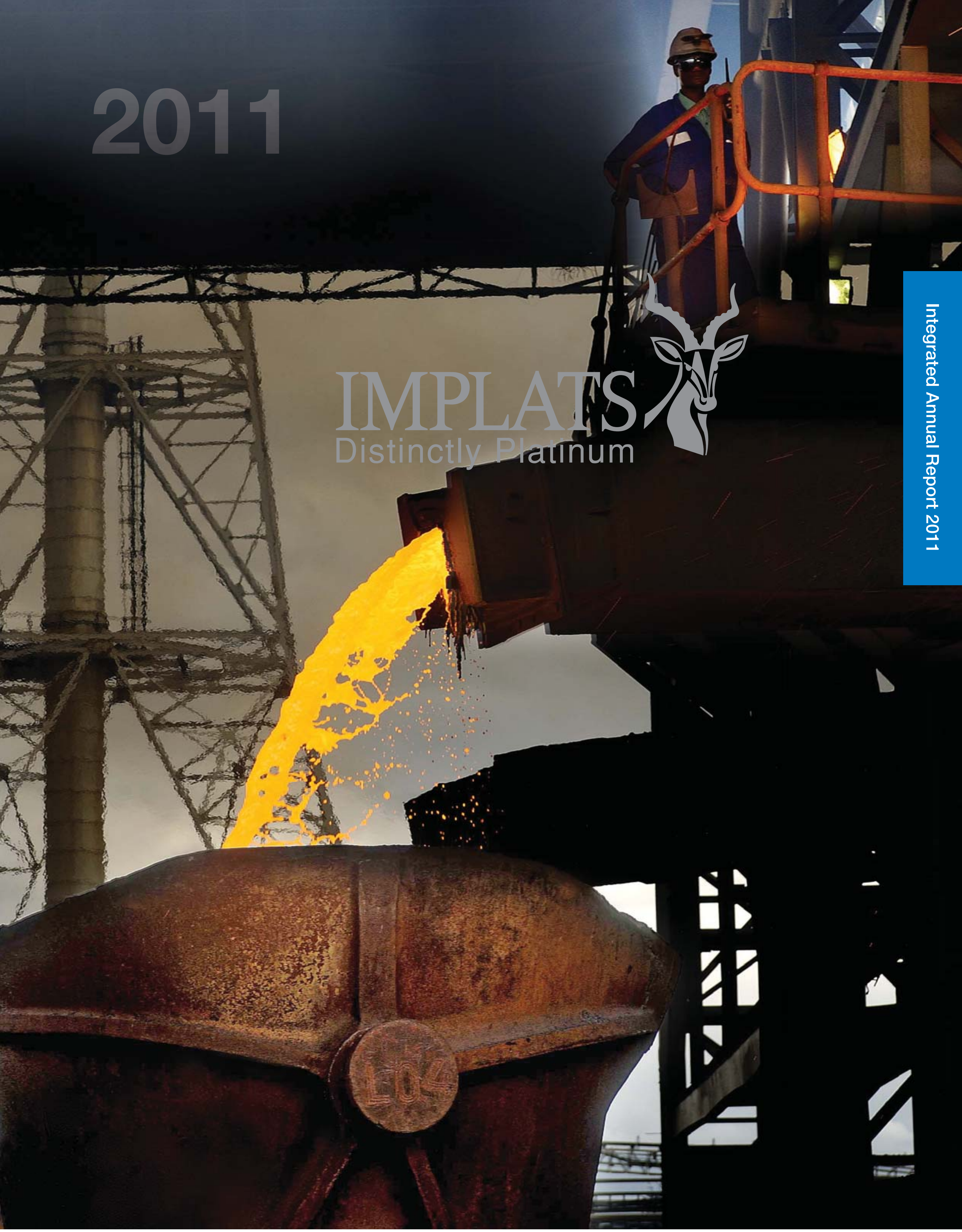
2011
IMPLATS
Distinctly Platinum
Integrated Annual Report 2011

Our vision and values

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

Implats' values

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

Scope of this report

This report, compiled for Impala Platinum Holdings Limited (Implats) and its subsidiaries, covers the financial year 1 July 2010 to 30 June 2011.

It is our aim, with this our second integrated report, to present the risks and opportunities that the Company faces, together with disclosure on our environmental, social and governance issues. This style of reporting allows us to emphasise the fundamental link between our financial and non-financial performance and how they influence our business strategy.

The JSE Limited (JSE) requires companies listed on the Exchange to produce integrated reports, in line with the recommendations of the South African Code of Corporate Practice and Conduct set out in the third King Report on Corporate Governance (King III). What constitutes integrated reporting remains the subject of international debate. We have been guided by what has typically constituted annual reporting best practice and the assistance provided by the Global Reporting Initiative's (GRI) G3 Reporting Guidelines. As a signatory to the principles of the United Nations Global Compact our reporting is in line with our commitment to this Compact.

This year, in line with King III recommendations, we have decided to produce a separate Sustainable Development Report that, together with our Integrated Annual Report, will provide our stakeholders with a comprehensive view of our financial and non-financial performance during the year under review.

This integrated report has focused on the most material sustainability issues that drive business strategy. The issues identified are as a result of an analysis of stakeholder concerns, business risk analysis and global trends and how they impact the long-term business sustainability.

Our annual financial statements were prepared according to international financial reporting standards (IFRS), the requirements of the South African Companies Act, the regulations of the JSE and recommendations of King III.

Our reporting on our Mineral Resources and Reserves estimates conforms to the South African Code for Reporting of Mineral Resources and Mineral Reserves (SAMREC) and the Australasian Code for the Reporting of Mineral Resources and Ore Reserves (JORC), and has been signed off by the competent persons, as defined by these codes.

In this report our production is reported in terms of platinum and platinum group metals (PGMs), which include platinum, palladium, rhodium, ruthenium and iridium as well as gold, which is also referred to as 6E. Both historical and forward-looking data is provided.

Unless otherwise stated, information in this report is primarily for FY2011, except for that relating to physical metals markets, which is provided by calendar year.

There has been no significant change to our organisational structure, nor were there any significant restatements of data during the year, and any data restatement has been indicated.

Certain statistical information is provided for comparative purposes for up to 10 years (financial years 2002 to 2011). Information in the report covers all our subsidiary, joint venture and investment companies. For sustainability elements, information relating to managed operations is disclosed, while that for joint ventures and associates is excluded. Where information is attributable to Implats it is highlighted. In all cases, $ or Dollar refers to the US Dollar.

Contents

Implats is one of the world's leading producers of PGMs and associated base metals. The Group has operations on the PGM-bearing orebodies of the Bushveld Complex in South Africa and the Great Dyke in Zimbabwe. Implats contributes approximately 25% of global platinum output.

Implats has a primary listing on the JSE in South Africa (IMP), a secondary listing on the LSE, United Kingdom (IPLA) and a Level 1 American Depositary Receipt programme (IMPUY) in the United States of America.

Environmental
Social
Financial

Our business

Integrated performance


Impala: page 60


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Mimosa: page 72


Two Rivers: page 74


IRS: page 76

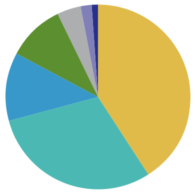
Responsibility reporting

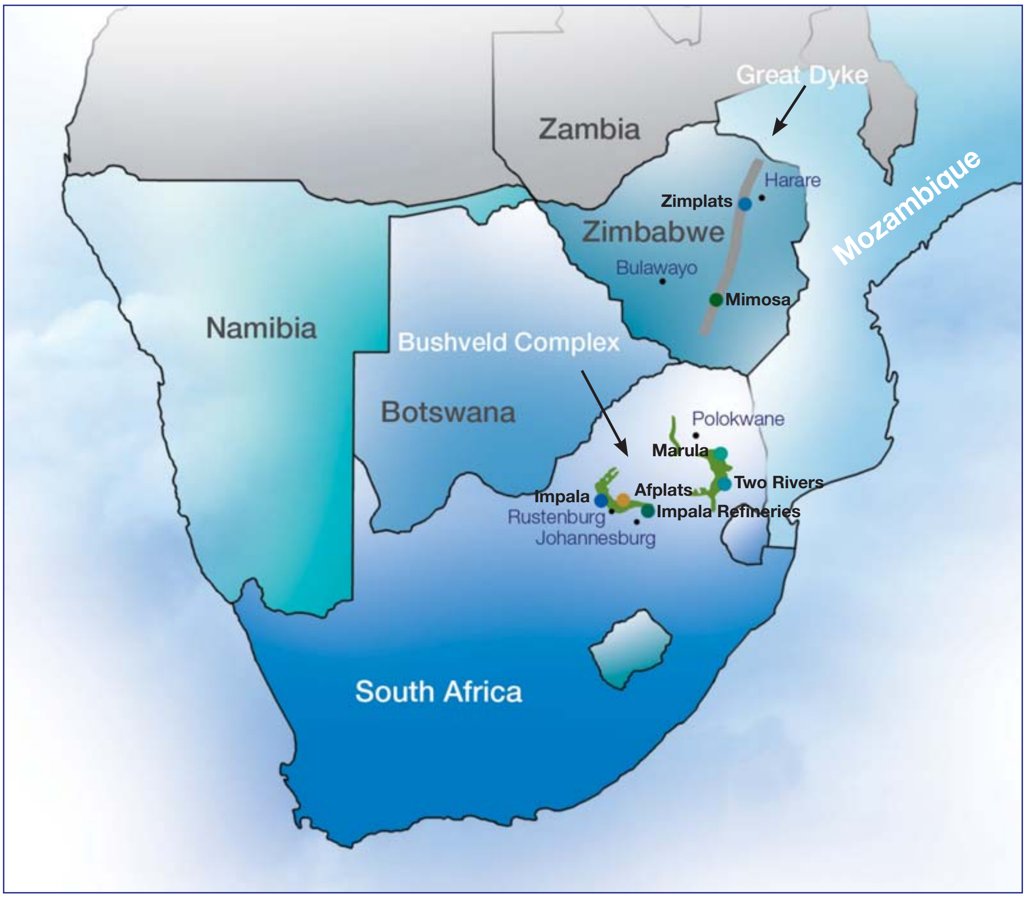
To view the Implats Integrated Annual Report online, please visit our website at:
www.implats.co.za

Where we operate

Headquartered in Johannesburg, South Africa, Implats is structured around six main operations (with a total of 22 underground shafts): Impala, Zimplats, Marula, Mimosa, Two Rivers and Impala Refining Services.

Attributable Mineral Resources of 228 million platinum ounces
as at 30 June 2011





Our business

Implats produces approximately 25% of the world's supply of platinum (14% being toll and recycled material) with a workforce of 57 000 (including 17 000 contractors). In the review period, the Group produced 3.772 million ounces of PGMs, including 1.836 million ounces of platinum.

The most significant PGM deposits in the world are the Bushveld Complex in South Africa and the Great Dyke in Zimbabwe, which contribute around three quarters of global platinum output. PGMs are a relatively rare commodity – only around 500 tonnes (excluding recycling) are produced annually, of which less than 200 tonnes are platinum – yet they play a progressively more important role in everyday life, such as autocatalysts to control vehicle emissions, in the production of LCD glass and as hardeners in dental alloy.

PGMs – primarily platinum, and the associated by-products, palladium, rhodium, ruthenium, iridium and gold usually occur in association with nickel and copper.

Strategy

To achieve our vision of becoming the world's best platinum producing company and delivering superior returns to stakeholders relative to our peers the Group remains focused on a clear three-tier strategy to:

1. Mine safely and sustainably

- Achieve a 'zero harm' workplace
- Minimise the impact of operating activities on the environment
- Build respectful, constructive relationships with all relevant stakeholders
- Develop a strong pipeline of talent and skill

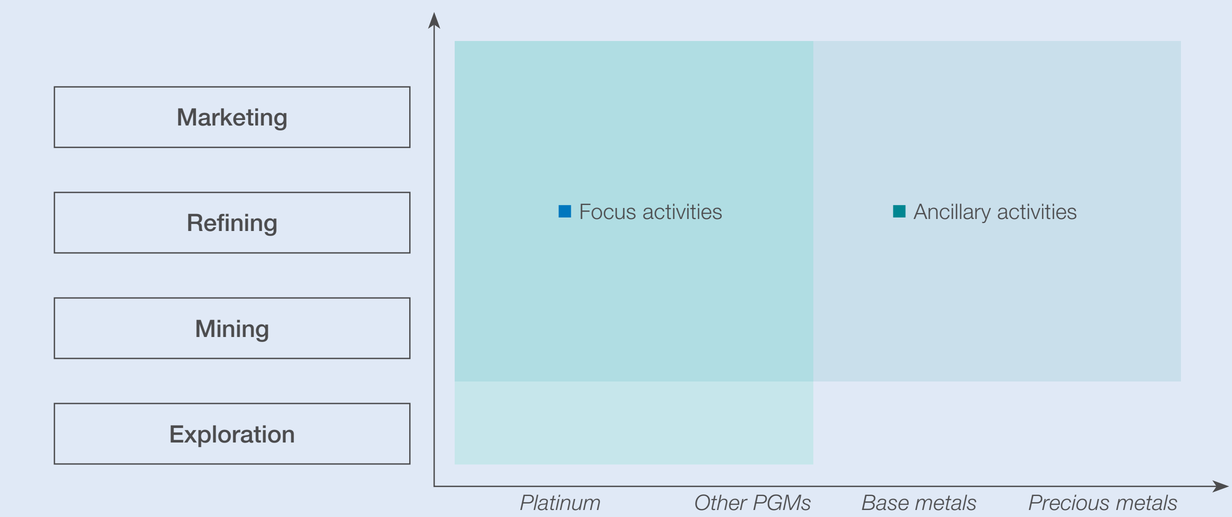
2. Grow production and resources

- Undertake brownfields and greenfields exploration
- Develop organic growth opportunities
- Pursue acquisitions and strategic alliances/JVs
- Deliver on capital projects

3. Maintain a low-cost ounce profile

- Apply disciplined capital investment criteria
- Execute rigorous cost control and operational efficiency to maintain the Group in the lowest quartile on the cost curve
- Focus on improving productivity

Strategic space



Implats remains a focused PGM producer and future expansions would only be within this defined strategic space. Likewise looking at vertical integration we participate in the value chain from exploration through to marketing. Downstream opportunities would include fuller beneficiation of our products that we produce.

Our products

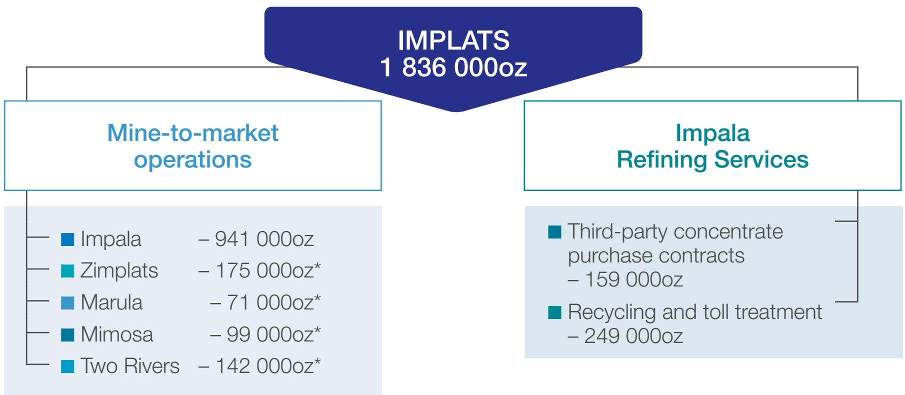
Platinum Group Metals – the green metals

As a vital component in autocatalytic convertors, PGMs play a significant role in reducing air pollution by substantially limiting the discharge of carbon monoxide, hydrocarbons and nitrous oxides in both gasoline and diesel engines, as well as particulates in diesel engines.

PGMs are recyclable, this characteristic therefore ensures not only waste reduction, but the sustainability of supply. PGMs also possess excellent catalytic properties including resistance to corrosion and high melting points, which makes them ideal metals for a wide variety of industrial uses, particularly in the automotive sector.

PGMs are also used in fuel cells to develop both portable and auxiliary energy units and as a source of power for vehicles. As a carbon-free process, fuel cells are able to reduce air pollution considerably whilst curtailing demand for fossil fuels.

Group platinum production



Refined platinum ounces indicated above have been rounded for illustrative purposes
** Ex-IRS*

Group overview

		2011	2010	Change	
Key financial performance					
Revenue	R million	**33 132**	25 446	30.2%	↑
Gross profit	R million	**11 642**	8 152	42.8%	↑
Profit from operations	R million	**10 097**	7 031	43.6%	↑
Profit for the year	R million	**6 724**	4 794	40.3%	↑
Headline earnings	cps	**1 105**	786	40.6%	↑
Dividends	cps	**570**	390	46.2%	↑
Gross profit margin	%	**35**	32	9.4%	↑
Unit cost per platinum ounce	R/Pt oz	**10 867**	10 089	7.7%	↑
Capital expenditure	R million	**5 540**	4 554	21.7%	↑
Cash net of debt	R million	**2 700**	1 730	56.0%	↑
Cash generated from operations	R million	**8 285**	5 918	40.0%	↑
Return on equity (ROE)	%	**15**	12	25.0%	↑

		2011	2010	Change	
Key non-financial performance					
Fatality injury frequency rate	pmhw*	**0.05**	0.12	56.6%	↓
Lost-time injury frequency rate	pmhw*	**4.94**	4.61	7.2%	↑
Total injury frequency rate	pmhw*	**13.47**	15.21	11.4%	↓
Employees (including contractors)	Number	**57 000**	54 000	5.6%	↑
Employee turnover	%	**8.3**	6.0	38.3%	↑
Energy consumption	(000GJ)	**18 222**	17 013	7.1%	↑
Water consumption	(000kℓ)	**41 868**	37 060	13.0%	↑
Total direct SO_2 emissions	tonnes/pa	**18 881**	16 926	11.6%	↑
Total CO_2 emissions	tonnes/pa (000)	**4 022**	3 755	7.1%	↑
Platinum production	Moz	**1 836**	1 741	5.5%	↑
Voluntary counselling and testing	Number	**14 072**	6 837	105.8%	↑

		2011	2010	Change	
Share performance					
Headline earnings per share	cents	**1 105**	786	40.6%	↑
Closing share price	R	**182**	180	1.1%	↑
Market capitalisation	R billion	**115**	114	0.9%	↑

** pmhw – per million man-hours worked.*

Operational overview

Impala

941 000

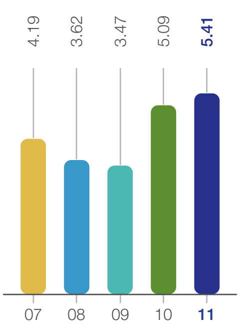
Refined platinum production (oz)

(2010: 871 000)

- Total number of employees: **46 700** (2010: 45 600)
- Cost/oz: **R10 801/Pt oz** (2010: R10 003/Pt oz)
- Capital expenditure: **R4 240 million** (2010: R3 435 million)

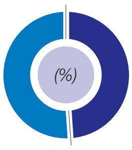
- FIFR improved to 0.06 (FY2010: 0.16)
- LTIFR deteriorated to 5.41 (FY2010: 5.09)
- Critical skills turnover increased by 50%
- SO_2 emissions increased by 74% (FY2010: 3 638 tonnes)
- 20 Shaft buildup delayed by one year

LTIFR
(per million man-hours worked) **5.41**



2010: 5.09
A deterioration of 6%

Contribution to Group's refined platinum production



Impala – 51%

Zimplats

182 000

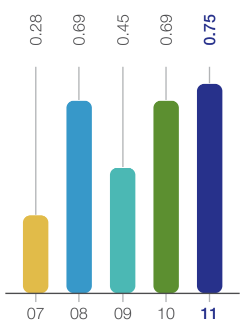
Platinum in matte production (oz)

(2010: 174 000)

- Total number of employees: **5 400** (2010: 3 700)
- Cost/oz: **R8 232/Pt oz** (2010: R7 614/Pt oz)
- Capital expenditure: **R840 million** (2010: R698 million)

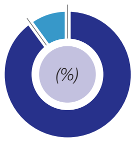
- No fatalities
- LTIFR deteriorated marginally to 0.75 (FY2010: 0.69)
- SO_2 emissions remain high at 12 100 tonnes (FY2010: 12 449 tonnes)
- Phase 2 expansion commenced

LTIFR
(per million man-hours worked) **0.75**



2010: 0.69
A deterioration of 9%

Contribution to Group's refined platinum production



Zimplats – 10%

Marula

71 000

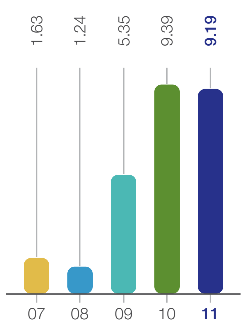
Platinum in concentrate production (oz)

(2010: 70 000)

- Total number of employees: **4 200** (2010: 4 000)
- Cost/oz: **R16 884/Pt oz** (2010: R14 208/Pt oz)
- Capital expenditure: **R242 million** (2010: R281 million)

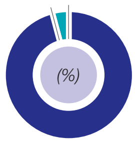
- No fatalities
- LTIFR improved marginally to 9.19 (FY2010: 9.39)
- Rightsizing of operation by aligning employee numbers to production levels
- Revised production targets limited to 70 000 ounces

LTIFR
(per million man-hours worked) **9.19**



2010: 9.39
An improvement of 2%

Contribution to Group's refined platinum production



Marula – 4%

Mimosa#

105 000

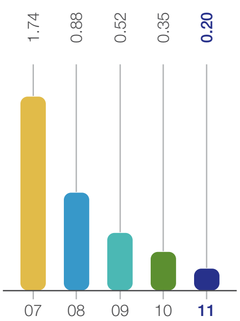
Platinum in concentrate production (oz)

(2010: 101 000)

- Total number of employees: **1 800** (2010: 1 800)
- Cost/oz: **R9 685/Pt oz** (2010: R9 018/Pt oz)
- Capital expenditure: **R372 million** (2010: R255 million)

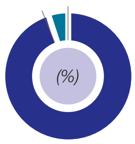
- FIFR deteriorated with one fatality recorded
- LTIFR improved to 0.20 (FY2010: 0.35)

LTIFR
(per million man-hours worked) **0.20**



2010: 0.35
An improvement of 43%

Contribution to Group's refined platinum production



■ Mimosa – 5%

 # Jointly controlled

Two Rivers*

145 000

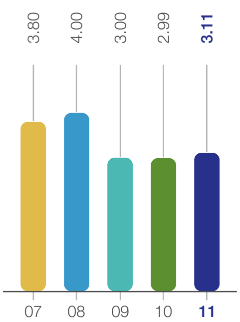
Platinum in concentrate production (oz)

(2010: 141 000)

- Total number of employees: **3 300** (2010: 2 700)
- Cost/oz: **R9 615/Pt oz** (2010: R8 467/Pt oz)
- Capital expenditure: **R280 million** (2010: R116 million)

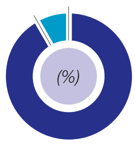
- Fatality-free performance
- LTIFR deteriorated to 3.11 (FY2010: 2.99)

LTIFR
(per million man-hours worked) **3.11**



2010: 2.99
A deterioration of 4%

Contribution to Group's refined platinum production



■ Two Rivers – 8%

** Not controlled*

IRS

895 000

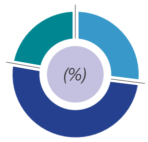
Refined platinum production (oz)

(2010: 870 000)

Two main areas of activity:

- Providing smelting and refining services through off-take agreements for Group companies (except Impala) and third parties
- Recycling and toll-treatment

Contribution to Group's refined platinum production



■ Mine-to-market treated by IRS – 27%
■ IRS – 22%

Chairman's statement

Dr Khotso Mokhele
Chairman

Dear Stakeholder

This year we present to you our second integrated report which provides an overview of financial indicators and includes our material strategic non-financial performance indicators in each area of our reporting, thereby providing a holistic view of our performance for the year. The improved level of transparency enables our shareholders and other stakeholders to fairly evaluate the year under review as well as the future strategic risks and opportunities that are inherent in the Group. Inculcating a culture of sustainable practice is critical to the future success of our business. I believe that there is a fundamental link between sustainable business practice, ethics, governance and the creation of long-term shareholder value. Sustained financial success ultimately relates to the integration of all these aspects. Safeguarding the success of our business therefore requires us to not only show achievement on our short-term performance measures but to focus on identifying, influencing and overcoming strategic challenges, which are likely to impact our business over the long term. Never before has the imperative for sustainability been more important than now.

Global markets remained volatile during the period under review. However, signs of a tentative recovery in the developed world, together with strong demand from emerging economies, underpinned an overall improvement in platinum prices during the year. Strengthening prices and increased production volumes resulted in a 30% rise in revenue. Furthermore our competitive position on the cost curve was maintained through both judicious management of absolute costs and an increase in production volumes, thereby containing the increase in the cost per platinum ounce to 8%. Headline earnings per share for the year rose 41% to R11.05. The balance sheet remained strong with net cash of R2.7 billion. Our gearing levels remained low due to our continued focus on cash conservation. The Board recommended a final dividend of 420 cents per share for the year, resulting in a total dividend of 570 cents per share, which represents a rise of 46% compared to the previous year.

The safety performance of the Group remains a disappointment to the Board, notwithstanding the world-class safety performance of the Zimbabwean operations (Zimplats and Mimosa) and improvements in many of the safety performance measurements in the South African operations. Notable amongst these improvements is the attainment of zero lost-time injury frequency rate (LTIFR) over a 12-month period at the 2 and 2A Shaft complex of our Rustenburg operations. As reported last year, the Group commissioned DuPont to assist us in understanding the impediments to embedding a culture in the Group that would make the workplace safe for all our employees and contractor employees. The DuPont report,

Critical to the long-term success of the Group is capital delivery on our growth projects which will ultimately bring us closer to achieving our target of over two million ounces of production per annum over the medium term.

which revealed weaknesses in some of the underlying assumptions that informed our safety strategy, served as the template for a better informed set of interventions which are designed to lead to significant improvement in our safety performance. I am saddened to report that, notwithstanding the new understanding of the mismatches between our strategic intent and our realities, the lost-time injury frequency rate in the Group still remains unacceptably high and that eight of our colleagues lost their lives while at work during the past year. On behalf of the Board, I express my sincere condolences to the relatives and friends of our deceased colleagues.

The Board Health, Safety and Environment Committee (HSE), as well as the Board as a whole, remain steadfast in their determination to ensure that a zero harm workplace environment is attained in all Implats operations. All accidents are preventable and to this end the Board has reinforced its stance to management on achieving a zero harm workplace.

Critical to the long-term success of the Group is capital delivery on our growth projects which will ultimately bring us closer to achieving our target of over two million ounces of production per annum over the medium term. The Phase 1 expansion at Zimplats has been successfully completed and has delivered its first year of full production. This success was achieved at the time when Zimbabwe was experiencing grave economic and political challenges, revealing tenacity in the management and workforce of the operations that was nothing short of inspirational. The Phase 2 expansion that is underway remains on track.

The production and resource constraints that are being experienced at the Impala Rustenburg operations as the older shafts reach the end of their life will be alleviated by the three new shafts currently under construction (20, 16 and 17). Progress on the 16 and 17 shafts has been generally satisfactory but the delay in production ramp up at 20 Shaft, the first among these three shafts to get to production, has been a major disappointment to the Board and a setback in terms of the operation achieving its million ounce per annum production profile within our original timetable of 2014. Restricted reef access and logistical constraints that were encountered during the year resulted in the ramp up on 20 Shaft being slower than originally forecast. The CEO and his management team appreciate fully the Board's anxieties and are committed to the challenge of delivering on all capital projects which are so crucial for the operations to reach the targeted production profile.

Another area of major disappointment to the Board has been performance at the Marula operation in terms of cost, safety and production. It became apparent during the course of the year under review that our original aspiration to ramp up production at this operation to 100 000 platinum ounces per annum by 2013 will not be attained due to the operation's incomplete infrastructure. The production target has thus been reduced to a more sustained level of 70 000 platinum ounces per annum to enable greater focus on the completion of the infrastructure. It is the expectation of the Board that this reduced production profile will be accompanied by significantly improved operating costs and safety. The Board will review its position regarding the future of this operation after a 24-month period.

Chairman's statement continued

The long-term sustainability of the business will require the availability of various skills sets that are needed to underpin a mining operation. The South African and Zimbabwean education and training systems are currently failing to deliver the quality and quantity of suitably skilled persons for the Group to renew and refresh its labour force. The Group, like all other major employers in these two countries, is thus forced to be resourceful and innovative in ensuring it is able to meet its labour and skills needs sustainably. Strategies to ensure a pipeline of skills and talent pool to draw from will be a critical priority over the medium to longer term in order to enable the Group to deliver on its short-term production and strategic growth targets.

The Group's skills challenges are further compounded by the high prevalence of HIV/AIDS within the economically active age group of 15 – 49 years in the South African population. The average infection rate for the mining industry according to the Chamber of Mines is estimated to be between 25% – 30%. The Group has already started to experience the economic impacts of HIV/AIDS through higher absenteeism and lower productivity at Impala Rustenburg. The worsening impact of HIV/AIDS will have to be managed by business in collaboration with government and other relevant stakeholders including employees and labour unions. More effective strategies will have to be developed to safeguard our human capital and ensure sustainable development of the business.

The Board and management of Implats remain excited by the challenge of building a sustainable business even at a time when investor sentiments are being adversely affected by the uncertain political and economic climate in Zimbabwe and increase in the nationalisation rhetoric in South Africa. We are quite conscious of the fact that both countries continue to grapple with serious socio-economic challenges whose origins are both historical and contemporary. A key feature in the modern understanding of the concept of sustainability is appreciation of the aspirations of the various stakeholders that affect or are affected by an entity. The leadership of the Group stands ready to engage with all relevant stakeholders in both Zimbabwe and South Africa to ensure that their legitimate aspirations are properly understood and, where appropriate and feasible, these aspirations are met. The significant capital investments that the Group is currently making in both the Zimbabwean and South African operations are to build a business that will be sustainable in the long term, enjoying full support from all of its major stakeholders. This conviction flows from our confidence that rational players engaged in what can at times be fairly emotive discourse will ensure an outcome that is in the best interests of the two nations in which the Group has major operations.

The Indigenisation Act in Zimbabwe that requires all foreign-owned businesses to meet a minimum indigenisation quota of 51% was gazetted during the year under review. The key objective of this policy is to enhance a greater level of economic participation amongst indigenous Zimbabweans. In this regard we have had ongoing discussions with the government of Zimbabwe. The cornerstone of our discussions have focused on encompassing broader and more sustainable principles of social upliftment, empowerment and equity in order to enhance the long-term wellbeing of the people of Zimbabwe. Our proposals to the government of Zimbabwe encompass previous agreements that we have reached with them and we remain confident that these agreements will be honoured. Social harmony and stability are the cornerstones of sustained economic growth and we are supportive of policies that will achieve this end.

Looking forward, we anticipate a rise in metal prices. Emerging markets are expected to continue to drive growth in platinum demand. The strong economic growth and rising incomes in these economies are expected to promote urbanisation and industrialisation. Projections indicate that potentially an additional two billion consumers are expected to be earning approximately \$6 000 to \$30 000 within the next two decades. As GDP per capita increases, so does an increase in demand for resources. Should this scenario unfold it will create very strong demand for production inputs such as base and precious metals. The improved metal pricing will serve as a strong fundamental underpin for the Group. Implats therefore remains well placed to continue to deliver long-term value for our shareholders.

The Board remains steadfast in ensuring that the highest level of governance is observed within the Group. During the year, the new Companies Act came into effect. The Board confirms its commitment to the implementation of and compliance with the new Act.

The Group is currently in the process of conducting a gap analysis to determine the requirements of the new Act and related regulations against current practices and will be in a position to report more fully on our compliance in the Integrated Annual Report for 2012. Good governance is vital to achieving sustainable growth and is a lead indicator of enhanced long-term shareholder value. As a Board we are therefore committed to fostering a culture of ethical values, integrity and governance within our Company.

I extend thanks and appreciation to my fellow Board members who have provided valuable guidance over the past year. During the year under review, pursuant to my previous communication to shareholders, Les Paton has retired and Dawn Earp has resigned as executive directors of the Board. I wish them well and thank them for their contribution to the Board. I also announce the retirement of Vivienne Mennell, who will not stand for re-election at the upcoming Annual General Meeting. Vivienne has served the Group as an executive and non-executive director over a total of 18 years. I extend my personal gratitude to her for her long-standing, exemplary years of service and dedication to the Group. On behalf of the Board I also welcome the appointments of Hugh Cameron, Mandla Gantsho, Babalwa Ngonyama and Brenda Berlin.

In closing, I would like to thank our CEO David Brown, his management team and all employees of the Group whose dedication and hard work throughout the year has enabled us to deliver a solid set of results. I look forward to a successful year ahead.

Dr Khotso Mokhele
Chairman

Chief Executive Officer's review

David Brown
Chief Executive Officer

Dear Stakeholder

Financial year 2011 was a positive year for the Group. The Group delivered a solid operational and financial performance. We improved our gross production supported by our Rustenburg and Zimplats operations achieving their targets. Costs were reasonably controlled given the cost inflation experienced by the industry. Enhancing the solid operational performance were improved metals demand and US Dollar pricing environments, which resulted in platinum averaging $1 700 for the year under review. This favourable pricing environment was dampened by the appreciation of the Rand against the US Dollar.

