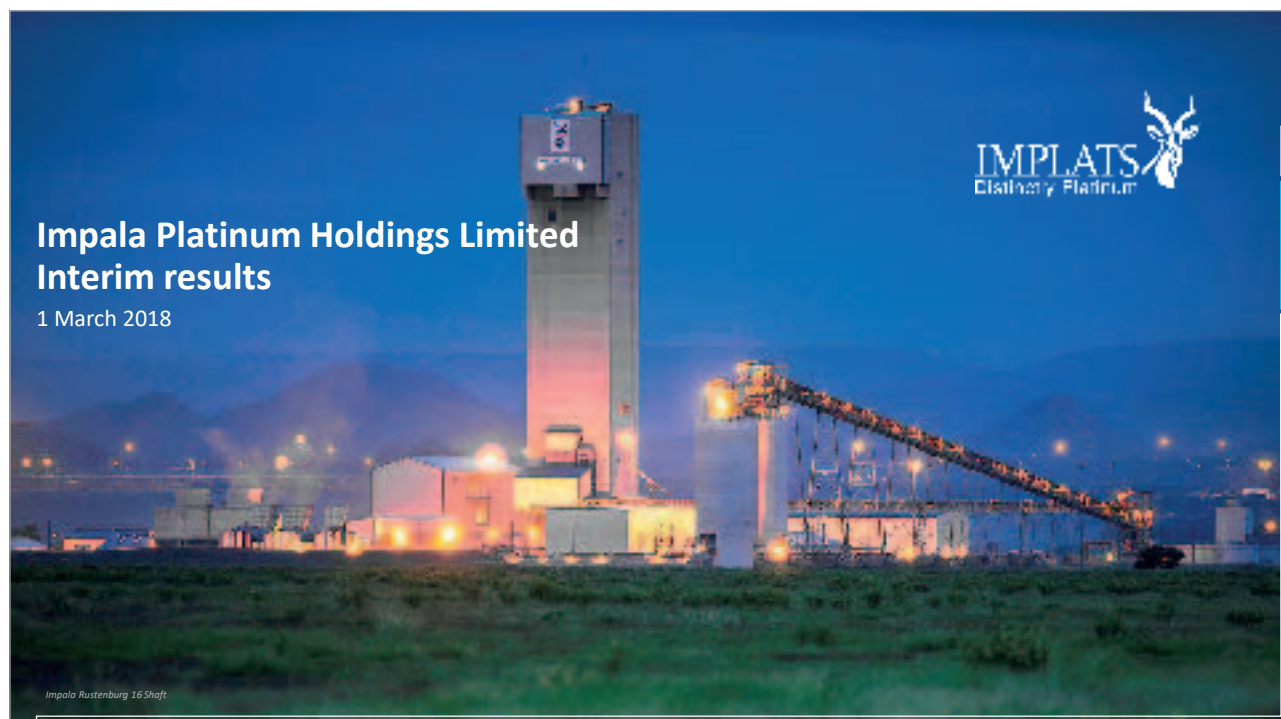
(Rm)	Six months ended 31 December 2017 (Reviewed)	Six months ended 31 December 2016 (Reviewed)	Year ended 30 June 2017 (Audited)
<b>Financial assets – carrying amount</b>			
Loans and receivables	6 408	7 763	9 943
Financial instruments at fair value through profit and loss <sup>2</sup>	—	907	—
Held-to-maturity financial assets	70	70	70
Available-for-sale financial assets <sup>1</sup>	192	174	179
	<b>6 670</b>	8 914	10 192
<b>Financial liabilities – carrying amount</b>			
Financial liabilities at amortised cost	14 815	13 556	14 832
Borrowings	9 028	8 722	9 461
Commitments	73	70	74
Trade payables	5 703	4 753	5 289
Other payables	11	11	8
Financial instruments at fair value through profit and loss <sup>2</sup>	676	—	1 233
	<b>15 491</b>	13 556	16 065

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

<sup>1</sup> Level 1 of the fair value hierarchy – Quoted prices in active markets for the same instrument

<sup>2</sup> Level 2 of the fair value hierarchy – Significant inputs are based on observable market data with the rand-dollar exchange rate of R12.38/US\$ being the most significant. These instruments are valued on a discounted cash flow basis.





## Forward looking statement

2

Certain statements contained in this presentation other than the statements of historical fact contain forward-looking statements regarding Implats' operations, economic performance or financial condition, including, without limitation, those concerning the economic outlook for the platinum industry, expectations regarding metal prices, production, cash costs and other operating results, growth prospects and the outlook of Implats' operations, including the completion and commencement of commercial operations of certain of Implats' exploration and production projects, its liquidity and capital resources and expenditure and the outcome and consequences of any pending litigation, regulatory approvals and/or legislative frameworks currently in the process of amendment, or any enforcement proceedings. Although Implats believes that the expectations reflected in such forward-looking statements are reasonable, no assurance can be given that such expectations will prove to be correct. Accordingly, results may differ materially from those set out in the forward-looking statements as a result of, among other factors, changes in economic and market conditions, success of business and operating initiatives, changes in the regulatory environment and other government actions, fluctuations in metal prices and exchange rates and business and operational risk management. For a discussion on such factors, refer to the risk management section of the company's Annual Report. Implats is not obliged to update publicly or release any revisions to these forward-looking statements to reflect events or circumstances after the dates of the Annual Report or to reflect the occurrence of unanticipated events. All subsequent written or oral forward-looking statements attributable to Implats or any person acting on its behalf are qualified by the cautionary statements herein.

### Notes

---



---

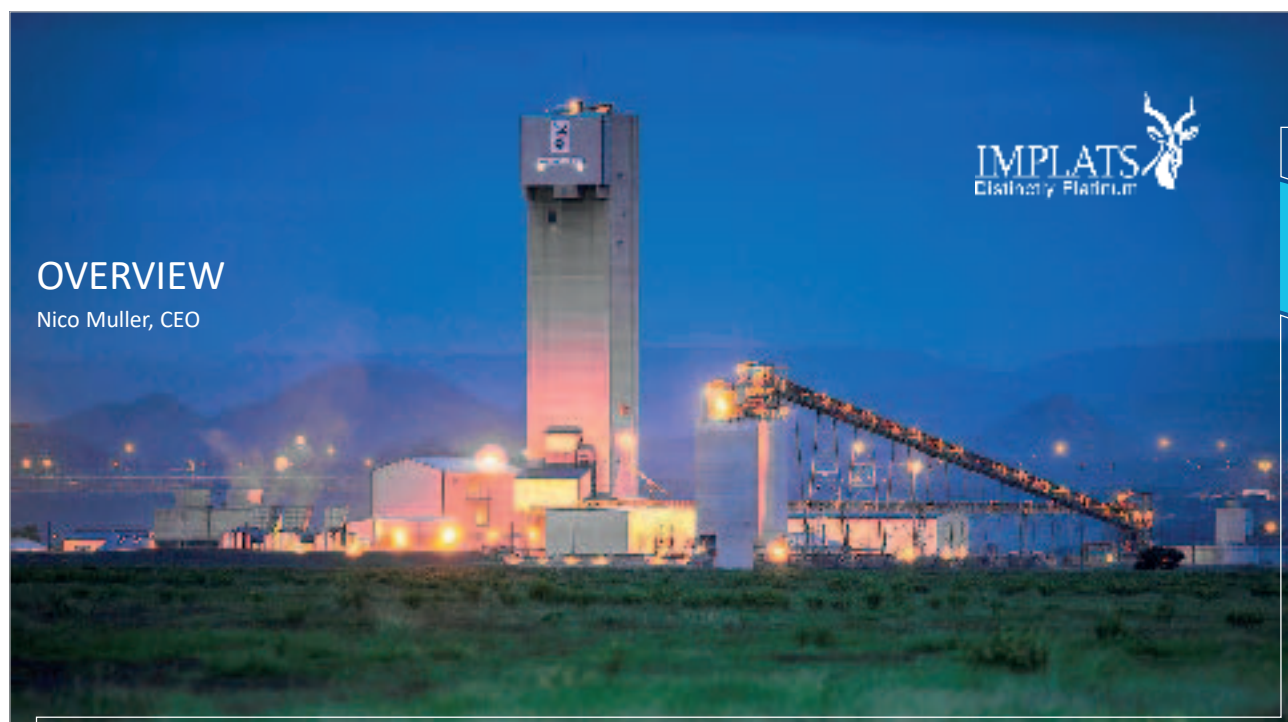


---



---

 <b>Agenda</b> <span>3</span>				
<b>GROUP OVERVIEW</b>	<b>OPERATIONAL REVIEW</b>	<b>FINANCIAL REVIEW</b>	<b>MARKET REVIEW</b>	<b>BUSINESS OUTLOOK</b>
				
<i>Nico Muller</i>	<i>Gerhard Potgieter</i>	<i>Ben Jager</i>	<i>Paul Finney</i>	<i>Nico Muller</i>



Notes

---



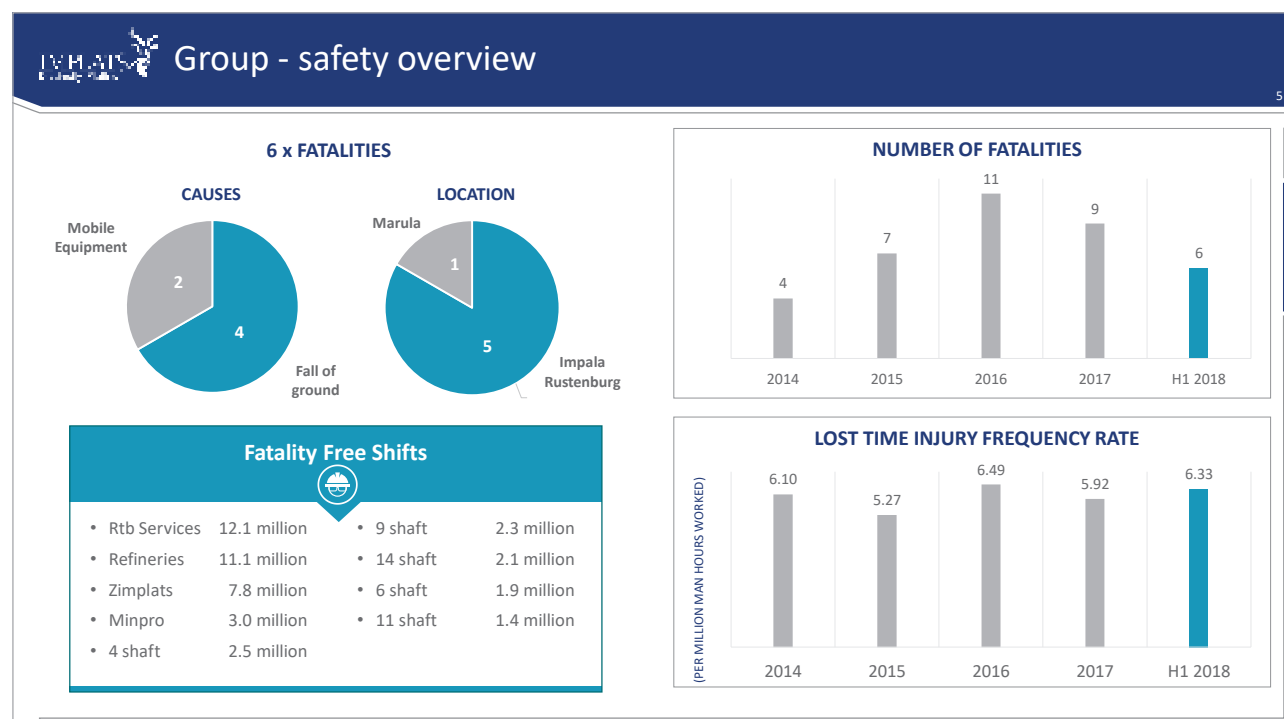
---



---



---



**Implats Group - operational overview**

6

Description		H1 2018	H1 2017	Var (%)	Remarks
<b>Tonnes Milled</b>	Mt	<b>9.94</b>	9.26	7	• Encouraging period-on-period improvement
<b>Concentrate production</b>	Pt koz	<b>763</b>	766	(0)	• Mine-to market increases offset by lower IRS 3 <sup>rd</sup> party receipts
Mine-to-market production	Pt koz	678	658	3	
Impala	Pt koz	348	318	9	• Good improvement from Impala (14 and 16 shafts)
Zimplats	Pt koz	140	139	1	
Two Rivers	Pt koz	83	97	(14)	• Lower grade and platinum ounces produced due to mining of split reef
Mimosa	Pt koz	63	61	3	
Marula	Pt koz	43	43	0	
Third-party purchased	Pt koz	86	108	(21)	• Lower receipts from third parties
<b>Refined production</b>	Pt koz	<b>727</b>	779	(7)	• Impacted by Impala stock build-up due to furnace repairs (75 Pt koz)
<b>Unit cost (milled)</b>	R/t	<b>961</b>	928	(4)	• Operating costs well controlled
<b>Unit cost (refined)</b>	R/oz	<b>28 206</b>	22 797	(24)	• Unit cost (refined) impacted by temporary stock build-up
<b>Unit cost (stock adjusted)</b>	R/oz	<b>24 055</b>	22 795	(6)	• Stock-adjusted unit costs (refined) in line with inflation
<b>Capital expenditure</b>	Rbn	<b>1.90</b>	1.59	20	
Impala stay-in-business capital	Rm	<b>1 052</b>	865	22	• Increase in capitalised development
Impala replacement projects	Rm	<b>390</b>	332	17	• Ramp-up work at 16 and 20 Shafts
Zimplats replacement projects	Rm	<b>99</b>	70	41	• Ramp-up at Mupani project (approved during H1 2017)
<b>Waterberg project</b>	Rm	<b>408</b>	-	-	• New investment