I am encouraged by the Group's performance; the delivery on factors within our control is testament to the dedication and focus of our employees on enhancing value to shareholders over time. We, however, cannot claim true success until we have eliminated fatalities and other injuries in our working environment. It is with great sadness and regret that I report that eight employees lost their lives while at work during the year. On behalf of the Group I extend my sincere condolences to the families and friends of these team members.

While we have made progress in our safety as shown by the 57% improvement in our fatality injury frequency rate, regrettably our objective of zero lost-time injuries by 2012 will not be achieved for the Group as a whole. Our lost-time injury frequency rate has shown a 7% deterioration from FY2010. However, we will be aiming to increase the number of individual operating units that will achieve this goal going forward. Safety is the number one priority for the Group and we remain committed to achieving zero harm in the workplace.

We have resolved to step up efforts in two areas. The first area involves closing the supervision gap by focusing on leadership training. A number of initiatives were put in place to ensure that all supervisory staff received adequate training and are empowered in this regard. As part of this empowerment we hold accountable all supervisory and management staff to ensure that compliance with our standards is taking place on a continuous basis. The second area is ensuring compliance to the Group's defined safety standards and procedures by changing the safety culture, focusing on behaviour observation, reward and communication.

Safety will remain a key challenge for the mining industry in South Africa. Whilst there have been significant improvements in safety over the years, the industry as a whole has to do more in order to attain world-class standards and performance. Better co-operation between industry, the unions and government will go a long way in achieving this end. I firmly believe

All our operations with the exception of Marula delivered on their key financial and operational metrics during the year under review when compared to the previous financial year.

that this tripartite alliance will play a pivotal role in improving safety performance across the industry.

Operational and financial review

All our operations with the exception of Marula delivered on their key financial and operational metrics during the year under review when compared to the previous financial year.

Gross platinum production rose 5.5% to 1.836 million ounces. The Rustenburg operation increased production by 8.0% to 941 200 ounces compared to the lower levels achieved in FY2010, which brings the operation back in line with its planned production levels. We saw a 4.7% improvement in production at our Zimplats operation to 182 100 ounces as the Phase 1 project delivered its anticipated output. These increases, in conjunction with additional material treated for Lonmin, contributed to the overall improvement in production.

Impala Rustenburg produced a solid operating performance despite the ongoing challenges of a lack of mining flexibility. Mining flexibility remains a key issue due to a combination of the later than expected delivery of the new shafts in conjunction with lower than planned development in prior years. These constraints will remain until the three new shafts (20, 16 and 17 Shafts) ramp up to full production. The first of these new shafts to deliver will be 20 Shaft. There have been several delays at 20 Shaft due to a number of factors, including:

- Underperformance on the original planning parameters
- Worse than expected ground conditions which, in the interest of safety, necessitated concurrent support and mining functions. This adversely affected the time required to complete the mining cycle
- Major delays in completion of the shaft infrastructure due to congestion.

First reef production commenced during the year but it became apparent that continued production would compete with the project development.

Consequently, it was decided to delay the project ramp-up by 12 months, resulting in 26 000 ounces of platinum planned for FY2012 being deferred to FY2013.

At 16 Shaft the main shaft infrastructure remains critical to the commencement of production. Unplanned rope changes and time to complete sinking to the shaft bottom resulted in a six-month delay. First production is now anticipated in 2014.

Progress on 17 Shaft remains on track and first production is expected in FY2017.

The performance at the Marula operation remained unsatisfactory. During the year we undertook a strategic review and concluded that the key reason for Marula's under-performance, in attempting to ramp up to its production target of 100 000 ounces of platinum per annum, was the operation's underperformance against its targeted operating parameters due to incomplete infrastructure. It was therefore decided to revise the targeted production profile of the operation to a more sustainable rate of 70 000 ounces of platinum per annum, until planned infrastructure is completed. Once the infrastructure is completed, we will be able to assess what

Chief Executive Officer's review continued

profile is possible in the medium to longer term. The revised production plan has resulted in staff reductions at the operation and in this regard we engaged with the unions in terms of the section 189 process to downsize the workforce; this process has been successfully completed. In addition to allowing infrastructure completion, the revised plan will also reduce operating and capital costs.

Zimplats and Mimosa produced world-class safety records and strong operational performances. Zimplats, following the successful completion of the Phase 1 expansion in FY2010, delivered its first full year of production and is operating at optimal levels. The Phase 2 expansion is well underway and will increase production to 270 000 ounces of platinum per annum by 2014. A key area of focus for the year ahead at both our Zimbabwean operations is cost control with unit cost being impacted by US Dollar-denominated cost inflation which continues to rise, largely as a result of higher wages and power cost.

The Two Rivers operation, which is our joint venture with African Rainbow Minerals, recorded a 3.1% rise in production to 145 300 ounces. This operation remains very profitable and delivered a commendable set of results.

Impala Refining Services refined platinum production improved by 2.9% to 895 100 ounces. The higher production was buoyed by an increase in material received from the Group's mine-to-market operations and by additional toll refining on behalf of Lonmin. Third-party purchase contract deliveries were unchanged compared to the prior financial year.

Revenue for the year rose 30% to R33 132 million compared to the previous financial year, with higher average US$ metal prices and the increase in gross production offsetting the impact of the stronger Rand.

Gross profit margins improved to 35% from 32% in FY2010.

Unit costs per platinum ounce benefited from the rise in production and reasonable cost control throughout the Group. Unit costs increased by 7.7% to R10 867 despite the significant ongoing inflationary pressure experienced during the year. If we 'normalised' FY2010 by adding back the impact of the stoppages at 14 Shaft, the subsequent mining layout changes and the two week industrial action then group unit cost would have risen by 13%.

Headline earnings per share improved by 41% to R11.05 compared to R7.86 in FY2010.

The dividend for the full year represents a 46% increase over FY2010.

The Group's balance sheet remains strong with a net cash balance of R2.7 billion representing a 56% increase on the previous financial period due to a reduction in cash from changes in working capital.

Material sustainability issues

Mining as an industry is pivotal to meeting the rising demand for commodities. The extraction of minerals renders an impact on not just the environment, but also from a social and economic perspective. The challenge for companies who operate in this industry is to ensure that they are able to integrate into their conventional business strategy and practice, a framework for sustainable development. This requires the implementation of sound risk processes to identify material issues that could have an impact on the long-term sustainability of the business as well as implementing proactive strategies to manage these risks.

For the year under review, the material sustainable development issues that have been identified through our risk processes are the following:

Safety: Safety is a key material risk for the Group. We are committed to our vision of zero harm within the work environment. Safety at our Impala Rustenburg operation remains a particular concern as this mine accounted for seven of the eight fatalities incurred by the Group. Several initiatives have therefore been undertaken during the year, that have resulted in a refocus of our safety strategy.

Skills attraction and retention: We continue to experience a shortage in certain critical skills, at both our Southern African and Zimbabwe operations. Key challenges we face include high employee turnover due to an ageing and ailing workforce, increased competition for skilled resources and inadequate education in our semi-skilled talent pool. In Zimbabwe the situation is exacerbated by the socio-political climate. Our focus will remain on critical skills development over the next few years as well as improving our retention and reward practices.

Employee health: The prevalence of HIV with associated tuberculosis (TB) within the Southern African environment is a serious issue for the Group. It is estimated that approximately 25% – 30% of the mining workforce in South Africa has contracted HIV/AIDS. The challenging nature of mining necessitates a workforce that is physically fit and mentally alert. In employees who are suffering from debilitating illnesses such as HIV/AIDS, this is often compromised, impacting negatively on safety and productivity. In this regard, there has been a steady increase in absenteeism and medical incapacitations with Aids-related deaths in service remaining relatively high at our operations, specifically at Impala Rustenburg. Our approach to managing this pandemic has focused on preventative education and treatment post-infection, including antiretroviral therapy (ART) and implementing holistic wellness programmes to promote a healthier lifestyle.

Water availability and consumption: Our operations are dependent on the availability of water, which is a scarce resource. A Group-wide water conservation strategy was developed during the year, which integrated the responsible management of water into our core business operations. We are currently investigating means to reduce our absolute water intake and increase recycled water usage; thereby reducing our fresh water usage. As an industry we have experienced great difficulty with obtaining new water usage licences and we have appealed to the Department of Water Affairs to ensure that these new water licences are granted as soon as possible.

Energy consumption: Security of supply and pricing are material risks for the Group, given our substantial operational energy requirements. Our electricity consumption is expected to grow as our mines deepen and extend further away from the shafts. In the absence of new supply from Eskom in South Africa this risk is expected to persist. Our strategy on power is primarily focused on improving efficiencies rather than reducing absolute consumption due to greater depths of mining and rising production volumes. Opportunities to reduce energy usage at our refineries and smelters are limited. Our new shafts (20, 16 and 17) have even been designed to be energy efficient and we have ongoing energy-saving initiatives at our mining operations such as installing efficient heat pump technology, improved insulation systems to conserve heat and the use of solar energy systems. We anticipate the supply risk persisting through to 2013.

Emissions to atmosphere: Mining is classified as a high impact industry on the environment. Sulphur and carbon dioxide emission activities are the most significant environmental impacts brought on by our smelting and mining activities. Our overall strategy is to minimise the impact that our business has on the environment. During the year a comprehensive review of the Group's current and projected carbon footprint was undertaken. Our reliance on energy supplied by Eskom, from coal-fired power stations, has resulted in indirect emissions contributing to a significant 89% of our carbon footprint. There is limited scope for the Group to reduce its carbon footprint, as it will largely be determined by the change in government's energy mix over time. We have focused and will continue to focus on reducing and optimising our energy use and improving our energy efficiency in the medium term. Over

Chief Executive Officer's review continued

the longer term we are investigating the use of carbon-neutral biomass to replace the use of coal.

Political risk and society: We are very aware that as a Group we need to ensure that we are able to maintain both our legal and social licence to operate. Understanding and complying with the legal requirements of the countries we operate in, forms an integral part of our business strategy.

In South Africa we have already made great strides in complying with the Mining Charter, which was promulgated in 2004. The review of the Mining Charter in 2010 has incorporated sustainability and environmental responsibility in addition to empowerment of historically disadvantaged South Africans (HDSAs) which remains at its core. We are fully committed to ensuring compliance with the reviewed Charter as well as supporting transformation in South Africa. Our progress on these initiatives can be reviewed in greater detail on page 32.

During the year, there was much rhetoric surrounding the ANC Youth League's call for the nationalisation of mines and banks as a means to enable economic transformation for historically disadvantaged citizens. Nationalisation is not the policy of the government of South Africa. The reality is that in a country where there is large-scale abject poverty and unemployment, such debate is likely to continue. Economic transformation through initiatives such as the Mining Charter is imperative for the long-term success and stability of the country. We believe that it is the responsibility of all companies within the mining industry to meet the Mining Charter requirements. Private sector partnership that supports the government to achieve its goals of economic growth and job creation will achieve long-term success for the country.

In Zimbabwe, the legislation on the amended indigenisation and economic empowerment regulations requiring all foreign-owned businesses to meet a minimum indigenisation quota of 51% was gazetted on 25 March 2011. We have no objection to the principle of equity ownership, as we have already demonstrated in our compliance to the South African Mining Charter. Our preferred route regarding equity ownership is the involvement of our staff and the communities we operate in. We remain confident that the plans put forth, which incorporate agreements concluded with the government of Zimbabwe for indigenisation credits in exchange for mining rights returned to government, and social spend will ensure an acceptable outcome.

We believe that a sustainable solution to the issue of wealth redistribution needs to take cognisance of the balance between risk and returns. An optimal solution will not be achieved by focusing solely on short-term gains. Mining requires taking a long-term view as building a successful industry involves the investment of significant capital over time. Zimbabwe therefore needs to attract foreign direct investment through the implementation of sound economic policies. A stable investment climate would encourage us to invest and significantly expand our operations in Zimbabwe. This will reap multiple benefits not just for the Group but also for the government and its citizens for years to come.

Strategic focus areas for the year ahead

Safety at work: We are committed to our vision of zero harm within the working environment. Safety is the top priority for the Group. Our aim is to focus on compliance and fostering a culture where safety is a priority for all employees and where there is an intolerance towards unsafe work practices and behaviour.

Delivery on capital projects: Ensuring that our capital projects are delivered on time and on budget. In South Africa the ramp up in production for 20, 16 and 17 Shafts is critical to restoring the shortfall in production at Impala Rustenburg. In Zimbabwe the Phase 2 expansion at Zimplats from 180 000 ounces to 270 000 ounces of platinum per annum will support our growth aspirations to over 2.0 million ounces of platinum per annum by 2014.

Maintaining cost leadership: Maintaining our competitive position on the cost curve through rigorous cost management. We have two areas of focus. The first is absolute cost management by ensuring that we optimise usage of consumables and the implementation of cost-effective purchasing decisions for procurement of goods and services. The second area of focus is improving efficiencies through higher productivity, capital delivery on projects and infrastructure optimisation.

Strong balance sheet: The global markets, post the 2009 financial crisis remain volatile and developed markets are yet to show signs of a sustained recovery. In light of this we will continue to manage our balance sheet prudently by simultaneously ensuring that we maintain a balance between investment and returns to shareholders.

Prospects

Looking forward, we note that a consumer-led recovery should continue off the lows reached during 2009. While growth was tempered during the last quarter of the financial year by the negative impacts of the Japanese disaster, slower than expected growth in the US and China, and high oil prices, we expect that pent-up demand will resurface towards the latter part of 2011 and continue into 2012.

Macro-economic forces remain the prime driver of global growth, with the upcoming period expected to be challenging in light of systemic changes to the global financial system. The European debt problems are worsening and will probably reach its nadir in 2012. Fiscal retrenchment, austerity measures and financial rehabilitation are the "buzzwords" that we believe will increasingly come to the fore once the USA is weaned off the Quantitative Easing emergency lifeline. We expect however, that China should be emerging from its monetary tightening phase at about the same time, thereby allowing for some counterbalance at the macroeconomic level.

While broad economic recovery will continue, we do not expect to see a continuation of the supercharged GDP growth, as was the case over the previous decade. We expect that emerging markets will increasingly fill the void resulting in a continuation of growth in PGM demand from all sectors.

Over the longer term, our internal research indicates that emerging market growth will translate into accelerating demand deficits into the 20-year horizon leading to increasingly complex business environments and rapid development of technological innovation. In positioning Implats to continue delivering shareholder value within the forecast environment, we are strengthening our intelligence-gathering network better to inform our long-term strategy.

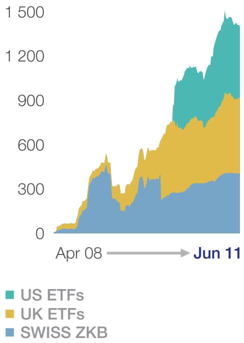
Finally, I want to take this opportunity to thank our employees, Board and other stakeholders for their dedicated effort throughout the year. Our operational performance for the year is in line with our vision to be the world's best platinum-producing company.

The year ahead will not be without its challenges. I look forward to improving our safety performance at work, maintaining our position as a low cost, quality, platinum producer and delivering on our growth strategy. With dedication, discipline and value-based leadership we can achieve this end and build long-term sustainable value for all our stakeholders.

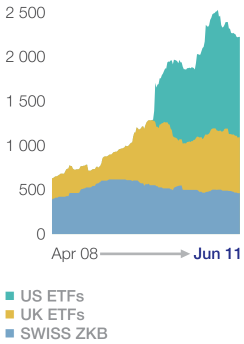
David Brown
Chief Executive Officer

Market review

Platinum ETF investment
(000) oz



Palladium ETF investment
(000) oz



The global macro-economy showed tentative signs of recovery in late 2009 and throughout 2010, following the world economic crisis of 2008. Developed markets have remained under pressure while emerging markets such as China and India continued to demonstrate strong growth rates. The automotive industry as a result recovered dramatically during the past year. Light and heavy-duty vehicle production, which had fallen to around 65 million units in 2009, rebounded to exceed 81 million units in 2010. China once again cemented its position as the world's largest vehicle market with passenger car sales growing beyond the 13 million level for the first time; 32% higher than 2009 and more than double the figure for 2008. Despite these positive developments in the vehicle market during the past year, it was physical investment demand in metal commodities that pushed overall average prices to new highs. The launch of the US platinum and palladium Equity Traded Funds (ETFs) at the beginning of the year saw a massive uptake of physical metal into these products.

Platinum

There was renewed optimism in the metals market following the announced launch of the US based ETFs for both platinum and palladium. Prices for platinum climbed throughout the financial year from just over \$1 500 per ounce to end at approximately \$1 800 per ounce, leaving an average for the year of \$1 610 – 34% higher than the prior year. A major sell off during the annual Platinum Week activities in May, due to renewed economic fears interrupted this rising price trend, but this soon reasserted itself as the US decision to launch Quantitative Easing 2 (QE2) in the midst of a slow economic recovery, triggered increased investment demand for commodities.

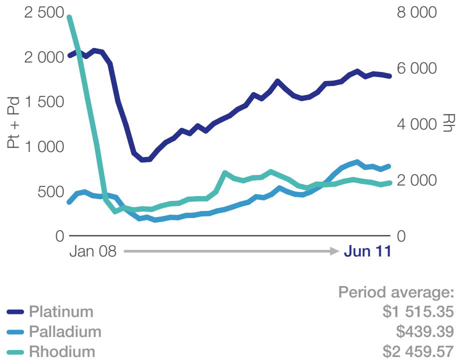
In the automotive markets, a significant recovery in worldwide production and sales stimulated increased usage of PGMs. The recovery of the diesel market share in Europe, which resulted in diesel engine sales once again exceeding those of petrol engines, was particularly beneficial to platinum demand. European platinum usage as a result grew by nearly 50% over the prior year.

Notwithstanding the emergence of China as the world's largest vehicle market and production facility, and the restoration of US vehicle inventories to more normal levels, total platinum usage in the automotive sector still fell short of 2007 levels. Encouragingly usage exceeded 3 million ounces once again, supported also by increased fitment of catalysts in heavy duty applications. Government incentives offered in China – which ended at the end of 2010, have clearly had a beneficial effect for the year but may as a consequence dampen sales for 2011.

The uncertain macro-economic environment stimulated a flurry of activity into physical and paper investment products, with the US-based platinum ETF adding half a million ounces during the year. This substantial rise in investment demand had a greater influence on prices for the year than fundamental activity.

Sustained higher platinum prices throughout 2010 resulted in significantly reduced Chinese jewellery demand. This has been, in part, due to the strong retail performance and high levels of inventory build in 2009, which at the time provided great support to the platinum market. It should be noted that the price tolerance of the Chinese people is rising all the time, which is a very encouraging development.

Price graph
(US\$ monthly average)



World vehicle production

Million	2008	2009	2010	2011 Forecast
Asia	32.3	32.5	41.7	**42.3**
Western Europe	16.2	12.9	14.7	**15.0**
North America	13.3	9.0	12.5	**13.6**
East Europe	6.7	5.0	6.1	**6.7**
South America	4.1	3.9	4.4	**4.9**
Other	1.7	1.7	2.0	**2.3**
Total	**74.3**	**65.0**	**81.4**	**84.8**

Palladium

Palladium prices began the year at just above $400 per ounce and hit a high of $797, a level not seen since 2001. Prices averaged $525 per ounce for the year, which is double the price achieved for 2009.

The fundamental driver of the palladium price has been the dramatic rise in vehicle production in Asia and continued production increases in the US, both of which are gasoline markets and carry predominantly palladium catalysts. This drove usage for the year beyond the five million ounce level. Increased substitution of platinum by palladium in diesel applications added further demand for this metal.

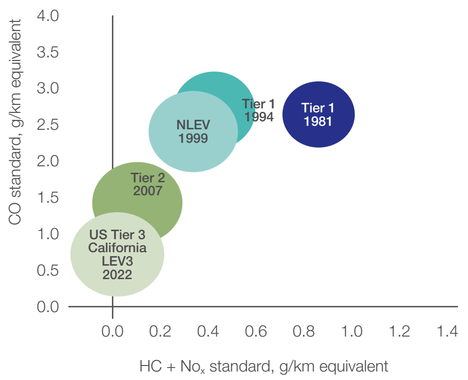
Investment demand also increased during the year and this, in combination, with the launch of the US ETF for palladium resulted in an additional million ounces of demand, providing further impetus to the rising price. The probable end to Russian destocking of palladium, which has added roughly one million ounces per year for the last six years, has also benefited sentiment in this market.

Rhodium

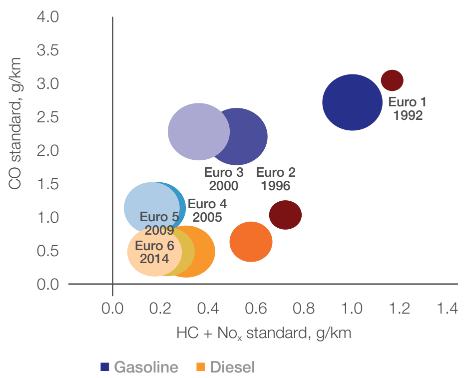
In comparison to both platinum and palladium, fluctuations in the price of rhodium have been more modest, as the increase in demand on the back of growing automotive production was met by adequate supplies of the metal. The average price for the year was over $2 400, approximately $800 higher than the previous period reflecting the rebound in vehicle build.

Market review continued

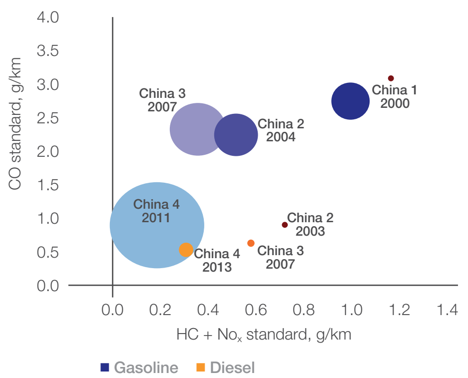
Vehicle sales and emission standards – United States
Key Regions, 1980 to 2015

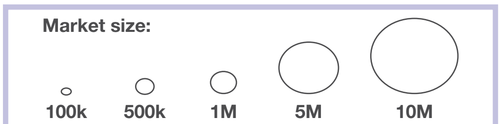


Vehicle sales and emission standards – European Union
Key Regions, 1980 to 2015



Vehicle sales and emission standards – China
Key Regions, 1980 to 2015

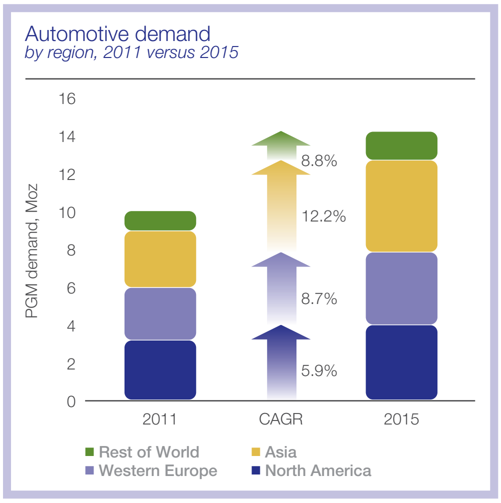




Outlook

Despite the recovery in metal prices experienced during 2010, the current and future environment is not without its challenges. 2011 has seen the re-emergence of EU debt concerns and austerity measures undertaken by government are expected to dampen demand for goods and services in large parts of Europe. The US is also showing little sign of recovery with rising debt and stubbornly high unemployment. These challenges along with persistently higher oil prices and the threat of inflation will continue to exert a negative influence on the prospects of further economic recovery.

Notwithstanding the macro challenges faced by the developed economies, the resilience displayed in emerging markets, particularly the Brazil, Russia, India, China (BRIC) economies, should continue to drive demand for all commodities. Whilst efforts to cool China's economy have proven successful, this region could be re-stimulated given the massive infrastructural programme envisaged over the next five to ten years and the risk of social unrest in a weakening economy. Pent up demand for vehicles is growing in all regions of China and the developing world and expectations are that this demand will only begin to be satisfied during the next five years. Growing vehicle demand in emerging economies and tighter emission legislation throughout the world is, therefore, likely to underpin strong fundamental demand for PGMs in the medium term. Efforts by the Chinese authorities to limit new car registrations in some cities to curb both congestion and pollution may impact on demand for new vehicles, but the inclusion of emission control devices in heavy duty and off-road vehicles should more than compensate.



This forecast growth in demand, particularly for palladium, is likely to be confronted by serious metal deficits as the growth in recycled and newly mined metal proves insufficient to compensate for the end of Russian destocking.

Numerous challenges facing the South African PGM producers will require of management a huge effort to ensure sufficient supply of these metals are available to meet the world's growing demand for them.

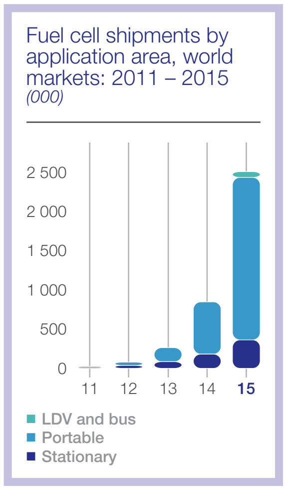
Fuel cells review 2011

With the world's attention focused on climate change and reducing its dependence on fossil fuels and CO_2 emissions, fuel cells appear to be back on the radar screen after many years in the shadows. Although currently a small contributor to energy generation when compared to other technologies, the anticipated growth path to the 2017 horizon is projected to be exponential. The current story of fuel cells is all about a robust and clean contributor to the energy mix of the future. While the different fuel cell technologies advance simultaneously, it is the polymer electrolyte membrane (PEM) fuel cell that is the most important to the PGM industry as they utilise PGMs exclusively, consuming about 20 000 ounces in 2010.

More than 90% of units shipped last year, were low temperature PEM fuel cells and direct methanol fuel cells (DMFCs). In terms of Megawatt (MW) shipped, PEM fuel cells make up about 43 MW of the total 90 MW shipped overall. About 15 000 fuel cell units were shipped in 2010, logging a compounded annual growth rate of 27% since 2008. Approximately 70% of this growth was recorded in the stationary fuel cell market.

The US, Japan, Germany and South Korea dominate world markets overall, with PEM fuel cell manufacturers primarily based in the US and Japan. The forecast projects exponential growth expanding beyond the two million unit mark by 2015. Growth in the initial years is driven primarily by the stationary and portable sectors. Strong growth in fuel cell vehicles emerges by 2015, boosting the transport fuel cell sector. Significant resources are being directed at reducing PGM loadings, with nanotechnology expected to play a vital role in reducing the amount of platinum per fuel cell unit, helping to make fuel cells commercially viable. The reduction of the overall cost of a fuel cell system as well as hydrogen supply infrastructure is gaining momentum.

Sales of fuel cells in Japan for residential heat and power generation rose by 60% on a year-on-year basis after the March 2011 earthquake. A subsidy granted by the government to sustain purchases over the fiscal year was completely used within three months. Overall, PGMs are expected to maintain their edge over competing materials. With the pace of fuel cell adoption expected to rapidly increase over the intervening period, we are confident that a new era of industrial PGM demand is dawning.



Market review continued

(000 toz)	2007	2008	2009	2010	Forecast 2011	Forecast 2012
Platinum supply/demand balances						
Demand						
Automobile	4 080	3 830	2 950	3 270	3 630	4 070
Jewellery	1 545	1 355	2 410	2 160	2 180	2 270
Industrial	1 850	1 755	1 230	1 695	1 725	1 780
Investment	170	425	650	650	250	150
Total demand	7 645	7 365	7 240	7 775	7 785	8 270
Supply						
South Africa	5 185	4 485	4 580	4 735	4 740	4 970
North America	350	330	260	230	360	370
Other	280	745	665	1 015	840	880
Recycle	925	970	850	1 020	1 100	1 130
Russian sales	800	800	775	800	790	785
Total supply	7 540	7 330	7 130	7 800	7 830	8 135
Balance	(105)	(35)	(110)	25	45	(135)

(000 toz)	2007	2008	2009	2010	Forecast 2011	Forecast 2012
Palladium supply/demand balances						
Demand						
Automobile	5 075	4 940	4 170	5 200	5 510	6 100
Industrial	3 305	3 620	3 365	3 155	3 220	3 150
Investment				1 055	200	200
Total demand	8 380	8 560	7 535	9 410	8 930	9 450
Supply						
South Africa	2 670	2 355	2 472	2 530	2 635	2 735
North America	980	870	655	665	865	930
Other	287	310	1 287	1 360	645	665
Recycle	928	1 085	986	1 370	1 530	1 800
Russian sales (production from 2009)	4 250	3 750	2 805	2 850	2 850	2 750
Total supply	9 115	8 370	8 205	8 775	8 525	8 880
Balance	735	(190)	670	(635)	(405)	(570)

(000 toz)	2007	2008	2009	2010	Forecast 2011	2012
Rhodium supply/demand balances						
Demand						
Automobile	845	759	682	750	**810**	**880**
Industrial	150	136	113	150	**170**	**180**
Total demand	995	895	795	900	**980**	**1 060**
Supply						
South Africa	665	580	640	650	**670**	**710**
North America	20	20	10	15	**20**	**20**
Other	20	15	25	25	**30**	**30**
Recycle	205	220	185	230	**240**	**260**
Russian sales	70	70	65	70	**70**	**65**
Total supply	980	905	925	990	**1 030**	**1 085**
Balance	(15)	10	130	90	**50**	**25**

A framework for sustainable development

Mining as an industry is pivotal to meeting the rising demand for commodities. The extraction of minerals however renders an impact on not just the environment, but from a social and economic perspective. The challenge for companies who operate in this industry is to ensure that they are able to integrate into their conventional business strategy and practice a framework for sustainable development.

Abridged sustainability review

The following section covers key highlights of the Group's sustainable development review for the year.

Introduction

To create and sustain business value we need to be able to:

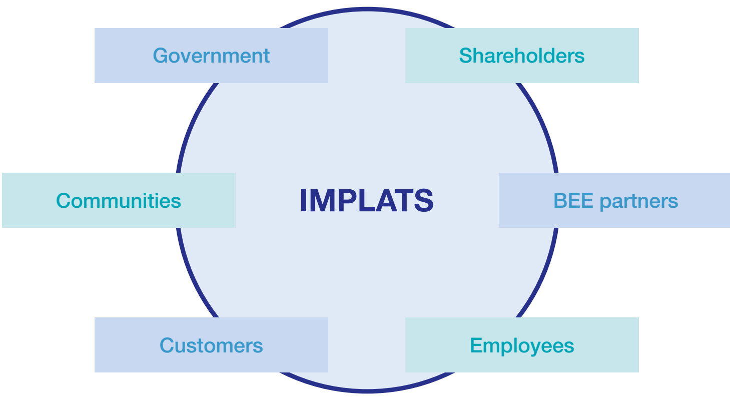
- **Build positive relationships with our key stakeholders**
- **Understand and mitigate our business risks**
- **Understand our material sustainability business drivers**
- **Create opportunities where possible in each one of these spheres**

Engaging with stakeholders

Implats has a range of stakeholders who either have a direct interest in the organisation or are affected by its activities. Various structures are in place to facilitate dialogue with both internal and external stakeholders.

During the year under review a process was put in place to identify and to prioritise those stakeholders that are significantly impacted by our business activities and those who also have influence over the long-term viability of the Group. This process was undertaken by the Sustainable Development department with final approval and endorsement of the findings by the Executive Committee (EXCOM).

While the Group recognises that all stakeholders are important, the outcome of the review process identified key strategic relationships with the following stakeholders:



To view the Sustainable Development Report, please visit our website at: www.implats.co.za

The material issues raised by these and other stakeholders during the year under review are available in the Sustainable Development Report.

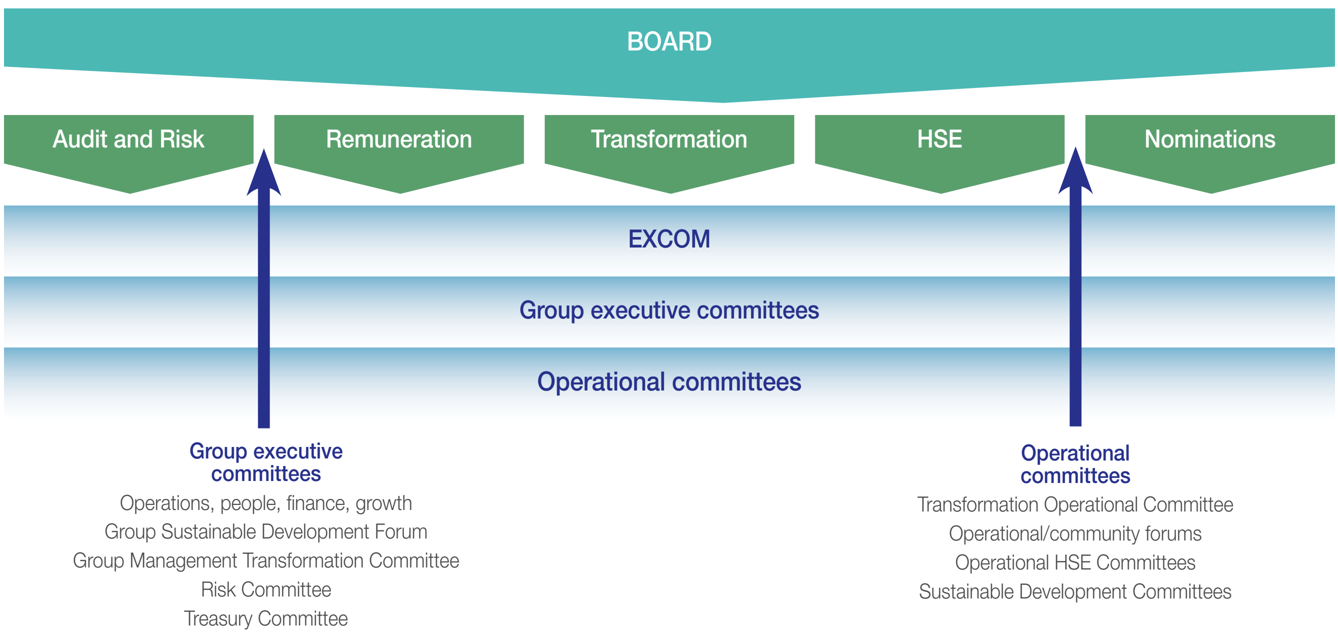
Approach and accountability for Sustainable Development

The Group has established operational committees, forums and structures that report to the EXCOM, and to the Board directly or through various Board sub-committees. These committees are tasked with implementing strategic imperatives, identifying material issues relevant to that discipline, mitigating such risks, and where relevant bringing these to the attention of the EXCOM and ultimately to the Board.