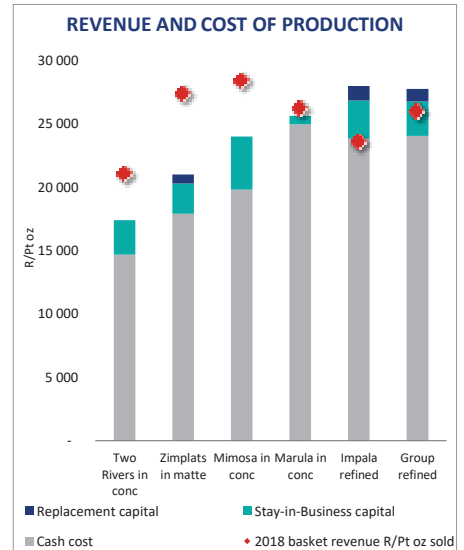
## Notes



## Group - business overview

7

Description		H1 2018	H1 2017	Var (%)
Platinum ounces produced (refined)	koz	726 700	778 500	(7)
Platinum ounces sold	koz	648 800	730 700	(11)
Revenue per platinum ounce sold	R/oz	25 968	24 921	4
Revenue	Rbn	17.28	18.48	(7)
Cost of sales	Rbn	16.55	18.62	11
Gross profit	Rm	733	(139)	627
Loss after tax	Rm	(164)	(328)	50
Cash movement	Rbn	(3.55)	(1.32)	(169)



## OPERATIONAL REVIEW

Gerhard Potgieter, COO



### Notes

---



---

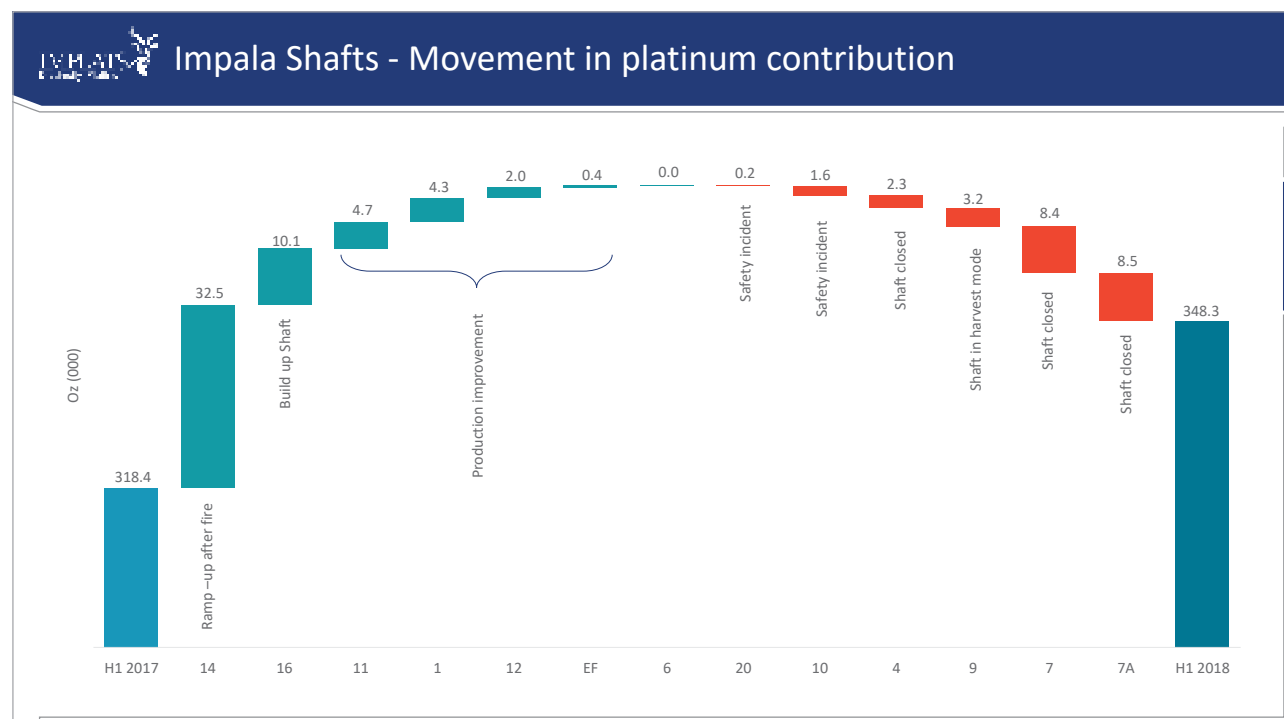
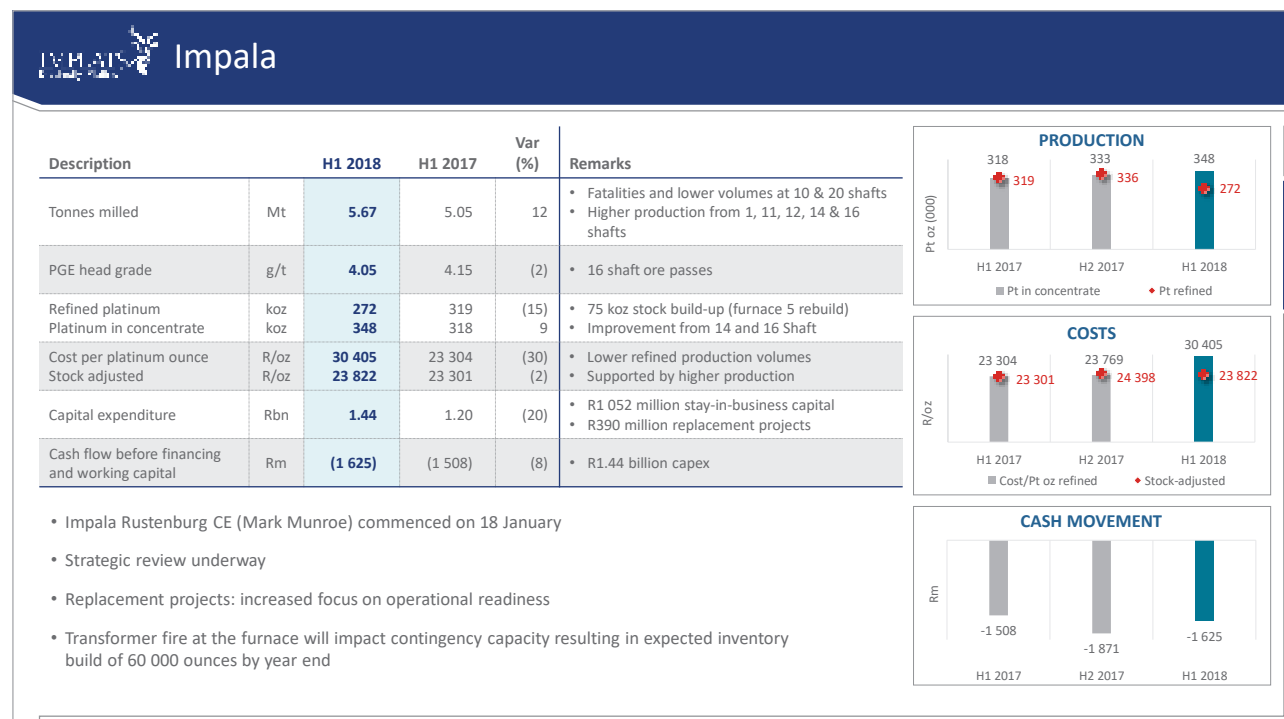


---



---





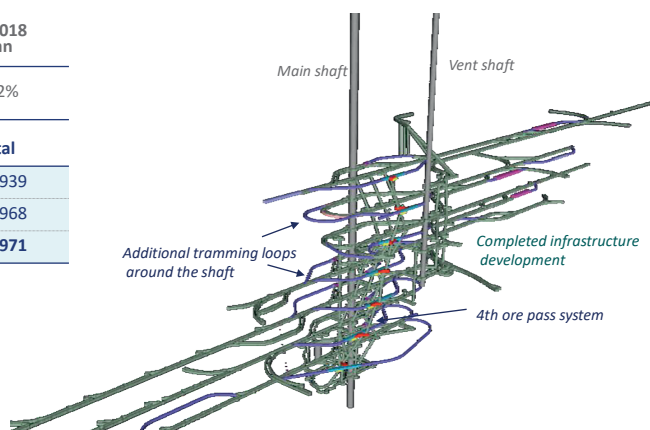
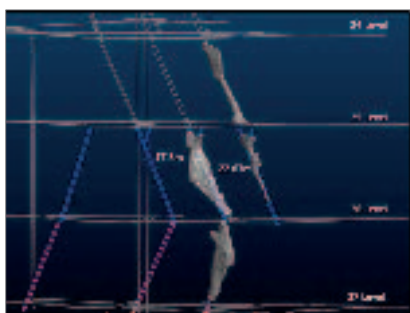
## Notes



## 16 Shaft Project Progress

11

Project progress	H1 2018 Act	H1 2018 Plan
Completion	87.8%	88.2%
Cost to completion (Rm)		Total
Approved Capital		7 939
Expenditure to date		6 968
Remaining Capital to be spent		971



### Focus Areas

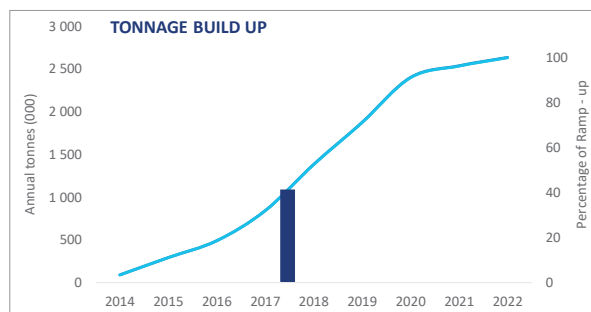
- Ore-pass rehabilitation
- Traversing the Hex River Fault
- Concurrent off-reef development
- On reef development rates
- Team build-up
- Shaft Logistics



## 16 Shaft Production Readiness

12

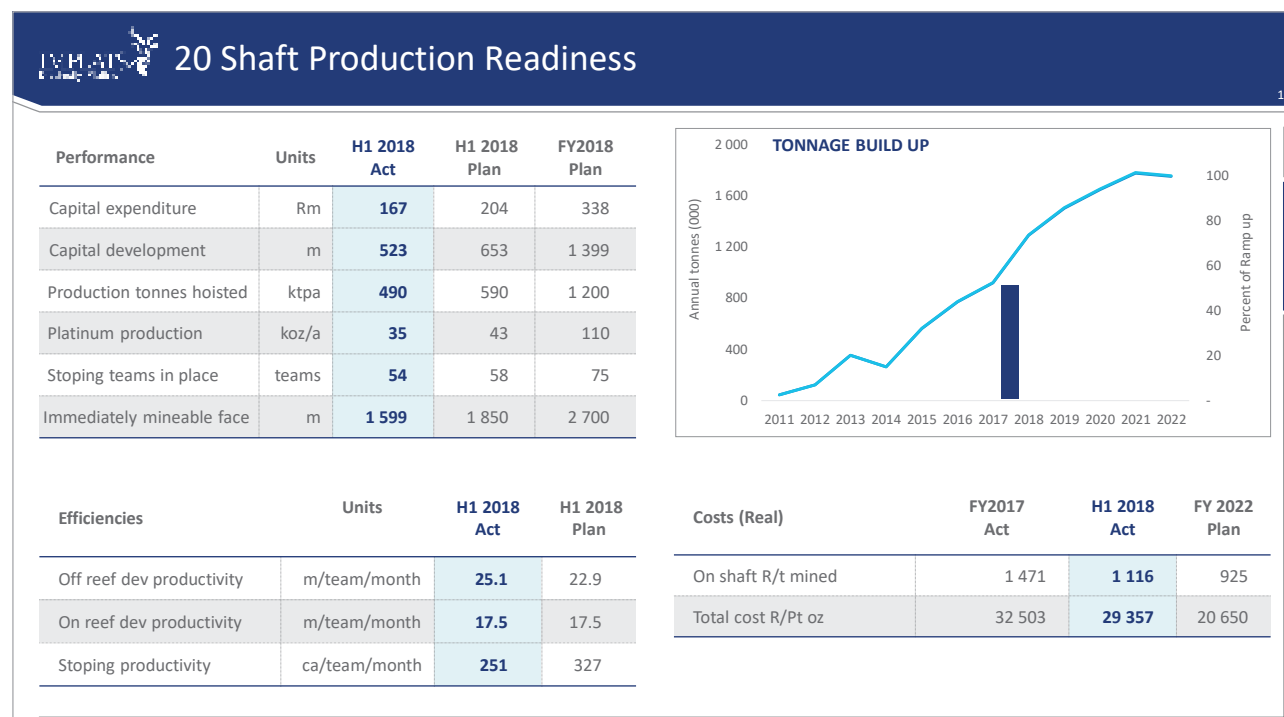
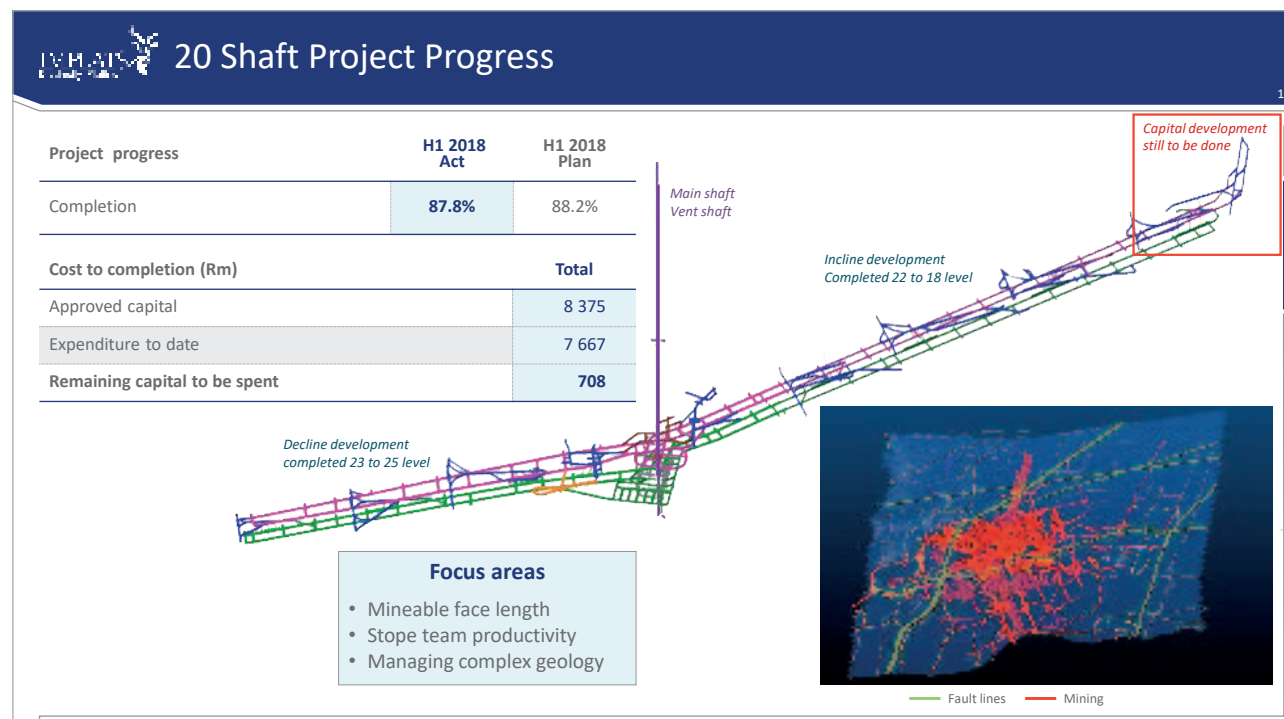
Performance	Units	H1 2018 Act	H1 2018 Plan	FY2018 Plan
Capital expenditure	Rm	173	207	384
Capital development	m	1 059	813	1 721
Production tonnes hoisted	kt	643	658	1 380
Platinum production	kozs	36	35	75
Stopping teams in place	teams	59	63	75
Immediately mineable face	m	1 085	1 385	2 100