Sustainability objectives form part of the key performance indicators of management and the executives. The Sustainable Development Forum is responsible for ensuring the implementation of strategies relating to sustainability, overseeing the overall performance of the Group's non-financial indicators and lending support to the Board's Health, Safety and Environmental (HSE) Committee, Transformation Forum and the Audit and Risk Committee through the EXCOM. The Sustainable Development Forum consists of Group executives from each discipline who provide input and review performance on a quarterly basis.

Details of the Board sub-committees are discussed under the Governance section in this report.

Accountability



Our sustainability footprint

South Africa produces approximately 75% of the world's platinum, with Implats being the second largest producer in the world. The Group thus has the potential to have a significant impact on global PGM markets, which underlines the importance of ensuring the business is sustainable over the long term.

Mining is a highly complex and technical process that involves the extraction and processing of non-renewable natural resources which can impact on the environment in a number of ways. By its very nature mining presents significant and often complex sustainability challenges, which are fundamental to the long-term success of the business.

Abridged sustainability review continued

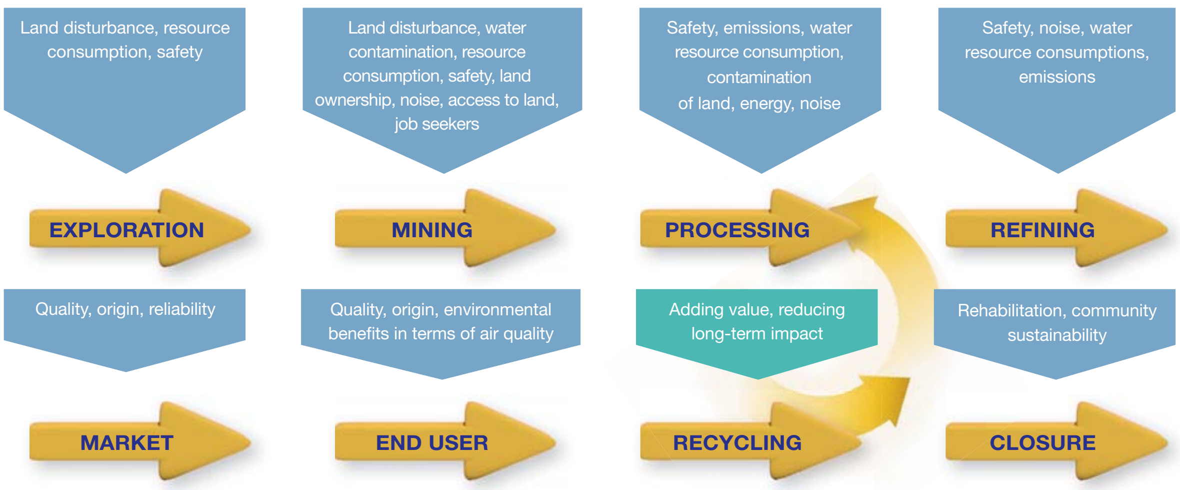
The Group's impact and risk assessments span the entire mining value chain, from exploration to the final sale of product, taking into account all environmental, health, safety, social and financial impacts. While Implats does not control the products it produces throughout their lifecycle, it continuously ensures the safe delivery and recycling of some material from spent catalysts and other redundant industrial products.

Our impact relates to:
- **Environmental issues** – The protection of ecosystems and managing the impact on surrounding communities through proactive water, air, noise, land and waste management
- **Social issues** – That arise as a consequence of the Group's operating activities and the sourcing of labour both locally and from various provinces and countries. Despite the measures that are put in place to preserve human life, the risk of mining can negatively affect our employees, their families and the communities from which they come, through the loss or injury of a family member or bread winner
- **Economically** – Through the loss of income through mining activities on land that would otherwise be available for subsistence farming or other sources of alternate income.

The positive contributions made by the mining industry include:
- Employment and job creation
- The contribution of mining to the economic development of host communities and areas from which labour is drawn
- Social upliftment programmes and infrastructure development in the form of schools, clinics, and roads
- Working with government to ensure delivery to communities
- The use of our metals in technological advancements and emission control
- Establishment of family housing and access to finance to secure homes
- Contribution to the fiscus through the payment of taxes.

Our approach to managing these sustainability issues begins with the business strategic risk analysis.

Sustainability footprint



In the first stages of the PGM process, impacts centre on environmental and social aspects. Once products reach market, the issue becomes quality and eco-friendliness.

Strategic risks

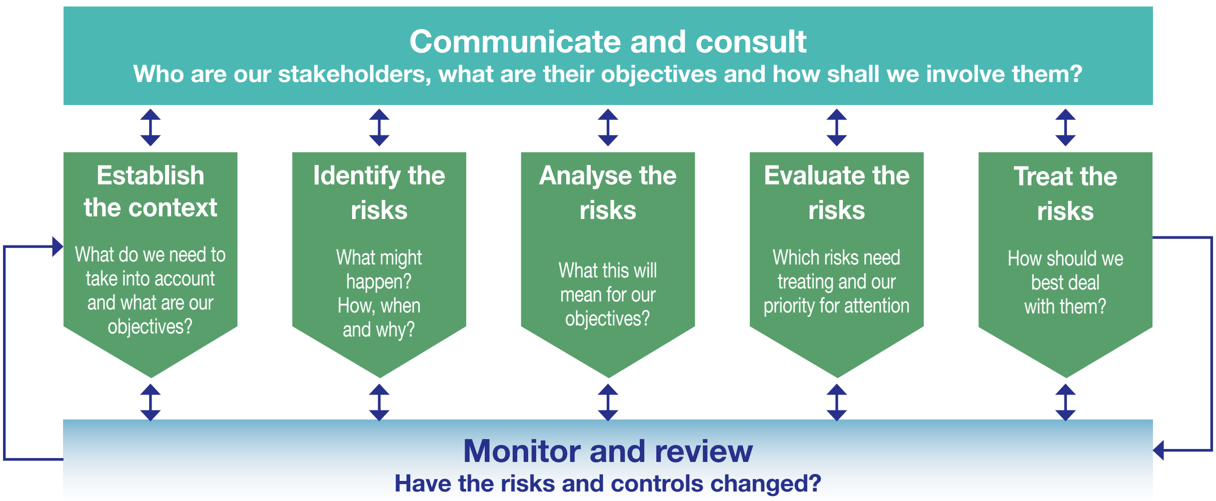
Implats' risk management sets out to achieve an appropriate balance between reward and the risks associated with any business activity.

Our approach to risk management is consistent with the definition of risk, as stated by the global risk management standard, ISO 31000:2009: "effect of uncertainty on objectives". This creates a clear link with strategic objectives and therefore requires an objective-based approach. Our aim is to continue to embed a risk management approach throughout the Group's business-related activities. Success in this process will result in the following outcomes:

- The Board and senior managers can make informed decisions regarding the trade-off between risk and reward
- Strategic growth opportunities can be pursued with greater speed, robustness and confidence for the benefit of Implats and its shareholders
- All stakeholders can have greater confidence that the Group's strategic objectives will be achieved
- Business decisions can be made within the context of the Group's risk appetite and risk tolerance levels
- The Group can manage the risks associated with non-tangible assets such as employees, customers, partners, other stakeholders, intellectual and knowledge capital, brand, processes and systems, just as comprehensively as it manages physical and financial assets.

This approach encourages ownership by giving each business unit of Implats the ability to control the pace of implementation within set timeframes. The responsible individuals are held accountable for the achievement of their implementation plans. This also implies an approach that gives credit for, consolidates and builds upon what has already been achieved.

Arising from this process are a series of objective-based risk assessments (ORAs) which cover approximately the top 60 activities of the Group. Each risk identified, and its associated controls, has a clearly defined line management owner.



Source based on: ISO 31000: 2009, Risk management – Principles and Guidelines, Geneva: International Standards Organisation, 2009

Strategic risks continued

Ongoing review ensures that the information remains relevant. Factors that may affect consequences and the likelihood of an outcome, as well as those that affect the suitability or cost of treatment options may change. Implats therefore repeats the risk management cycle regularly. All information is captured into the Group risk repository system, feeding into the Group risk profile. Risk reports are presented to the appropriate bodies and escalated as required, either to the Excom (monthly) or Audit and Risk Committee, and Board (quarterly).

The Implats Risk Management Process

- Establishing the context includes determining key objectives, key stakeholders and their interests, and considering all external and internal factors (from cultural and perceptual to regulatory and global)
- Identifying the risk entails establishing both source and cause, and evaluating all possible consequences
- Analysing risk – what does this mean for our objectives?
- Risk evaluation encompasses determining the risk rating (by severity, exposure and frequency) using standard Implats tables, identifying controls (existing or new) and prioritising risks
- Treating risk requires considering all options to establish the most appropriate response for every risk identified (avoid, change probability of exposure and/or frequency, transfer, retain)

Issues which are regarded as material risks for the Group flow out of this process as a consequence.

The Group risk profile identifies the following key risks:

CLASSIFICATION OF GROUP STRATEGIC RISKS – JUNE 2011

High potential impact issues	Medium potential impact issues	Lower potential impact issues
Safety	Growth	Asset reliability
Effective people	Infrastructure	Cash preservation
Employee health	Mineral Resource management	Suppliers and logistics
Environment	Unit costs	
Country/Political – South Africa and Zimbabwe		
Project delivery		
Production		
Supply and demand (including metal prices)		
Rand/Dollar exchange rate		

Note: *These risk issues are classified according to their potential impact on the achievement of Group strategic objectives over the five year planning period. Taken as individual risk categories, all are significant and require ongoing attention from management – the intention here is to indicate the relative ranking of each category.*

Material sustainability issues

The Group's material sustainability issues, defined as those that are imperative for the Group to create and sustain value, have been identified and summarised, as follows:

SAFETY

Due to the nature of mining, safety remains one of our material strategic risks.

In an effort to inculcate a culture of zero harm, several initiatives were undertaken during the year. DuPont, experts in employee, contractor and process safety management assessed the Group's safety management systems and undertook a cultural and technical assessment. The findings of this process indicated that despite a strong 'team' culture and top leadership commitment to safety, there were concerns regarding:

- A lack of respect for the law, procedures and standards
- Inadequate recognition for daily hazards in a mining operation
- Ineffective behavioural-based safety audits
- Poor change management controls.

As a result of these findings the Group resolved to step up its efforts to change safety behaviour at its operations and the safety strategy has been directed at three areas:

- Closing the supervision gap by focusing on leadership training
- Changing the Group's safety culture by focusing on behaviour observation, reward and communication
- Zero tolerance for non-compliance to safety rules.

EFFECTIVE PEOPLE

In addition to safety, two key challenges for the Group regarding its human capital are:

- Ensuring the health of all employees and promoting their overall wellbeing
- Addressing the critical skills gap within certain levels of the workforce.

The Group has embarked on a number of strategies to effectively address these issues which include:

- A thorough understanding of the business requirements
- An effective attraction and skills retention mechanism, particularly of critical skills
- Implementing initiatives to manage employee health effectively
- Providing training and development at all levels particularly at leadership and critical skills level
- Ensuring the reward and remuneration system is in line with market-related trends
- Providing career progression opportunities to our employees.

ENVIRONMENTAL

Implats recognises the importance of managing environmental issues which affect not only the natural ecosystems but also the communities in the vicinity of our operations.

The following environmental issues have been identified as critical to the sustainability of our business:

- Ensuring compliance with current and proposed environmental legislation within a challenging regulatory framework
- Responsible management of resources and achieving and maintaining ISO 14001 compliant environmental management systems across all Group operations
- Developing and implementing a Group carbon management strategy and setting and achieving carbon emission targets
- Optimising energy usage and ensuring security of supply
- Ensuring access to water and the efficient and responsible management of this resource in a water-scarce environment
- Preventing pollution by reducing and minimising emissions into land, air and water
- Ensuring our land management and rehabilitation programme is in line with our environmental management plans and

Material sustainability issues

international best practice, to ensure sustainable closure

- Developing an effective waste management strategy and ensuring that effective and compliant waste management systems are in place.

POLITICAL RISK AND SOCIETY

The Group wishes to retain its legal and social licence to operate. To achieve this we need to have a clear understanding of the legal requirements mandated by the countries in which we operate. We also need to actively manage and maintain sound relationships with the communities in which we operate.

Government policy

In South Africa the revised Mining Charter has sustainability, environmental responsibility and the empowerment of historically disadvantaged South Africans at its core. While there were no significant increases to the targets, the principles applied to compliance are more complex and will require significant work for organisations that have not integrated transformational targets and sustainability into their business practices. The Group is well positioned to meet the requirements of the revised Mining Charter by the target date of 2014, as most of these targets have already been achieved.

Our transformational scorecard is depicted as below:

Implats Mining Charter Score

Parameter	Performance measure	Target 2014 %	Target March 2011 %	Actual as at June 2011 %
Ownership	Equity#	26	15	>26
Housing and Living Conditions	1 person per room**	100	Baseline	21
Procurement and Enterprise Development	Capital goods	40	5	57
	Services	70	30	59
	Consumables	50	10	48
Employment Equity	Board	40	20	62
	EXCOM	40	20	20
	Senior management	40	20	36
	Middle management	40	30	41
	Junior management	40	40	55
	Core skills	40	15	62
Human Resources Development (HRD)	HRD expenditure	5	3	6
Mine Community Development	Up to date implementation of approved projects***	100	100	90
Beneficiation	Estimated baseline*	10	Baseline	22

** Baseline not stipulated but has been calculated internally*

 # Push down of RBHs and the ESOP shareholdings in Implats to Impala as agreed by the DMR in granting Impala its converted mining right: Impala 26%, Marula 27%, Afplats 26% and Two Rivers 55%

*** Current occupation is two persons per room*

**** Internal assessment on progress made*

The Indigenisation Act in Zimbabwe emphasises the need for empowerment at the Zimbabwean operations in the sphere of ownership and community development. The Group is positive that it will be able to meet these requirements based on the plans that have been put to the government of Zimbabwe.

Community relations

Material issues common to most communities include employment and procurement opportunities, environmental issues, HIV and health issues and the development of local enterprises. At each operation specialists in each area engage with communities to address their concerns.

The Group actively manages its relationships with host communities. Community engagements at the various operations are conducted through formal structures, guided by documented procedures and charters. Membership of each structure includes elected community representatives, which allows for inputs from the community and the effective dissemination of information to the community from the Company.

ACCESS TO RESOURCES

The Group's long-term business success is dependent on its ability to bring reserves and resources to account as such project delivery is a strategic imperative for the Group. The need to meet the production milestones for 20, 16 and 17 Shafts is crucial, as is the timely planning and development of other shafts.

Current delays in mine development continue to constrain growth in the short to medium term, and remedial action is being taken to address these shortcomings.

Future plans are also in place for the development and access of resources at the Zimbabwean operations.

PRODUCTION

Maintaining the production profile is material to the Group in order to optimise the use of its infrastructure. Issues affecting production are dealt with in the operational reviews on pages 60 to 77.

SUPPLY AND DEMAND

Supply and demand balances are fundamental to PGM prices. The outlook for these prices is a key factor that drives investments in future projects which is critical for the long-term sustainability of our business.

The dynamics on supply and demand is covered in detail under the market review section on pages 18 to 23.

Performance

The Group's gross profit margin improved to 35% from 32%

Performance 2011

Headline earnings improved by 41% to R11.05 per share from R7.86. The single biggest contributor to the increase in earnings was the higher dollar metal prices experienced over the year

Financial performance

Results for the year

- Group production increased to 1.836 million ounces of platinum from 1.741 million ounces the previous year
- Revenue per platinum ounce was up by 21% in Dollar terms, but only up 12% in Rand terms
- Revenue improved 30% to R33.1 billion
- Group unit cost per platinum ounce, excluding share-based compensation, rose by 8% to R10 867
- Gross margin was 10% up to 35%
- Headline earnings at 1 105 cents per share improved by 41%
- Total dividend increased to 570 cents per share – R3.4 billion returned to shareholders
- Cash net of debt was R2.7 billion compared to R1.7 billion in the prior year.

The financial review is intended to help the reader understand Implats' financial performance and the significant variances compared to the prior year. A value added statement is included in the Sustainable Development Report.

The financial review should be read in conjunction with our audited consolidated financial statements for the year ended 30 June 2011, presented on pages 100 to 189 and the non-GAAP financial performance measures on pages 198 to 203.

Production

Refined platinum production.

(000oz)	2011	2010
Impala	941	871
Zimplats	175	154
Marula	71	68
Mimosa (100%)	99	94
Two Rivers (100%)	142	135
Third-party contracts	159	188
Recycling and toll treatment	249	231
Total production	**1 836**	1 741

Commentary

The individual operational reviews, set on pages 60 to 77, should be read for a full appreciation of the movements in production. Set out below is a summary of the salient features of the controlled operations.

IMPALA

Production increased by 70 000 platinum ounces off a relatively low base in 2010, which had been impacted by the closures of two sections due to the 14 Shaft fall of ground tragedy (38 000 platinum ounces lost) and industrial action (43 000 platinum ounces lost). The mining of surface material partially offset mining volumes lost to stoppages as a result of Section 54 notices issued by the DMR.

ZIMPLATS

The first year of full production from the Phase 1 expansion was achieved in 2011 which, combined with an improvement in concentrator recoveries, resulted in an extremely satisfying increase of 21 000 ounces of platinum.

MARULA

Due to operational difficulties, the planned improvement in production failed to materialise leaving output largely unchanged at 71 000 platinum ounces.

Statement of comprehensive income

An analysis of the abridged statement of comprehensive income, including comments on significant variances is presented below:

(R million)	2011	2010
Revenue	33 132	25 446
Cost of sales	(21 490)	(17 294)
Gross profit	11 642	8 152
Other net expenses	(1 894)	(929)
Net finance (expense)/income	(187)	2
Profit before tax	9 561	7 225
Income tax expense	(2 751)	(2 431)
Profit for the year	6 810	4 794
Other financial data		
Headline earnings per share – cents	1 105	786
Dividend per share – cents	570	390

Our business

Integrated performance

Responsibility reporting

Performance 2011 continued

Commentary

Headline earnings improved by 41% to R11.05 per share from R7.86. The single biggest contributor to the increase in earnings was the higher dollar metal prices experienced over the year, albeit that this was, to some extent, offset by a stronger Rand/Dollar exchange rate.

REVENUE

The improvement in revenue is attributable to the following:

Sales volumes

Sales volumes improved due to higher production levels, as well as the sale of the platinum inventory built up at the Impala operations during FY2010. Platinum sales volumes for 2011 were 1.665 million oz compared to 1.435 million oz in the previous year – up 16%. Palladium volumes rose by 7% to 1.011 million oz and rhodium volumes declined 3% to 221 000 oz as a result of rhodium de-stocking in the previous financial year. In total, the higher volumes resulted in a positive sales volumes variance of R3.4 billion.

Higher dollar metal prices

The movement in the average dollar metal prices realised during FY2011 compared to FY2010 can be described as follows: platinum rose by 18% to $1 691/oz; palladium by 78% to $670/oz and rhodium by 6% to $2 275/oz. Across all metals, the appreciation in dollar metal prices contributed to a positive price variance of R6.9 billion.

Strengthening of the R/$ exchange rate

The average exchange rate for the year was R7.03/$, compared to R7.58/$ for FY2010. This resulted in negative exchange rate variance of R2.6 billion. Consequently, although the dollar revenue per platinum ounce sold rose by 21% to $2 799/oz, the rand revenue per platinum ounce sold only rose by 12% to R19 677/oz compared to R17 555/oz in 2010.

The Group sold a total of 187 821 platinum ounces (11% of total platinum sales) to South African customers who further beneficiated the metal in South Africa. Similarly, 309 791 palladium ounces was sold locally (31% of total palladium sales) for further beneficiation.

COST OF SALES

Cost of sales rose by R4.2 billion or 24% to R21.5 billion from R17.3 billion in the previous year. There were several key drivers:

- Metals purchased, including inventory movements, accounted for R2.4 billion – more than half of the rise in cost of sales. This is due to both higher rand metal prices and volumes from Two Rivers
- Wages and salaries grew by almost R1 billion or 18% to R6.5 billion. This was largely due to a combination of a low base in 2010 when striking workers did not receive pay for the period that they were not at work, higher number of employees and an escalation of 10% in pay scales.

The minimum wage in the South African operations of the Group increased in the year under review by 8%

- Consumables were up by R637 million or 13%. The increase in consumable cost on the South African operations relates mainly to higher mining contractor costs, increased repairs and maintenance and support costs
- The depreciation charge increased by R289 million as a result of higher production both at Impala and Zimplats
- Utilities inflation of 24% accounts for the bulk of the higher utilities bill amounting to R274 million
- Share-based compensation resulted in a R420 million movement year-on-year Changes in the market input factors influencing the valuation, primarily a decrease in volatility and time to vesting, resulted in the net credit of R82 million compared to a charge in 2010 of R338 million.

In the interests of good business practice and in line with the requirements of the South African Mining Charter, Implats has a procurement policy based on granting preferential status to suppliers identified and accredited as being historically disadvantaged South African (HDSA) or qualifying as BEE candidates. Included in the cost of sales is a total discretionary spend of R5.0 billion, of which 53% was spent with vendors with HDSA/BEE ownership of greater than 25% (2010: R4.4 billion or 50%).

% HDSA/BEE discretionary procurement* included in cost of sales (South Africa)

	Mining Charter target 2011	**Actual 2011**	Actual 2010
Consumables	**15**	**48**	45
Services	**40**	**59**	59

** Discretionary procurement is defined as total procurement less procurement from public-sector vendors (rates and taxes), utility service providers (electricity), pass through payments (medical and pension) and sponsorships*

Cost per platinum ounce performance for the year

	Excluding SBP#		Including SBP#	
	2011	2010	**2011**	2010
Impala (refined)	**10 801**	10 003	**10 732**	10 399
Zimplats (in matte)	**8 232**	7 614	**8 342**	7 614
Marula (in concentrate)	**16 884**	14 208	**16 799**	14 579
Mimosa (in concentrate)	**9 685**	9 018	**9 685**	9 018
Implats Group (refined)	**10 867**	10 089	**10 824**	10 417

 # Share-based payments

Performance 2011 continued

The cost per platinum ounce includes all cash costs to produce an ounce of platinum (either, as applicable, refined, in matte or in concentrate). Excluding the share-based compensation, the unit costs per refined platinum ounce for the Group rose by 8% to R10 867 per platinum ounce. Group inflation of 7% accounted for the bulk of the increase. SA mining inflation amounted to 8% made up of labour which went up by 10%, consumables by 4% and utilities inflation of 24%. Unit costs were also impacted by additional safety costs and higher employee levels required to deliver the additional development at Impala Rustenburg and Marula.

GROSS PROFIT

The Group's margin improved to 35% from 32%.This was due to the cumulative effect of revenue strengthening by 30% and cost of sales rising by 24%.

	Gross profit (R million)		Gross profit margin %	
	2011	2010	**2011**	2010
Impala	**7 486**	5 222	**41**	37
Zimplats	**2 133**	1 571	**58**	52
Marula	**(41)**	(11)	**(3)**	(1)
Mimosa	**715**	495	**56**	48
IRS	**1 419**	1 188	**10**	11
Inter-segment adjustment	**(70)**	(313)		
Implats Group	**11 642**	8 152	**35**	32

OTHER NET EXPENSES

Royalty expense increased by R268 million to R804 million due to higher revenues as well as the first full year of the new South African state royalty. The new state royalty amounted to R413 million and the amortisation of the prepaid royalty was a further R261 million of the total royalty for FY2011.

The movement in closing exchange rates resulted in R448 million foreign currency exchange losses in the current year compared to a R52 million gain in the previous year.

NET FINANCE EXPENSE

The net finance expense of R187 million, compared to the net finance income of R2 million in 2010 was largely due to fair value adjustments of R214 million on loans where the interest rates charged are below market.

INCOME TAX EXPENSE

The taxation charge rose by R320 million to R2.8 billion, primarily as a result of higher earnings for the year. The effective tax rate was 28.8% (2010: 33.6%).

HEADLINE EARNINGS

The impact of all of the above resulted in headline earnings for the financial year increasing by 41% to R11.05 per share, compared to R7.86 per share in the previous year.

Contribution to headline earnings by company

R million	2011	%	2010	%
Headline earnings:				
Impala	**4 573**	**68.9**	3 428	72.7
Zimplats	**1 117**	**16.8**	497	10.5
Marula	**(200)**	**(3.0)**	(104)	(2.2)
Mimosa	**400**	**6.0**	185	3.9
Two Rivers	**231**	**3.5**	95	2.0
IRS	**573**	**8.6**	599	12.7
Investment & other	**(55)**	**(0.8)**	18	0.4
	6 639	**100.0**	4 718	100.0
Profit on disposal of assets	**1**		4	
Loss on disposal of investment	**(2)**		(7)	
Profit attributable to owners of the Company	**6 638**		4 715	

DIVIDEND

The total dividend for the year increased by 46% surpassing the improvement in headline earnings of 41%.

A final dividend of 420 cents per share was declared on 25 August 2011, amounting to R2.5 billion, payable in September 2011. An interim dividend of 150 cents per share (R901 million) was paid in March 2011. The total distribution to shareholders was 570 cents per share which amounted to R3.4 billion, compared to the prior period of 390 cents per share which amounted to R2.3 billion.

Capital expenditure

The growth in expenditure on property, plant and equipment arose largely from capital expenditure relating to the Group's current mining projects. The Group's capital expenditure for 2011 increased by 22% to R5.5 billion, compared to R4.6 billion in the previous financial year. Of this, R4.2 billion was spent at Impala, primarily on the development of No 20, 16, and 17 Shafts. The Zimplats operations accounted for capital expenditure of R840 million, largely due to the completion of the Phase 1 expansion and the commencement of the Phase 2 expansion.

Capital investment underpins the development and sustainability of the Group.

Capital expenditure by entity

R million	2011	2010
Impala	**4 240**	3 435
Zimplats	**840**	698
Marula	**242**	281
Mimosa (50%)	**186**	127
Afplats	**32**	13
Implats Group	**5 540**	4 554

Capital expenditure for 2011 was expected to be R7 billion. The lower than expected spend of R5.5 billion was as a result of lower spend at Impala (R600 million) and Zimplats (R900 million). Impala comprised a range of issues, including projects which were planned but not subsequently approved by the Board, whereas at

Performance 2011 continued

Zimplats capital was impacted by a later start than originally anticipated for the Phase 2 expansion. It is estimated that the capital expenditure will be R35 billion over the next five years with R7.0 billion being spent in 2012. This will be funded from internally generated cash flow and if necessary from borrowings. As of 1 July 2011, there will be a change in accounting estimate for development costs which will result in certain development costs being capitalised. The effect is not expected to be material.

The focus on improving the living conditions of employees continued during the year, attracting capital expenditure of R238 million, inclusive of R49 million for home ownership.

As with the procurement of consumables and services, the Group has a policy of granting preferential status to BEE/HDSA suppliers of capital goods as well as to local suppliers.

% South African capital spend procured from HDSA/BEE suppliers

	Mining Charter Target 2011	Actual 2011	Actual 2010
Capital	10	57	46

Moreover, the Group promotes procurement from vendors within the province of operations – "local procurement". Total local procurement (capital and working cost) in 2011 grew to R7.4 billion or 53% of total procurement.

Total local procurement as a percentage of total procurement (South Africa)

	Actual 2011	Actual 2010
Rustenburg	51	48
Springs	79	74
Marula	28	16
Total South Africa	53	48

Cash flow statement

An analysis of the abridged cash flow statement is presented and significant variations are commented on below.

R million	FY2011	FY2010
Cash generated from operating activities	8 285	5 918
Cash flows from investing activities	(4 472)	(3 600)
Cash flows from financing activities	(3 044)	(1 816)
Net cash generated	769	502
Opening balance	3 858	3 348
Exchange rate adjustments – cash translation	(85)	8
Closing balance	4 542	3 858
Debt	(1 842)	(2 128)
Cash net of debt	2 700	1 730

CASH FLOW STATEMENT COMMENTARY

The Group is still committed to the principles of maintaining adequate levels of liquidity and a strong balance sheet. The Group will continue to fund its requirements from cash generated from operations, and will use its adequate banking facilities to cover any shortfalls. Notwithstanding the slower than expected economic recovery, the Group's continued spend on capital projects, as well as the payment of an interim and a final dividend, the Group generated R769 million cash in the financial year. Due to the dynamic nature of the underlying businesses, the Group aims to maintain flexibility in funding by keeping committed and uncommitted facilities available. The total undrawn committed and uncommitted facilities at year-end were R3.9 billion (2010: R3.4 billion).

Operating activities

Profit before tax was R9.4 billion and taxes of R1.8 billion were paid. A positive adjustment to profit before tax of R1.1 billion consists primarily of non-cash flow items such as depreciation (+R1.4 billion); sale of ounces on loan account (-R0.8 billion) and a revaluation of foreign currency loans (+R0.3 billion). Cash utilised to increase working capital reduced from the previous year's R1.2 billion to R252 million. The combination of the above resulted in cash generated from operating activities of R8.3 billion.

Investing activities

Net cash used in investing activities was R4.5 billion, mainly due to capital expenditure.

Financing activities

Net cash used in financing activities increased by R1.2 billion compared to the prior year mainly as a result of higher dividend payments to shareholders as well as a repayment of loans from Standard Bank.

Debt

Total debt of R1.8 billion consisted of bank borrowings of R1.2 billion and lease liabilities of R0.6 billion.

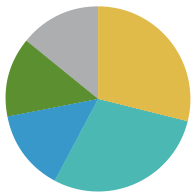
The net result of Implats' operating, investing and financing activities was a net cash inflow of R769 million, which when combined with the opening balance of R3.9 billion, resulted in a closing cash and cash equivalent balance of R4.5 billion net of exchange rate adjustments.

CREDIT RATING

During the year under review, Implats decided to discontinue with its Fitch credit rating. The Group has a strong balance sheet and a credit rating is not a prerequisite for the adequate committed and uncommitted facilities that have been secured. The formal cessation of the rating occurred post the year-end on 12 July 2011.

Performance 2011 continued

Causes of fatalities (%)



- Fall of ground 29%
- Equipment handling 29%
- Explosives 14%
- Gassing 14%
- LHD 14%

Non-financial performance

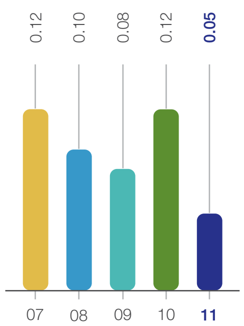
Safety performance

It is with deep regret that we report that eight of our employees died in work-related accidents during the year. In FY2010, 15 Implats employees died. While this year's performance is a significant improvement on the previous year, and is the best performance in the Group's history, we believe that any loss of life is unacceptable. We will strive to eliminate all fatal accidents.

In terms of key safety performance parameters, we report the following:

- The Group's fatal injury frequency rate (FIFR) improved by 57% on the previous year, from 0.12 per million hours worked to 0.05 per million hours worked
- The lost time injury frequency rate (LTIFR) has risen by 7% from 4.61 per million hours worked to 4.94 per million hours worked
- Restricted work cases (RWCs) improved by 30%
- The total injuries rate, a measure of all injuries including medical treatment cases reduced by 11%.

FIFR **0.05**



2010: 0.12

An improvement of 57%

In memoriam

The following employees died while at work during FY2011. We extend our sincere condolences to their families, friends and colleagues.

- **Mr Motlhanke Maku** died in a fall of ground accident on 7 July 2010 at Impala Rustenburg 4 Shaft
- **Mr Innocent Ndlovu** died in an accident dealing with explosives, on 5 September 2010 at the Mimosa Mine
- **Mr Alfiado Bacitela** died in an equipment handling accident on 17 September 2010 at Impala Rustenburg 11 Shaft
- **Mr Mankoene Nkhoaneng** died after being overcome by methane gas on 21 October 2010 at Impala Rustenburg 11 Shaft
- **Mr Gadeni Hlophe** died in a fall of ground accident on 1 November 2010 at Impala Rustenburg 11 Shaft
- **Mr Mvesilo Mswedi** died in an equipment handling accident on 20 December 2010 at Impala Rustenburg 14 Shaft
- **Mr Michael Molokwane** died in an accident involving an LHD on 25 February 2011 at Impala Rustenburg 14 Shaft
- **Mr Rui Wamba Tila** died in a fall of ground accident on 25 June 2011 at Impala Rustenburg 5 Shaft. This fatality occurred subsequent to the current year-end statistical close and will be included in the reported statistics for financial year 2012.

Health performance

TUBERCULOSIS

TB remains a significant health risk to employees. In FY2011, 350 new cases of pulmonary TB were detected (FY2010: 399), which is a rate of 6.12 per 1 000 employees. The high level of HIV/AIDS in South Africa exacerbates the incidence of TB as infected employees' immune systems are compromised, in turn increasing their risk of contracting TB. Seventy-seven per cent of newly diagnosed TB patients are HIV-positive.

Treatment is provided by the Group in line with the World Health Organisation's directly observed treatment supervision (DOTS) protocol. The success rate of treatment at the Group's operations has increased to 91%.

Four new cases of multi-drug-resistant TB (MDRTB) (FY2010: Five cases) and one case of extremely drug-resistant TB (XDRTB) (FY2010: One) were detected during the year.

HIV

The Group runs HIV testing and wellness programmes concurrently to ensure that there is adequate management of the disease and to prevent, where possible, its progression to AIDS. The current HIV prevalence rate at the Impala Rustenburg operation, a material operation to the Group, is estimated at 23%. Both employees and their dependants are encouraged to undergo voluntary testing, and when an individual tests positive, the necessary support is provided in the form of ongoing counselling through peer educators, induction into the wellness programme and provision of anti-retroviral therapy, where necessary.

In FY2011, 14 072 HIV tests were undertaken by the Group (FY2010: 6 837) on employees and dependants. Employees who tested negative were counselled to remain so, while those who tested positive were encouraged to join the Group's wellness programme.

In FY2011, a total of 5 121 employees participated in the wellness programme (FY2010: 4 151), of whom 2 771 (FY2010: 1 905) received anti-retroviral therapy (ART). 1 324 of those on ART joined the ART programme during the year. The number of employees receiving ART through external medical aids or government health facilities is not known and so these figures may be underestimated.

ART treatment regimens have been adapted in line with government programmes and in response to increasing drug resistance. Consequently, costs related to ART treatment have risen to around R8 355 per person per year.

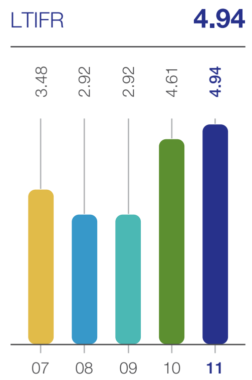
Regrettably, 131 patients died in service due to Aids-related illnesses (FY2010: 134), while a further 388 patients (FY2010: 281) applied for medical incapacity benefits and left the Group.

Environmental performance

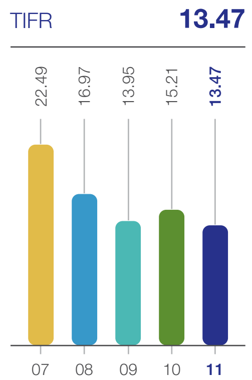
WATER

Total Group water consumption in FY2011 was 42 megalitres, an increase of 13% on FY2010. This was as a result of an improvement of measuring techniques and some conservation inefficiencies which are being addressed.

In total, 15 megalitres of water was recycled in FY2011, which equates to 35% of all the water consumed in our operations (FY2010: 27%). This is an improvement in our recycling of some 49% year-on-year, with all operations having contributed to this improvement.

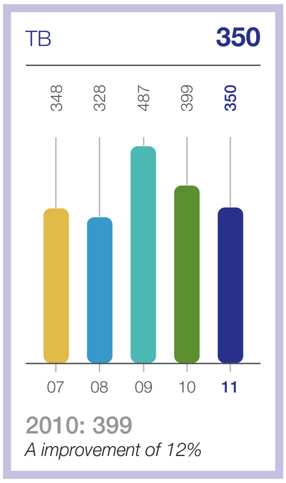


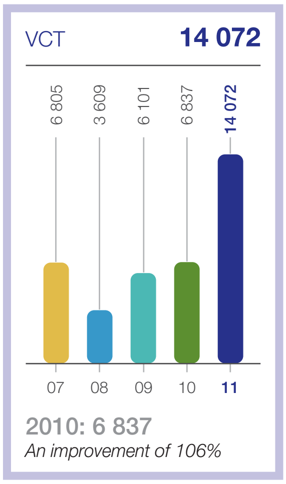
2010: 4.61
A deterioration of 7%



2010: 15.21
An improvement of 11%

Performance 2011 continued





ENERGY

In FY2011, around 69% of our total energy consumption was electrical energy, which made up approximately 9% of our overall cash cost base. In FY2010, electricity represented 8% of our costs. The increase in 2011 reflects the sharp rise in electricity costs of 25%, year-on-year.

Emissions

SULPHUR DIOXIDE

Sulphur dioxide (SO_2) emissions represent the most significant air quality risk for the Group.

Total Group direct SO_2 emissions in FY2011 were 18 881 tonnes (FY2010: 16 926 tonnes) up 12% on the prior year.

At Rustenburg SO_2 emitted per day for the year was 17.3 tonnes (FY2010: 10.4 tonnes), showing a deterioration in sulphur dioxide emissions at these operations. The operations have investigated the cause of this deterioration in air quality at the smelter and the findings indicate that high sulphur content in the Merensky ore and inefficiencies in the abatement systems was the cause. The operations are working on restoring SO_2 levels to below 16 tonnes of SO_2 a day. At our Zimplats operations the average SO_2 emitted in a day during FY2011 was 33.2 tonnes (FY2010: 34.1 tonnes per day).

CARBON DIOXIDE

Our total direct CO_2 emissions (from burning fuel such as coal, diesel, petrol and gases) during FY2011 were 435 605 tonnes, an increase of 10% on FY2010. Total indirect CO_2 emissions rose by 6% to 3.6 million tonnes year-on-year.

The Group's Rustenburg operations accounted for approximately 72% of our total emissions in FY2011 and Impala Refineries accounted for approximately 8%. The reliance on the South African electricity grid (which is coal-based) denotes that even with sound energy efficiency measures, our operations are carbon intensive. In Zimbabwe, 43% of our energy is coal-based, and 57% is derived from hydro-electric power.

Social performance

SKILLS DEVELOPMENT

Overall, Group skills development expenditure for our South African operations was R357 million, a 31% increase year-on-year (FY2010: R272 million). Four percent of this (R14 million) was spent on ABET training.

LITERACY

Overall, the Group's average literacy levels improved by 1% due mainly to our ABET programmes, and as a result of our recruitment drives focusing on hiring employees who have completed their high school education. The most significant improvements were experienced at the Rustenburg operations where currently 57% of the workforce is literate (FY2010: 55%). All our Zimbabwean employees are literate.

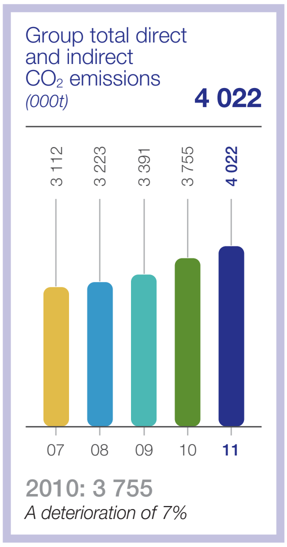
In FY2011, 842 employees across the Group were enrolled for ABET, in both full-time and part-time classes. Seventy-two percent of those who enrolled successfully completed their programmes, while 20% either stopped attending classes or were unsuccessful in their examinations.

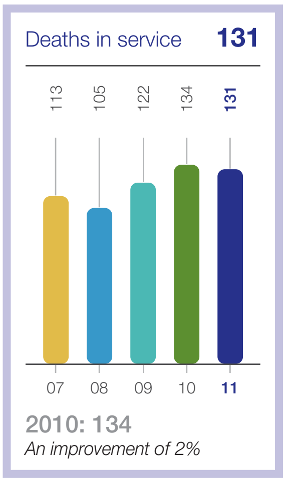
GRADUATE PROGRAMMES AND BURSARIES
During FY2011, the Group awarded 70 full-time bursaries to university students studying primarily in the engineering and mining-related disciplines.

APPRENTICESHIP AND LEARNER PROGRAMMES
A total of approximately 451 individuals have benefited from our apprenticeship programmes.

LEADERSHIP DEVELOPMENT PROGRAMME
23 members of our management team participated in our senior management and executive development programmes which were presented by the Gordon Institute of Business Science. 30% of those who participated in the programme were women.

SKILLS RETENTION AND TURNOVER
Overall, the employee turnover for the Group was 8.3%, an increase of 38% year-on-year. This was anticipated as the recovery of the global economy led to higher demand for skills in the mining industry. The highest rate of employee turnover occurred at the Marula Operation due to the need to right size the operation. We continue to experience high employee turnover levels in critical skills, at miner level it stood at 20% in FY2011.





Ten-year performance

To year ended 30 June 2011

Income statement

(R million)	2011	2010	2009	2008	2007	2006	2005	2004	2003	2002
REVENUE	**33 132**	25 446	26 121	37 619	31 482	17 500	12 541	11 809	11 807	11 902
Platinum	**19 710**	15 547	15 996	20 388	15 577	9 991	8 132	7 941	7 391	6 137
Palladium	**4 714**	2 679	1 779	2 518	2 089	1 469	1 067	1 119	1 683	2 581
Rhodium	**3 523**	3 683	5 240	10 041	7 626	3 700	1 336	677	1 159	1 788
Nickel	**2 593**	1 840	1 500	2 733	4 062	1 431	1 323	1 284	938	682
Other	**2 592**	1 697	1 606	1 939	2 128	909	683	788	636	714
COST OF SALES	**(21 490)**	(17 294)	(16 359)	(19 888)	(17 010)	(10 170)	(8 303)	(7 544)	(6 523)	(5 561)
On-mine operations	**(9 862)**	(8 796)	(7 214)	(7 303)	(5 901)	(4 709)	(4 100)	(3 668)	(3 251)	(2 567)
Processing operations	**(2 601)**	(2 257)	(1 962)	(1 478)	(1 316)	(1 130)	(1 043)	(967)	(801)	(643)
Refining operations	**(833)**	(764)	(592)	(670)	(594)	(523)	(480)	(468)	(412)	(355)
Depreciation	**(1 372)**	(1 083)	(979)	(1 013)	(865)	(643)	(646)	(576)	(452)	(249)
Metals purchased	**(6 835)**	(5 522)	(3 867)	(11 012)	(9 369)	(4 326)	(2 489)	(2 259)	(1 474)	(1 883)
Change in inventories	**13**	1 128	(1 745)	1 588	1 035	1 161	455	394	(133)	136
GROSS PROFIT	**11 642**	8 152	9 762	17 731	14 472	7 330	4 238	4 265	5 284	6 341
Other operating expenses	**(645)**	(585)	(497)	(533)	(478)	(340)	(319)	(255)	(264)	(204)
Royalty expense	**(804)**	(536)	(442)	(648)	(1 703)	(852)	(415)	(414)	(598)	(805)
PROFIT FROM OPERATIONS	**10 193**	7 031	8 823	16 550	12 291	6 138	3 504	3 596	4 422	5 332
Finance income – net	**(187)**	2	794	534	560	225	174	56	286	266
Net foreign exchange transaction gains/(losses)	**(448)**	52	(211)	439	(15)	178	33	(216)	(329)	131
Other income/(expense)	**(146)**	55	(54)	(131)	(214)	(148)	292	12	(55)	(98)
Share of profit of associates	**238**	95	41	678	388	115	204	328	725	697
BEE compensation charge	**–**	–	–	–	(1 790)	(95)	–	–	–	–
(Loss)/profit from sale of investments/subsidiaries	**(2)**	(10)	–	4 831	–	–	3 155	322	–	–
(Impairment of assets)/reversal of impairment of assets	**(87)**	–	–	(84)	–	583	(1 034)	–	–	–
PROFIT BEFORE TAX	**9 561**	7 225	9 393	22 817	11 220	6 996	6 328	4 098	5 049	6 328
Income tax expense	**(2 751)**	(2 431)	(3 389)	(5 112)	(3 895)	(2 614)	(1 079)	(1 141)	(1 622)	(1 737)
PROFIT FOR THE YEAR	**6 810**	4 794	6 004	17 705	7 325	4 382	5 249	2 957	3 427	4 591
Attributable to non-controlling interest	**(172)**	(79)	16	(109)	(93)	(40)	(16)	(17)	(23)	(10)
PROFIT ATTRIBUTABLE TO OWNERS OF THE COMPANY	**6 638**	4 715	6 020	17 596	7 232	4 342	5 233	2 940	3 404	4 581
HEADLINE EARNINGS	**6 639**	4 718	6 015	12 485	7 232	3 947	2 856	2 618	3 421	4 565
EARNINGS PER SHARE (CENTS)										
– Basic	**1 105**	786	1 001	2 910	1 312	825	989	552	639	863
– Headline (basic)	**1 105**	786	1 001	2 065	1 312	750	540	491	643	860
DIVIDEND PER SHARE (CENTS)										
– Interim + proposed	**570**	390	320	1 475	975	400	288	263	331	463
– Special						688				

Statement of financial position

(R million)		2011	2010	2009	2008	2007	2006	2005	2004	2003	2002
Assets											
Non-current assets		**52 808**	49 743	46 180	39 605	37 202	15 084	12 108	12 523	11 391	9 324
Property, plant, equipment and exploration assets		**37 431**	33 940	30 518	24 895	20 347	12 435	10 222	9 801	8 809	6 218
Investments and other		**15 377**	15 803	15 662	14 710	16 855	2 649	1 886	2 722	2 582	3 106
Current assets		**14 796**	12 828	11 500	22 504	12 758	8 386	8 895	4 680	4 878	5 448
TOTAL ASSETS		**67 604**	62 571	57 680	62 109	49 960	23 470	21 003	17 203	16 269	14 772
Equity and liabilities											
Capital and reserves		**47 563**	43 792	40 939	43 418	32 968	13 840	14 104	10 683	9 877	9 284
Non-controlling interest		**2 047**	1 941	1 864	1 885	1 730	215	160	128	419	62
Non-current liabilities		**11 480**	11 072	9 785	8 259	6 734	3 654	2 873	2 708	2 213	1 683
Deferred tax liability		**8 337**	7 747	6 909	5 247	5 048	2 919	2 378	2 271	1 887	1 390
Borrowings		**1 698**	1 827	1 778	1 464	685	174	195	167	63	86
Long-term provisions		**1 445**	1 498	1 098	1 548	1 001	561	300	270	263	207
Current liabilities		**6 514**	5 766	5 092	8 547	8 528	5 761	3 866	3 684	3 760	3 743
TOTAL EQUITY AND LIABILITIES		**67 604**	62 571	57 680	62 109	49 960	23 470	21 003	17 203	16 269	14 772
Cash, net of debt		**2 700**	1 730	1 363	8 883	2 504	1 663	3 786	636	2 057	3 037
Current liquidity		**2 811**	1 680	2 160	8 064	232	(311)	3 309	(233)	271	785
Gross profit margin	(%)	**35.1**	32.0	37.4	47.1	46.0	41.9	33.8	36.1	44.8	53.3
Return on equity	(%)	**15.2**	11.5	13.9	37.9	52.3	28.0	26.7	26.5	36.9	68.0
Return on total assets	(%)	**9.8**	7.5	10.4	20.1	14.5	16.8	13.6	15.2	21.0	30.9
Debt to equity	(%)	**3.7**	4.7	4.6	3.5	2.2	1.3	1.4	6.9	2.7	1.2
Current ratio		**2.2:1**	2.2:1	2.3:1	2.6:1	1.5:1	1.5:1	2.3:1	1.3:1	1.3:1	1.5:1
Capital expenditure	(Rm)	**5 540**	4 554	6 923	5 368	2 887	2 248	1 992	1 822	1 787	1 250
	($m)	**788**	603	762	739	401	352	322	265	198	123
Group unit cost per platinum ounce	(R/oz)	**10 824**	10 417	8 526	7 750	6 370	5 009	4 522	4 140	3 978	3 426
	($/oz)	**1 539**	1 379	939	1 067	886	784	731	603	441	338
Group unit cost per platinum ounce excluding share-based compensation	(R/oz)	**10 867**	10 089	9 129	6 930	5 921	4 890	4 501	4 122	3 968	3 426
	($/oz)	**1 545**	1 335	1 005	954	823	765	727	601	440	338
Implats share statistics											
Number of shares in issue outside the Group	(m)	**601.0**	600.4	599.8	605.0	604.1	527.6	524.3	533.0	532.8	532.4
Average number of issued shares outside the Group		**600.8**	600.2	601.1	604.7	551.4	526.1	529.0	532.6	532.5	531.0
Number of shares traded		**571.0**	672.6	804.2	576.1	442.8	528.8	530.4	524.2	570.6	400.0
Highest price traded	(cps)	**24 365**	22 870	31 400	36 800	25 500	17 938	7 688	8 013	8 125	9 000
Lowest price traded		**17 005**	15 550	8 655	17 202	14 438	7 200	5 312	5 206	4 325	3 588
Year-end closing price		**18 219**	18 000	17 045	30 900	21 600	16 498	7 463	5 888	5 575	7 148

Ten-year performance continued

To year ended 30 June 2011

US$ information (unaudited)

(US$ million)	2011	2010	2009	2008	2007	2006	2005	2004	2003	2002
REVENUE	**4 714**	3 359	3 026	5 140	4 375	2 745	2 023	1 716	1 303	1 184
Platinum	**2 816**	2 056	1 833	2 780	2 166	1 563	1 312	1 156	819	606
Palladium	**677**	355	205	345	291	231	172	163	182	258
Rhodium	**502**	489	633	1 372	1 059	582	216	98	125	182
Nickel	**372**	243	176	378	564	227	213	187	107	67
Other	**347**	216	179	265	295	142	110	112	70	71
COST OF SALES	**(3 055)**	(2 289)	(1 801)	(2 738)	(2 365)	(1 592)	(1 342)	(1 099)	(723)	(549)
On-mine operations	**(1 402)**	(1 164)	(794)	(1 006)	(820)	(737)	(663)	(535)	(360)	(253)
Processing operations	**(370)**	(299)	(216)	(204)	(183)	(177)	(169)	(141)	(89)	(63)
Refining operations	**(118)**	(101)	(65)	(92)	(83)	(82)	(78)	(68)	(46)	(35)
Depreciation	**(195)**	(143)	(108)	(139)	(120)	(101)	(104)	(84)	(50)	(25)
Metals purchased	**(972)**	(731)	(426)	(1 516)	(1 303)	(677)	(402)	(329)	(163)	(186)
Change in inventories	**2**	149	(192)	219	144	182	74	58	(15)	13
GROSS PROFIT	**1 659**	1 070	1 225	2 402	2 010	1 153	681	617	580	635
Other operating expenses	**(92)**	(77)	(55)	(73)	(66)	(53)	(52)	(37)	(29)	(20)
Royalty expense	**(114)**	(71)	(49)	(89)	(237)	(133)	(67)	(60)	(66)	(79)
PROFIT FROM OPERATIONS	**1 453**	922	1 121	2 240	1 707	967	562	520	485	536
Finance income – net	**(27)**	–	87	74	78	35	28	8	32	26
Net foreign exchange transaction gains/(losses)	**(64)**	7	(23)	60	(2)	28	5	(32)	(37)	13
Other income/(expense)	**(21)**	7	(6)	(18)	(30)	(23)	47	2	(6)	(10)
Share of profit of associates	**34**	13	5	93	54	18	33	48	80	69
BEE compensation charge	**–**	–	–	–	(249)	(15)	–	–	–	–
(Loss)/profit from sale of investments/subsidiaries	**–**	(1)	–	665	–	–	510	47	–	–
(Impairment of assets)/reversal of impairment of assets	**(12)**	–	–	(12)	–	91	(166)	–	–	–
PROFIT BEFORE TAX	**1 363**	948	1 184	3 102	1 558	1 101	1 019	593	554	634
Income tax expense	**(391)**	(322)	(373)	(704)	(541)	(409)	(174)	(166)	(180)	(171)
PROFIT FOR THE YEAR	**972**	626	811	2 398	1 017	692	845	427	374	463
Attributable to non-controlling interest	**(24)**	(10)	2	(15)	(13)	(6)	(3)	(3)	(3)	(1)
PROFIT ATTRIBUTABLE TO OWNERS OF THE COMPANY	**948**	616	813	2 383	1 004	686	842	424	371	462
HEADLINE EARNINGS	**948**	616	812	1 679	1 004	624	458	377	373	461
EARNINGS PER SHARE (CENTS)										
– Basic	**158**	103	135	394	182	130	159	80	70	87
– Headline (basic)	**158**	103	135	278	182	119	87	71	70	87
DIVIDEND PER SHARE (CENTS)										
– Interim + proposed	**81**	52	35	203	136	63	46	38	37	46
– Special						108				

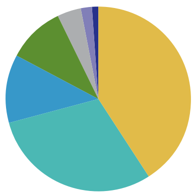
Note: Income, expenditure and dividends have been converted at the average exchange rate for the year. Sales are the actual dollar receipts.

Operating statistics

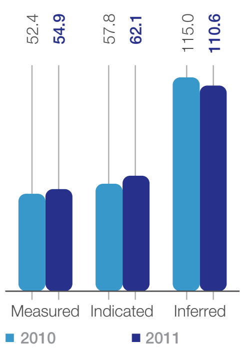
		2011	2010	2009	2008	2007	2006	2005	2004	2003	2002
GROSS REFINED PRODUCTION											
Platinum	(000oz)	**1 836**	1 741	1 704	1 907	2 026	1 846	1 848	1 961	1 673	1 387
Palladium	(000oz)	**1 192**	1 238	1 008	1 044	1 114	989	1 029	1 046	893	732
Rhodium	(000oz)	**262**	252	248	261	247	242	234	251	215	177
Nickel	(000t)	**16.3**	15.2	14.5	14.8	16.2	15.6	16.0	16.4	14.7	13.0
IMPALA REFINED PRODUCTION											
Platinum	(000oz)	**941**	871	950	1 044	1 055	1 125	1 115	1 090	1 040	1 025
Palladium	(000oz)	**511**	459	426	437	472	492	515	501	478	489
Rhodium	(000oz)	**127**	121	124	125	103	129	130	116	134	123
Nickel	(000t)	**5.5**	4.9	6.2	6.9	7.0	7.9	7.9	6.9	8.0	7.7
IRS REFINED PRODUCTION											
Platinum	(000oz)	**895**	870	754	863	971	721	733	871	633	362
Palladium	(000oz)	**681**	779	582	607	642	497	514	545	415	243
Rhodium	(000oz)	**135**	131	124	136	144	113	104	135	81	54
Nickel	(000t)	**10.8**	10.3	8.3	7.9	9.2	7.7	8.1	9.5	6.7	5.3
IRS RETURNED METAL											
Platinum	(000oz)	**220**	233	194	208	262	246	246	501	252	152
Palladium	(000oz)	**210**	259	181	199	191	190	160	314	174	102
Rhodium	(000oz)	**42**	49	38	42	47	42	54	97	18	16
Nickel	(000t)	**3.4**	2.8	2.5	2.1	0.9	2.2	1.9	1.5	0.9	0.7
GROUP CONSOLIDATED STATISTICS											
Tonnes milled ex mine	(000t)	**20 974**	20 309	20 083	20 380	20 732	20 197	19 315	19 065	17 483	15 607
PGM refined production	(000oz)	**3 772**	3 689	3 428	3 644	3 858	3 490	3 549	3 725	3 162	2 639
Exchange rate:	(R/$)										
Closing rate on 30 June		**6.77**	7.67	7.76	7.93	7.06	7.16	6.66	6.17	7.52	10.32
Average spot rate		**7.03**	7.56	9.08	7.26	7.19	6.39	6.19	6.86	9.02	10.13
Average rate achieved		**7.03**	7.58	8.63	7.32	7.20	6.37	6.20	6.88	9.06	10.16
Free market revenue per platinum ounce sold	($/oz)	**2 822**	2 359	1 826	3 053	2 445	1 791	1 304	1 140	939	934
Revenue per platinum ounce sold	($/oz)	**2 799**	2 316	1 995	2 941	2 369	1 721	1 279	1 116	935	934
	(R/oz)	**19 677**	17 555	17 217	21 528	17 057	10 963	7 930	7 678	8 471	9 489
PRICES ACHIEVED											
Platinum	($/oz)	**1 691**	1 433	1 219	1 598	1 185	988	840	773	597	485
Palladium	($/oz)	**670**	376	263	390	334	258	208	223	264	389
Rhodium	($/oz)	**2 275**	2 149	3 517	6 963	5 152	3 015	1 217	548	646	1 098
Nickel	($/t)	**23 965**	18 981	12 995	30 253	34 486	15 343	14 592	11 843	7 664	5 594
SALES VOLUMES											
Platinum	(000oz)	**1 665**	1 435	1 503	1 739	1 827	1 582	1 562	1 495	1 373	1 251
Palladium	(000oz)	**1 011**	945	781	885	870	896	826	733	688	663
Rhodium	(000oz)	**221**	228	180	197	206	193	177	179	193	165
Nickel	(000t)	**15.5**	12.8	13.5	12.5	16.3	14.8	14.6	15.8	13.9	12.0

Abridged Mineral Resource and Mineral Reserve statement

Attributable Mineral Resources of 228 Moz Pt
as at 30 June 2011



Attributable Mineral Resources
(Moz Pt)



This section serves as the annual update of the Group Mineral Resources and Mineral Reserves and informs shareholders and potential investors of the status of Group mineral assets.

Key features

The main features relating to Implats' Mineral Resources and Mineral Reserves as at 30 June 2011 relative to 30 June 2010 are:

- Estimated total attributable Mineral Resources increased by 2.4 million platinum ounces to 228 million platinum ounces
- Total attributable Group Mineral Reserves decreased by 1.9 million platinum ounces to 35.0 million platinum ounces
- Material restatement of Mineral Reserves at Marula, in line with a new mine plan
- Additional work resulted in updated estimates for Impala, Afplats, Two Rivers, Zimplats and Mimosa
- Steady progress is being made to convert Mineral Resources across the Group from the inferred category to an indicated and measured status

Attributable platinum ounces, net of depletion, corporate activity and additional work (Moz Pt)

30 June 2007	Resources	187	↑	2%, Afplats included
	Reserves	40.0	↑	8%, Afplats included
30 June 2008	Resources	237	↑	27%, Tamboti added
	Reserves	42.0	↑	5%, 17 Shaft included
30 June 2009	Resources	230	↓	3%
	Reserves	37.4	↓	12%, Afplats excluded
30 June 2010	Resources	225	↓	2%, mostly depth cut-off
	Reserves	36.9	–	no material changes
30 June 2011	Resources	228	↑	1%, mostly increase in widths
	Reserves	35.0	↓	5%, mostly Marula mine plan

To view the Mineral Resource and Mineral Reserve Statement, please visit our website at: www.implats.co.za

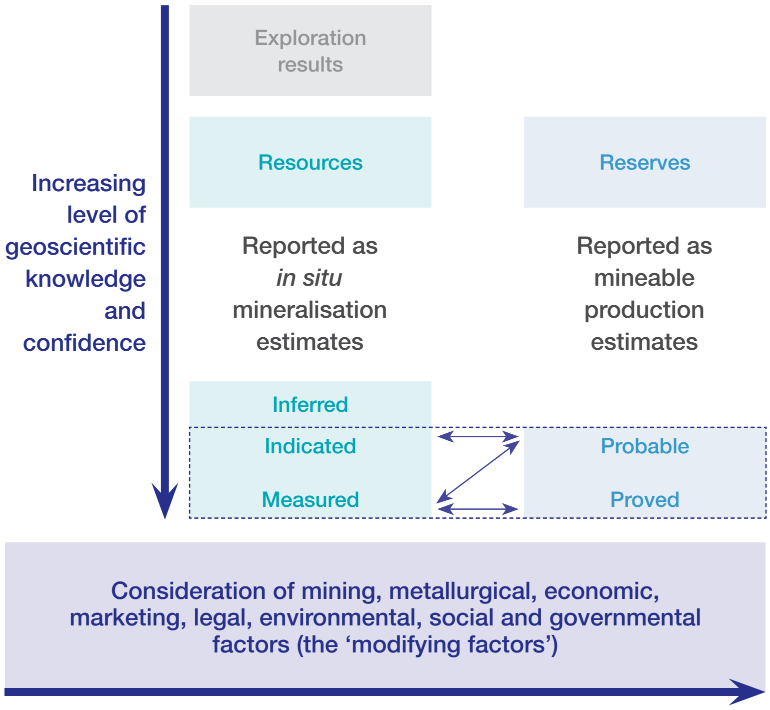
Summary

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

The Company has grown the Mineral Resource portfolio and related platinum production significantly in the past 12 years since the Group mineral asset portfolio was extended beyond the Impala mineral rights area. Implats and its associated companies continue to exploit platiniferous horizons within the largest known deposit of platinum group minerals in the world, namely the Bushveld Complex in South Africa and also the second largest worldclass deposit namely the Great Dyke in Zimbabwe. Mining mostly takes place as underground operations, focusing on relatively narrow mineralised horizons with the specific mining methods adapted to suit the local geology and morphology of these mineralised horizons. The Mineral Resources and Mineral Reserves are geographically spread but are dominated by the Mineral Resources at Impala and Zimplats.

Integrated Mineral Resource Management at Implats

Key Mineral Resource Management (MRM) areas, including exploration, geology, geostatistical modelling, mine-survey, sampling, MRM systems and mine planning have been integrated as a functional grouping over the past five years. The MRM function is the custodian of the mineral assets of the Group



and specifically strives to grow these assets in terms of both Resources and Reserves, and to unlock value through a constant search for optimal extraction plans which yield returns in line with the corporate and business objectives. The Group MRM function also strives to develop strategies and actions that are equal to best practice in the platinum industry.

The main objective of the MRM function is to add value to the organisation, through:

- Appropriate investigation, study and understanding of the orebodies
- Accurate and reconcilable Mineral Resource and Reserve estimates
- Integrated and credible short-, medium- and long-term plans
- Measured and managed outputs
- Sound management information systems.

Functional liaison, co-operation and auditing have been imbedded in the MRM function throughout the Group. Specific focus is given to standardisation and the development of

Abridged Mineral Resource and Mineral Reserve statement continued

protocols to govern the MRM function. The Group accordingly remains committed to:

- Continuously improving the management of Mineral Resources and related processes, whilst addressing skills development and retention
- Optimal exploitation of current assets, together with growth of the Mineral Resource base by leveraging and optimising existing Group properties, exploration and acquisitions, including alliances and equity interests with third parties
- The legislative regime that governs mineral rights ownership
- The transparent, responsible disclosure of Mineral Resources and Mineral Reserves in line with the prescribed codes, SAMREC and JORC, giving due cognisance to materiality and competency.

Exploration overview

Implats exploration strategy remained essentially unchanged from the previous year i.e. focus on brownfields evaluation drilling at or adjacent to existing mining operations combined with low level greenfields exploration activity both locally and offshore. The focus of all exploration was on primary platinum group metal targets.

BROWNFIELDS EXPLORATION

Exploration around current mining operations at Impala, Zimplats, Marula and Mimosa comprised mainly evaluation drilling in support of life-of-mine planning, pre-feasibility and feasibility studies, resolution of local geological problems and growth opportunities. Some enhanced processing of the 3D seismic volume was undertaken at Impala.

GREENFIELDS EXPLORATION

In Southern Africa greenfields exploration focused on target generation in conjunction with our strategic alliance partner, Impact Minerals.

Offshore, greenfields exploration focused on Canada in conjunction with our strategic alliance partners HTX Minerals and Wallbridge. The former focused on target generation in the Mid Continental Rift area around Thunder Bay whilst Wallbridge continued drilling on the Milnet and Parkin project to further delineate mineralisation intersected in the previous financial year. We continue to maintain a watching brief on exploration developments offshore and screen potential exploration plays presented by junior exploration companies.

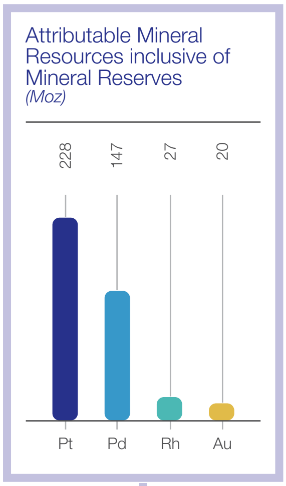
Pertinent reporting criteria

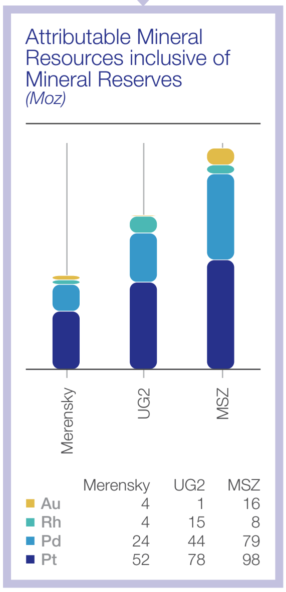
- Implats developed a Group-wide protocol for the estimation, classification and reporting of Mineral Resources and Mineral Reserves in 2010 to enhance standardisation and to facilitate consistency in auditing. This protocol is updated annually on a needs basis and specifically guides the classification of mineral resources
- Mineral Resource tonnage and grades are estimated *in situ*. The Mineral Resources for the Merensky Reef are estimated at a minimum mining width, and may therefor include mineralisation below the selected cut-off grade
- In order to provide further transparency average widths are included in the detailed tabulations in 2011

- Mineral Resource estimates for the UG2 Reef reflect the channel widths only and do not include any dilution; the estimates only reflect the main chromitite layer
- Note that the UG2 channel widths in the case of Impala and Marula are narrower than a practical minimum mining width
- Mineral Resource estimates for the Main Sulphide Zone are based on optimal mining widths
- Mineral Resources are reported inclusive of Mineral Reserves, unless otherwise stated
- Mineral Resource estimates allow for estimated geological losses but not for anticipated pillar losses during eventual mining
- Mineral Reserve estimates include allowances for mining dilution and are reported as tonnage and grade delivered to the mill
- Mineral Resource and Mineral Reserve estimates in this abridged summary reflect only the Resources and Reserves attributable to Implats, the comprehensive report illustrates the details for each operation.