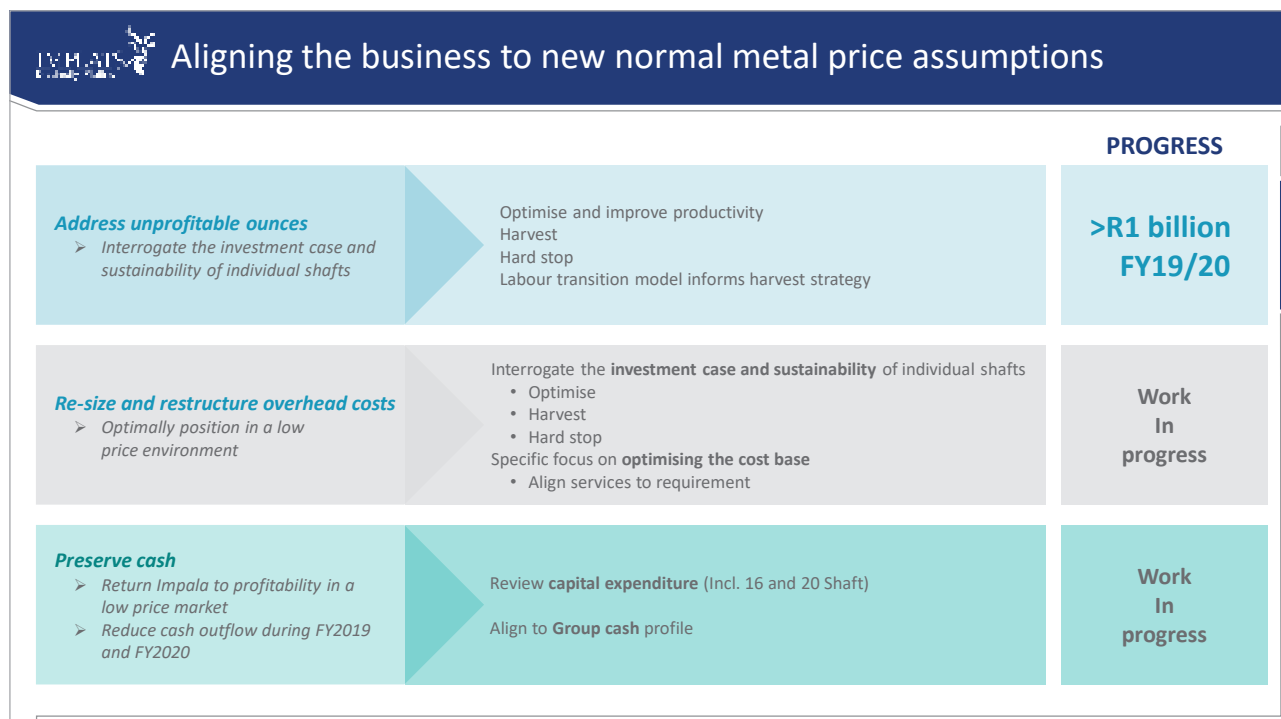
Efficiencies	Units	H1 2018 Act	H1 2018 Plan
Off Reef Dev Productivity	m/team/month	24.1	28.0
On Reef Dev Productivity	m/team/month	17.2	23.8
Stopping Productivity	ca/team/month	331	334


Costs (Real)	FY2017 Act	H1 2018 Act	FY 2022 Plan
On shaft R/t mined	1 471	1 116	925
Total cost R/Pt oz	32 503	29 357	20 650

### Notes



## Notes





# Review decisions implemented to date

Previously Communicated Decisions	Status	Impact
17 Shaft and Afplats on care-and-maintenance	Maintained	<ul style="list-style-type: none"> <li>Limited capital exposure</li> </ul>
Section 189	Completed Q2	<ul style="list-style-type: none"> <li>R350m/a from Q4 2018</li> </ul>

Decisions Made During Review		
4 Shaft suspended	Completed	<ul style="list-style-type: none"> <li>Removed:                             <ul style="list-style-type: none"> <li>H2 2018 – 15koz</li> <li>FY 2019 – 30koz</li> </ul> </li> <li>R300m/a from Q4 2018</li> </ul>
1, 9 and 12 Shafts in harvest mode	Being implemented	
10, 11 and 14 Shaft optimisation projects initiated	Costs removed	

	FY2018	FY2019	FY2020
Labour savings	(R170 million)	R350 million	R350 million
Cost removed and capital deferred	R100 million	R300 million	R300 million
Platinum ounce forecast	650 - 670 koz	700 - 720 koz	700 - 720 koz

## Notes

---



---

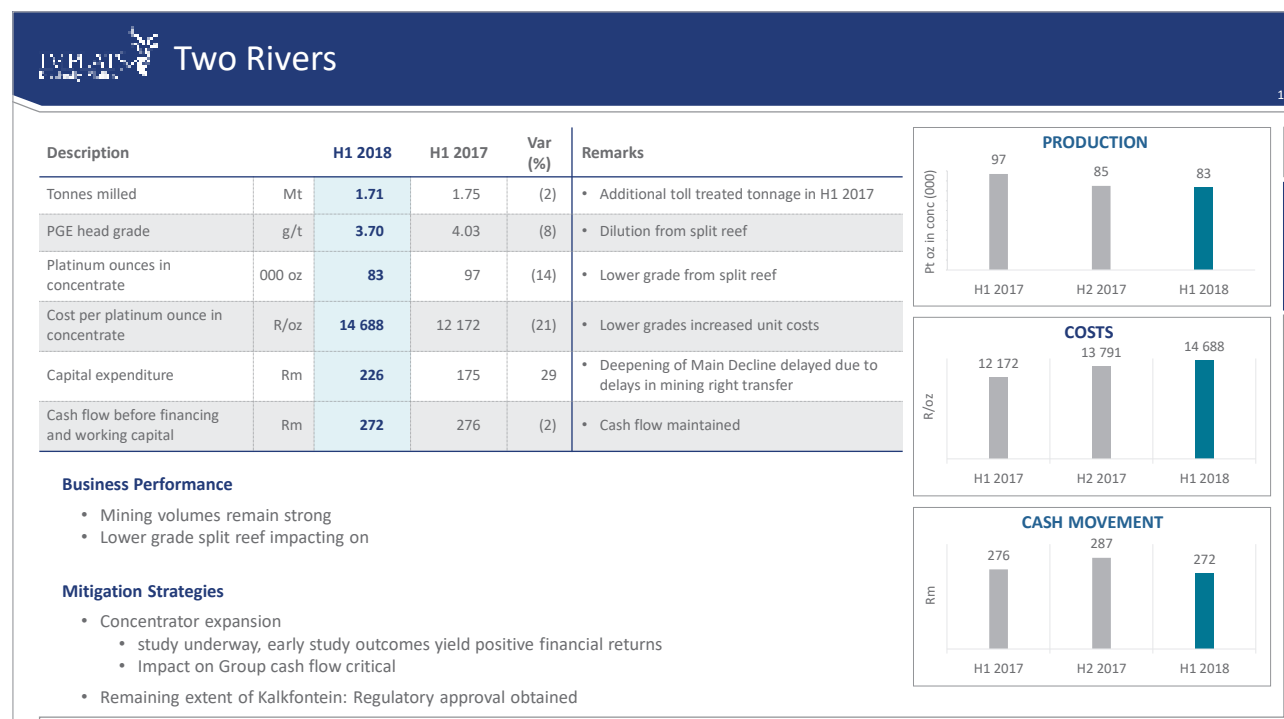
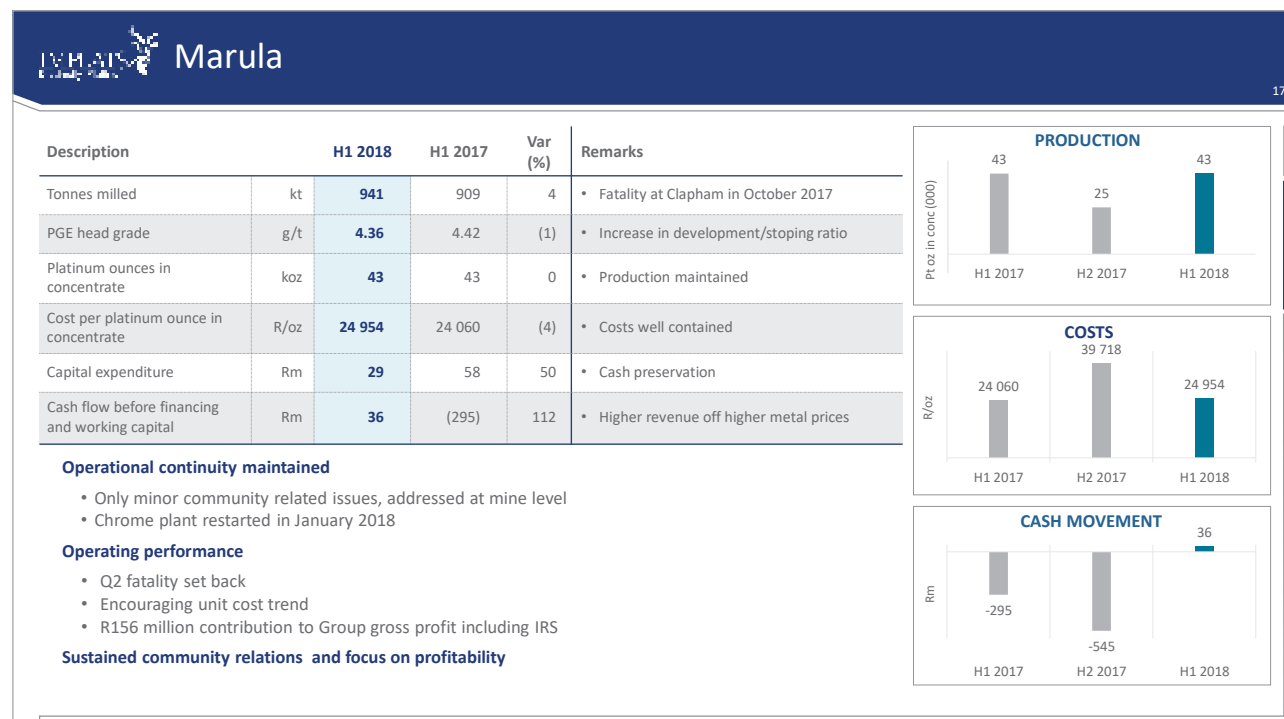


---

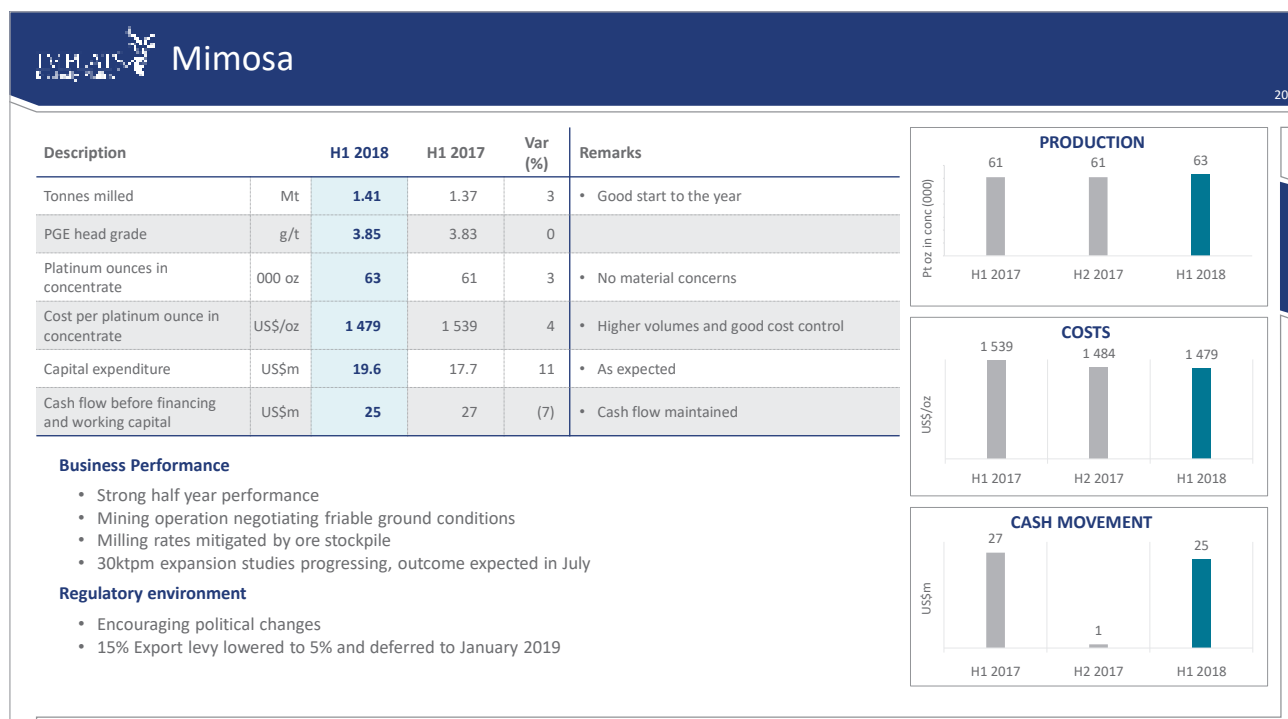
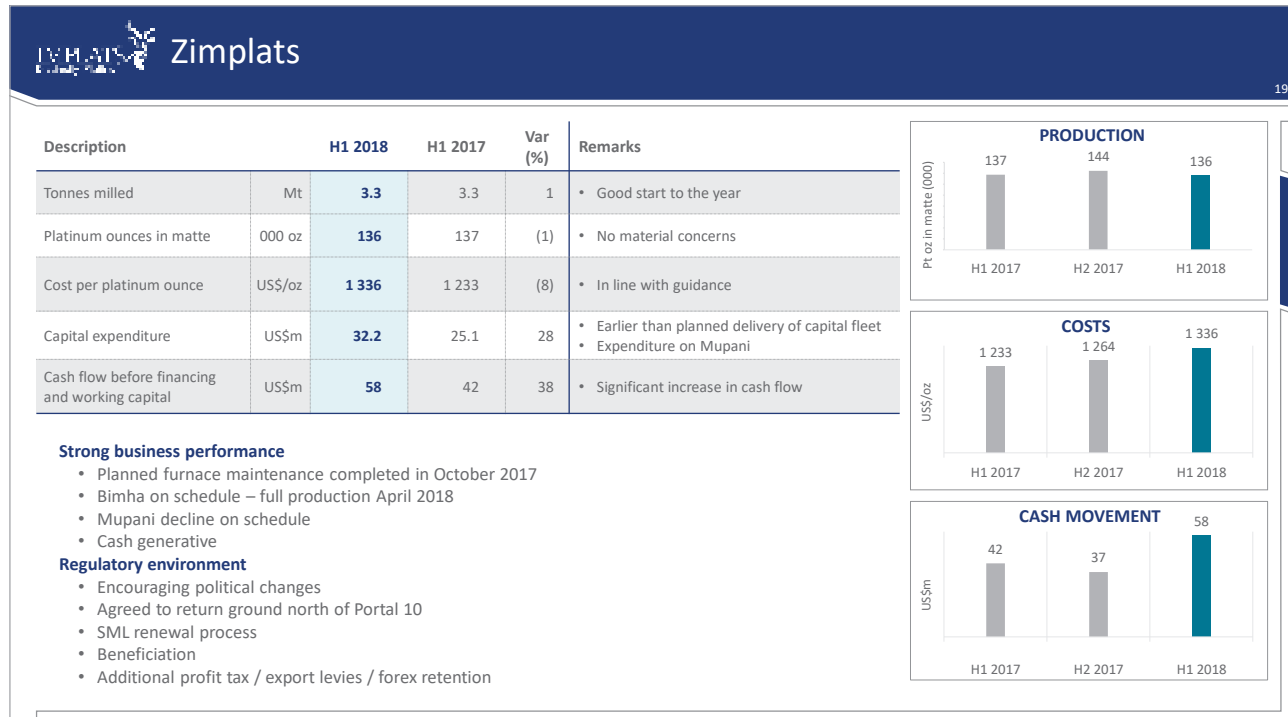


---





### Notes



### Notes

---



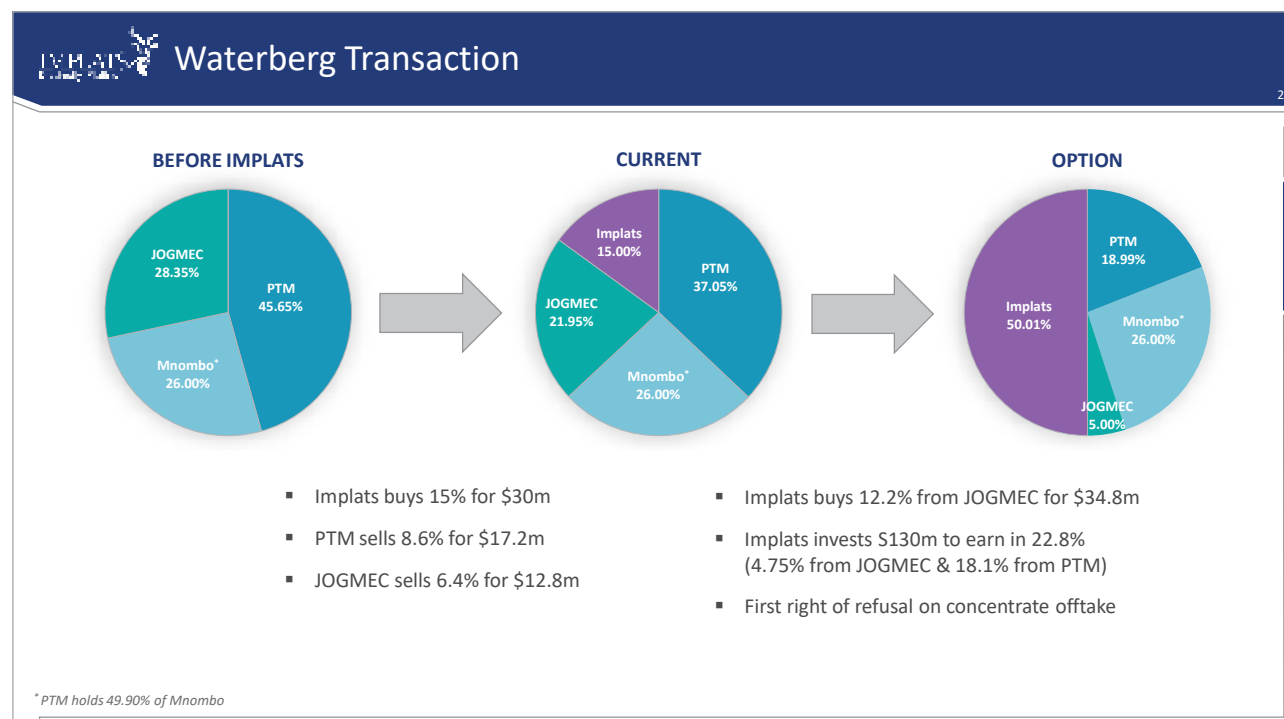
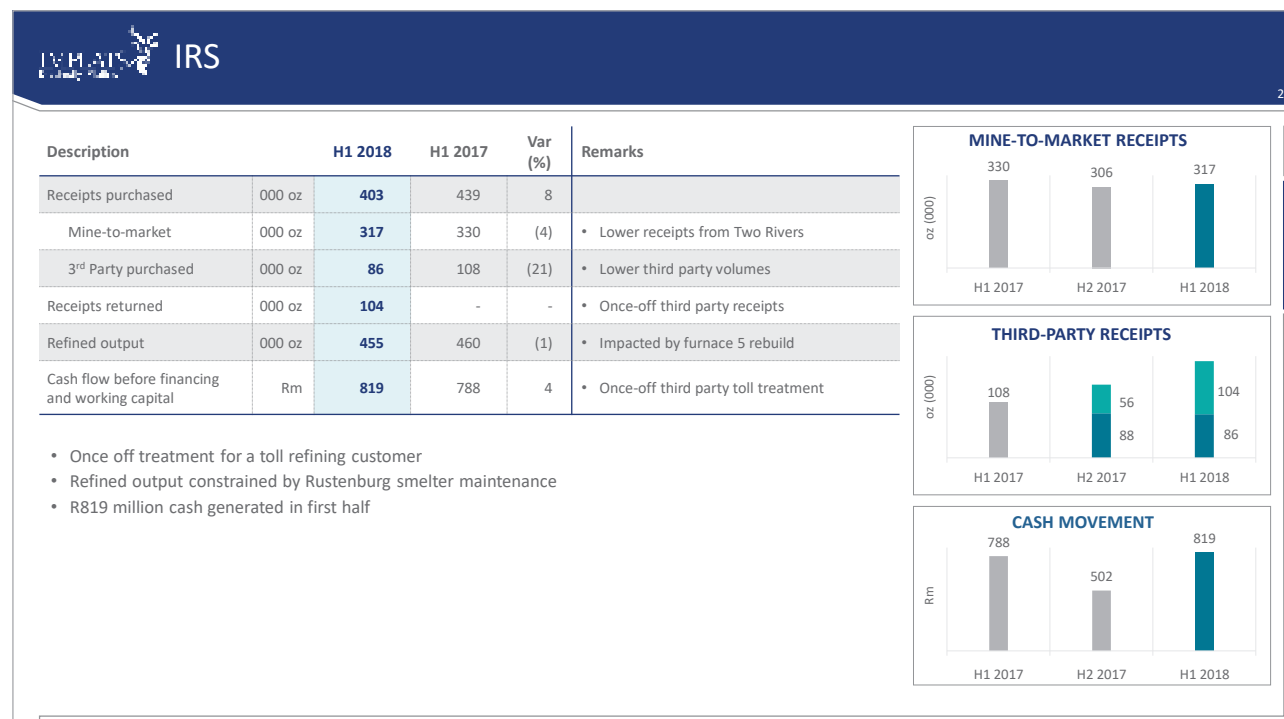
---



---



---



### Notes



## Waterberg definitive feasibility study

23

### Joint owners team selected for the DFS with two options being considered:

- Option 1: 600 ktpm mining complex- same as the existing PFS
- Option 2: 250 to 350 ktpm mining complex
- DFS to be completed in accordance with both SAMREC (South Africa) and NI 43-101 (Canada) standards
- Lower capital option best matches the current available capacity at RTB Smelter
- The DFS is expected to be completed in early 2019

### Lead consultants

#### – tendered, contracts being finalised

- Overall project management contract
- Design
  - Processing
  - Infrastructure
  - Mining
- Early study work in progress
- Geotechnical studies on the critical path
- Priority on final geological model / resource evaluation, bulk services, integrated

## FINANCIAL REVIEW

Ben Jager, Acting CFO



### Notes

---



---



---



---





## Income statement

25

- Revenue reduced due to lower sales volumes
  - Smelter maintenance
- Cost of sales reduced by 11%
  - Inventory build-up
- Group unit cost up 24% to R28 206 per platinum ounce refined
- Stock adjusted unit cost up 5.5% to R 24 055 per platinum ounce refined

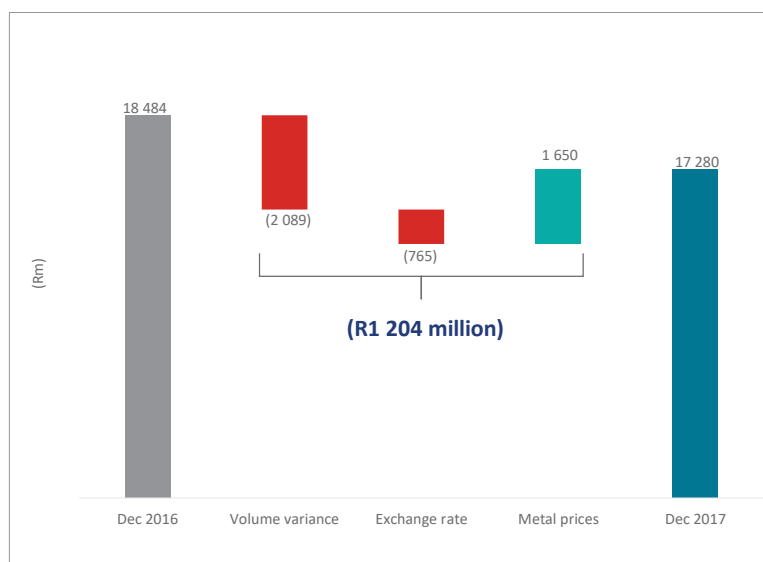
R million	Dec-2017	Dec-2016	% change
Sales	17 280	18 484	(7)
Cost of sales	(16 547)	(18 623)	11
Gross profit	733	(139)	627
Gross margin (%)	4.2	(0.8)	625
Profit / Loss from operations	554	(399)	239
Other	(361)	160	(326)
Profit/(Loss) before tax	193	(238)	181
Income tax expense	(357)	(90)	(297)
Loss for the year	(164)	(328)	50
HEPS (cps)	(21)	(71)	70
Group unit cost (R/Ptoz)	28 206	22 797	(24)