Implats recognises that the Mineral Resource and Mineral Reserve statements are based on projections and that estimates may vary if additional information becomes available or specifically if assumptions, modifying factors and market conditions change materially. To that effect independent third-party reviews are undertaken every second year on a Group-wide basis. The next review is scheduled for 2012; during 2011 independent third-party reviews were restricted to the Leeuwkop project and at Portals 5, 6 and 7 at Zimplats. At Leeuwkop no material issue was raised and the third-party work at Zimplats resulted in minor adjustments to some estimates.

Abridged Mineral Resource and Mineral Reserve statement continued





Attributable Mineral Resources

Attributable Mineral Resources inclusive of Mineral Reserves as at 30 June 2011

	Orebody	Category	Tonnes Mt	6E grade g/t	Attributable ounces Pt Moz	Attributable ounces 4E Moz
Impala (100% attributable from Impala, 49% attributable from Impala/RBR JV)	**Merensky**	Measured	132.3	7.06	17.0	26.9
		Indicated	93.3	6.18	10.5	16.6
		Inferred	87.1	6.08	9.6	15.3
	UG2	Measured	133.4	8.87	18.3	31.6
		Indicated	60.9	8.61	8.1	14.0
		Inferred	48.7	8.47	6.4	11.0
	Total		**556**	**7.49**	**69.9**	**115.5**
Marula (73% attributable)	**Merensky**	Measured	25.0	4.55	2.0	3.4
		Indicated	5.6	4.54	0.4	0.8
		Inferred	7.2	4.46	0.6	1.0
	UG2	Measured	23.2	10.07	2.9	6.4
		Indicated	8.8	10.22	1.1	2.5
		Inferred	4.8	10.29	0.6	1.4
	Total		**75**	**7.29**	**7.6**	**15.4**
Afplats (74% attributable from Leeuwkop, Kareepoort and Wolwekraal, 60% from Imbasa, 49% from Inkosi)	**UG2**	Measured	49.7	6.61	5.2	8.5
		Indicated	35.9	6.14	3.5	5.7
		Inferred	140.1	6.15	13.6	22.3
	Total		**226**	**6.25**	**22.3**	**36.6**
Two Rivers (45% attributable)	**Merensky**	Indicated	17.3	3.17	1.0	1.6
		Inferred	4.7	2.99	0.3	0.4
	UG2	Measured	5.7	5.49	0.5	0.8
		Indicated	21.0	4.33	1.4	2.4
		Inferred	0.5	5.66	0.0	0.1
	Total		**49**	**3.94**	**3.1**	**5.4**
Tamboti (100% attributable)	**Merensky**	Inferred	141.1	4.11	10.2	17.3
	UG2	Inferred	177.6	6.65	16.9	31.9
	Total		**319**	**5.52**	**27.1**	**49.2**
Zimplats (87% attributable)	**MSZ**	Measured	125.2	3.85	7.2	14.7
		Indicated	602.7	3.85	34.9	70.6
		Inferred	933.0	3.78	51.4	107.4
	Total		**1 661**	**3.81**	**93.6**	**192.7**
Mimosa (50% attributable)	**MSZ**	Measured	30.2	4.07	1.8	3.7
		Indicated	21.9	3.82	1.2	2.5
		Inferred	17.2	3.86	1.0	2.0
	Total		**69**	**3.94**	**4.0**	**8.2**
All	**Total**		**2 954**	**4.96**	**228**	**423**

Notes
- *These are summary estimates, and inaccuracy is derived from the rounding of numbers*
- *The largest proportion of the Group's attributable Mineral Resources originates from the MSZ; on a 4E ounce basis some 47% of the attributable Mineral Resources are hosted by the MSZ*
- *Platinum contributes some 54% of the combined 4E Mineral Resources*
- *51.4% of the attributable Mineral Resources are in the measured and indicated categories; this compares favourably with 48.9% in 2010.*

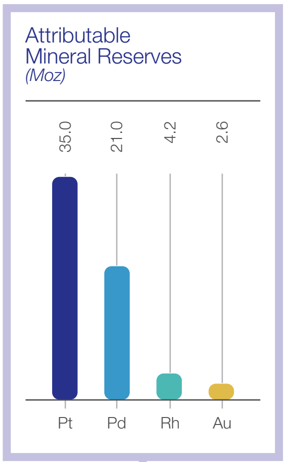
Attributable Mineral Reserves

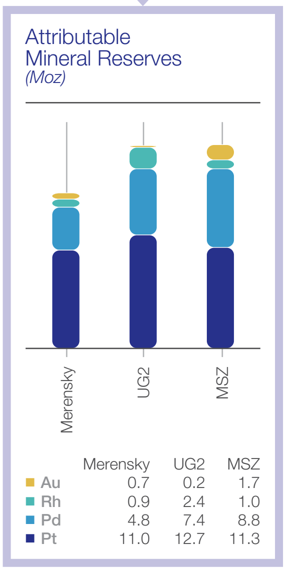
Attributable Mineral Reserves estimates as at 30 June 2011 are as follows:

	Orebody	Category	Tonnes Mt	6E grade g/t	Attributable ounces Pt Moz	Attributable ounces 4E Moz
Impala (100% attributable)	Merensky	Proved	11.5	4.50	0.9	1.5
		Probable	119.1	4.62	10.0	15.9
	UG2	Proved	14.3	4.77	1.1	1.8
		Probable	130.9	4.72	9.6	16.5
	Total		**276**	**4.67**	**21.6**	**35.7**
Marula (73% attributable)	UG2	Proved	1.9	4.68	0.1	0.2
		Probable	18.6	4.70	1.1	2.4
	Total		**21**	**4.70**	**1.2**	**2.7**
Two Rivers (45% attributable)	UG2	Proved	4.3	3.96	0.3	0.5
		Probable	13.3	3.40	0.7	1.2
	Total		**18**	**3.54**	**0.9**	**1.7**
Zimplats (87% attributable)	MSZ	Proved	48.6	3.58	2.6	5.3
		Probable	143.1	3.60	7.8	15.7
	Total		**192**	**3.59**	**10.4**	**20.9**
Mimosa (50% attributable)	MSZ	Proved	9.5	3.82	0.5	1.1
		Probable	6.1	3.61	0.3	0.7
	Total		**16**	**3.74**	**0.9**	**1.8**
All	**Total**		**521**	**4.21**	**35**	**63**

Notes

- *Attributable Mineral Reserves as expressed in tonnes, platinum and 4E ounces are based on the Implats equity interest*
- *These are summary estimates and inaccuracy is derived from the rounding of numbers*
- *The Mineral Reserves quoted reflect anticipated grades delivered to mill*
- *The Mineral Reserves are reasonably spread between the different reefs; the Merensky Reef contributed the smallest proportion of the Group's attributable Mineral Reserves*
- *Platinum contributes some 56% of the combined 4E Mineral Reserves*
- *Movement in the Mineral Reserves from FY2010 is set out on page 59.*





Abridged Mineral Resource and Mineral Reserve statement continued

Reconciliation

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

Total Mineral Resource estimate Pt ounces (million)

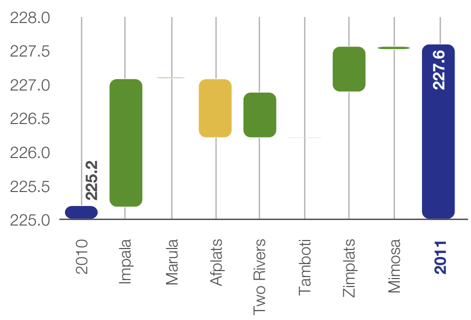
Inclusive of Mineral Reserves

	2010	Depletion	Other changes	2011	Attributable
Impala	71.2	(1.30)	3.1	**73.1**	69.9
Marula	10.4	(0.10)	0.1	**10.4**	7.6
Afplats	35.7	(0.00)	(1.4)	**34.3**	22.3
Two Rivers	5.5	(0.21)	1.6	**6.8**	3.1
Tamboti	27.1	(0.00)	0.0	**27.1**	27.1
Zimplats	106.8	(0.26)	1.0	**107.6**	93.6
Mimosa	7.9	(0.16)	0.4	**8.1**	4.0
Totals	**264.6**	**(2.04)**	**4.9**	**267.4**	**227.6**

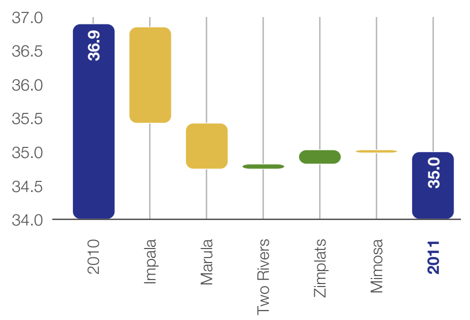
Notes

- *Depletion ounces were adjusted by mine call and concentrator factors*
- *Overall the comparison does not indicate material differences, the total estimate for 2011 is somewhat higher despite the depletion during the year*
- *The positive variance at Impala can mostly be ascribed to additional information resulting in increased widths for the Merensky Reef*
- *The negative variance at Afplats is the result of updated estimates following further exploration drilling at the prospecting right areas*
- *The increased estimate at Two Rivers can be ascribed to the reassessment of the Merensky Reef Mineral Resource estimate; this now includes the complete Merensky Pyroxenite unit*
- *The positive variance at Zimplats is the result of adjusting the Mineral Resource width in some areas*
- *The small positive variance at Mimosa essentially resulted from the addition of the Far South Hill Mineral Resource.*

Implats attributable Mineral Resources
(year-on-year variance Moz Pt)



Implats attributable Mineral Reserves
(year-on-year variance Moz Pt)



Total Mineral Reserve estimate Pt ounces (million)

	2010	Depletion	Other changes	2011	Attributable
Impala	23.0	(1.15)	(0.3)	**21.6**	21.6
Marula	2.6	(0.09)	(0.8)	**1.6**	1.2
Two Rivers	1.9	(0.19)	0.4	**2.1**	0.9
Zimplats	11.8	(0.22)	0.4	**12.0**	10.4
Mimosa	1.8	(0.14)	0.1	**1.7**	0.9
Totals	**41.1**	**(1.78)**	**(0.3)**	**39.0**	**35.0**

Notes

- *Depletion ounces were adjusted for global concentrator factors*
- *With the exception of Marula, the comparison does not show material differences over and beyond depletion*
- *The negative variance at Impala is the net effect of a number of factors, the most relevant being re-classifying some UG2 correctly as a Mineral Resource prior to full capital approval*
- *At Marula, the high variance is related to the restatement of the mine plan, limiting the extraction plan to a maximum depth of 4 levels. For more details on this, refer to the operational review on pages 68 to 71*
- *The increase at Two Rivers can in part be ascribed to the inclusion of the UG2 opencast area into the Reserves*
- *The increase at Zimplats is the result of increased mining widths in certain areas.*

Various Competent Persons, as defined by the SAMREC and JORC Codes, contributed to the abridged Mineral Reserves and Mineral Resources figures quoted in this report. As such these statements reflect the estimates as compiled by teams of professional practitioners from the various operations, shafts and projects. Accordingly, the Group Executive: Mineral Resource Management, Seef Vermaak, PriSciNat Registration No 40015/88, assumes responsibility for the Mineral Resources and Mineral Reserves estimates for the Group.

In addition, the following competent persons are appointed by the chief executive officer of the indicated entities:

- The Competent Persons for the Two Rivers' Mineral Resources and Reserves are Messrs PJ van der Merwe and M Cowell, full-time employees of ARM
- The Competent Persons for Zimplats are Messrs A du Toit and S Simango, full-time employees of Zimplats
- The Competent Person for Mimosa is Mr D Mapundu, a full-time employee of Mimosa.

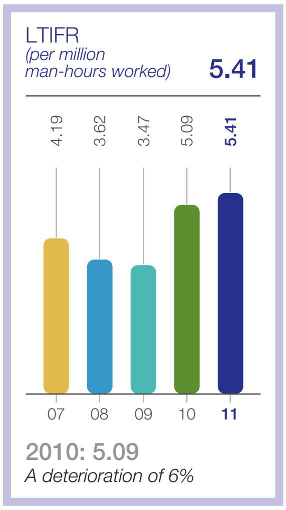
A detailed breakdown of Implats' Mineral Resources and Mineral Reserves is provided in a separate report entitled, Mineral Resource and Mineral Reserve Statement 2011, which is available in the annual report section of the Implats website **www.implats.co.za** and may be downloaded as a PDF file using Adobe Acrobat Reader. This information is also available on request from the Implats offices at the address given at the back of this report.

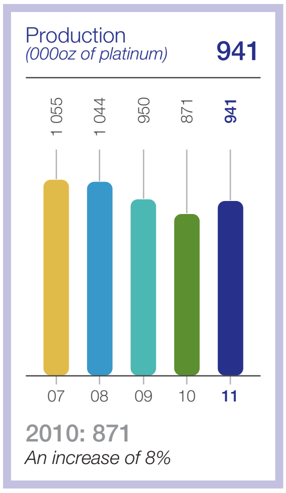
Operational review

Impala

Business summary

- A 14 shaft mining complex
- Mineral processes, incorporating concentrating and smelting plants
- Refineries, housing the base and precious metals refineries
- Reserves: 21.6 million attributable ounces of platinum
- Resources (including reserves): 69.9 million attributable ounces of platinum
- Production: 941 200 ounces of refined platinum
- Employees and contractors: 46 653
- Key sustainability issues: Safety, HIV, SO_2 emissions and project delivery





Material sustainability review

SAFETY

Safety and health remain fundamental issues that have impacted the Rustenburg operation. Regrettably the operation experienced seven fatalities during the year under review. The lost-time injury frequency rate was unsatisfactory at 5.41, showing a 6% deterioration from the previous year (FY2010: 5.09 per million man-hours worked).

The operation remains committed to achieving a 'zero harm' workplace and has placed emphasis on behavioural and cultural change and visible-felt leadership. The target for safety going forward is a 20% year-on-year improvement from the previous year's performance and a stretch target of 40%.

HEALTH

The high prevalence of HIV-related TB and the onset of AIDS influenced productivity negatively as a result of lost shifts due to illness and recruitment of new employees who require training.

As a result the operation has placed a greater emphasis on voluntary counselling and testing (VCT), early diagnosis and treatment through a holistic approach of testing all chronic illnesses and the early induction of individuals into the wellness programme. Through proactive campaigns there has been a steady increase in holistic testing with 12 647 individuals tested at the Rustenburg operation, a 103% increase from the previous year (FY2010: 6 236) and a total of 4 451 on the wellness programme at the end of the financial year (FY2010: 3 569).

A key objective is to increase both VCT and the number of individuals on wellness programmes by 10% in 2012. Holistic counselling and testing will therefore continue to be a key strategic driver to manage and maintain employee health.

ENVIRONMENT

Sulphur dioxide emission remains a key environmental concern with total direct SO_2 emissions rising by 74% from the previous financial year (2010: 3 638 tonnes). Total SO_2 emissions are calculated monthly through a sulphur mass balance approach.

Emissions during FY2011 increased to the equivalent of 17.3 tonnes of SO_2 per day (FY2010: 10.4 tonnes SO_2 per day), indicating a deterioration in sulphur dioxide emissions at the operation. The cause of this deterioration in air quality at the smelter has been investigated and the findings indicate that high sulphur content in the Merensky ore and the inefficiencies in the abatement system were the causes. The operation is currently in the process of restoring the SO_2 level to below 16 tonnes of SO_2 a day.

AIR QUALITY

Air quality management, particularly sulphur emission will be an area of focus in the coming year. The objective will be to refine the sulphur mass balance for the operation, by incorporating continuous data monitoring results. Water consumption, energy efficiency, carbon emissions and compliance will also be areas of focus going forward.

Operational review

Operationally the year under review can be termed one of recovery with tonnes milled increasing by 4% to 14.1 million. During FY2010 mining was affected by a two-week industrial action and the fall of ground incident at 14 Shaft. The latter resulted in the closure of the mechanised sections of 12 and 14 Shafts and the implementation of a revised trackless mining layout based on six-meter bords.

Mining flexibility remains a key issue due to a combination of the later than expected delivery of the new shafts in conjunction with lower than planned development in prior years. Total development (including capital) increased year-on-year by 8% to 132 kilometres. This will continue to place greater reliance on the older shafts and result in reduced efficiencies and an ongoing high level of white area mining which accounted for 34% of production during the year under review.

The ratio of Merensky to UG2 ore mined improved from 40% to 42%. This resulted in a 3% improvement in the overall platinum yield. In addition some 11 000 ounces of platinum were produced from low grade surface sources. Refining recoveries, which are world class, were further improved during the year by 0.4%, 0.3% and 0.2% for platinum, palladium and rhodium respectively. Refined platinum production increased by 8% to 941 200 ounces.

The higher volumes positively influenced unit costs, which rose 8% to R10 801 per platinum ounce excluding share-based payments.

Capital expenditure increased by 23% to R4.2 billion. The bulk of this, approximately R3.2 billion, was spent on mining-related projects, in particular 20, 16 and 17 Shafts.

THE NEW SHAFTS

Impala Rustenburg is currently constructing three major shafts, namely 20, 16 and 17 Shaft. These shafts are designed as replacement shafts for the older infrastructure which is seeing declining resource availability.

These shafts are significant undertakings – multiple shaft sinking and major development over many years.

While these shafts will produce a significant portion of our future production at Impala Rustenburg there have been several delays over time. The delays are caused by a number of factors, the significant ones being:

- During shaft sinking at 16 Shaft, severe water ingress was encountered. The water was extremely corrosive and metal ventilation infrastructure used during the sink needed to be replaced
- Planning for all shafts was based on good practices. It has become evident that based on current performance we have not been able to attain the original planning parameters
- Ground conditions encountered at these shafts have been significantly worse than we expected and resulted in the most significant of all the delays. This was due to the fact that our planning envisaged that we could perform our support function concurrently. As part of our safety first approach, a decision was taken that the support function up to the face took place after the mining activities and not at the same time, hence increasing the time needed to complete the full mining and support cycle
- Underperformance at 20 Shaft with less than desired development rates of the incline/decline spines has meant later access to reef than originally planned
- Encountering major delays in the completion of the shaft infrastructure, as we did not fully appreciate the complexities and congestion associated with development and waste rock removal in conjunction with project activities.

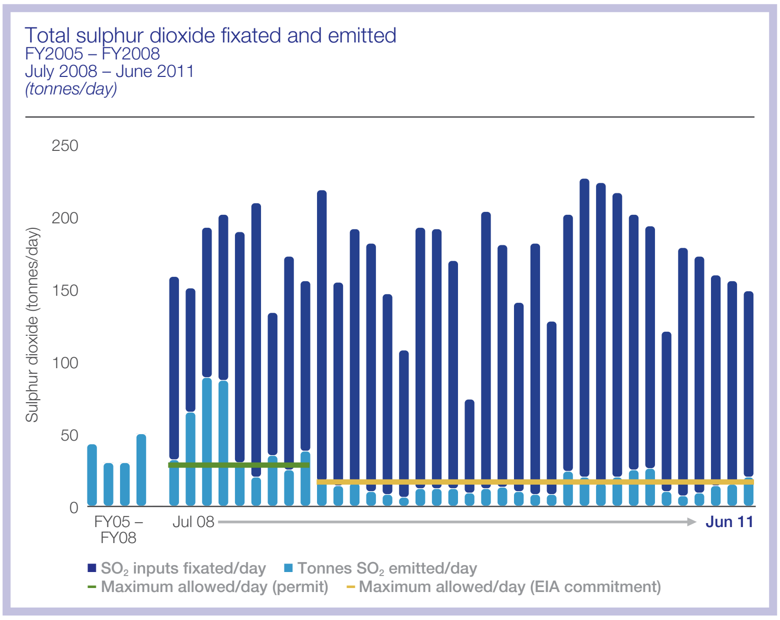
The 20 Shaft design is different from the other Impala shafts in that access to the production levels from the vertical shaft is through an incline and decline spine, rather than the conventional shaft system employed at other shafts. The reason for this was that the incline/decline spine layout enabled quicker access to reef than the conventional layout but has a caveat of slower build-up over time. The friability of the spine ends resulted in the position of these spines being moved from the reef horizon into the footwall and substantially more support required throughout than first envisaged. This resulted in a slower rate of progress since the start of this development. During the year, the infrastructure at the bottom of the shaft was completed and the incline and decline shafts accessed the first two production levels, albeit at a slower development rate.

First reef production commenced during the year but due to the historically slower development progress, it became apparent that this production would jeopardise the tight project development schedule and it was decided to delay the production ramp-up by 12 months. This will allow the project team to focus on development of the incline and decline spines during the next year, utilising the services of a specialist contractor. As a consequence 26 000 ounces of platinum production has been deferred from FY2012 to FY2013.

At 16 Shaft, sinking of the main shaft is nearing completion and the focus next year will be on equipping the shaft for hoisting. During the past year the first four levels were developed out of the ventilation shaft using track bound drill rigs and these levels have now reached the Merensky reef horizon. The completion of the main shaft infrastructure remains on the critical

Operational review continued

Impala continued



path to the commencement of production in 2014. In the previous report it was anticipated that production would commence in FY2013, but this is about six months behind schedule due to unplanned rope changes and time to complete sinking in the shaft bottom.

Sinking of the 17 Shaft complex went according to plan and at the same time attained a million fatality free shifts. The refrigeration shaft has reached its final depth, while the main and ventilation shaft will be sunk. During the coming year, development of the first two horizontal levels will commence from the refrigeration shaft. Expected first production from 17 Shaft remains FY2017.

Project performance in the two decline projects at 11 and 14 Shaft was in line with expectations and both these shafts now contribute tons from stoping activities.

Outlook

Currently 36% of production is derived from the older, first and second generation shafts namely 2, 2A, 4, 5, 6, 7, 7A, 8 and 9. These shafts were sunk in the 1970s and early 1980s, to replace the original declines. The balance of production comes from the third generation shafts, 1, 10, 11, 12 and 14.

Over the next five years, production from the older shafts is expected to decline to 10% of the total output with production from the third generation shafts not growing sufficiently to make up the difference. The key to this shortfall and the restoration of steady state production is to increase volumes from the third generation shafts and importantly, ramp up the new shafts.

As can be expected from new shaft projects of this magnitude and duration, they carry a degree of risk for timeous delivery into the production profile. Due to experience gained at 20 and 16 shafts, previously estimated contribution in the short to medium term has been scaled back. As a result production is expected to be maintained at the 915 000 to 920 000 ounce level for two years before building to 950 000 ounces of platinum from year three which is 5% lower than our previous target of one million ounces.

Beyond this period, the key to an increased and sustained production profile will be the systematic development of new shaft blocks. The first of these blocks, 17 Shaft, which has commenced sinking in FY2007 will start production in FY2017. Subsequent to this is 18 Shaft which is currently the subject of a feasibility study. This study will be presented to the Board in 2012 and, if approved, will result in first production early in the next decade.

Capital expenditure for the five-year planning period to FY2016 is estimated at R27 billion. Mining projects account for R19 billion of which R12 billion will be allocated for 20, 16 and 17 Shafts, and R4 billion for the yet unapproved, 18 Shaft. The balance will cater for upgrades at both Mineral Processes and Refineries.

Impala – key statistics

		FY2011	FY2010
REVENUE	(Rm)	**18 441**	14 025
Platinum		**11 618**	8 833
Palladium		**2 483**	1 410
Rhodium		**2 132**	2 386
Nickel		**989**	609
Other		**1 219**	787
COST OF SALES		**(10 955)**	(8 803)
On-mine operations		**(7 594)**	(6 781)
Processing operations		**(1 673)**	(1 457)
Refining operations		**(467)**	(446)
Depreciation		**(923)**	(742)
Change in inventory		**(298)**	623
GROSS PROFIT		**7 486**	5 222
Other operating expenses		**(367)**	(378)
Royalty expense		**(606)**	(420)
PROFIT FROM OPERATIONS		**6 513**	4 424
Profit from metal purchased transactions		**25**	146
Sales of metals purchased		**13 589**	10 516
Cost of metals purchased		**(13 568)**	(10 370)
Change in inventory		**4**	–
PROFIT FROM OPERATIONS IN IMPLATS GROUP		**6 538**	4 570
Gross margin ex-mine	(%)	**40.6**	37.2
SALES VOLUMES EX-MINE			
Platinum	(000oz)	**980.5**	819.1
Palladium		**527.3**	501.9
Rhodium		**133.5**	147.9
Nickel	(000t)	**5.9**	4.4
SALES VOLUMES METALS PURCHASED FROM IRS			
Platinum	(000oz)	**680.7**	610.7
Palladium		**469.8**	427.6
Rhodium		**85.5**	77.3
Nickel	(000t)	**6.0**	5.1
PRICES ACHIEVED EX-MINE			
Platinum	($/oz)	**1 693**	1 427
Palladium		**678**	373
Rhodium		**2 272**	2 144
Nickel	($/t)	**23 951**	18 286
EXCHANGE RATE ACHIEVED EX-MINE	(R/$)	**6.99**	7.56
PRODUCTION EX-MINE			
Tonnes milled ex-mine#	(000t)	**14 054**	13 531
% UG2 milled	(%)	**57.5**	60.2
Headgrade (6E)#	(g/t)	**4.60**	4.60
Total development metres (including capital)	(metres)	**132 342**	122 573
Platinum refined	(000oz)	**941.2**	871.4
Palladium refined		**510.5**	459.3
Rhodium refined		**126.8**	121.7
Nickel refined	(000t)	**5.5**	4.9
PGM refined	(000oz)	**1 854.2**	1 714.7
TOTAL COST	(Rm)	**10 101**	9 062
	($m)	**1 436**	1 199
Share-based compensation	(Rm)	**(65)**	345
per tonne milled*	(R/t)	**723**	644
	($/t)	**103**	85
– per PGM ounce refined*	(R/oz)	**5 483**	5 084
	($/oz)	**780**	673
– per platinum ounce refined*	(R/oz)	**10 801**	10 003
	($/oz)	**1 536**	1 324
– net of revenue received for other metals*	(R/oz)	**3 552**	4 045
	($/oz)	**505**	535
– per platinum ounce refined	(R/oz)	**10 732**	10 399
	($/oz)	**1 526**	1 376
CAPITAL EXPENDITURE	(Rm)	**4 240**	3 435
	($m)	**603**	455
LABOUR INCLUDING CAPITAL AS AT 30 JUNE	(number)	**46 653**	45 587
Own employees		**32 909**	31 870
Contractors		**13 744**	13 717
Centares per panel man per month**	(m^2/man)	**29.6**	32.8

* *Excluding share-based compensation.*
** *Conventional mining and own employees efficiency.*
\# *The ex-mine tonnage and grade statistics tabulated above excludes the low grade material from surface sources.*

Operational review

Zimplats

Business summary

- Three shallow mechanised underground mines
- Concentrator and smelter plants at Selous Metallurgical Complex (SMC) (77km north of Ngezi)
- Concentrator plant at Ngezi
- Reserves: 10.4 million attributable ounces of platinum
- Resources: (including reserves) 93.6 million attributable ounces of platinum
- Production: 182 100 ounces of platinum in matte
- Employees and contractors: 5 367
- Key sustainability issues: SO_2 emissions

Material sustainability review

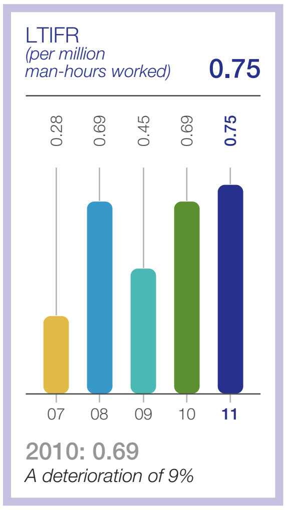
SAFETY

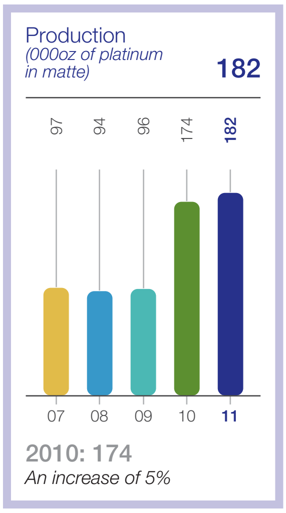
Zimplats achieved a world-class safety performance for the year under review.

ENVIRONMENTAL

Sulphur dioxide emissions are a key environmental issue for Zimplats, with overall direct SO_2 emissions for the year at 12 100 tonnes (FY2010: 12 449). The Phase 1 expansion of the operation in 2009, resulted in a doubling of sulphur emissions over the period. SO_2 emissions per day during FY2011 totalled 33.2 tonnes, this represents a 3% decrease on the prior year (FY2010: 34.1 tonnes per day).

Zimplats is currently undertaking a prefeasibility study to evaluate the installation of SO_2 abatement equipment at Selous Metallurgical Complex (SMC). This equipment will ensure that the operation, as a minimum, does not increase its SO_2 emissions from current levels during the Phase 2 expansion. The prefeasibility on this project is expected to be completed in FY2012.





Operational review

The operation delivered an exceptional performance, which marked the first year of full production following the commissioning of the Phase 1 expansion in FY2010.

Tonnes milled increased by 3% to 4.22 million with both the Ngwarati and Rukodzi Mines (Portals 1 and 2) operating at full production at 1.26 and 1.34 million tonnes respectively. Bimha Mine (Portal 4) continued its ramp up with tonnes milled increasing by 75% to 1.62 million. Full throughput at Bimha Mine of 164 000 tonnes per month was achieved in May 2011. Good grade control was maintained across the three mines with mill grade unchanged at 3.56g/t 6E. Concentrator recoveries rose by 1% to 82.4% due to an improved performance at the Ngezi unit. The combined effect was a 5% increase in platinum production in matte to 182 100 ounces.

Unit costs rose by 16% to US$1 171 per platinum ounce in matte due to a combination of internal inflation, the strong Rand and higher maintenance costs at the Ngezi concentrator. Internal inflation at 7% was driven by significant increases in labour, consumables, explosives, fuel and underground support costs. The strength of the Rand continues to have an adverse effect on South African sourced inputs.

Maintenance costs at the Ngezi concentrator rose mainly as a result of the concentrator operating for a significant part of FY2010 on commissioning spares and consumables lowering expenditure during that period. Capital expenditure increased by 29% to $119 million as a result of the commencement of the Phase 2 expansion.

Outlook

The Phase 2 expansion commenced in August last year, and the project, which will be funded from internal cash flows and bank loans, is estimated to cost in the region of US$460 million. It entails the development of a new two million tonne underground portal, Mupfuti Mine (Portal 3), an additionally sized concentrator module and associated infrastructure. Mupfuti Mine is scheduled to commence production in FY2013. The new concentrator unit is expected to be commissioned in April 2013 and reach full nameplate capacity in FY2014. A run-of-mine ore stockpile is currently being built to ensure steady-state capacity at the concentrator as Mupfuti Mine ramps up to full production.

Both headgrade and overall metallurgical recoveries are expected to remain around the current levels of 3.56g/t 6E and 80%, respectively. Based on the Phase 2 expansion refined platinum production will increase by 90 000 ounces to 270 000 ounces per annum. Capital expenditure is estimated at approximately US$770 million over the next five years. US$400 million of the total capital budget will be expended on the Phase 2 expansion, the majority of which will be incurred over the next two years.

The next step in our growth plans is the Phase 3 expansion which is currently the focus of a feasibility study.