## Sales revenue

26

- Revenue lower by R1.2 billion:
  - Lower refined platinum production from higher pipe-line stock levels resulted in a negative volume variance
  - Dollar metal prices up 9%
  - Stronger exchange rate



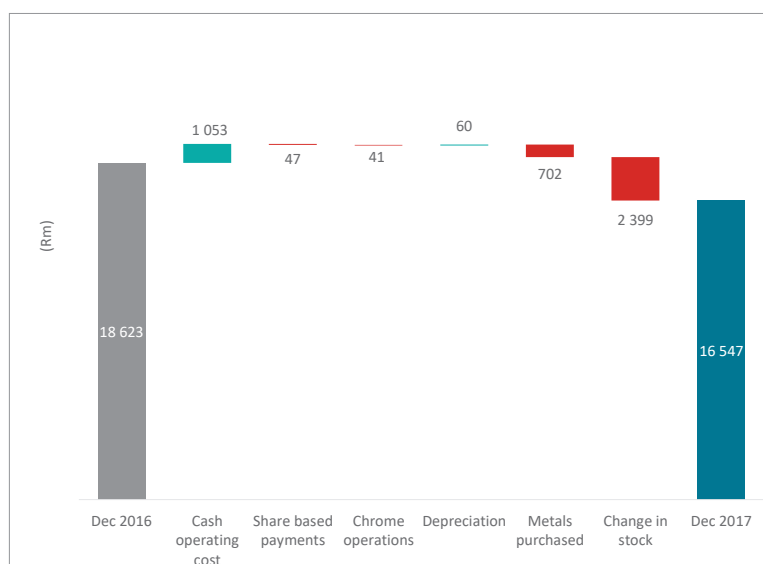
### Notes



## Cost of sales movement

27

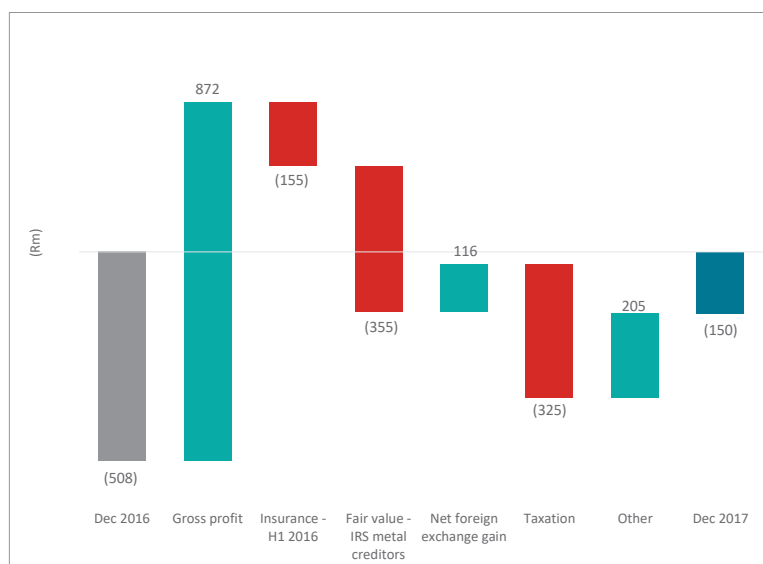
- Cost of sales decreased by 11% or R2.1 billion:
- Pipeline stock R2.4 billion higher due to furnace rebuild
- Stock adjusted group unit cost up 5.5% to R24 055 per platinum ounce refined



## Headline earnings movement

28

- Gross profit of R733 million
- R296 million fair value loss on IRS creditors revaluation
- Higher tax expense at Zimplats
- Headline earnings improved by R358 million to a loss of R150 million



### Notes

---



---



---



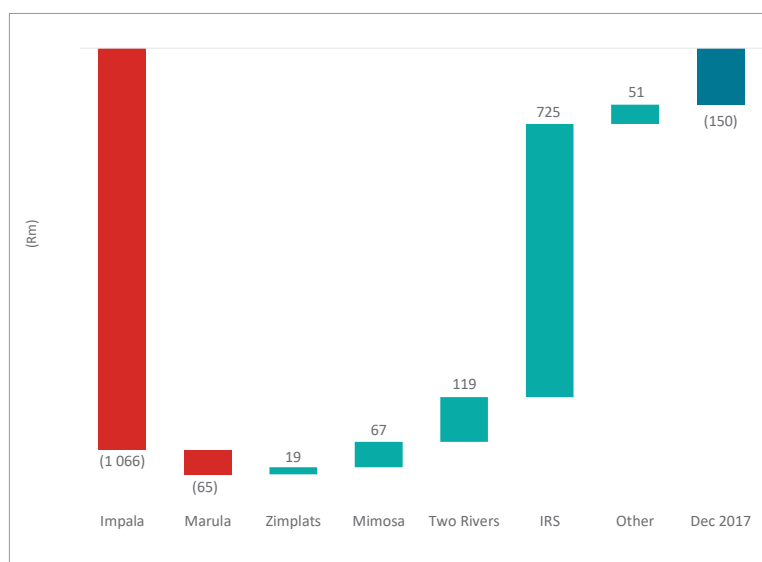
---



## Headline earnings by company

29

- Impala: gross margin at -17% , impacted by high stock levels
- IRS made a headline profit of R725 million utilising the spare capacity at Impala



## Cash flow

30

- Cash outflow of R3.5 billion for inventory inclusive of temporary build-up in the pipeline of R2.5 billion
- Total capital expenditure on PPE of R1.9 billion
- Acquired a 15% stake in the Waterberg project for R408 million

R million	Dec-2017	Dec-2016	Difference
<b>Total cash used in operating activities</b>	<b>(1 138)</b>	<b>(146)</b>	<b>(922)</b>
Cash generated from operations	2 919	1 997	922
Inventory	(3 464)	(1 240)	(2 224)
Other working capital, tax and finance cost	(593)	(903)	310
<b>Cash used in investing activities:</b>	<b>(1 995)</b>	<b>(1 260)</b>	<b>(735)</b>
Purchase of property, plant and equipment	(1 903)	(1 595)	(308)
Waterberg investment	(408)	-	(408)
Finance income	316	335	(19)
<b>Cash (used)/from financing activities</b>	<b>(412)</b>	<b>89</b>	<b>(501)</b>
Morokotso trust	-	479	(479)
Borrowing repayments and other	(412)	(390)	(22)
<b>Net decrease in cash</b>	<b>(3 545)</b>	<b>(1 317)</b>	<b>(2 228)</b>

### Notes



## Net debt

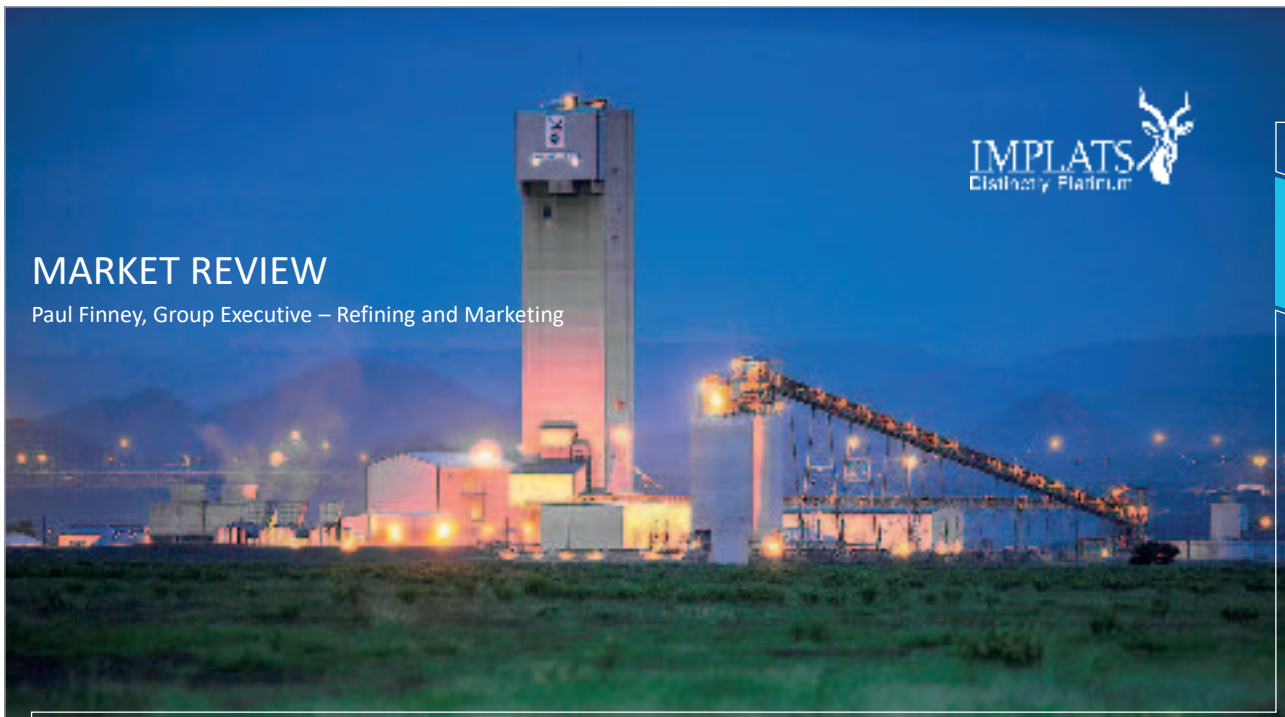
31

- Net debt of R3.8 billion at 31 December 2017 excluding leases
- Net debt of R1.3 billion excluding furnace related pipe build-up
- Available
  - R4.2 billion, cash
  - Facilities of R4.0 billion in place until June 2021
  - Post half year, a portion of the metal pipeline was forward sold for almost R1 billion

R million	Dec-2017	Dec-2016	% change
Gross cash	4 208	5 419	(22)
Convertible bond	(5 768)	(5 308)	(9)
Derivative financial instrument	(299)	907	(133)
Marula BEE debt	(887)	(884)	-
Zimplats debt	(1 053)	(1 168)	10
Debt excluding leases	(8 006)	(6 453)	(24)
Net debt excluding leases	(3 798)	(1 034)	(267)
Gearing ratio	(7.2%)	(1.8%)	

## MARKET REVIEW

Paul Finney, Group Executive – Refining and Marketing



### Notes

---



---



---



---





## Overview

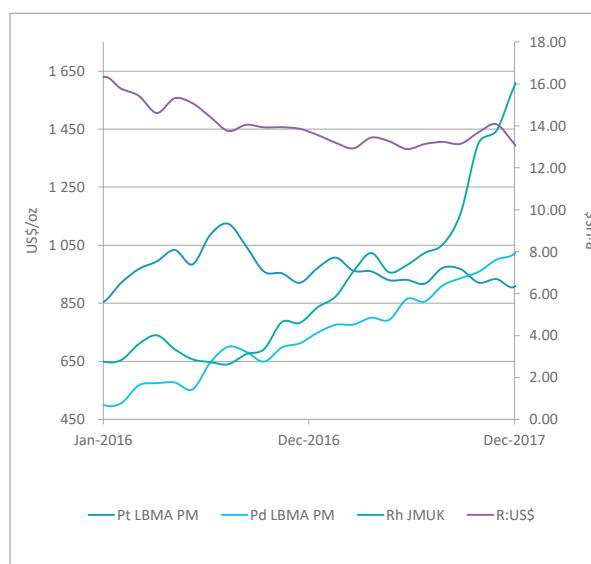
33

### The outlook for the global economy continues to improve:

- Global output is estimated to have grown by 3.7% in 2017
- 2018 and 2019 IMF estimates have been revised upward by 0.2% and are estimated at +3.9% for each year

### PGM dollar price gains offset by stronger rand :

- CY 2017 average prices, y-o-y, were 4.1% lower for Platinum, 42% higher for Palladium and 60% higher for Rhodium
- The Platinum price continues to be weighed down by both anti-diesel sentiment and Chinese jewellery performance
- Palladium and Rhodium rallied on the back of fundamental auto demand
- The Rand strengthened by 9%, eroding some of the \$ price gains



Source: IMF, LBMA, JMUK and Impats Platinum analysis



## Light-duty vehicle sales

### 2017: Strong auto sales growth at +2.4%

#### Growth primarily driven by the increases in:

- China (+1.5%),
- Western Europe (+2.5%),
- Eastern Europe (+8.4%) and
- Latin America (+13.9%),

#### North America was down 1.9%, however,

- More SUVs, crossovers and pickups sold – a positive for Pd and Rh

### World Light-duty vehicle sales by region – 2017 forecast

	2016 (millions)	2017 (est.) (millions)	2017 Growth (%)
North America	17.51	17.18	(1.9)
Western Europe	13.95	14.30	2.5
China	24.38	24.74	1.5
Japan	4.97	5.23	5.3
Rest of the World	32.24	33.86	5.0
	93.04	95.31	2.4

### Our 2018 global Light Duty sales forecast is further growth of 2%

Source: Reuters, CAAM, LMC, Nikkei Sangyo and Impats Platinum analysis

## Notes



## Automotive Markets

35

### Continued anti-diesel sentiment has resulted in a further decline in the Western European markets

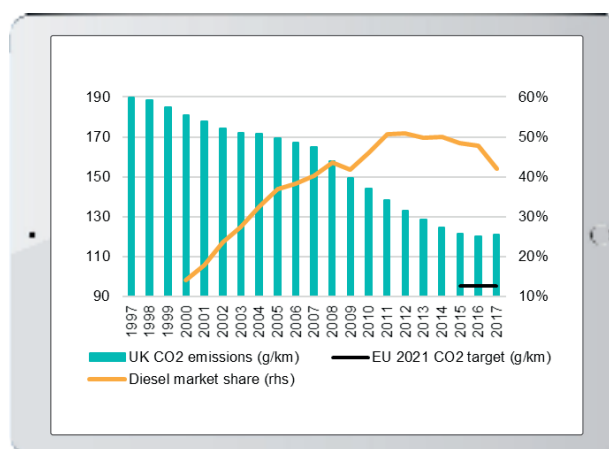
- Declined by 5% during 2017

### Gasoline and hybrids are winners, not Battery Electric Vehicles

- Compounding CO2 compliance problems
- Increased palladium requirements

### The market is beginning to seriously consider the over reliance of the automotive industry on palladium

- If only 20% of palladium is substituted in gasoline, that represents nearly 900 koz of platinum additional demand



Source: Reuters, LMC, WPIC and Impala Platinum analysis



## Platinum jewellery

36

### 2017 global demand is expected to be flat year on year

- China -5%
- India +35%
- Japan +2%
- USA +10%

### 2018 Outlook

**China:** PGI partners are expected to outgrow the market but their business model needs broader adoption to move total market

**India:** PGI programs are expected to continue to drive platinum growth; outperforming gold and diamonds as trade prioritizes platinum's higher margins

**Japan:** The majority of the industry has a positive outlook on 2018, especially for bridal (royal wedding in Japan)

**US:** Continued positive consumer confidence coupled with a favourable platinum price, the industry has a positive outlook for 2018



Source: PGI Consumer Retail Data.

Platinum & Diamond Eternity wedding bands

### Notes

---



---



---



---



## Investment

### Divergent investor views!

#### 2017 Global ETFs

- Platinum +107 koz
- Palladium -376 koz

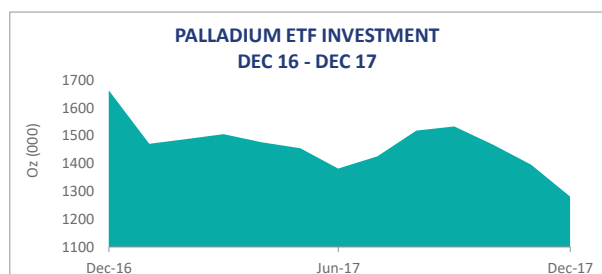
#### Japanese small bar and coin investment

- Platinum +151 koz

#### WPIC success in creating demand

- Over 100k ounces incremental demand created through new investment products and increased investor awareness

Source: HSBC and Impala Platinum analysis



## Supply and demand

38

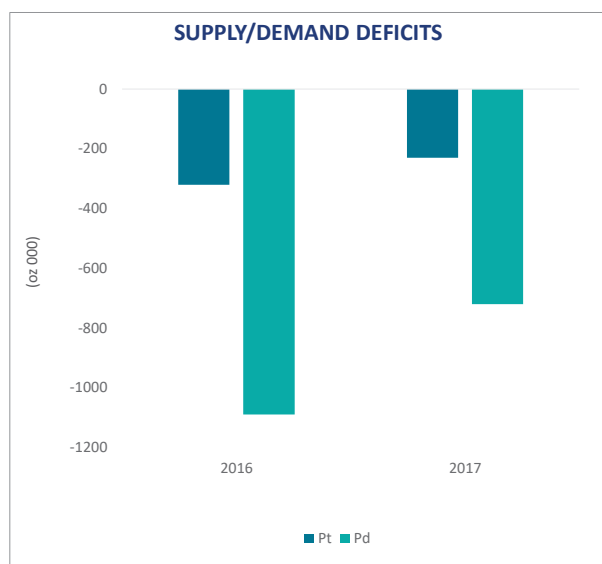
### 2017 Platinum demand estimated to have declined by 2%

- ↘ Automotive down 0.2%
- ↔ Jewellery flat
- ↗ Industrial up 0.5%
- ↘ Investment down 39%
- ↔ Relatively flat primary and secondary supply

### 2017 Palladium demand estimated to have increased by 4%

- ↗ Automotive +2%
- ↘ Industrial -0.5%
- ↗ Continued autocatalyst preference of Pd over Pt
- ↔ Relatively flat primary and secondary supply

### 2017 Rhodium remained in a small fundamental surplus



Excluding Investment / ETF Movements

## Notes



## The PGM market outlook

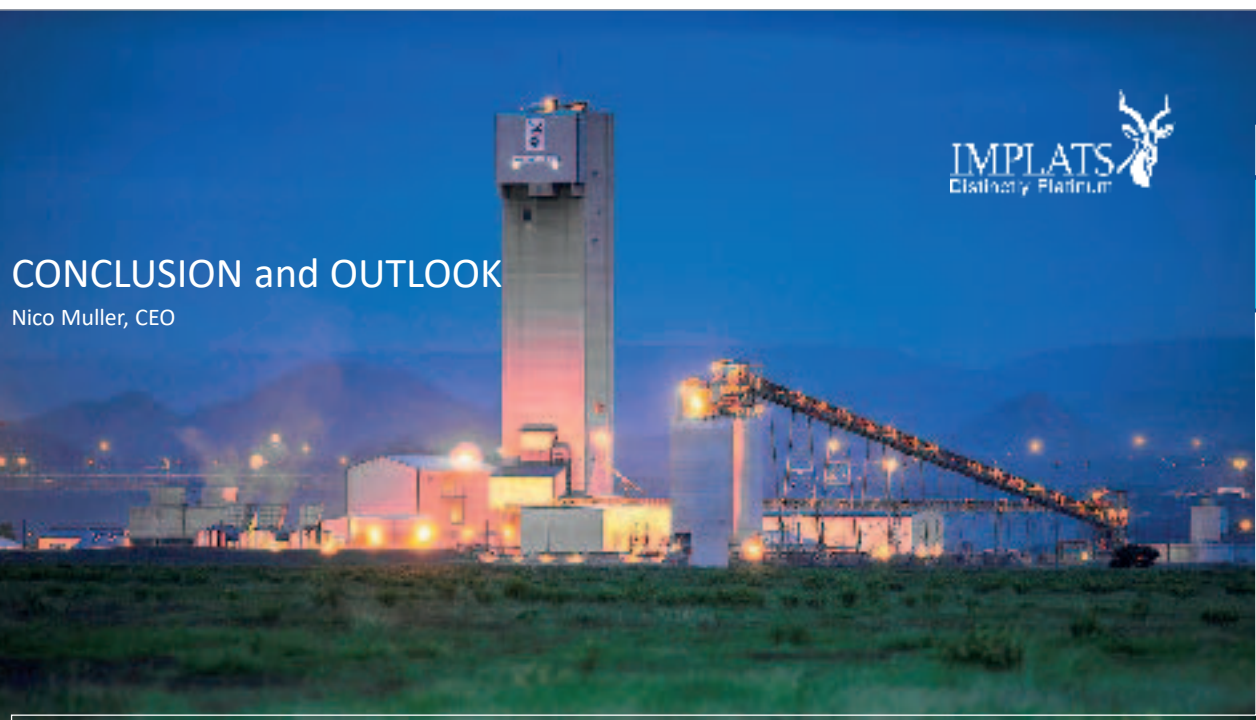
39

### Palladium and rhodium market fundamentals to remain sound during 2018

- Palladium and rhodium automotive demand will remain healthy, driven by both strong vehicle sales and tightening emissions legislation

### Whilst we see a relatively balanced platinum market for 2018, the medium term fundamentals for platinum are healthy

- Back-substitution into gasoline systems as palladium deficits continue
- Potential increase in the use of lean NOx traps in diesel systems for real driving emissions testing
- Increased usage in heavy-duty vehicles as new legislation in China and India is enacted
- Stabilising platinum jewellery market
- Steady industrial demand growth in line with global GDP



### Notes

---



---



---



---

## Implats Outlook and key focus areas

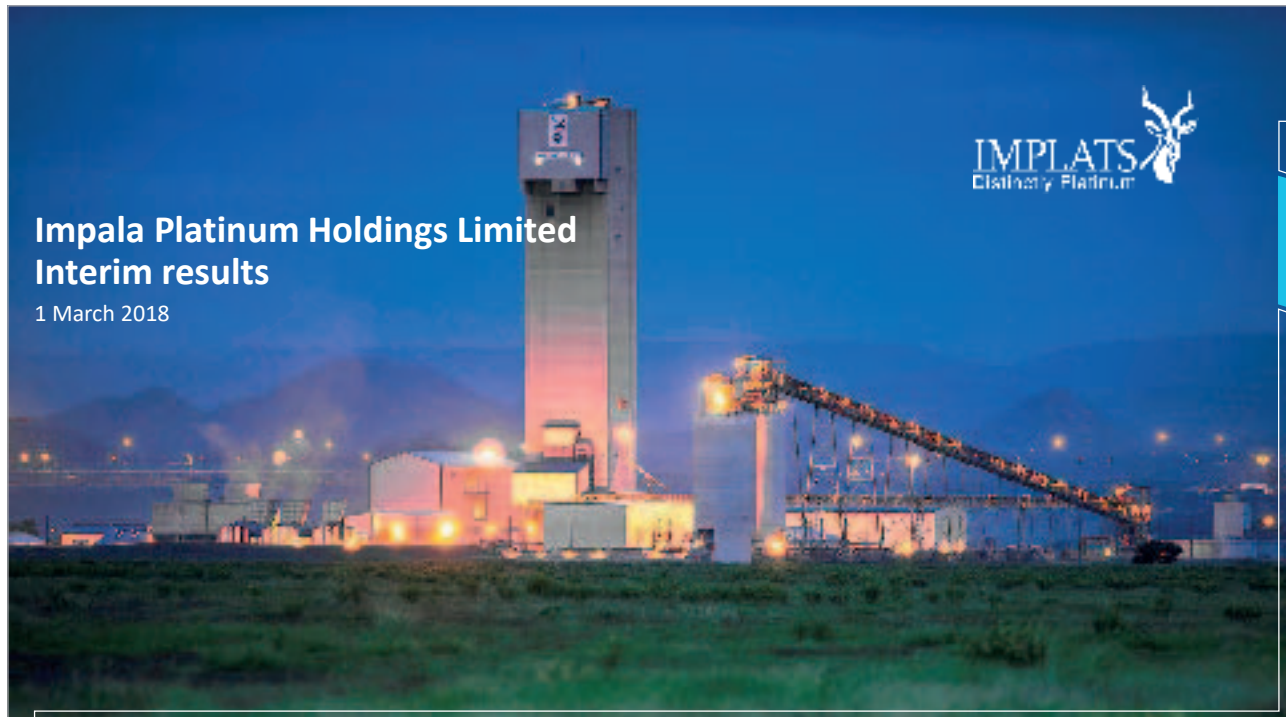
Operating environment	Impala	Zimbabwe Investments	Strategy
<ul style="list-style-type: none"> <li>Positive growth in global economy</li> <li>Reduced capital investment will yield supply contraction</li> <li>Lower price environment in short-term</li> <li>Longer-term market fundamentals strong</li> <li>Encouraging political changes in South Africa and Zimbabwe</li> </ul>	<ul style="list-style-type: none"> <li>Safety</li> <li>Operational performance</li> <li>Project performance (20 Shaft)</li> <li>Smelter pipeline</li> <li>Optimisation &amp; restructuring               <ul style="list-style-type: none"> <li>Shafts</li> <li>Processing &amp; refining</li> <li>Shared services</li> </ul> </li> </ul>	<ul style="list-style-type: none"> <li>Cash generative</li> <li>Challenges and opportunities               <ul style="list-style-type: none"> <li>Economic development</li> <li>Beneficiation</li> <li>SML renewal</li> <li>Additional profit tax</li> <li>Export levies</li> <li>Forex retention</li> </ul> </li> </ul>	<ul style="list-style-type: none"> <li>Improve short-term profitability</li> <li>Improve long-term competitive position               <ul style="list-style-type: none"> <li>Portfolio bias toward shallow, mechanised, low-cost ore bodies</li> </ul> </li> </ul>