Operational review continued

Zimplats continued

Zimplats – key statistics

		FY2011	FY2010
REVENUE	(Rm)	**3 709**	3 052
Platinum		**2 004**	1 767
Palladium		**692**	405
Rhodium		**211**	252
Nickel		**465**	366
Other		**337**	262
COST OF SALES		**(1 576)**	(1 481)
Mining operations		**(870)**	(806)
Processing operations		**(446)**	(373)
Depreciation		**(239)**	(184)
Change in inventory		**(21)**	(118)
GROSS PROFIT		**2 133**	1 571
Intercompany adjustment*		**(81)**	(412)
Adjusted gross profit		**2 052**	1 159
Other operating expenses		**(203)**	(145)
Royalty expense		**(113)**	(69)
PROFIT FROM OPERATIONS IN IMPLATS GROUP		**1 736**	945
Gross margin	(%)	**57.5**	51.5
SALES VOLUMES IN MATTE			
Platinum	(000oz)	**182.2**	171.5
Palladium		**148.9**	139.8
Rhodium		**16.3**	15.1
Nickel	(t)	**3 481**	3 131
PRICES ACHIEVED IN MATTE			
Platinum	($/oz)	**1 564**	1 364
Palladium		**661**	384
Rhodium		**1 841**	2 204
Nickel	($/t)	**18 997**	15 466
EXCHANGE RATE ACHIEVED	(R/$)	**7.03**	7.56

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

Zimplats – key statistics (continued)

		FY2011	FY2010
PRODUCTION			
Tonnes milled ex-mine	(000t)	**4 223**	4 095
Headgrade (6E)	(g/t)	**3.56**	3.56
Platinum in matte	(000oz)	**182.1**	173.9
Palladium in matte		**148.1**	140.2
Rhodium in matte		**16.8**	15.5
Nickel in matte	(t)	**3 519**	3 103
PGM in matte	(000oz)	**388.8**	368.9
TOTAL COST	(Rm)	**1 519**	1 324
	($m)	**216**	175
Share-based compensation	(Rm)	**20**	–
– per tonne milled**	(R/t)	**355**	323
	($/t)	**50**	43
– per PGM ounce in matte**	(R/oz)	**3 855**	3 589
	($/oz)	**548**	475
– per platinum ounce in matte**	(R/oz)	**8 232**	7 614
	($/oz)	**1 171**	1 007
– net of revenue received for other metals**	(R/oz)	**(1 131)**	224
	($/oz)	**(161)**	30
– per platinum ounce in matte	(R/oz)	**8 342**	7 614
	($/oz)	**1 186**	1 007
CAPITAL EXPENDITURE	(Rm)	**840**	698
	($m)	**119**	92
LABOUR INCLUDING CAPITAL AS AT 30 JUNE	(number)	**5 367**	3 680
Own employees		**2 757**	2 418
Contractors		**2 610**	1 262
Centares per panel man per month	(m^2/man)	**42.0**	43.0

** *Excluding share-based compensation.*

Our business

Integrated performance

Responsibility reporting

Operational review

Marula

Business summary

- An on-reef decline (Driekop Shaft) and an off-reef conventional decline (Clapham Shaft)
- Concentrator plant
- Reserves: 1.2 million attributable ounces of platinum
- Resources (including reserves) 7.6 million attributable ounces of platinum
- Production: 70 600 ounces of platinum in concentrate
- Employees and contractors: 4 209
- Key sustainability issues: Safety, rightsizing operational profile

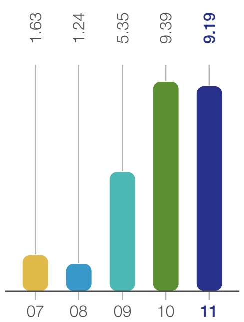
Material sustainability review

SAFETY

The overall safety performance was unsatisfactory. Notwithstanding the mine experiencing zero fatalities over the period, the number of lost-time injuries remains high with a marginal improvement of 2% from FY2010. Poor behaviour and a lack of compliance to safety rules were the key factors that contributed to these safety incidences. A DuPont STOP® programme that was initiated to address these issues and should yield positive results for safety in future.

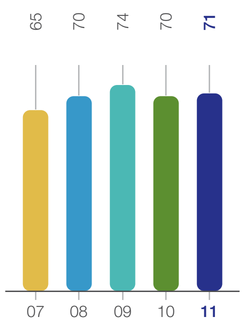
The safety initiatives will focus largely on behavioural change, compliance to safety rules, leadership commitment and communication. The safety target is a 20% improvement on the LTIFR by FY2012 with a threshold of 7.

LTIFR
(per million man-hours worked) 9.19



2010: 9.39
An improvement of 2%

Production
(000oz of platinum in concentrate) 71



2010: 70
An improvement of 1%

Operational review

Tonnes milled and headgrade were virtually unchanged at 1.54 million and 4.39g/t 6E, respectively, resulting in platinum production remaining constant at 70 600 ounces despite an increase in financial, labour and equipment resources. This was below our ramp-up plan of 85 000 platinum ounces. Higher staffing levels without the requisite improvement in production ounces resulted in a 19% rise in unit costs to R16 884 per platinum ounce (R6 419 per PGM ounce).

Marula has experienced a series of operational difficulties since FY2002 and has been unable to achieve its production targets. The original mine plan, based on a trackless mechanised bord and pillar mining method, proved inappropriate due to geological conditions, primarily the rolling nature of the reef which hampered mechanised machine efficiencies and aggravated the extent of waste dilution.

A new hybrid mine plan incorporating conventional stoping and mechanised strike development was developed in FY2004 and implemented the following year. This plan envisaged simultaneous infrastructure development for the conversion to conventional mining and ongoing stoping from the hybrid sections.

The conversion project fell behind schedule due to the fact that production parameters were premised on drill-jig technology and double-shift blasting.

In light of these operational difficulties, the mine plan was reassessed in FY2010. The review revealed that the complexities of changing to a conventional mining layout resulted in a number of logistical constraints and consequently the production target was amended to a steady-state level of 100 000 ounces of platinum per annum by FY2013.

Despite the initiatives put in place to address these constraints, Marula has continued to fall short against plan. A detailed strategic review undertaken during the last quarter of 2011 evaluated mine planning parameters and the project status. As a consequence production at Marula will be maintained at the current rate of 70 000 ounces of platinum per annum for the next two years to enable the completion of the conversion project. Marula is rightsizing its cost base to the current ounce profile, a process that has been successfully completed in July.

As part of the ongoing production profile, the Company was successful in securing an extension to the Driekop Shaft from the Modikwa JV. This extension is significant in that it supplements the underperformance at Clapham Shaft.

Outlook

The revised plan will result in a smaller but more profitable operation. A further strategic review will be undertaken in FY2013 which will assess the status of the mine and examine the potential to expand it by exploiting the deeper UG2 and the yet untouched Merensky resources.

Operational review continued

Marula continued

Marula – key statistics

		FY2011	FY2010
REVENUE	(Rm)	1 300	1 130
Platinum		728	655
Palladium		316	188
Rhodium		183	225
Nickel		28	22
Other		45	40
COST OF SALES		(1 341)	(1 141)
Mining operations		(1 034)	(876)
Concentrating operations		(152)	(146)
Treatment charges		(3)	(2)
Depreciation		(152)	(117)
GROSS PROFIT		(41)	(11)
Intercompany adjustment*		10	27
Adjusted gross profit		(31)	16
Royalty expense		(41)	(23)
PROFIT FROM OPERATIONS IN IMPLATS GROUP		(72)	(7)
Gross margin	(%)	(3.2)	(1.0)
SALES VOLUMES IN CONCENTRATE			
Platinum	(000oz)	70.6	70.1
Palladium		72.9	72.6
Rhodium		14.7	14.7
Nickel	(t)	222.0	216.6
PRICES ACHIEVED IN CONCENTRATE			
Platinum	($/oz)	1 481	1 244
Palladium		622	345
Rhodium		1 782	2 025
Nickel	($/t)	16 216	13 496
EXCHANGE RATE ACHIEVED	(R/$)	6.91	7.51

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

Marula – key statistics (continued)

		FY2011	FY2010
PRODUCTION			
Tonnes milled ex-mine	(000t)	**1 542**	1 545
Headgrade (6E)	(g/t)	**4.39**	4.36
Platinum in concentrate	(000oz)	**70.6**	70.1
Palladium in concentrate		**72.9**	72.6
Rhodium in concentrate		**14.7**	14.7
Nickel in concentrate	(t)	**222.0**	216.6
PGM in concentrate	(000oz)	**185.7**	184.6
TOTAL COST	(Rm)	**1 186**	1 022
	($m)	**169**	135
Share-based compensation	(Rm)	**(6)**	26
– per tonne milled**	(R/t)	**773**	645
	($/t)	**110**	85
– per PGM ounce in concentrate**	(R/oz)	**6 419**	5 395
	($/oz)	**913**	714
– per platinum ounce in concentrate**	(R/oz)	**16 884**	14 208
	($/oz)	**2 401**	1 880
– net of revenue received for other metals**	(R/oz)	**8 782**	7 430
	($/oz)	**1 249**	989
– per platinum ounce in concentrate	(R/oz)	**16 799**	14 579
	($/oz)	**2 389**	1 930
CAPITAL EXPENDITURE	(Rm)	**242**	281
	($m)	**34**	37
LABOUR INCLUDING CAPITAL	(number)	**4 209**	3 968
Own employees		**3 272**	3 241
Contractors		**937**	727
Centares per panel man per month	(m^2/man)	**20.1**	25.0

*** Excluding share-based compensation.*

Our business

Integrated performance

Responsibility reporting

Operational review

Mimosa

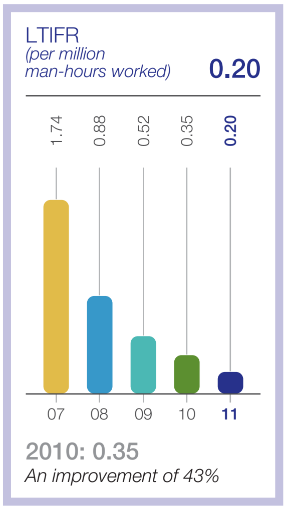
Business summary

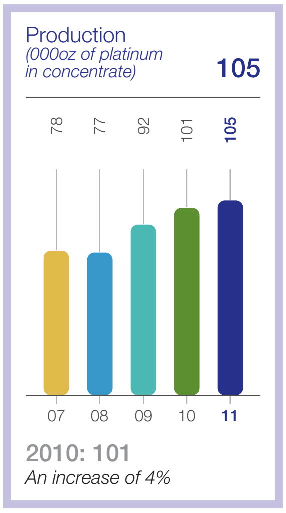
- Joint venture with Aquarius Platinum Limited
- Mechanised shallow underground mine
- Concentrator plant
- Reserves: 0.9 million attributable ounces of platinum
- Resources (including reserves) 4.0 million attributable ounces of platinum
- Production: 104 900 ounces of platinum in concentrate
- Employees and contractors: 1 796

Material sustainability review

SAFETY

Mimosa showed a deterioration in the FIFR due to a fatality during the year under review. The operation continues to focus on compliance to safety rules as well as maintaining all safety standards.





Operational review

Mimosa completed its second year of steady state production. Tonnes milled, headgrade and concentrator recoveries increased to 2.3 million (by 1%), 3.91g/t 6E and 77%, respectively. This resulted in a record platinum production in concentrate of 104 900 ounces.

Unit costs were adversely impacted by higher than anticipated labour costs, materials usage, consumable costs as well as the impact of the stronger Rand. The increase in labour costs were due to salary rate adjustments while materials costs were impacted by the need for additional materials usage in both production and support due to poor ground conditions experienced north of the Blore Shaft during the year under review. This resulted in unit costs per platinum ounce in concentrate rising by 15% to US$1 377.

Outlook

Mimosa is currently running at steady state production of 100 000 ounces of refined platinum per annum. This output level will be maintained for the next five years at a total capital cost of approximately US$35 million per annum.

Beyond this period expansion opportunities exist at both South and North Hill. A feasibility study is currently underway to investigate increased production from the southern portion of South Hill. In the case of North Hill, additional exploratory drilling of the resource is required.

Mimosa – key statistics

		FY2011	FY2010
REVENUE	(Rm)	**2 569**	2 063
Platinum		**1 277**	1 109
Palladium		**377**	217
Rhodium		**128**	114
Nickel		**495**	390
Other		**292**	233
COST OF SALES		**(1 139)**	(1 072)
Mining operations		**(730)**	(665)
Concentrating operations		**(196)**	(183)
Treatment charges		**(118)**	(114)
Depreciation		**(114)**	(80)
Change in inventory		**19**	(30)
GROSS PROFIT		**1 430**	991
Other operating costs		**(90)**	(65)
Royalty expense		**(87)**	(47)
PROFIT FROM OPERATIONS		**1 253**	879
50% of gross profit attributable to Implats		**717**	495
Intercompany adjustment*		**(25)**	(74)
Adjusted gross profit*		**692**	421
Other costs including royalties		**(89)**	(57)
PROFIT FROM OPERATIONS IN IMPLATS GROUP		**603**	364
Gross margin	(%)	**55.7**	48.0
SALES VOLUMES IN CONCENTRATE			
Platinum	(000oz)	**105.4**	98.4
Palladium		**81.6**	75.5
Rhodium		**8.4**	7.8
Nickel	(t)	**3 037**	2 819
PRICES ACHIEVED IN CONCENTRATE			
Platinum	($/oz)	**1 722**	1 491
Palladium		**657**	380
Rhodium		**2 161**	1 935
Nickel	($/t)	**23 178**	18 311
EXCHANGE RATE ACHIEVED	(R/$)	**7.03**	7.56
PRODUCTION			
Tonnes milled ex-mine	(000t)	**2 311**	2 277
Headgrade (6E)	(g/t)	**3.91**	3.86
Platinum in concentrate	(000oz)	**104.9**	101.2
Palladium in concentrate		**80.4**	76.6
Rhodium in concentrate		**8.4**	8.1
Nickel in concentrate	(t)	**2 945**	2 776
PGM in concentrate	(000oz)	**219.7**	210.3
TOTAL COST	(Rm)	**1 016**	913
	($m)	**144**	121
– per tonne milled	(R/t)	**440**	401
	($/t)	**63**	53
– per PGM ounce in concentrate	(R/oz)	**4 624**	4 341
	($/oz)	**658**	575
– per platinum ounce in concentrate	(R/oz)	**9 685**	9 018
	($/oz)	**1 377**	1 194
– net of revenue received for other metals	(R/oz)	**(2 631)**	(405)
	($/oz)	**(374)**	(54)
CAPITAL EXPENDITURE	(Rm)	**372**	255
	($m)	**53**	34
LABOUR INCLUDING CAPITAL AS AT 30 JUNE	(number)	**1 796**	1 802
Own employees		**1 567**	1 576
Contractors		**229**	226
Centares per panel man per month	(m^2/man)	**52.3**	49.3

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

Our business

Integrated performance

Responsibility reporting

Operational review

Two Rivers

Business summary

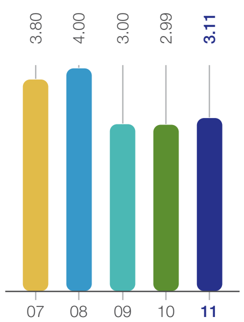
- Joint venture with African Rainbow Minerals Limited
- Two on-reef shafts
- Concentrator plant
- Reserves: 0.9 million attributable ounces of platinum
- Resources (including reserves) 3.1 million attributable ounces of platinum
- Production: 145 300 ounces of platinum in concentrate
- Employees and contractors: 3 293

Material sustainability review

SAFETY

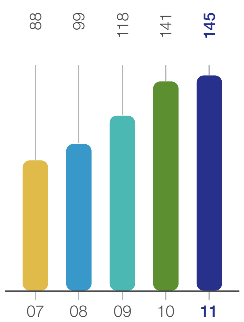
Two Rivers delivered an admirable fatality-free operational performance during FY2011 achieving a milestone two million fatality-free shifts in November last year.

LTIFR
(per million man-hours worked) 3.11



2010: 2.99
An improvement of 4%

Production
(000oz of platinum in concentrate) 145



2010: 141
An increase of 3%

Operational review

Tonnes milled improved from the previous year at 2.9 million and a small stockpile was built as underground production marginally exceeded concentrator capacity. The improved milling rate, coupled with a 2% rise in recoveries boosted platinum production to 145 300 ounces in concentrate. Unit costs increased by 13.5% to R9 615 per platinum ounce due to higher consumable costs, additional spend on redevelopment, Merensky trial mining and stockpile milling during FY2010.

Capital expenditure increased significantly in FY2011 as a result of the cash preservation programme implemented in the previous year.

Outlook

The Environmental Authorisation for the UG2 North Opencast mine was granted by the DMR in December 2010. Trial mining as part of the Merensky Reef feasibility study is in progress.

The transaction whereby Implats will dispose of portions 4, 5 and 6 of the farm Kalkfontein, as well as the area covered by the Tweefontein prospecting rights, to Two Rivers is awaiting approval from the DMR. This transaction, when completed, will increase the Group's shareholding in Two Rivers by 4% to 49%.

The relatively short life of the operation will be extended by the acquisition of the additional Kalkfontein resources which will also enhance flexibility.

Two Rivers – key statistics

		FY2011	FY2010
REVENUE	(Rm)	**2 274**	2 086
Platinum		**1 477**	1 370
Palladium		**365**	221
Rhodium		**290**	375
Nickel		**64**	57
Other		**78**	63
COST OF SALES		**(1 651)**	(1 512)
Mining operations		**(1 172)**	(992)
Concentrating operations		**(225)**	(201)
Treatment charges		**(15)**	(14)
Depreciation		**(249)**	(257)
Change in inventory		**10**	(48)
GROSS PROFIT		**623**	574
Royalty expense		**(11)**	(2)
PROFIT FROM OPERATIONS		**612**	572
Gross margin	(%)	**27.4**	27.5
Profit for the year	(Rm)	**415**	325
45% attributable to Implats		**185**	147
Intercompany adjustment*		**46**	(52)
Share of profit in Implats Group		**231**	95
SALES VOLUMES IN CONCENTRATE			
Platinum	(000oz)	**145.5**	140.9
Palladium		**83.7**	81.6
Rhodium		**24.2**	23.6
Nickel	(t)	**441.9**	442.5
PRICES ACHIEVED IN CONCENTRATE			
Platinum	($/oz)	**1 461**	1 271
Palladium		**629**	355
Rhodium		**1 717**	2 079
Nickel	($/t)	**21 010**	16 970
EXCHANGE RATE ACHIEVED	(R/$)	**6.95**	7.64
PRODUCTION			
Tonnes milled ex-mine	(000t)	**2 950**	2 918
Headgrade (6E)	(g/t)	**3.94**	3.95
Platinum in concentrate	(000oz)	**145.3**	140.9
Palladium in concentrate		**84.1**	81.6
Rhodium in concentrate		**24.6**	23.6
Nickel in concentrate	(t)	**443.7**	442.5
PGM in concentrate	(000oz)	**307.2**	296.8
TOTAL COST	(Rm)	**1 397**	1 193
– per tonne milled	(R/t)	**474**	409
	($/t)	**67**	53
– per PGM ounce in concentrate	(R/oz)	**4 548**	4 020
	($/oz)	**647**	526
– per platinum ounce in concentrate	(R/oz)	**9 615**	8 467
	($/oz)	**1 367**	1 108
– net of revenue received for other metals	(R/oz)	**4 129**	3 385
	($/oz)	**587**	443
CAPITAL EXPENDITURE	(Rm)	**280**	116
	($m)	**40**	15
LABOUR INCLUDING CAPITAL	(number)	**3 293**	2 733
Own employees		**756**	702
Contractors		**2 537**	2 031

Note: *The results in this table have been equity accounted.*

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

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Impala Refining Services

Business summary

- Providing smelting and refining services through offtake agreements with Group companies (except Impala) and third parties
- Recycling and toll-treatment

Operational review

Impala Refining Services (IRS) utilises Impala Platinum's excess processing and refining capacity to smelt and refine the concentrate and matte produced by the Group's other operations and third parties. The business also comprises the recycling of autocatalysts/catalysts and ad hoc toll refining.

With the exception of mine-to-market operations the Group has little or no control over volumes received from either third-party or toll-treatment contracts.

Refined platinum production from mine-to-market operations, increased by 8% to 487 000 ounces. This was primarily due to the first full year of steady state production at Zimplats following the completion of the Phase 1 expansion.

Mine-to-market

(000oz)	FY 2011	FY 2010
Zimplats	**175**	154
Marula	**71**	68
Mimosa	**99**	94
Two Rivers	**142**	135
	487	451

Third-party purchase contracts primarily include offtake agreements with Aquarius Platinum, Eastern Platinum and Platinum Australia.

Despite Blue Ridge being placed on care and maintenance for redevelopment in August 2010, and the closure of Number One Shaft at Marikana in October 2010, production from Aquarius Platinum increased by 8% year-on-year following the restart of Everest which delivered 46 000 ounces of platinum. This increase was, however, more than offset by reduced deliveries from other third party contracts. Although recycling and toll treatment increased by 8%, production for FY2011 declined by 3% to 408 000 ounces of platinum.

Third-party purchases, recycling and toll

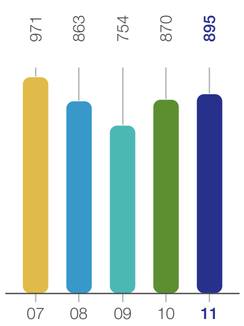
(000oz)	FY 2011	FY 2010
Aquarius Platinum	**81**	75
Eastern Platinum	**62**	62
Other purchases	**16**	51
Recycling and toll	**249**	231
	408	419

Overall IRS refined platinum production increased by 3% to 895 000 ounces.

Outlook

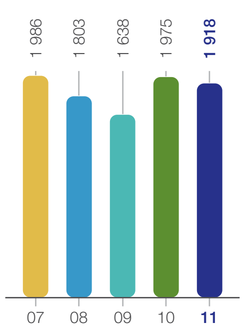
Growth in the medium to longer term is expected to come from the completion of the Phase 2 expansion at Zimplats, the continued ramp-up at Everest and Smokey Hills as well as additional output from Eastern Platinum and growing autocatalyst deliveries.

Production
(000oz of platinum) **895**



2010: 870
An increase of 3%

Production
(000oz of PGMs) **1 918**



2010: 1 975
A decrease of 3%

IRS – key statistics

		FY2011	FY2010
REVENUE	(Rm)	**14 273**	11 069
Platinum		**8 104**	6 661
Palladium		**2 169**	1 227
Rhodium		**1 376**	1 242
Nickel		**1 305**	1 024
Other metal sales		**874**	583
Treatment income		**445**	332
COST OF SALES		**(12 830)**	(9 881)
Metals purchased		**(12 649)**	(10 470)
Smelting		**(232)**	(190)
Refining		**(366)**	(318)
Change in inventory		**417**	1 097
GROSS PROFIT IRS		**1 443**	1 188
Metals purchased – adjustment on metal prices and exchange		**(20)**	–
Inventory – adjustment on metal prices and exchange		**(4)**	–
Gross profit in Implats Group		**1 419**	1 188
Other operating expenses		**(30)**	(29)
PROFIT FROM OPERATIONS		**1 389**	1 159
Metals purchased – fair value adjustment on metal prices		**(123)**	–
Metals purchased – foreign exchange adjustment		**143**	–
Gross margin	(%)	**10.1**	10.7
SALES	(Rm)	**14 273**	11 069
Direct sales to customers		**401**	383
Sales to Impala		**13 427**	10 354
Toll income		**445**	332
TOTAL SALES VOLUMES			
Platinum	(000oz)	**684.2**	615.4
Palladium		**474.2**	434.3
Rhodium		**87.1**	79.6
Nickel	(t)	**7 863**	7 117
PRICES ACHIEVED			
Platinum	($/oz)	**1 691**	1 432
Palladium		**655**	374
Rhodium		**2 254**	2 065
Nickel	($/t)	**23 757**	19 031
EXCHANGE RATE ACHIEVED	(R/$)	**7.00**	7.56
REFINED PRODUCTION			
Platinum	(000oz)	**895.1**	870.0
Palladium		**680.6**	778.7
Rhodium		**134.8**	130.5
Nickel	(t)	**10 829**	10 314
PGM refined	(000oz)	**1 918.2**	1 974.7
METAL RETURNED			
Platinum	(000oz)	**219.5**	233.0
Palladium		**210.0**	259.3
Rhodium		**41.7**	49.3
Nickel	(t)	**3 370**	2 792

Corporate governance

Introduction

The Implats Board of directors continues to be committed to the highest levels of corporate governance standards. A healthy and ethical environment is promoted wherein every employee of the Group is expected to behave with integrity, honesty and fairness. The Board is fully cognisant of the important role corporate governance plays in the delivery of sustainable growth to all our stakeholders, and it remains one of the key focus areas of the Board and of the Company's executive management.

King III

During the year under review, the Board materially complied with King III recommendations as outlined in the Code of Corporate Practices and Conduct. The Group's practices were benchmarked against King III principles, using a detailed gap analysis that was undertaken during the year. All areas of improvement that have been identified in the analysis are being effectively dealt with. The Group has materially entrenched the majority of King III principles into its internal controls, policies, terms of reference and overall procedures and will continue to do so.

The following are explanations for areas where the Company does not fully apply the principles of King III:

King III recommendation	Implats' application
The evaluation of the Board, its Committees and the individual directors should be performed every year	
Yearly evaluations should be performed by the Chairman or an independent provider	All retiring directors undergo an evaluation, conducted by an independent service provider. A review is conducted on all retiring directors before they are recommended for re-election at the AGM. The Company performs evaluations of the Board, its Committees and the Committee chairmen once every two years, as opposed to annually, as the extended period between evaluations allows for a more reasonable assessment of performance
An overview of the appraisal process, results and action plans should be disclosed in the Integrated Annual Report	The Nominations Committee reviews the appraisal process, makes recommendations for areas of improvement, as identified and implements action plans accordingly. The Company includes a statement in the Integrated Annual Report in respect of the appraisals conducted as recommended by King III but does not include an analysis of the results thereof, as it is considered sensitive information
Companies should remunerate directors and executives fairly and responsibly	
Non-executive fees should comprise a base fee as well as an attendance fee per meeting	The Company does not link payment to attendance at Board or Committee meetings

King III recommendation	Implats' application
Companies should disclose the remuneration of each individual director and certain senior executives	
The salaries of the three most highly paid employees who are not directors must be disclosed	The Company does not deem it appropriate to disclose the names of the three most highly paid employees who are not directors, and only the salaries of these employees will be published
Share-based and other long-term incentive schemes	
All share-based incentives, including options and restricted or conditional shares, whether settled in cash or in shares, should align the interests of executives with those of shareholders and should link reward to performance over the longer term	The Implats Share Appreciation Bonus Plan does not have performance conditions attached and will be reviewed by the Remuneration Committee during FY2012

The Companies Act 71 of 2008, as amended by the Companies Amendment Act 3 of 2011, ("new Companies Act") and other legislation

The new Companies Act came into effect on 1 May 2011, and the Board confirms its commitment to the implementation of and compliance to the new Companies Act. The Company is in the process of conducting a gap analysis to determine the requirements of the new Companies Act and related regulations against current practices and expects to be able to verify behavioural compliance and a programme towards structural compliance in the Annual Integrated Report for 2012.

The Company continues to comply with all the Listing Requirements of both the Johannesburg Stock Exchange and the London Stock Exchange. The Company also continues to maintain a sponsored Level 1 American Depositary Receipt Programme through Deutsche Bank, Americas.

Board of directors

The Board has 13 directors, comprising eight independent non-executive directors, two non-executive and three executive directors. Dr Khotso Mokhele, an independent non-executive director, is chairman of the Board. Mr DH Brown is the chief executive officer (CEO) and an executive director. The roles of the Chairman and CEO are separate.

Mr TV Mokgatlha, Mr OM Pooe and the alternate director, Mr NJD Carroll, are not considered independent given their relationship with the Royal Bafokeng Nation, a substantial shareholder of the Company. During the period under review, Ms D Earp resigned as the Chief Financial Officer of the Company and as an executive director of the Board, while Mr LJ Paton retired from the Company and resigned as an executive director.

The Nominations Committee recommends the appointment of new directors for approval by the Board according to the strategy adopted by the Board in February 2010. There is a policy in place which details procedures for appointments to the Board. Such appointments are formal and transparent and a matter for the entire Board, assisted by the Nominations Committee. When appointing directors, the Board takes cognisance of its needs in terms of skills, experience, diversity, size and demographics. The Board comprised 62% HDSAs and 31% female members and details of all Board members can be found on pages 88 to 89.

During the year under review the following members were appointed to the Board:

1. Brenda Berlin (Executive director)
2. Hugh Cameron (Independent non-executive director)

Corporate governance continued

3. Mandla Gantsho (Independent non-executive director)
4. Terence Goodlace (Independent non-executive director)
5. Babalwa Ngonyama (Independent non-executive director)
6. Mpueleng Pooe (Non-executive director)

In terms of the Company's Memorandum of Incorporation, Board members are appointed for a three-year term of office. Re-election of Board members is staggered to ensure continuity and succession planning. An executive director retires at the annual general meeting (AGM) after his/her 63rd birthday, and a non-executive director after his/her 67th birthday, except that in the case of a non-executive director, his/her term of office may continue on an annual basis if the majority of their co-directors request them to continue. This was the situation with Ms MV Mennell, who was asked by the Board to retain her directorship until October 2011. Ms Mennell will retire from the Board at the Company's annual general meeting in October 2011. The names of the retiring directors and curriculum vitae are stated under the heading of "Annual General Meeting" on page 86 of this report.

The role and purpose of the Board

The Board provides overall leadership to Management in respect of setting and implementing the business strategy of the Company. In addition, the Board takes full responsibility for the management, direction and performance of the Company by exercising independent judgement on all issues reserved for its review and approval. More importantly, the Board remains cognisant of its accountability to stakeholders and that the Company conducts all its business activities in a proper and transparent manner.

The role of the Board is documented in a formal Board Charter that defines matters reserved for Board approval. The Board Charter is reviewed and updated regularly, in accordance with any new guidelines and legislation that is enacted during the period under review. The Charter will be reviewed and updated to ensure compliance with the new Companies Act and related regulations. The Board Charter is available on the Company's website **www.implats.co.za**. In addition to the Board Charter, a formal delegation of authority ("Approval Framework") is in place that defines the powers and authority of the Board and Management.

Frequency of meetings

The Board meets at least seven times a year. In addition to the four quarterly Board meetings, three full-day sessions are held annually to discuss the following:

1. Strategy
2. Budget and Business Plans
3. Board Education and Training

The Board meets on an *ad hoc* basis to consider specific issues as the need arises. The progress and status of identified strategic issues are reported and monitored at the quarterly Board meetings. Non-executive directors meet both officially and unofficially with Management on a regular basis.

Board committees

The Board functions are supported by the following committees:

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

In terms of the new Companies Act the Company must have a Social and Ethics Committee. The formation of the committee will be dealt with by the Nominations Committee of the Board.

Attendance

Attendance at Board meetings and Committee meetings are set out below:

Attendance at Board and Committee meetings and Annual General Meeting

	Board	Audit and Risk Committee	Remuneration Committee	HSE Committee	Nominations Committee	Transformation Committee	Annual General Meeting
NUMBER OF MEETINGS	**7**	**4**	**4**	**4**	**5**	**4**	**1**
KDK Mokhele	7/7	–	–	3/4	5/5	3/4	✓
DH Brown*	7/7	–	–	4/4	–	4/4	✓
B Berlin[Δ2]	3/3	–	–	–	–	–	–
HC Cameron[2]	6/6	3/3	–	–	–	3/3	–
PA Dunne	7/7	–	–	4/4	–	1/1	✓
D Earp[1]	3/3	–	–	–	–	1/1	✓
MSV Gantsho[2]	6/6	–	1/3	–	–	–	–
TP Goodlace[2]	7/7	–	–	3/3	–	–	✓
JM McMahon	7/7	4/4	4/4	4/4	–	–	✓
MV Mennell	7/7	4/4	–	–	5/5	–	✓
TV Mokgatlha	6/7	–	4/4	–	–	4/4	✓
B Ngonyama[2]	6/6	3/3	–	–	–	–	–
NDB Orleyn	7/7	–	4/4	–	5/5	4/4	✓
LJ Paton[1]	1/1	–	–	1/1	–	1/1	✗
OM Pooe	5/6	–	2/3	–	–	–	✓

* *CEO*
Δ *CFO*
1 Resigned during the year under review
2 Appointed during the year under review

Declaration of interests

Directors' interests in terms of Section 75 of the new Companies Act are disclosed at every meeting.

Board committees

AUDIT AND RISK COMMITTEE

Members: Michael McMahon (Chairman), Hugh Cameron, Vivienne Mennell, Babalwa Ngonyama.

During the 2011 financial year Hugh Cameron and Babalwa Ngonyama were appointed as members of the Audit and Risk Committee. The Committee comprises independent non-executive directors only. The Chief Executive Officer, Chief Financial Officer, the Head of Group Internal Audit and the external auditor attend meetings of the Committee by invitation only.

The statutory and Board delegated duties of the Committee include the following:

- Monitoring the integrity of the Integrated Annual Report and other relevant external financial reports of Implats and reviewing all significant inputs, judgements and outputs in order to present a balanced and understandable assessment of the position, performance and prospects of Implats, as appropriate
- Preparing a report to be included in the annual financial statements in terms of Section 94(7)(f) of the new Companies Act which is on page 79 of this report
- Reviewing the Company's internal financial control and financial risk management systems in order to safeguard Implats' assets
- Monitoring and reviewing the effectiveness of Implats' internal audit function
- Recommending to the Board the appointment of the external auditors, approving the remuneration and terms of engagement of the external auditors and monitoring their independence, objectivity and effectiveness, taking into consideration relevant professional and regulatory requirements

Corporate governance continued

- Regulating the use of the external auditors for non-audit duties in terms of a policy document prepared and enforced which governs the use of external auditors for non-audit services
- Receiving and dealing appropriately with any concerns or complaints, whether from within or outside the Company, in terms of Section 94(2)(g) of the new Companies Act.

The Committee has adopted formal written terms of reference approved by the Board of Directors. These terms of reference mandate the Committee to investigate any activity of the Company and permit seeking information or advice from any employee and to consult externally. The internal and external auditors have unlimited access to the chairman of the Committee and they meet at least once a year, individually, with the Committee in-camera.

The Audit and Risk Committee has, in the past financial year, satisfied its responsibilities in compliance with the new Companies Act and its predecessor, the Companies Act 71 of 1973, as amended, and its terms of reference, which are aligned with King III.