## Implats Outlook for 2018

Business Area	Unit	Previous Guidance	New Guidance	Remarks
<b>Refined platinum production:</b>				
Group	Pt oz (refined)	1.57 – 1.61 million	<b>1.5 million</b>	<ul style="list-style-type: none"> <li>Lower Impala guidance</li> <li>60 000 oz stock build-up</li> </ul>
<b>Concentrate platinum production:</b>				
Impala	Pt oz (in conc)	680 000 – 720 000	<b>650 000 – 670 000</b>	<ul style="list-style-type: none"> <li>First quarter safety stoppages</li> <li>Slower ramp-up at 20 Shaft</li> <li>Stopped unprofitable production</li> </ul>
Zimplats	Pt oz (in conc)	255 000 – 265 000	<b>255 000 – 265 000</b>	Unchanged
Two Rivers	Pt oz (in conc)	165 000 – 175 000	<b>165 000 – 175 000</b>	Unchanged
Mimosa	Pt oz (in conc)	115 000 – 120 000	<b>115 000 – 120 000</b>	Unchanged
Marula	Pt oz (in conc)	80 000 – 90 000	<b>80 000 – 90 000</b>	Unchanged
IRS (third party)	Pt oz (in conc)	250 000 – 260 000	<b>250 000 – 260 000</b>	Unchanged
<b>Group unit cost</b>	R/Pt oz	< R23 100	<b>R23 600 – R24 200</b>	Lower Impala production
<b>Group capital expenditure</b>	Rbn	+/- R4.7	<b>R4.6 – R4.8</b>	Unchanged

### Notes





## Notes

## Impala Operations (ex-mine) key statistics

		December 2017	December 2016	Var %
<b>Mining revenue</b>	(Rm)	<b>6 685</b>	7 078	(5.6)
Platinum		<b>3 382</b>	4 467	(24.3)
Palladium		<b>1 747</b>	1 396	25.1
Rhodium		<b>784</b>	356	120.2
Nickel		<b>260</b>	219	18.7
Other		<b>512</b>	640	(20.0)
<b>Mining cost of sales</b>		<b>(7 811)</b>	(8 362)	6.6
On-mine operations		<b>(6 268)</b>	(5 588)	(12.2)
Processing operations		<b>(1 557)</b>	(1 435)	(8.5)
Refining and selling operations		<b>(338)</b>	(304)	(11.2)
Corporate costs		<b>(104)</b>	(100)	(4.0)
Share-based payments		<b>(23)</b>	(68)	66.2
Depreciation		<b>(1 380)</b>	(1 219)	(13.2)
Increase in metal inventories		<b>1 859</b>	352	428.1
<b>Mining gross profit</b>		<b>(1 126)</b>	(1 284)	12.3
Royalty expense		<b>(80)</b>	(179)	55.3
Profit from metal purchased transactions		<b>221</b>	(14)	1 678.6
Sale of metals purchased		<b>10 100</b>	10 842	(6.8)
Cost of metals purchased		<b>(9 881)</b>	(10 859)	9.0
Change in metal inventories		<b>2</b>	3	(33.3)
Gross margin ex-mine	(%)	<b>(16.8)</b>	(18.1)	7.2
<b>Sales volumes ex-mine</b>				
Platinum	(000 oz)	<b>266.2</b>	318.7	(16.5)
Palladium		<b>145.6</b>	148.7	(2.1)
Rhodium		<b>50.5</b>	37.5	34.7
Nickel	(tonnes)	<b>1 879</b>	1 651	13.8
<b>Sales volumes metals purchased – IRS</b>				
Platinum	(000 oz)	<b>382.6</b>	417.0	(8.2)
Palladium		<b>265.6</b>	284.6	(6.7)
Rhodium		<b>49.7</b>	56.2	(11.6)
Nickel	(tonnes)	<b>4 651</b>	4 733	(1.7)
<b>Prices achieved ex-mine</b>				
Platinum	(US\$/oz)	<b>940</b>	1 001	(6.1)
Palladium	(US\$/oz)	<b>896</b>	672	33.3
Rhodium		<b>1 147</b>	677	69.4
Nickel	(US\$/t)	<b>10 308</b>	9 244	11.5
<b>Exchange rate achieved ex-mine</b>	(R/US\$)	<b>13.46</b>	14.00	(3.86)

## Impala Operations (ex-mine) key statistics

		December 2017	December 2016	Var %
<b>Production ex mine</b>				
Tonnes milled	(000 t)	<b>5 671</b>	5 046	12.4
% UG2 milled	(%)	<b>58.2</b>	60.0	(3.0)
Development metres (total)	(metres)	<b>50 681</b>	43 227	17.2
Head grade (5PGE+Au)	(g/t)	<b>4.05</b>	4.15	(2.4)
Platinum in concentrate	(000 oz)	<b>348.3</b>	318.4	9.4
Platinum refined	(000 oz)	<b>271.9</b>	318.7	(14.7)
Palladium refined		<b>159.8</b>	148.7	7.5
Rhodium refined		<b>43.0</b>	43.9	(2.1)
Nickel refined	(000 t)	<b>2 313</b>	1 651	40.1
PGM refined production	(000 oz)	<b>539.8</b>	612.5	(11.9)
<b>Total cost</b>				
	(Rm)	<b>8 267</b>	7 427	(11.3)
	(US\$m)	<b>617</b>	529	(16.7)
per tonne milled*	(R/t)	<b>1 458</b>	1 472	1.0
	(US\$/t)	<b>109</b>	105	(3.8)
per PGM ounce refined*	(R/oz)	<b>15 315</b>	12 126	(26.3)
	(US\$/oz)	<b>1 143</b>	863	(32.4)
per platinum ounce refined*	(R/oz)	<b>30 405</b>	23 304	(30.5)
	(US\$/oz)	<b>2 269</b>	1 659	(36.8)
net of revenue received for other metals*	(R/oz)	<b>18 257</b>	15 111	(20.8)
	(US\$/oz)	<b>1 363</b>	1 076	(26.6)
<b>Capital expenditure</b>				
	(Rm)	<b>1 442</b>	1 197	20.5
	(US\$m)	<b>108</b>	85	26.3
<b>Labour including capital at period end</b>				
	(no)	<b>41 914</b>	41 383	(1.3)
Own employees		<b>31 021</b>	31 514	1.6
Contractors		<b>10 893</b>	9 869	(10.4)
Centares per panel man per month	(m <sup>2</sup> /man)	<b>22.0</b>	20.2	8.9
Tonnes milled per employee costed**	(t/man/annum)	<b>275.25</b>	252.68	8.93

\* Excluding share-based compensation.

\*\* Average working cost employees.

## Zimplats key statistics

		December 2017	December 2016	Var %
<b>Revenue</b>	(Rm)	<b>3 834</b>	3 352	14.4
Platinum		<b>1 499</b>	1 637	(8.4)
Palladium		<b>1 379</b>	994	38.7
Rhodium		<b>231</b>	110	110.0
Nickel		<b>319</b>	276	15.6
Other		<b>406</b>	335	21.2
<b>Cost of sales</b>		<b>(2 872)</b>	(2 889)	0.6
On-mine operations		<b>(1 482)</b>	(1 423)	(4.1)
Processing operations		<b>(766)</b>	(751)	(2.0)
Corporate costs		<b>(190)</b>	(200)	5.0
Share-based payments		<b>(7)</b>	(6)	(16.7)
Treatment charges		<b>(31)</b>	(16)	
Depreciation		<b>(451)</b>	(544)	17.1
Change in inventories		<b>55</b>	51	7.8
<b>Gross profit/(loss)</b>		<b>962</b>	463	107.8
Intercompany adjustment*		<b>(327)</b>	(65)	(403.1)
Adjusted gross profit		<b>635</b>	398	59.5
Royalty expense		<b>(63)</b>	(55)	(14.5)
Gross margin	(%)	<b>25.1</b>	13.8	81.9
<b>Sales volumes in matte</b>				
Platinum	(000 oz)	<b>132.8</b>	136.2	(2.5)
Palladium		<b>110.5</b>	112.0	(1.3)
Rhodium		<b>11.5</b>	11.9	(3.4)
Nickel	(t)	<b>2 533</b>	2 412	5.0
<b>Prices achieved in matte</b>				
Platinum	(US\$/oz)	<b>842</b>	855	(1.5)
Palladium		<b>931</b>	632	47.3
Rhodium		<b>1 495</b>	659	126.9
Nickel	(US\$/t)	<b>9 405</b>	8 145	15.5
<b>Exchange rate achieved</b>	(R/US\$)	<b>13.40</b>	14.04	(4.6)

\* The adjustment relates to sales by Zimplats to the Implats Group which were still in the pipeline at period end.

## Zimplats key statistics

		December 2017	December 2016	Var %
<b>Production</b>				
Tonnes milled	(000 t)	<b>3 333</b>	3 306	0.8
Head grade (5PGE+Au)	(g/t)	<b>3.49</b>	3.48	0.3
Platinum in concentrate	(000 oz)	<b>139.7</b>	138.6	0.8
Platinum in matte	(000 oz)	<b>136.2</b>	137.1	(0.7)
Palladium in matte		<b>112.8</b>	112.2	0.5
Rhodium in matte		<b>11.8</b>	12.0	(1.7)
Nickel in matte	(t)	<b>2 172</b>	2 433	(10.7)
PGM in matte	(000 oz)	<b>290.2</b>	291.3	(0.4)
<b>Total cost</b>				
	(Rm)	<b>2 438</b>	2 374	(2.7)
	(US\$/t)	<b>182</b>	169	(7.7)
per tonne milled**	(R/t)	<b>731</b>	718	(1.8)
	(US\$/t)	<b>55</b>	51	(7.8)
per PGM ounce in matte**	(R/oz)	<b>8 401</b>	8 150	(3.1)
	(US\$/oz)	<b>627</b>	580	(8.1)
per platinum ounce in matte**	(R/oz)	<b>17 900</b>	17 316	(3.4)
	(US\$/oz)	<b>1 336</b>	1 233	(8.4)
net of revenue received for other metals**	(R/oz)	<b>756</b>	4 807	84.3
	(US\$/oz)	<b>56</b>	342	83.5
<b>Capital expenditure</b>				
	(Rm)	<b>432</b>	353	22.4
	(US\$m)	<b>32.3</b>	25.1	28.7
<b>Labour including capital at period end</b>				
	(no)	<b>5 997</b>	5 887	(1.9)
Own employees		<b>3 159</b>	3 029	(4.3)
Contractors		<b>2 838</b>	2 858	0.7
Tonnes milled per employee costed***	(t/man/annum)	<b>1 242.6</b>	1 246.5	(0.3)

\*\* Excluding share-based compensation.

\*\*\* Average working cost employees.



## Marula key statistics

		December 2017	December 2016	Var %
<b>Revenue</b>	(Rm)	<b>1 242</b>	971	27.9
Platinum		<b>470</b>	488	(3.7)
Palladium		<b>530</b>	356	48.9
Rhodium		<b>172</b>	76	126.3
Nickel		<b>15</b>	14	7.1
Other		<b>55</b>	37	48.6
<b>Cost of sales</b>		<b>(1 174)</b>	(1 144)	(2.6)
On-mine operations		<b>(956)</b>	(925)	(3.4)
Processing operations		<b>(122)</b>	(112)	(8.9)
Share-based payments		<b>(2)</b>	(5)	60.0
Treatment charges		<b>(2)</b>	(2)	–
Depreciation		<b>(92)</b>	(100)	8.0
<b>Gross (loss)</b>		<b>68</b>	(173)	139.3
Intercompany adjustment*		<b>0</b>	0	
Adjusted gross loss		<b>68</b>	(173)	139.3
Royalty expense		<b>(36)</b>	(25)	(44.0)
Gross margin	(%)	<b>5.5</b>	(17.8)	130.9
<b>Sales volumes in concentrate</b>				
Platinum	(000 oz)	<b>43.7</b>	41.6	5.0
Palladium		<b>44.9</b>	42.5	5.6
Rhodium		<b>9.1</b>	8.7	4.6
Nickel	(t)	<b>130</b>	133	(2.3)
<b>Prices achieved in concentrate</b>				
Platinum	(US\$/oz)	<b>799</b>	837	(4.5)
Palladium		<b>861</b>	603	42.8
Rhodium		<b>1 363</b>	622	119.1
Nickel	(US\$/t)	<b>8 587</b>	7 726	11.1
<b>Exchange rate achieved</b>	(R/US\$)	<b>13.62</b>	13.97	(2.5)

\* The adjustment relates to sales by Marula to the Implats Group which were still in the pipeline at period end.

## Marula key statistics

		December 2017	December 2016	Var %
<b>Production</b>				
Tonnes milled	(000 t)	<b>941</b>	909	3.5
Head grade (5PGE+Au)	(g/t)	<b>4.36</b>	4.42	(1.5)
Platinum in concentrate	(000 oz)	<b>43.2</b>	43.1	0.2
Palladium in concentrate		<b>44.4</b>	44.1	0.7
Rhodium in concentrate		<b>9.0</b>	8.9	1.1
Nickel in concentrate	(t)	<b>129</b>	137	(5.8)
PGM in concentrate	(000 oz)	<b>113.3</b>	112.7	0.5
<b>Total cost</b>				
	(Rm)	<b>1 078</b>	1 037	(4.0)
	(US\$m)	<b>80</b>	74	(8.1)
per tonne milled**	(R/t)	<b>1 146</b>	1 141	(0.4)
	(US\$/t)	<b>86</b>	81	(6.2)
per PGM ounce in concentrate**	(R/oz)	<b>9 515</b>	9 201	(3.4)
	(US\$/oz)	<b>710</b>	655	(8.4)
per platinum ounce in concentrate**	(R/oz)	<b>24 954</b>	24 060	(3.7)
	(US\$/oz)	<b>1 862</b>	1 713	(8.7)
net of revenue received for other metals**	(R/oz)	<b>7 083</b>	12 854	44.9
	(US\$/oz)	<b>529</b>	915	42.2
<b>Capital expenditure</b>				
	(Rm)	<b>29</b>	58	50.0
	(US\$m)	<b>2.2</b>	4.1	46.3
<b>Labour including capital at period end</b>				
	(no)	<b>3 998</b>	4 738	15.6
Own employees		<b>3 280</b>	3 626	9.5
Contractors		<b>718</b>	1 112	35.4
Centares per panel man per month	(m <sup>2</sup> /man)	<b>23.4</b>	26.1	(10.3)
Tonnes milled per employee costed***	(t/man/annum)	<b>484.7</b>	392.0	23.6

\*\* Excluding share-based compensation.