REMUNERATION COMMITTEE

Members: Mandla Gantsho (Chairman), Michael McMahon, Thandi Orleyn, Thabo Mokgatlha, Mpueleng Pooe.

The Remuneration Committee comprises three independent non-executive directors and two non-executive directors. This is in accordance with the King III recommendation that the majority of members should be independent non-executive directors. Mandla Gantsho was appointed as a member and his appointment as the Chairman of the Committee was effective on 01 February 2011. Mpueleng Pooe was also appointed to the Committee during the year under review. The Chairman of the Board, Chief Executive Officer and the human resources executive are invited to attend all Remuneration Committee meetings except when their own remuneration is under consideration.

The Company's remuneration policy as determined by the Remuneration Committee will be presented to the shareholders for consideration at the Annual General Meeting convened in terms of the notice on pages 209 to 214. The policy strives for competitive and fair remuneration to recognise and reward individual and team achievements.

The Remuneration Committee has adopted formal written terms of reference which have been approved by the Board.

The main functions of the Remuneration Committee are to:

- Determine fixed and variable remuneration for executive directors and senior executives
- Ensure that the right calibre of executive and senior management is attracted, retained, motivated and rewarded for individual performance and contribution to the performance of the Group
- Ensure the provision of fair, equitable and competitive conditions of employment across the Group
- Ensure the effectiveness of a comprehensive talent management process, encompassing employee development and executive succession planning
- Benchmark remuneration practices against both local and international best practice
- Monitor retirement benefits for management
- Discharge the obligations of the Board to ensure objectivity regarding the remuneration of directors
- Recommend the Company's remuneration policy to the Board for presentation to shareholders at the Annual General Meeting, as a non-binding advisory vote
- Make recommendations on the remuneration packages of the non-executive directors, the Chairman of the Board, members (including chairmen) of sub-committees to the shareholders for approval.

NOMINATIONS COMMITTEE

Members: Khotso Mokhele (Chairman), Thandi Orleyn, Vivienne Mennell.

In line with the recommendation of King III, the Committee comprises three independent non-executive directors and the Chairman of the Board is a member of the Committee. The CEO is also a permanent invitee of the Committee. The Committee assists the Board in ensuring that the balance in structure, size and effectiveness of the Board is maintained. This objective is reached by giving due consideration to the number of executive, non-executive and independent non-executive directors appointed to the Board and ensuring that the Board and its sub-committees:

- Are reviewed regularly
- Comprise the requisite mix of skills, experience, diversity and other qualities

- Align with the strategic direction and requirements of Implats
- Meet the requirements of sound corporate governance.

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

TRANSFORMATION COMMITTEE
Members: Thandi Orleyn (Chairman), David Brown, Khotso Mokhele, Thabo Mokgatlha, Hugh Cameron.

The Committee comprises three independent non-executive directors, a non-executive director, and the CEO. The Committee is responsible for facilitating and monitoring socio-economic transformation with the aim of achieving a transformed workforce, across the Group.

The Committee is therefore responsible for:
- Advising and guiding the Board on any decision-making process relating to transformation
- Guiding the organisation on issues of transformation
- Consulting all roleplayers to ensure commitment and adopting an inclusive approach in addressing transformation issues
- Providing quality assurance regarding the implementation of the transformation processes
- Ensuring transparency in communication.

HEALTH, SAFETY AND ENVIRONMENTAL COMMITTEE
Members: Terence Goodlace (Chairman), Khotso Mokhele, Michael McMahon, David Brown.

The Health, Safety and Environmental (HSE) Committee is responsible for the governance of health, safety and environmental matters in the Group and as a sub-committee of the Board it has been in place since 1988. Its role in respect of its terms of reference is to monitor and review safety, health and environmental performance and standards. The HSE Committee supplements and provides support, advice and guidance on the effectiveness of Management's efforts in the areas of safety, health and the environment.

As such the Committee:
- Reviews the adequacy and appropriateness of the health, safety and environmental, policies, standards, codes of practice and procedures of the Group
- Monitors HSE performance in accordance with stated goals and objectives, including measurement against South African and international norms and benchmarks
- Monitors the HSE management function and recommends improvements where considered necessary
- Reviews the HSE element of the Company's business plan and approves the HSE section of the Integrated Annual Report
- Has the right to institute investigations into matters where inadequacies have been identified or as directed by the Board.

The HSE Committee comprises three non-executive directors and the Chief Executive Officer. The Committee saw changes in membership during the reporting period with Terence Goodlace, an independent non-executive director, being appointed a member. Terence Goodlace was appointed Chairman of the Committee on 16 November 2010.

Education and induction

Ongoing Board education remains a key focus and upon appointment, new directors are offered an induction programme tailored to meet their specific requirements. In the year under review, these included meetings with operational executives at specific points of interest to assist the new directors to gain a good understanding of the business.

At the quarterly Board meetings the directors are kept abreast of all applicable legislation and regulations, changes to rules, standards and codes, as well as relevant sector developments, which could potentially impact the Group and its operations. All education and training programmes are, where necessary, supplemented by external courses.

Corporate governance continued

All Committees

Board committees operate in terms of mandates reviewed and approved by the Board. A mandate sets out the role, responsibilities, scope of authority, composition and procedures the Board committee will follow when reporting to the Board. These mandates were amended during the year to comply with the requirements of King III and the new Companies Act, where applicable. All Committees report to the Board at quarterly Board meetings and reports from the chairmen of the Committees are tabled at these Board meetings.

Company Secretary

The role of the Company Secretary is to ensure the Board remains mindful of its duties and responsibilities. In addition to guiding the Board on discharging its responsibilities, the Company Secretary keeps the Board abreast of relevant changes in legislation and governance best practices. The Company Secretary oversees the induction of new directors, as well as the ongoing education of directors. The principal responsibilities of the Company Secretary are set out in Section 88 of the new Companies Act. The Company Secretary is also secretary to the Board committees. All directors have access to the services of the Company Secretary.

Board and retiring director evaluations

During the year under review, the Board underwent its biennial evaluation. The process was led by the Nominations Committee, and carried out by PwC, as an external service provider, with assistance from the Company Secretary. The results of the evaluation will be tabled at a future Board meeting and all areas of concern arising from the report will be acted upon with a view to improvement. An annual evaluation of the Chairman of the Board was also carried out, under the direction of the Nominations Committee, and Ms Thandi Orleyn. This evaluation formed the basis for the Board's annual appointment of Dr Khotso Mokhele as Chairman.

Finally, all directors standing for re-election are evaluated through a process overseen by the Nominations Committee and conducted by PwC for the year under review.

The re-election of the retiring directors was endorsed unanimously by their fellow directors.

Other corporate governance issues

RISK MANAGEMENT

The risk management philosophy of the Group is explained in a separate section of the report on page 29.

IMPLATS INTERNAL CONTROL/INTERNAL AUDIT CORPORATE GOVERNANCE STATEMENT FOR FY2011

The Implats Board assumes overall responsibility for the system of internal control and ensures that controls are adequate in design and effective in implementation to provide reasonable assurance that governance, risk management and controls are in place and the set business objectives will be achieved. Implats management is responsible for ensuring that sufficient internal controls are in place to:

- Safeguard against fraud and inefficiency
- Ensure accuracy and reliability of accounting and operational data
- Secure compliance with legislation, organisational policies, procedures, standards and guidelines.

Key controls that include, inter alia, financial and operational controls, are implemented to mitigate against key risks identified by management to ensure Implats' assets are safeguarded and that liabilities and working capital are effectively managed.

The introduction and application of the provisions of King III has led to numerous enhancements of the internal control environment over the past financial year. The combined assurance model has been one of the enhancements that have been instrumental in ensuring optimisation of the assurance provision to the Company. The process has been established and is functioning throughout the organisation.

Implats Group Internal Audit

The independence and objectivity of Implats Group Internal Audit (IGIA) is underpinned by a direct reporting line to the Audit and Risk Committee, allowing for free and unfettered access to Implats documentation. Furthermore, the Head of Group Internal Audit holds regular meetings with the Audit and Risk Committee Chairman, the Chief Financial Officer, Chief Executive Officer and Chairman of the Board of Implats. The Head of Group Internal Audit attends Executive Committee meetings. The department is adequately skilled, well supported and makes a meaningful contribution to effective governance within the Group.

IGIA continues to apply a risk-based approach to its strategy and in the conduct of its audits. The department conforms to the International Standards for the Professional Practice of Internal Auditing, as prescribed by the Institute of Internal Auditors (IIA). Overall compliance with the Standards was endorsed by a successful full external assessment of this function during May 2011.

To ensure a continued service that complies with the definition of Internal Auditing, the International Standards for the Professional Practice of Internal Auditing and the code of ethics, the quality assurance and improvement programme, which includes both internal and external evaluations, assesses the effectiveness and efficiency of the internal audit activity and identifies opportunities for improvement.

The role of IGIA has been increased through key contributions made towards enhancing the organisation's combined assurance framework and the facilitation of the Control Self-Assessment (CSA) process. The outputs of the CSA process were used to support the written assessment of the effectiveness of internal financial controls by the Audit and Risk Committee, and internal controls by the Board.

CORRUPTION AND FRAUD

Implats adopted a zero tolerance stance on fraud and corruption throughout the Group. The expectation is that our employees, business partners, contractors and associates conduct themselves with the highest level of integrity and in line with the Implats code of ethics and fraud policy. This detailed code of ethics underpins the Group's fraud policy, together with an organisational culture that promotes a strong and healthy ethical fibre. Both policies are fully compliant with the Prevention and Combating of Corrupt Activities Act of 2004.

Executives and line management are responsible and accountable for the implementation of the fraud policy, code of ethics and resultant actions.

A number of allegations were reported via the whistleblower line, some were reported directly to senior management and others to IGIA. In line with the fraud policy, IGIA investigates all reported allegations and, for tracking purposes, maintains a register.

A total of 36 allegations were reported Group-wide, 11 of these were regarding the South African operation and the remaining 25 were reported in Zimbabwe. In accordance with our zero tolerance policy statement, all the reported allegations were investigated.

Twenty one of the allegations were founded and were dealt with in the following manner:

- In the South African operation three allegations were founded resulting in one disciplinary hearing leading to a dismissal. No disciplinary hearing could be conducted on two remaining cases due to the following:
  - In the first matter, fraud was committed by an external party, the matter was therefore referred to the authorities;
  - In the second matter, fraud was uncovered after the staff member was retrenched.
- In the Zimplats operation 18 allegations were founded and in all these cases a reward of US$2 550 was paid to the whistleblowers. Thirteen cases were taken through a disciplinary process which did not lead to any dismissals and Management were unable to resolve the remaining five due to a lack of evidence.

Corporate governance continued

CODE OF ETHICS

Implats has a code of ethics which underpins the business practice to which all employees and suppliers are expected to adhere. The policy outlines conflicts of interest, the prevention of dissemination of Company information, the acceptance of donations and gifts, and protection of the intellectual property and patent rights of the Company. The policy outlines the disciplinary action (including dismissal or prosecution) that will be taken in the event of any contravention. A "whistle-blowing" toll-free helpline is in place to facilitate the confidential reporting of alleged incidents that are reported to the Chairman of the Board.

DEALINGS IN SECURITIES

The Group observes a closed period from the end of the relevant accounting period to the announcement of the interim or year-end results, and any period when the Company is trading under a cautionary announcement, during which neither directors nor employees may deal, either directly or indirectly, in the shares of the Company or its listed subsidiaries. Certain employees, by virtue of their positions or access to information are also prohibited from trading during certain periods when they are in possession of unpublished price-sensitive information. The Morokotso Trust (ESOP) is allowed to trade during a closed period as no measure of discretion is applied during the routine trading of shares by participants and it is not a share incentive scheme in terms of the JSE Listings Requirements, and the provisions of Schedule 14.9(d) do not apply to the ESOP. All directors' dealings require the prior approval of the Chairman and the Company Secretary retains a record of all such dealings and approvals.

SUSTAINABLE REPORTING

The Company publishes an Integrated Annual Report that consolidates both financial and non-financial reporting and includes information on sustainable development. However, a separate Sustainable Development Report is also published and contains detailed analysis of non-financial performance. The non-financial performance indicators relating to sustainability is assured by an independent third party.

JSE SOCIALLY RESPONSIBLE INVESTMENT (SRI) INDEX

Implats has been a constituent on the JSE SRI index since the inception of the index. The index assesses the constituent's performance in terms of triple bottom-line reporting on issues such as environment, society and economy as well as corporate governance.

POLITICAL DONATIONS

Group policy prohibits political donations, either directly or indirectly.

LEGISLATIVE DEVELOPMENTS

Although all legislative developments impact on the effective management of the Company, the following legislative developments were significant to both the Company and stakeholders:

1. Companies Act 2008 and related Companies Regulations, 2011
2. Labour Law amendments relating to the Labour Relations Act, the Basic Conditions of Employment Act, the Employment Equity Act and the Employment Services Bill.
3. Indigenisation Act (Zimbabwe).

SUSTAINABILITY COMPLIANCE

Sustainable development in South Africa and Zimbabwe is managed within the regulatory framework of the respective countries.

ACCESS TO INFORMATION

Implats has complied with the requirements of the Promotion of Access to Information Act of 2000. The corporate manuals are available on the website **www.implats.co.za** and from the Company Secretary who has been appointed the Information Officer for the Group.

SPONSOR

Deutsche Securities (SA) (Pty) Limited is the Company's corporate sponsor in compliance with JSE Listings Requirements.

Annual General Meeting

Effects and implications of the Annual General Meeting.

The notice of the Annual General Meeting on pages 209 to 214 includes the following items:

ORDINARY BUSINESS

1. To adopt the annual financial statements for the Company and the Group for the year ended 30 June 2011.

2. To approve the re-appointment of PricewaterhouseCoopers Inc. as independent auditor of the Company until the conclusion of the next Annual General Meeting.

3. To individually re-elect the following independent non-executive directors as members of the Implats Audit and Risk Committee:
   - Mr JM McMahon – Chairman
   - Mr HC Cameron
   - Ms B Ngonyama.

4. To endorse the Company's Remuneration Policy for the 2011 financial year.

5. To approve the re-appointment of Ms B Berlin, Mr DH Brown, Mr HC Cameron, Dr MSV Gantsho, Mr TV Mokgatlha and Ms B Ngonyama as directors of the Company, who retire from office at the meeting and who offer themselves for re-election. The Company's Memorandum of Incorporation requires that at least one-third of the Board retire from office annually and stand for re-election by shareholders at the Annual General Meeting.

   The brief biography of all the directors to be re-appointed at the Annual General Meeting are set out on pages 88 and 89.

6. To authorise the directors to issue the unissued shares in the capital of the Company to such person or persons and on such terms and conditions as they deem fit, subject to a maximum of 5% of the Company's issued share capital and to the Listings Requirements of the JSE Limited.

SPECIAL BUSINESS

1. To authorise the directors to buy back a maximum of 5% of the Company's issued share capital, subject to the provisions of the Companies Act 2008 and the Listings Requirements of the JSE Limited. The Company bought back approximately 2.6% of the issued share capital in previous years, utilising surplus cash to acquire shares at lower price levels.

2. To approve the remuneration of the non-executive directors and of the Chairman of the Board for the financial year beginning on 1 July 2011. Details of the proposed remuneration are given in the Remuneration report on page 105.

3. To authorise the directors to cause the Company to provide financial assistance to any entity which is related or inter-related to Implats, subject to the provisions of the Companies Act 2008.

The three resolutions constituting special business require approval by a 75% majority of the votes cast by shareholders present in person or by proxy at the meeting.

Board of directors

From left: Khotso Mokhele, Hugh Cameron, Mandla Gantsho, Terence Goodlace, Vivienne Mennell, Michael McMahon, Babalwa Ngonyama, Thandi Orleyn

Independent non-executive directors

Khotso Mokhele (55)
Chairman
BSc (Agriculture), MSc (Food Science), PhD (Microbiology)
Chairman of Adcock Ingram Holdings Limited. Non-executive director of African Oxygen Limited and Tiger Brands Limited. Joined the Board in 2004 and appointed as Chairman in 2009.

Hugh Cameron (60)
BCom, BAcc, CA(SA)
Former partner at PricewaterhouseCoopers and a board member of First Uranium Corporation. Joined the Board in November 2010.

Mandla Gantsho (48)
BCom (Hons), CTA, MSc, MPhil, PhD
Non-Executive Director of Sasol Limited. Chief Executive Officer and director of NOVA Capital Africa.

Terence Goodlace (52)
NHD in Metalliferous Mining, BCom, MBA
Chief Executive Officer of Metorex Limited. Was the Chief Operating Officer of Gold Fields Ltd. He is a non-executive director of Vergenoeg Mining Co (Pty) Limited. Joined the Board in August 2010.

Michael McMahon (64) British
BSc (Mech Eng), PrEng
Director of Murray & Roberts Holdings Limited and Chairman of Central Rand Gold SA Limited. Joined the Group in 1990 as managing director, appointed chairman in 1993 and as a non-executive director in 2002.

Vivienne Mennell (68)
BA, MBA, FCMA, THD
Joined the Board in 1990 as financial director until the end of 1995. Re-joined the Board in 1998 as a non-executive director.

Babalwa Ngonyama (36)
BCompt (Hons), CA(SA), MBA
Chief Financial Officer and director at Safika Holdings (Pty) Limited and Avusa Limited. Joined the Board in November 2010.

Thandi Orleyn (54)
BJuris, BProc, LLB
Non-executive director of Arcelor/Mittal South Africa Limited, Reunert Limited and the South African Reserve Bank. Joined the Board in 2004.

From left: Thabo Mokgatlha, Mpueleng Pooe, David Brown, Brenda Berlin, Paul Dunne

Non-executive directors

Thabo Mokgatlha (36)
BCompt (Hons) CA(SA)
Financial Director of Royal Bafokeng Resources Management Services (Pty) Limited. Director since 2003.

Mpueleng Pooe (51)
B.Proc
Commercial & Legal Director of Royal Bafokeng Resources Holdings (Pty) Limited. Non-executive chairman and director of Metair Investments Limited. since April 2007. Joined the Board in August 2010.

Alternate director
Niall Carroll (45)
BCom (Hons), CA(SA), CFA
CEO of Royal Bafokeng Holdings (Pty) Limited. Joined the Board in 2009 as alternate director to Thabo Mokgatlha.

Executive directors

David Brown (49)
Chief Executive Officer
BCom, CTA, CA(SA)
Joined the Group in 1999 as financial director and appointed Chief Executive Officer in 2006.

Brenda Berlin (46)
Chief Financial Officer
BCom, BAcc, CA(SA)
Joined the Board in 2011 as Executive Director: Finance.

Paul Dunne (48)
Executive director: operations
BSc (Hons), MBA
Joined the Board in 2010 as Executive Director: Operations.

Management

From left: David Brown, Jon Andrews, Brenda Berlin, Paul Dunne, Derek Engelbrecht, Paul Finney

Executive Committee (EXCOM)

Day-to-day management of Group operations

David Brown (Chairman)
Chief Executive Officer

Jon Andrews
Group executive: HSE

Brenda Berlin
Chief Financial Officer

Paul Dunne
Executive director: South African operations

Derek Engelbrecht
Group executive: Marketing

Paul Finney
Group executive: Refining

Alex Mhembere
Chief executive officer: Zimplats

Humphrey Oliphant
Group executive: Employee relations

Les Paton (retired as at October 2010) *(no picture)*
Executive director: Mineral Resource management and exploration

Gerhard Potgieter
Group executive: Growth projects and consulting mining engineer

Johan Theron
Group executive: People

From left: Alex Mhembere, Humphrey Oliphant, Gerhard Potgieter, Johan Theron

From left: Bob Gilmour, Nonhlanhla Mgadza, Paul Skivington, Seef Vermaak

Permanent invitees

Bob Gilmour
Group executive: Corporate relations

Nonhlanhla Mgadza
Head of Group Internal audit

Paul Skivington
Group executive: Strategy and risk

Seef Vermaak
Group executive: Mineral Resource management

Risk Management Committee

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

Paul Skivington
Group executive: Strategy and risk (Chairman)

Jon Andrews
Group executive: HSE

Brenda Berlin
Chief Financial Officer

Paul Dunne
Executive director: Operations

Paul Finney
Group executive: Refining

Nonhlanhla Mgadza
Head of Group Internal audit

Alex Mhembere
Chief executive officer: Zimplats

Avanthi Parboosing
Company Secretary

Gerhard Potgieter
Group executive: Growth projects and consulting mining engineer

Reshma Ramkumar
Group risk analyst

Johan Theron
Group executive: People

Management continued

GROWCO

Growth and capital delivery

Gerhard Potgieter
Group executive: Growth projects and consulting mining engineer (Chairman)

Brenda Berlin
Chief Financial Officer

Rob Dey
Group executive: Projects

Derek Engelbrecht
Group executive: Marketing

Martyn Fox
Group executive: Technical support

Chris McDowell
Group executive: New business

Seef Vermaak
Group executive: Mineral Resource management

FINCO

Financial, legal, compliance and services functions

Brenda Berlin
Chief Financial Officer (Chairman)

Nonhlanhla Mgadza
Head of Group Internal audit

Francois Naudé
Group executive: Financial control

Avanthi Parboosing
Company Secretary

John Strauss
Group executive: Shared services

Leon van Schalkwyk
Group executive: Strategic finance

Stefanie Vivier
Group legal services manager

PEOPLECO

Managing and developing people and communities

Johan Theron
Group executive: People (Chairman)

Andries de Kock
Group training manager

Pierre Lourens
Group sustainable development manager

Humphrey Oliphant
Group executive: Employee relations

Karen Otto
Group reward manager

Colin Smith
Human resource executive: Rustenburg

Johanna Tau
Group stakeholder manager

OPCO

Delivery through effective safety, cost and production leadership

Paul Dunne
Executive director: South African operations (Chairman)

Jon Andrews
Group executive: HSE

Paul Finney
Group executive: Refining

Tinus Gericke
General manager: Technical services

Sean Graham
General manager: Processing

Gerhard Potgieter
Group executive: Growth projects and consulting mining engineer

Jacques van Schalkwyk
Management accounting manager: Operations

Seef Vermaak
Group executive: Mineral Resource management

Treasury Committee

Conversion of foreign exchange proceeds to rand and hedging metal sales

David Brown
Chief Executive Officer (Chairman)

Warren Adams
Group treasurer

Brenda Berlin
Chief Financial Officer

Derek Engelbrecht
Group executive: Marketing

Group Sustainable Development Forum

Support of community development projects

Johan Theron
Group executive: People (Chairman)

Jon Andrews
Group executive: HSE

Brenda Berlin
Chief Financial Officer

Paul Dunne
Executive director: Operations

Derek Engelbrecht
Group executive: Marketing

Pierre Lourens
Group sustainable development manager

Johanna Tau
Stakeholder engagement manager

Leon van Schalkwyk
Group executive: Strategic finance

Audit and Risk Committee report

For the year ended 30 June 2011

Introduction

The Audit and Risk Committee presents its report for the financial year ended 30 June 2011. The Audit and Risk Committee is an independent statutory committee, whose duties are delegated to it by the Board. The Committee has conducted its affairs in compliance with a Board approved terms of reference, and has discharged its responsibilities contained therein.

Objectives and scope

The overall objectives of the Committee are:

- To assist the Board in discharging its duties relating to the safeguarding of assets and the operation of adequate systems and control processes
- To control reporting processes and the preparation of financial statements in compliance with the applicable legal and regulatory requirements and accounting standards
- To provide a forum for the governance of risk, including control issues and developing recommendations for consideration by the Board
- To oversee the internal and external audit appointments and functions
- To perform duties that are attributed to it by the Act, the JSE and King III.

Committee performance:

- Received and reviewed reports from both internal and external auditors concerning the effectiveness of the internal control environment, systems and processes
- Reviewed the reports of both internal and external audit findings and their concerns arising out of their audits and requested appropriate responses from Management
- Made recommendations to the Board of directors regarding the corrective actions to be taken as a consequence of audit findings
- Considered the independence and objectivity of the external auditors and ensured that the scope of their additional services provided did not impair their independence
- Received and dealt with concerns and complaints through "whistle-blowing" mechanisms that were reported to the Committee by the Group Internal Audit function
- Reviewed a documented assessment, including key assumptions, prepared by management on the going concern status of the Company, and accordingly made recommendations to the Board
- Reviewed and recommended for adoption by the Board the financial information that is publicly disclosed, which included:
  - The Integrated Annual Report for the year ended 30 June 2011
  - The interim results for the six months ended 31 December 2010
- Considered the effectiveness of internal audit, approved the three-year operational strategic internal audit plan and monitored adherence of internal audit to its annual plan
- Reviewed the performance and expertise of the Chief Financial Officer and confirmed her suitability for the position
- Satisfied itself that the internal audit function is efficient and effective and carried out its duties in an independent manner in accordance with a Board approved internal audit charter.

The Committee is satisfied that it has fulfilled its obligations in respect of its scope of responsibilities.

Membership

The membership of the Committee comprised solely of independent non-executive directors. In addition, the Chief Executive Officer, the Chief Financial Officer, Head of Group Internal Audit, the Risk Executive and the external auditors are also permanent invitees to the meeting. Details of membership of the Committee can be found on page 81 and the attendance record of the members is available on page 81. The effectiveness of the Committee is assessed every two years. As required by the Act, the Committee is to be elected by shareholders at the forthcoming Annual General Meeting.

External audit

The Committee has satisfied itself through enquiry that the auditor of Impala Platinum Holdings Limited is independent as defined by the Act. Meetings were held with the auditor where Management was not present.

No material non-audit services were provided by the external auditors during the year under review.

The Committee has reviewed the performance of the external auditors and nominated, for approval at the Annual General Meeting, PricewaterhouseCoopers Inc as the external auditor for the 2012 financial year. Mr Jean-Pierre van Staden is the designated auditor and, in terms of the rotation requirements of the Act, 2012 will be his third year as designated auditor of the Company. The Committee confirms that the auditor and designated auditor are accredited by the JSE.

Integrated Annual Report

The Audit and Risk Committee has evaluated the Integrated Annual Report, incorporating the annual financial statements, for the year ended 30 June 2011. The Audit and Risk Committee has also considered the sustainability information as disclosed in the Integrated Annual Report and has assessed its consistency with operational and other information known to audit committee members. The Committee has also considered the external assurance providers report and is satisfied that the information is reliable and consistent with the financial results. The annual financial statements have been prepared using appropriate accounting policies, which conform to International Financial Reporting Standards. The Committee has therefore recommended the Integrated Annual Report for approval to the Board. The Board has subsequently approved the report and the annual financial statements, which will be open for discussion at the Annual General Meeting.

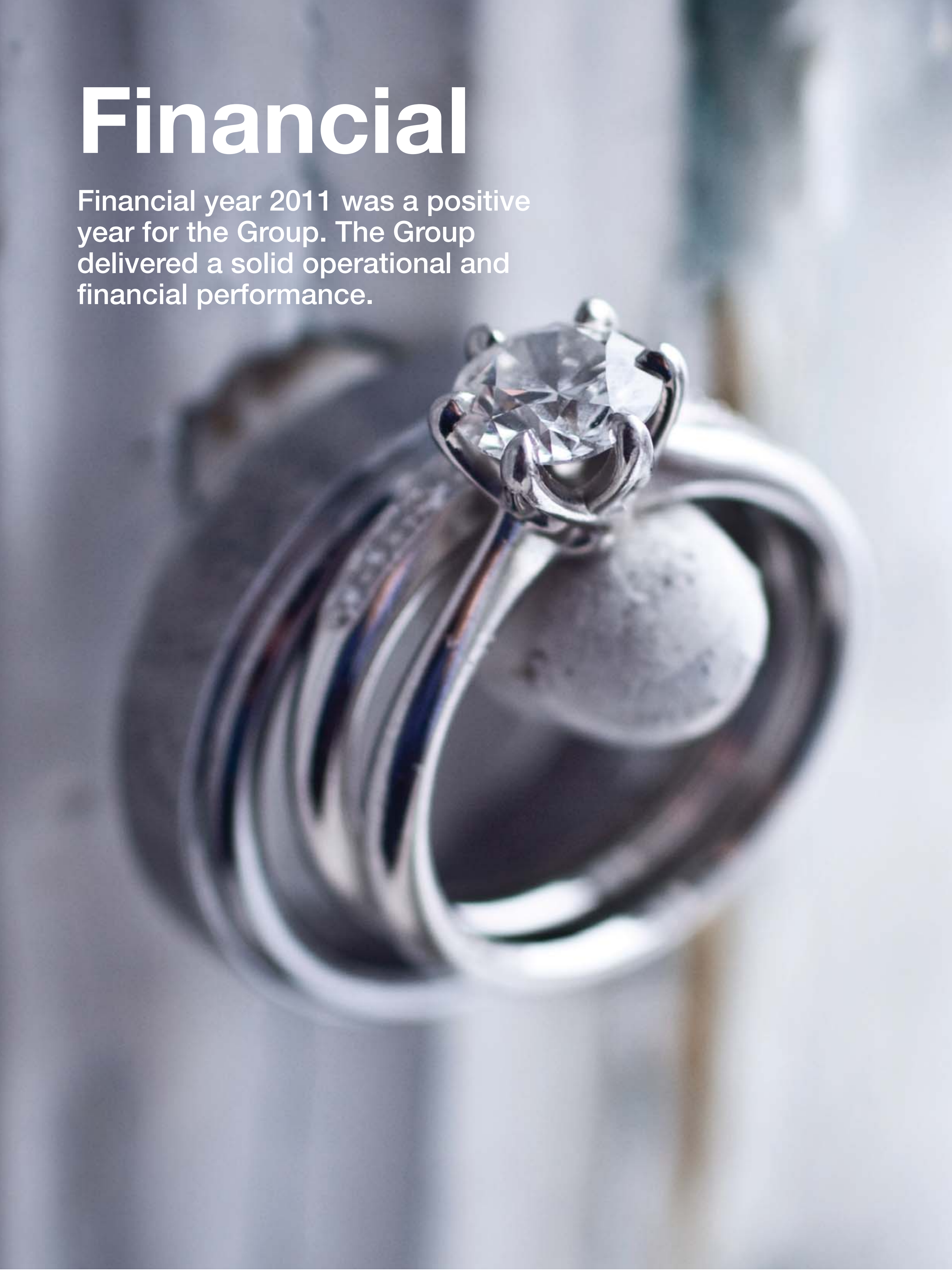
Based on the results of the formal documented review of the Company's system of internal financial controls which was performed by the internal audit function and external auditors, nothing had come to the attention of the Audit and Risk Committee to indicate that the internal financial controls were not operating effectively.

JM McMahon
Chairman of the Audit and Risk Committee

25 August 2011

Financial

Financial year 2011 was a positive year for the Group. The Group delivered a solid operational and financial performance.



Audited annual financial statements

Forward-looking statements

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

Directors' responsibility statement

The directors of the Company are responsible for the maintenance of adequate accounting records and the preparation of the annual financial statements and related information in a manner that fairly presents the state of the affairs of the Company. These annual 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 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 annual financial statements, and to prevent and detect material misstatement and loss.

Based on the results of a formal documented review of the Company's system of internal controls and risk management, covering both the adequacy in design and effectiveness in implementation performed by the internal audit function during the year 2011, the Board of directors has considered:
- the information and explanations provided by line management;
- discussions held with the external auditors on the results of the year-end audit; and
- the assessment by the Audit and Risk Committee.

Nothing has come to the attention of the Board that caused it to believe that the Company's system of internal controls and risk management are not effective and that the internal financial controls do not form a sound basis for the preparation of reliable financial statements. The Board's opinion is underpinned by the Audit and Risk Committee's statement.

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

The annual financial statements and Group financial statements as set out on page 98 to 197, have been approved by the Board of directors and are signed on their behalf by:

DK Mokhele
Chairman

DH Brown
Chief executive officer

Certificate by Company Secretary

In terms of Section 88(2) (e) of the Companies Act 2008, as amended, I certify that the Company has lodged with the Commissioner all such returns and notices as required by the Companies Act and that all such returns and notices are true, correct and up to date.

A Parboosing
Company Secretary

25 August 2011

Independent auditors' report

To the members of Impala Platinum Holdings Limited

We have audited the Group annual financial statements and annual financial statements of Impala Platinum Holdings Limited, which comprise the consolidated and separate statements of financial position as at 30 June 2011, and the consolidated and separate statements of comprehensive income, changes in equity and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory notes, and the directors' report, as set out on pages 100 to 197.

Directors' responsibility for the financial statements

The Company's directors are responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards and in the manner required by the Companies Act of South Africa, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatements, whether due to fraud or error.

Auditors' responsibility

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

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

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

Opinion

In our opinion, the financial statements present fairly, in all material respects, the consolidated and separate financial position of Impala Platinum Holdings Limited as at 30 June 2011, and its consolidated and separate financial performance and its consolidated and separate cash flows for the year then ended in accordance with International Financial Reporting Standards and the requirements of the Companies Act of South Africa.

PricewaterhouseCoopers Inc

PricewaterhouseCoopers Inc.
Director: Jean-Pierre van Staden
Registered Auditor

2 Eglin Road, Sunninghill, 2157
Johannesburg

25 August 2011

Directors' report

Profile

Business of the Company

Impala Platinum Holdings Limited (Implats/Company/Group) is principally in the business of producing and supplying platinum group metals (PGMs) to industrial economies. The Company's holdings in various mining and exploration activities as at 30 June 2011 are described below:

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

Capital

Authorised and issued share capital

The authorised share capital of the Company as at 30 June 2011 was R21 million divided into 844 008 000 ordinary shares of 2.5 cents each.