\*\*\* Average working cost employees.

## Mimosa key statistics

		December 2017	December 2016	Var %
<b>Revenue</b>	(Rm)	<b>1 905</b>	1 788	6.5
Platinum		<b>731</b>	805	(9.2)
Palladium		<b>568</b>	436	30.3
Rhodium		<b>74</b>	42	76.2
Nickel		<b>258</b>	240	7.5
Other		<b>274</b>	265	3.4
<b>Cost of sales</b>		<b>(1 593)</b>	(1 777)	10.4
On-mine operations		<b>(869)</b>	(936)	7.2
Processing operations		<b>(292)</b>	(300)	2.7
Corporate costs		<b>(87)</b>	(80)	(8.8)
Treatment charges		<b>(143)</b>	(161)	11.2
Depreciation		<b>(233)</b>	(321)	27.4
Change in inventories		<b>31</b>	21	47.6
<b>Gross profit</b>		<b>312</b>	11	2 736.4
Royalty expense		<b>(53)</b>	(112)	52.7
Gross margin	(%)	<b>16.4</b>	0.6	2 633.3
Profit for the six months	(Rm)	<b>156</b>	124	25.8
50% attributable to Implats		<b>78</b>	62	25.8
Intercompany adjustment*		<b>(11)</b>	–	–
Share of profit in Implats Group		<b>67</b>	62	8.1
<b>Sales volumes in concentrate</b>				
Platinum	(000 oz)	<b>57.4</b>	57.2	0.3
Palladium		<b>45.7</b>	46.1	(0.9)
Rhodium		<b>4.7</b>	4.6	2.2
Nickel	(t)	<b>1 674</b>	1 572	6.5
<b>Prices achieved in concentrate</b>				
Platinum	(US\$/oz)	<b>949</b>	1 002	(5.3)
Palladium		<b>929</b>	673	38.0
Rhodium		<b>1 160</b>	647	79.3
Nickel	(US\$/t)	<b>11 489</b>	10 870	5.7
<b>Exchange rate achieved</b>	(R/US\$)	<b>13.40</b>	14.04	(4.6)

\* The adjustment relates to sales by Mimosa to the Implats Group which were still in the pipeline at period end.

## Mimosa key statistics

		December 2017	December 2016	Var %
<b>Production</b>				
Tonnes milled	(000 t)	<b>1 407</b>	1 366	2.9
Head grade (5PGE+Au)	(g/t)	<b>3.85</b>	3.83	0.5
Platinum in concentrate	(000 oz)	<b>63.0</b>	60.9	3.4
Palladium in concentrate		<b>49.7</b>	48.6	2.3
Rhodium in concentrate		<b>5.5</b>	5.2	5.8
Nickel in concentrate	(t)	<b>1 835</b>	1 717	6.9
PGM in concentrate	(000 oz)	<b>133.7</b>	129.8	3.0
<b>Total cost</b>				
	(Rm)	<b>1 248</b>	1 316	5.2
	(US\$/t)	<b>93</b>	94	0.6
per tonne milled	(R/t)	<b>887</b>	963	7.9
	(US\$/t)	<b>66.2</b>	68.6	3.5
per PGM ounce in concentrate	(R/oz)	<b>9 334</b>	10 139	7.9
	(US\$/oz)	<b>697</b>	722	3.5
per platinum ounce in concentrate	(R/oz)	<b>19 810</b>	21 609	8.3
	(US\$/oz)	<b>1 479</b>	1 539	3.9
net of revenue received for other metals	(R/oz)	<b>1 175</b>	5 468	78.5
	(US\$/oz)	<b>88</b>	389	77.5
<b>Capital expenditure</b>				
	(Rm)	<b>263</b>	248	6.0
	(US\$m)	<b>19.6</b>	17.7	10.7
<b>Labour including capital</b>				
	(no)	<b>1 354</b>		
Own employees			1 348	(0.5)

## Two Rivers key statistics

		December 2017	December 2016	Var %
<b>Revenue</b>	(Rm)	<b>1 911</b>	2 128	(10.2)
Platinum		<b>864</b>	1 089	(20.7)
Palladium		<b>565</b>	470	20.2
Rhodium		<b>264</b>	144	83.3
Nickel		<b>41</b>	40	2.5
Other		<b>177</b>	385	(54.0)
<b>Cost of sales</b>		<b>(1 386)</b>	(1 478)	6.2
On-mine operations		<b>(1 016)</b>	(960)	(5.8)
Processing operations		<b>(209)</b>	(217)	3.7
Treatment charges		<b>(16)</b>	(16)	–
Chrome costs		<b>(26)</b>	(117)	
Depreciation		<b>(156)</b>	(132)	(18.2)
Change in inventory		<b>37</b>	(36)	202.8
<b>Gross profit</b>		<b>525</b>	650	(19.2)
Royalty expense		<b>(46)</b>	(80)	42.5
Gross margin	(%)	<b>27.5</b>	30.5	(9.8)
Profit for the six months	(Rm)	<b>336</b>	402	(16.4)
46%/49%/45% attributable to Implats		<b>155</b>	197	(21.3)
Intercompany adjustment*		<b>(36)</b>	20	(280.0)
Share of profit in Implats Group		<b>119</b>	217	(45.2)
<b>Sales volumes in concentrate</b>				
Platinum	(000 oz)	<b>82.2</b>	94.8	(13.3)
Palladium		<b>48.6</b>	55.9	(13.2)
Rhodium		<b>14.4</b>	16.6	(13.2)
Nickel	(t)	<b>294.4</b>	318.1	(7.4)
<b>Prices achieved in concentrate</b>				
Platinum	(US\$/oz)	<b>784</b>	822	(4.7)
Palladium		<b>868</b>	602	44.3
Rhodium		<b>1 369</b>	619	121.1
Nickel	(US\$/t)	<b>10 456</b>	9 041	15.7
<b>Exchange rate achieved</b>	(R/US\$)	<b>13.41</b>	13.97	(4.0)

\* The adjustment relates to sales from Two Rivers to the Implats Group which at year end was still in the pipeline.



## Two Rivers key statistics

		December 2017	December 2016	Var %
<b>Production</b>				
Tonnes milled ex-mine	(000 t)	<b>1 713</b>	1 747	(1.9)
Head grade (5PGE+Au)	(g/t)	<b>3.70</b>	4.03	(8.2)
Platinum in concentrate	(000 oz)	<b>83.4</b>	96.7	(13.8)
Palladium in concentrate		<b>49.6</b>	56.8	(12.7)
Rhodium in concentrate		<b>14.7</b>	17.0	(13.5)
Nickel in concentrate	(t)	<b>313</b>	313	–
PGM in concentrate	(000 oz)	<b>178.7</b>	207.1	(13.7)
<b>Total cost (excluding Chrome)</b>				
	(Rm)	<b>1 225</b>	1 177	(4.1)
	(US\$/t)	<b>91</b>	84	(8.3)
per tonne milled	(R/t)	<b>715</b>	674	(6.1)
	(US\$/t)	<b>53</b>	48	(10.4)
per PGM ounce in concentrate	(R/oz)	<b>6 855</b>	5 683	(20.6)
	(US\$/oz)	<b>512</b>	405	(26.4)
per platinum ounce in concentrate	(R/oz)	<b>14 688</b>	12 172	(20.7)
	(US\$/oz)	<b>1 096</b>	867	(26.4)
net of revenue received for other metals	(R/oz)	<b>2 446</b>	2 637	7.2
	(US\$/oz)	<b>183</b>	188	2.8
<b>Capital expenditure</b>				
	(Rm)	<b>226</b>	175	29.1
	(US\$m)	<b>17</b>	12	41.7
<b>Labour including capital</b>				
	(no)	<b>3 147</b>	3 183	1.1
Own employees		<b>2 405</b>	2 414	0.4
Contractors		<b>742</b>	769	3.5

Note: These results have been equity accounted.

## IRS key statistics

		December 2017	December 2016	Var %
<b>Revenue</b>	(Rm)	<b>10 657</b>	10 916	(2.4)
Platinum		<b>4 781</b>	6 069	(21.2)
Palladium		<b>3 221</b>	2 618	23.0
Rhodium		<b>727</b>	512	42.0
Nickel		<b>666</b>	693	(3.9)
Other		<b>1 262</b>	1 024	23.2
<b>Cost of sales</b>		<b>(9 810)</b>	(10 187)	3.7
Metals purchased		<b>(9 840)</b>	(9 504)	(3.5)
Processing operations		<b>(289)</b>	(212)	(36.3)
Refining and selling operations		<b>(403)</b>	(373)	(8.0)
Corporate costs		<b>(53)</b>	(52)	(1.9)
Depreciation		<b>–</b>	–	
Change in metal inventories		<b>775</b>	(46)	1 784.8
<b>Gross profit</b>		<b>847</b>	729	16.2
Metals purchased – adjustment on metal prices and exchange		<b>(132)</b>	(158)	16.5
Inventory – adjustment on metal prices and exchange		<b>222</b>	207	7.2
<b>Gross profit in Implats Group</b>		<b>937</b>	778	20.4
Metals purchased – fair value adjustment on metal prices		<b>(296)</b>	59	(601.7)
Metals purchased – foreign exchange adjustment		<b>428</b>	99	332.3
Gross margin	(%)	<b>7.9</b>	6.7	17.9
<b>Revenue</b>	(Rm)	<b>10 657</b>	10 916	(2.4)
Direct sales to customers		<b>17</b>	17	–
Sales to Impala		<b>10 184</b>	10 600	(3.9)
Toll income – external		<b>423</b>	281	50.5
Toll income – intercompany		<b>33</b>	18	83.3
<b>Total sales volumes</b>				
Platinum	(000 oz)	<b>382.6</b>	417.0	(8.2)
Palladium		<b>265.6</b>	284.6	(6.7)
Rhodium		<b>49.7</b>	56.2	(11.6)
Nickel	(t)	<b>4 771</b>	4 853	(1.7)
<b>Prices achieved</b>				
Platinum	(US\$/oz)	<b>938</b>	1 024	(8.4)
Palladium		<b>910</b>	648	40.4
Rhodium		<b>1 091</b>	639	70.7
Nickel	(US\$/t)	<b>10 463</b>	10 084	3.8
<b>Exchange rate achieved</b>	(R/US\$)	<b>13.33</b>	14.21	(6.2)
<b>Refined production</b>				
Platinum	(000 oz)	<b>454.8</b>	459.8	(1.1)
Palladium		<b>246.1</b>	319.8	(23.0)
Rhodium		<b>55.8</b>	47.5	17.5
Nickel	(t)	<b>5 594</b>	6 632	(15.7)
PGM refined production	(000 oz)	<b>893.8</b>	940.7	(5.0)
<b>Metal returned</b>				
Platinum	(000 oz)	<b>115.7</b>	0.0	–
Palladium		<b>55.0</b>	0.0	–
Rhodium		<b>19.4</b>	0.0	–
Nickel	(t)	<b>1 765</b>	1 596	10.6

# Contact details and administration

## Registered office

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](mailto:investor@implats.co.za)  
Registration number: 1957/001979/06  
Share codes:  
JSE: IMP  
ADRs: IMPUY  
ISIN: ZAE000083648  
ISIN: ZAE000247458  
Website: <http://www.implats.co.za>

## Impala Platinum Limited 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

1st Floor  
South Block  
Borrowdale Office Park  
Borrowdale Road  
Harare, Zimbabwe  
PO Box 6380  
Harare  
Zimbabwe  
Telephone: +26 (34) 886 878/85/87  
Fax: +26 (34) 886 876/7  
Email: [info@zimplats.com](mailto:info@zimplats.com)

## Sponsor

Deutsche Securities (SA) Proprietary Limited

## Impala Platinum Japan Limited

Uchisaiwaicho Daibiru, room number 702  
3-3 Uchisaiwaicho  
1-Chome, Chiyoda-ku  
Tokyo  
Japan  
Telephone: +81 (3) 3504 0712  
Telefax: +81 (3) 3508 9199

## Company Secretary

Tebogo Lale  
Email: [tebogo.lale@implats.co.za](mailto:tebogo.lale@implats.co.za)

## United Kingdom secretaries

St James's Corporate Services Limited  
Suite 31, Second Floor  
107 Cheapside  
London  
EC2V 6DN  
United Kingdom  
Telephone: +44 (020) 7796 8644  
Telefax: +44 (020) 7796 8645  
Email: [phil.dexter@corpserv.co.uk](mailto:phil.dexter@corpserv.co.uk)

## Public Officer

Ben Jager  
Email: [ben.jager@implats.co.za](mailto:ben.jager@implats.co.za)

## Transfer secretaries

### South Africa

Computershare Investor Services (Pty) Limited  
Rosebank Towers  
15 Biermann Avenue, Rosebank  
PO Box 61051, Marshalltown, 2107  
Telephone: +27 (11) 370 5000  
Telefax: +27 (11) 688 5200

### United Kingdom

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

## Auditors

PricewaterhouseCoopers Inc.  
2 Eglon Road, Sunninghill  
Johannesburg, 2157

## Corporate relations

Johan Theron  
Investor queries may be directed to:  
Email: [investor@implats.co.za](mailto:investor@implats.co.za)

Johannesburg, 1 March 2018