During the year no further new ordinary shares were issued in terms of the Implats share option scheme.

As at 30 June 2011, the issued share capital stood at 631 714 020 ordinary shares of 2.5 cents each (2010: 631 714 020 ordinary shares of 2.5 cents each).

Treasury shares

The Group holds 16 233 994 (2010: 16 233 994) of its own ordinary shares of 2.5 cents each in terms of an approved share buy-back scheme. The shares are held as "treasury shares" by a subsidiary.

Share-based compensation

Details of participation in the share option scheme are set out in note 38 of the financial statements.

The trustees of the scheme are Ms NDB Orleyn and Mr JM McMahon.

The Group no longer offers employees any options under the existing share incentive scheme, but pays relevant employees a fully taxable bonus based on the increase in the share price over a specified period of time. (Refer to note 38 of the financial statements).

The rules governing the quantum and timing of benefits to be delivered to employees under the bonus scheme are no different from those under the share incentive scheme.

Shareholding in the Company

The issued capital of the Company held by public and non-public entities as at 30 June 2011 was as follows:

	No of shareholders	No of shares (000)	%
Public	32 877	517 712	82.0
Non-public	7	114 002	18.0
Directors	3	153	0.0
Trustees of share scheme	2	14 500	2.3
Share Incentive Trust	1	27	0.0
Morokotso Trust	1	14 473	2.3
Right to appoint a director	1	83 115	13.1
Treasury shares	1	16 234	2.6
Total	**32 884**	**631 714**	**100.0**

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

Shareholders	No of shares (000)	%
Royal Bafokeng Management Services Proprietary Limited	83 115	13.1
Public Investment Corporation Limited	78 109	12.4

Black economic empowerment (BEE) ownership

Implats recognises that the transformation of the equity ownership of the Company is a key strategic goal for the economic transformation of the societies in which it resides. In South Africa, the Group has fully met the equity ownership objectives of the MPRDA. Implats' BEE partners are drawn from a wide range of groups, from the significant stake in the Group held by the Royal Bafokeng Nation, to smaller BEE companies and community groups, to some 24 000 South African employees that hold a stake in the Group's Employee Share Ownership Programme (ESOP). In Zimbabwe, Implats recognises that there is a local transformation imperative and remains in discussion with the Zimbabwean government on the optimal level of local ownership, without stifling investment.

Investments

Zimplats Holdings Limited (Zimplats)

The Company owns 86.9% (2010: 86.9%) of Zimplats. Zimbabwe Platinum Mines (Pvt) Limited is a wholly owned subsidiary of Zimplats.

Mimosa Investments Limited (Mimosa)

The Company holds an effective 50% (2010: 50%) shareholding in Mimosa with the balance held by Aquarius Platinum Limited (Aquarius).

Two Rivers Platinum (Proprietary) Limited (Two Rivers)

The Company owns a 45% (2010: 45%) interest in Two Rivers with the balance held by African Rainbow Minerals Limited (ARM). Upon receipt of all regulatory approvals Implats will acquire a further 4% interest in Two Rivers in exchange for vending portions 4, 5 and 6 of the farm Kalkfontein, as well as the area covered by the Tweefontein prospecting rights, to Two Rivers.

Directors' report continued

Marula Platinum (Proprietary) Limited (Marula)
The Company owns a 73% (2010: 73%) interest in Marula.

A 27% equity stake in Marula is held equally by each of the following BEE companies:
- Tubatse Platinum (Proprietary) Limited (Tubatse)
- Mmakau Mining (Proprietary) Limited (Mmakau)
- Marula Community Trust (the Trust).

Implats has consolidated the BEE interest as the vendor finance is guaranteed by Implats.

Afplats (Proprietary) Limited (Afplats)
The Company owns a 74% (2010: 74%) interest in Afplats. The preparation of a bankable feasibility study on the Leeuwkop project will be completed during the 2012 financial year and put to the Board for its consideration.

Financial affairs

Results for the year
The results for the year are fully dealt with in the financial statements forming part of the Integrated Annual Report. Refer to pages 114 to 197.

Dividends
An interim dividend (No 86) of 150 cents per share was declared on 17 February 2011, and a final dividend (No 87) of 420 cents per share was declared on 25 August 2011, payable on 19 September 2011 being a total of 570 cents per share (2010: 390 cents per share). These dividends amounted to R3.4 billion for the year (2010: R2.3 billion).

Capital expenditure
Capital expenditure for the year amounted to R5.5 billion (2010: R4.6 billion).

The estimated R8.0 billion capital expenditure by Implats envisaged for the 2012 financial year will be funded from internal resources and, if appropriate, borrowings.

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

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

Associated and subsidiary companies
Information regarding the Company's associated companies is given in note 8 of the financial statements and regarding subsidiaries on page 197.

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

Directorate

During the year the following directorate appointments were made:

Name	Appointed as	Date
Executive		
Ms B Berlin	Chief Financial Officer and executive director	1 March 2011
Non-executive		
Mr TP Goodlace	Independent non-executive director	5 August 2010
Mr OM Pooe	Non-executive director	18 August 2010
Mr HC Cameron	Independent non-executive director	1 November 2010
Dr MSV Gantsho	Independent non-executive director	1 November 2010
Ms B Ngonyama	Independent non-executive director	1 November 2010

On 17 January 2011, Ms D Earp resigned as Chief Financial Officer and as a director of the Company. Mr LJ Paton retired as an executive director on 1 November 2010.

Directors, who are appointed during the year, retain office until the next annual general meeting, at which point they retire and are eligible for re-election.

Accordingly, the following directors will retire at the next meeting and being eligible, have offered themselves for re-election:

- Ms B Berlin
- Mr HC Cameron
- Dr MSV Gantsho
- Ms B Ngonyama

Mr TP Goodlace and Mr OM Pooe retired at last year's Annual General Meeting and were re-elected.

Ms MV Mennell, having attained the maximum age for a non-executive director in terms of the Memorandum of Incorporation, was asked by the Board to retain her directorship until October 2011 and will thus retire from the Board at the forthcoming Annual General Meeting.

Mr DH Brown and Mr TV Mokgatlha will retire as per the rotational provisions of the Memorandum of Incorporation, and being eligible, have offered themselves for re-election.

Interest of directors

The beneficial interests of directors in the shares of the Company were as follows and did not individually exceed 1% of the issued share capital or voting control of the Company.

	Direct		Indirect	
30 June	**2011**	2010	**2011**	2010
Directors	**153 004**	173 004	**780**	41 884
DH Brown	**90 896**	90 896	**–**	–
JM McMahon	**300**	300	**780**	780
MV Mennell	**61 808**	61 808	**–**	–
LJ Paton (retired 30 October 2010)	**–**	20 000	**–**	41 104
Senior management	**236 782**	236 625	**–**	–

Directors' report continued

There have been no significant changes to the directors' shareholding outlined above since the end of the financial year and the date of this report.

Directors' remuneration

Details of the executive directors, non-executive directors and senior management remuneration are set out in the Remuneration Report on pages 105 to 113.

Directors' interests

No contracts of significance were entered into in which the directors of the Company were materially interested, either during or at the end of the financial year. No material change in the aforegoing interests has taken place between 30 June 2011 and the date of this report.

Special resolution passed

During the year, the following special resolution was passed by Implats:

Share buy-back

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

Financial, administrative and technical advisers

In terms of a service agreement, Impala Platinum Limited acted as financial, administrative and technical advisers to the Implats Group during the year on a fee basis. Messrs DH Brown, PA Dunne, OM Pooe and Ms B Berlin had an interest in this contract to the extent that they are directors of Impala Platinum and of the Company, but they do not beneficially own any shares in Impala Platinum.

Company secretaries

Ms A Parboosing acted as Company Secretary to Implats and Impala Platinum. Impala Platinum acted as company secretaries to other subsidiaries in the Implats Group. The business and postal addresses of the Company Secretary are set out on the inside back cover of this report.

United Kingdom secretaries

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

Public officer

Mr SF Naudé acted as public officer to companies in the Implats Group for the year under review.

Remuneration report

Introduction

The Board of Implats is ultimately responsible for the Group's remuneration philosophy and the application thereof. The Remuneration Committee is appointed by the Board to assist it to discharge its responsibilities in relation to remuneration policy and implemented by senior management.

In addition to the terms of reference and standard items dealt with, an analysis of the extent to which the Company's remuneration policy and reward practices comply with King III was conducted and aligned accordingly.

Philosophy

The overall philosophy is to ensure that employees are fairly rewarded for their contribution to the Group's operating and financial performance in line with its corporate objectives and strategy.

Our reward policy as approved by shareholders and the Company, matches the market in terms of the broad talent pool, but will lead the market in areas of critical appointments, talented individuals, equity candidates and top performers. To this end various external providers are utilised and benchmarks for executive and non-executive remuneration form part of the standard agenda.

Remuneration Committee (Remco)

The Remco Chairman reports formally to the Board on the proceedings of the Remco after each meeting and attends the annual general meeting of Implats to respond to any questions from shareholders regarding Remco's areas of responsibility.

For the year under review, the Remco took the decision to make market-related salary adjustments for D and E level employees in order to retain skills.

Components of remuneration

The following remuneration components for all employees have been adopted:

- Guaranteed package (basic salary and benefits)
- Variable pay (short- and long-term incentives).

Guaranteed package

All employees receive a total guaranteed package based on the complexity of the role, market value, the employee personal performance and contribution to the Group's overall performance. Contributions towards retirement, risk, life and medical benefits are included in the total guaranteed package and applicable to all employees according to the rules of the relevant schemes and Company procedure.

All permanent employees, including executive directors, are required to join one of the Group approved retirement funds.

Implats offers participation in several nominated medical aid schemes where the choice of scheme is with the employee. A Group-Personal Accident Insurance is also in place for D Upper and E levels and Union Corporation Death Benefits are in place. As a result of a past practice the Company does have limited liability in terms of post-retirement medical benefits. This practice was ceased in 2006 and the beneficiaries ring-fenced.

Salary increases for management employees (D level and above) are effected on 1 October annually, determined by increases in general cost of living (inflation) with the consideration of individual performance, market conditions, Company performance and collective wage settlements.

Remuneration report continued

Variable pay

The variable pay dispensation varies between employees in different roles and positions in the organisation. These variances are based on the principle that higher levels of variable pay will be awarded to employees who are required to put a greater proportion of fixed pay at risk, and to assume greater levels of responsibility in relation to the achievement of organisational goals, in terms of the overall dispensation.

Short-term incentives

A short-term incentive scheme (Executive Incentive Scheme) for which the performance targets are set annually by the Remco is in place for executives. In respect of the 2011 financial year, performance targets are split between Group performance, regional performance and operating company performance. 50% of the bonus is based on corporate targets consisting of a cost and volume of production target, referred to as the 'value added' target (weighted 40%), safety targets (weighted 25%), key business drivers (weighted 35%). The remaining 50% of the bonus in the case of E Band, executives, senior executives and Chief Executive Officer is based on the individual key performance areas of each senior manager, based on his or her individual balanced scorecard of targets.

In terms of the Executive Incentive Scheme an 'on target bonus' is also provided for in respect of each senior manager. The bonus structure differs at different grade levels, the on-target bonus amounting to 100% of basic salary in the case of the Chief Executive Officer, 60% in the case of executive directors and 50% in the case of E Band executives. Bonuses are graduated from a 'threshold' having an assessed probability of achievement of 90% to 'target' which has a probability rating of 80%, and above this to a 'stretch' level which has a probability of 50%. Bonuses are capped at 100% of the on-target bonus, except in the case of the value-added component, which is uncapped.

Long-term incentives

It is essential for the Group to retain critical skills over the longer term and to motivate and incentivise employees. This is principally done through long-term incentive plans.

Implats Share Incentive Scheme (ISIS)

The Implats Share Incentive Scheme (ISIS) – the final award made in 2004 in terms of this scheme lapses in 2014.

Implats Share Appreciation Bonus Plan (ISABP)

The ISABP adopted in 2005 is a cash-settled share appreciation rights plan. Participants receive once-off allocations under the ISABP, expressed as a multiple of their salary which are topped-up as awards vest. The rights vest in equal tranches from year two through to year five and lapse 10 years after the grant date.

The Morokotso Trust (ESOP)

The Morokotso Trust was founded in 2006 and administers the Employee Share Ownership Programme. All South African operations' A, B and C level Impala employees, who joined the Company before 4 July 2008, are beneficiaries of the ESOP.

Qualifying employees were each allocated 568 and 399 Implats shares depending on joining date, by the Morokotso Trust at an initial purchase price of R159.18 per share. The trust holds these shares on behalf of employees for a period of 10 years, with a 40% scheduled pay-out after five years (in 2011) and a 60% pay-out scheduled after 10 years (in 2016).

Retention plans

Impala Platinum operates a retention bonus scheme, also referred to as the Preferred Compensation Programme applicable to employees who are graded Paterson Grade D1 and higher.

An amount equal to 20% of the basic salary of each senior manager is contributed by the Company in terms of the Impala Preferred Compensation Programme. This may be cashed by the employee at any time after the expiry of three years from the date of contribution provided that he or she has remained in full-time service for the duration of the three-year period.

Impala also operates a Group hard currency procedure that applies to Executive Directors and Executives (Level 24 and above) on a voluntary basis with the aim to make executive packages more competitive and retain executive skills.

Executive remuneration

The following service contract has been entered into with executive directors:

- Brenda Berlin – Financial Director appointed 1 March 2011

The main terms of the service contracts applicable to executive directors are open ended with the period of notice of termination for the CEO and the Executive Directors being six months and three months respectively. The senior management members appointed to the Executive Committee (EXCOM) also have a three-months period of notice of termination.

Fixed remuneration

Individual	Package (R'000)	Retire-ment funds (R'000)	Other benefits (R'000)	**Total FY2011 (R'000)**	Total FY2010 (R'000)
Executive directors					
DH Brown (CEO)	5 894	636	96	**6 626**	7 006
D Earp (Financial director – resigned 17 January 2011)#	2 687	263	90	**3 040**	3 657
LJ Paton (Executive director Growth – retired 30 October 2010)	897	142	34	**1 073**	3 516
PA Dunne	3 422	428	82	**3 932**	1 162
B Berlin (Financial director – appointed 1 March 2011)	1 110	116	24	**1 250**	–
Prescribed officers					
– PD Finney	2 098	333	147	**2 578**	2 422
– A Mhembere*	325	–	7	**332**	–
– GS Potgieter	3 475	438	96	**4 009**	–
Company Secretary					
A Parboosing	1 016	109	75	**1 200**	1 029
Senior executives	13 455	1 451	791	**15 697**	19 891
Top 1	1 980	315	253	**2 548**	2 361
Top 2	2 003	216	122	**2 341**	2 462
Top 3	1 856	300	104	**2 260**	–

Notes – *The senior executives accounts for seven employees, and one employee for eight months*
– *Other benefits include medical and travelling.*
– *The three top earning executive's remuneration is listed on an anonymous basis and included in senior executives.*

#*Excluding a lump sum payment on resignation of R2 582 000.*
**Excluding other fringe benefits.*

Remuneration report continued

Variable remuneration

Individual	Bonus (R'000)	Retention (Accrued) (R'000)	Gains on LTIs# (R'000)	**Total FY2011 (R'000)**	Total FY2010 (R'000)
Executive directors					
DH Brown (CEO)	3 109	1 713	2 913	**7 735**	7 238
D Earp (Financial director – resigned 17 January 2011)	537	546	–	**923**	1 045
LJ Paton (Executive director Growth – retired 30 October 2010)	1 017	298	–	**1 315**	7 579
PA Dunne	845	721	717	**2 283**	435
B Berlin (Financial director – appointed 1 March 2011)	–	143	–	**143**	–
Prescribed officers					
– PD Finney	687	422	1 463	**2 572**	948
– A Mhembere*	13	–	–	**13**	–
– GS Potgieter	1 500	704	–	**2 204**	–
Company Secretary					
A Parboosing	209	203	49	**461**	316
Senior executives	3 689	2 540	6 925	**13 154**	12 619
Top 1	555	399	609	**1 563**	780
Top 2	561	582	–	**1 143**	3 975
Top 3	527	403	176	**1 106**	–

Notes – *The senior executives accounted for seven employees, and one employee for eight months.*
– *Retention includes preferred compensation and hard currency payments.*
– *The bonus shown is not the bonus paid for the financial year in review, but the payment made during the year.*
– *The full cost to company of the retention scheme is shown including tax contributions.*
– *The three top earning executive's remuneration is listed on an anonymous basis and included in senior executives.*

**Excluding other fringe benefits*

#Long-term incentives.

Non-executive remuneration

In terms of the articles of association of the Company, fees payable to non-executive directors for their services as director are to be determined by the shareholders in a general meeting. The annual fees proposed for the 2012 financial year are as follows:

with effect from	1 July 2010 (R)	**1 July 2011 (R)**	% increase
Board of Directors			
Chairperson	1 693 000	**1 820 000**	7.5%
Member	310 400	**333 680**	
Audit and Risk Committee			
Chairperson	310 400	**333 680**	7.5%
Member	146 700	**157 700**	
Remuneration Committee			
Chairperson	225 700	**242 630**	7.5%
Member	101 500	**109 110**	
Nominations Committee			
Chairperson	225 700	**242 630**	7.5%
Member	101 500	**109 110**	
Health, Safety and Environmental Committee			
Chairperson	225 700	**242 630**	7.5%
Member	101 500	**109 110**	
Transformation Committee			
Chairperson	225 700	**242 630**	7.5%
Member	101 500	**109 110**	

Non-executive directors do not receive short-term incentives nor do they participate in any long-term incentive plans. Remco reviews the level of fees and makes recommendations to the Board for consideration.

Remuneration report continued

Directors' fees in aggregate for serving on Board committees for the year under review were as follows:

R'000	Board	Audit and Risk Committee	Remuneration Committee	HSE Committee	Nomination Committee	Transformation Committee	Total 2011	Total 2010
JM McMahon	310	310	102	102	–	–	**824**	767
MV Mennell	310	147	–	–	102	–	**559**	520
TV Mokgatlha	310	–	76	–	–	102	**488**	383
K Mokhele	1 693	–	–	–	–	–	**1 693**	1 324
NDB Orleyn	310	–	164	–	164	163	**801**	688
M Pooe	270	–	76	–	–	–	**346**	–
HC Cameron	233	110	–	–	–	76	**419**	–
B Ngonyama	233	110	–	–	–	–	**343**	–
MSV Gantsho	233	–	76	–	–	–	**309**	–
TP Goodlace	281	–	–	138	–	–	**419**	–

Details of share-based compensation

No share options were granted to non-executive directors. Details of share options and share appreciation bonus notional shares outstanding and exercised by the executive directors, Company Secretary and senior executive including top three employees are as follows:

Name	Balance at 30 June 2010	Allocated during the year	Date of allocation	Forfeited during the year	Exercised during the year	Date exercised	Balance at 30 June 2011	Allocation price	First vesting date
Directors:									
DH Brown									
Share appreciation scheme	**272 727**	**92 073**			**16 344**		**348 456**		
		73 342	1-Nov-10		5 000	24-Dec-10	**1 000**	103.24	1-Dec-07
		18 731	12-May-11		11 344	24-Dec-10	**12 800**	149.42	11-May-08
							62 570	160.14	1-Sep-08
							42 819	233.74	24-May-09
							6 227	242.19	27-Nov-09
							35 055	333.90	30-May-10
							47 374	116.76	18-Nov-08
							664	162.88	1-May-11
							47 874	171.39	4-Nov-11
							73 342	193.83	1-Nov-12
							18 731	193.79	12-May-13

Name	Balance at 30 June 2010	Allocated during the year	Date of allocation	Forfeited during the year	Exercised during the year	Date exercised	Balance at 30 June 2011	Allocation price	First vesting date
D Earp (Resigned 17 January 2011)									
Share appreciation scheme	**136 316**	**9 575**					**145 891**		
		9 575	1-Nov-10				**72 858**	205.88	1-Mar-09
							4 404	333.90	30-May-10
							16 362	116.76	18-Nov-10
							23 014	162.88	1-May-11
							19 678	209.09	13-May-12
							9 575	193.83	1-Nov-12
LJ Paton (Retired 30 October 2010)									
Share options	**10 384**						**10 384**		
							2 408	47.63	5-May-05
							296	64.48	27-Aug-05
							7 680	67.43	18-Sep-05
Share appreciation scheme	**121 298**						**121 298**		
							5 976	56.87	13-May-07
							2 456	103.24	1-Dec-07
							12 744	149.42	11-May-08
							9 343	167.19	27-Nov-08
							8 222	233.74	24-May-09
							13 498	242.19	20-Nov-09
							13 475	116.76	18-Nov-08
							31 456	162.88	1-May-11
							20 386	171.39	4-Nov-11
							3 742	209.09	13-May-12
	131 682						**131 682**		
PA Dunne									
Share appreciation scheme	**100 431**	**40 463**			**4 016**		**136 878**		
		36 549	1-Nov-10		4 016	22-Dec-10	**336**	103.24	1-Dec-07
		3 914	12-May-11				**4 440**	149.42	11-May-08
							1 446	167.19	27-Nov-08
							9 316	233.74	24-May-09
							232	242.19	20-Nov-09
							21 337	116.76	18-Nov-10
							12 365	162.88	1-May-11
							20 490	171.39	4-Nov-09
							26 453	209.09	13-May-12
							36 549	193.83	1-Nov-12
							3 914	193.79	12-May-13

Remuneration report continued

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

Name	Balance at 30 June 2010	Allocated during the year	Date of allocation	Forfeited during the year	Exercised during the year	Date exercised	Balance at 30 June 2011	Allocation price	First vesting date
B Berlin (Appointed 1 March 2011)									
Share appreciation scheme	85 309*	53 954					139 263		
		53 954	12-May-11				2 648	56.87	13-May-07
							5 672	149.42	11-May-08
							20 180	167.19	27-Nov-08
							7 277	242.19	20-Nov-09
							3 031	333.90	30-May-10
							18 870	162.88	1-May-11
							15 251	171.39	4-Nov-11
							631	209.09	13-May-12
							11 749	193.83	1-Nov-12
*Balance at 1 March 2011							53 954	193.79	12-May-13
Prescribed officers									
PD Finney									
Share appreciation scheme	100 424	23 904			20 360		103 968		
		18 528	1-Nov-10		15 768	26-Oct-10	28 560	56.87	13-May-07
		5 376	12-May-11		4 592	9-Dec-10	5 288	149.42	11-May-08
							1 761	167.19	27-Nov-08
							7 540	233.74	24-May-09
							2 977	333.90	30-May-10
							11 078	116.76	18-Nov-10
							2 898	162.88	1-May-11
							12 266	171.39	4-Nov-11
							7 696	209.09	13-May-12
							18 528	193.83	1-Nov-12
							5 376	193.79	12-May-13
A Mhembere									
Share options	16 620						16 620		
							16 620	53.79	25-June-06
GS Potgieter									
		93 783					93 783		
Share appreciation scheme		93 783	1-July-10				93 783	186.60	1-July-12
Secretary									
A Parboosing									
Share appreciation scheme	21 615	6 153			504		27 264		
		4 573	1-Nov-10		504	17-Feb-11	7 432	242.19	1-Nov-09
		1 580	12-May-11				711	333.90	30-May-10
							1 521	116.76	18-Nov-10
							6 049	162.88	1-May-11
							2 623	171.39	4-Nov-11
							2 775	209.09	13-May-12
							4 573	193.83	1-Nov-12
							1 580	193.79	12-May-13

Name	Balance at 30 June 2010	Allocated during the year	Date of allocation	Forfeited during the year	Exercised during the year	Date exercised	Balance at 30 June 2011	Allocation price	First vesting date
Total – Senior Executives									
Share options	**79 736**				**42 464**	Various	**37 272**		
							4 240	63.38	18-Feb-04
							2 488	69.50	6-Jun-04
							1 528	60.51	16-Aug-04
							1 376	73.75	25-Nov-04
							760	74.28	21-Jan-05
							688	47.63	5-May-05
							1 696	64.48	27-Aug-05
							15 448	68.03	22-Sep-06
							9 048	63.39	22-Apr-06
Share Appreciation Scheme	**335 882**	**139 216**			**4 536**	Various	**470 562**		
		119 806	1-Nov-10				**38 544**	56.87	13-May-07
		19 410	12-May-11				**1 568**	103.24	1-Dec-07
							31 544	149.42	11-May-08
							34 078	167.19	27-Nov-08
							17 189	233.74	24-May-09
							13 708	223.22	1-Aug-09
							4 543	242.19	20-Nov-09
							8 118	333.90	30-May-10
							73 239	116.76	18-Nov-10
							52 261	162.88	1-May-11
							44 670	171.39	4-Nov-11
							11 884	209.09	13-May-12
							39 252	195.66	1-Mar-12
							80 554	193.83	1-Nov-12
							19 410	193.79	12-May-13
	415 618	**139 216**			**47 000**		**507 834**		

Consolidated statement of financial position

As at 30 June 2011

	Notes	2011 Rm	2010 Rm
Assets			
Non-current assets			
Property, plant and equipment	5	33 137	29 646
Exploration and evaluation assets	6	4 294	4 294
Intangible assets	7	1 018	1 018
Investment in associates	8	904	934
Available-for-sale financial assets	9	15	14
Held-to-maturity financial assets	10	61	56
Receivables and prepayments	11	13 379	13 781
		52 808	49 743
Current assets			
Inventories	12	5 471	5 382
Trade and other receivables	13	4 783	3 588
Cash and cash equivalents	14	4 542	3 858
		14 796	12 828
Total assets		67 604	62 571
Equity and liabilities			
Equity attributable to owners of the Company			
Share capital	15	14 228	14 151
Retained earnings		34 136	30 017
Other components of equity		(801)	(376)
		47 563	43 792
Non-controlling interest		2 047	1 941
Total equity		49 610	45 733
Liabilities			
Non-current liabilities			
Deferred tax liability	16	8 337	7 747
Long-term borrowings	17	1 698	1 827
Long-term liabilities	18	831	899
Long-term provisions	19	614	599
		11 480	11 072
Current liabilities			
Trade and other payables	20	5 656	5 130
Current tax payable	21	226	24
Short-term borrowings	17	144	301
Short-term liabilities	18	488	311
		6 514	5 766
Total liabilities		17 994	16 838
Total equity and liabilities		67 604	62 571

The notes on pages 119 to 189 are an integral part of these consolidated financial statements.

Consolidated statement of comprehensive income

For the year ended 30 June 2011

	Notes	2011 Rm	2010 Rm
Revenue	4	33 132	25 446
Cost of sales	23	(21 490)	(17 294)
Gross profit		11 642	8 152
Other operating expenses	24	(645)	(585)
Royalty expense	25	(804)	(536)
Profit from operations		10 193	7 031
Finance income	26	343	321
Finance cost	27	(530)	(319)
Net foreign exchange transaction gains/(losses)		(448)	52
Other income/(expenses)	28	(235)	45
Share of profit of associates	8	238	95
Profit before tax		9 561	7 225
Income tax expense	29	(2 751)	(2 431)
Profit for the year		6 810	4 794
Other comprehensive income:			
Available-for-sale financial assets	9	6	16
Deferred tax thereon	16	0	(4)
Exchange differences on translating foreign operations		(692)	(34)
Deferred tax thereon – translation	16	195	10
– rate change	16	—	(14)
Total comprehensive income		6 319	4 768
Profit attributable to:			
Owners of the company		6 638	4 715
Non-controlling interest		172	79
		6 810	4 794
Total comprehensive income attributable to:			
Owners of the company		6 213	4 691
Non-controlling interest		106	77
		6 319	4 768
Earnings per share (cents per share)			
Basic	30	1 105	786
Diluted	30	1 104	785

The notes on pages 119 to 189 are an integral part of these consolidated financial statements.

Our business

Integrated performance

Responsibility reporting

Consolidated statement of changes in equity

For the year ended 30 June 2011

	Number of shares issued (million)*	Ordinary shares Rm	Share premium Rm	Share-based payment reserve Rm
Balance at 30 June 2010	**600.44**	**15**	**12 146**	**1 990**
Shares issued				
Share option scheme	**0.11**	**0**	**7**	
Employee Share Ownership Programme	**0.44**	**0**	**70**	**0**
Total comprehensive income				
Dividends (note 31)				
Balance at 30 June 2011	**600.99**	**15**	**12 223**	**1 990**
Balance at 30 June 2009	599.83	15	12 063	1 991
Shares issued				
Share option scheme	0.13	0	7	
Employee Share Ownership Programme	0.48	0	76	(1)
Total comprehensive income				
Dividends (note 31)				
Balance at 30 June 2010	600.44	15	12 146	1 990

* *Refer to notes 15 and 30. The table above excludes the treasury shares, Morokotso Trust and the Implats share incentive scheme as these special-purpose entities are consolidated.*

The notes on pages 119 to 189 are an integral part of these consolidated financial statements.

	Total share capital Rm	Retained earnings Rm	Fair value reserve Rm	Foreign currency translation reserve Rm	Total other components of equity Rm	Attributable to Owners of the company Rm	Attributable to Non-controlling interest Rm	Total equity Rm
	14 151	**30 017**	**(15)**	**(361)**	**(376)**	**43 792**	**1 941**	**45 733**
	7					**7**		**7**
	70					**70**		**70**
		6 638	**6**	**(431)**	**(425)**	**6 213**	**106**	**6 319**
		(2 519)				**(2 519)**		**(2 519)**
	14 228	**34 136**	**(9)**	**(792)**	**(801)**	**47 563**	**2 047**	**49 610**
	14 069	27 222	(27)	(325)	(352)	40 939	1 864	42 803
	7					7		7
	75					75		75
		4 715	12	(36)	(24)	4 691	77	4 768
		(1 920)				(1 920)		(1 920)
	14 151	30 017	(15)	(361)	(376)	43 792	1 941	45 733

Consolidated cash flow statement

For the year ended 30 June 2011

	Notes	2011 Rm	2010 Rm
Cash flows from operating activities			
Profit before tax		**9 561**	7 225
Adjustments to profit before tax	32	**1 123**	1 648
Cash from changes in working capital	32	**(371)**	(1 184)
Exploration costs	28	**(44)**	(47)
Finance cost		**(179)**	(48)
Income tax paid	21	**(1 805)**	(1 676)
Net cash from operating activities		**8 285**	5 918
Cash flows from investing activities			
Purchase of property, plant and equipment		**(5 293)**	(4 412)
Proceeds from sale of property, plant and equipment		**4**	13
Purchase of investment in associate	8	**(55)**	—
Payment received from associate on shareholders' loan	8	**272**	196
Proceeds from investments disposed	9	**—**	8
Loan repayments received	11	**394**	442
Advances granted	11	**(33)**	(106)
Finance income		**234**	259
Dividends received	8	**5**	—
Net cash used in investing activities		**(4 472)**	(3 600)
Cash flows from financing activities			
Issue of ordinary shares, net of cost	15	**77**	82
Lease liability repaid		**(19)**	(18)
Repayments of borrowings		**(836)**	(136)
Proceeds from borrowings		**253**	176
Dividends paid to Company's shareholders	31	**(2 519)**	(1 920)
Net cash used in financing activities		**(3 044)**	(1 816)
Net increase in cash and cash equivalents		**769**	502
Cash and cash equivalents at beginning of year	14	**3 858**	3 348
Effect of exchange rate changes on cash and cash equivalents held in foreign currencies		**(85)**	8
Cash and cash equivalents at end of year	14	**4 542**	3 858

The notes on pages 119 to 189 are an integral part of these consolidated financial statements.

Notes to the consolidated annual financial statements

For the year ended 30 June 2011

1. Summary of significant accounting policies

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

1.1 Basis of preparation

Statement of compliance

The consolidated financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) of the International Accounting Standards Board (IASB), the AC500 standards as issued by the Accounting Practices Board or its successor, requirements of the South African Companies Act, 2008 and regulations of the JSE Limited.

Basis of measurement

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

- Certain financial assets and financial liabilities are measured at fair value
- Derivative financial instruments are measured at fair value
- Liabilities for cash-settled share-based payment arrangements are measured with a binomial option model.

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

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

Functional and presentation currency

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

1.2 Changes in accounting policies

The following standards and amendments to standards have been early adopted in prior years:

- IFRS 2 (amendments) *Share-based Payment* (effective 1 July 2010). Amendments relating to group cash-settled share-based payment transactions and resulting from April 2009 annual improvement project
- IFRS 5 (amendment) *Non-current Assets Held-for-Sale* and discontinued operations (effective 1 January 2010) The amendment clarifies that IFRS 5 specifies the disclosures required in respect of non-current assets (or disposal groups) classified as held-for-sale or discontinued operations
- IFRS 8 (amendment) *Operating Segments* (effective 1 January 2010)
- IAS 1 (amendment) *Presentation of Financial Statements* (effective 1 January 2010). This amendment clarifies the classification of convertible instruments
- IAS 7 (amendment) *Statement of Cash Flows* (effective 1 January 2010). Amendment to require that only expenditures which result in a recognised asset in the statement of financial position can be classified as investing activities
- IAS 17 (amendment) *Leases* (effective 1 January 2010). Deletion of specific guidance regarding classification of leases of land
- IAS 24 (amendment) *Related Party Disclosure* (effective 1 January 2011). This amendment simplifies disclosure and clarifies the definition of a related party
- IAS 27 (amendments) *Consolidated and Separate Financial Statements* (effective 1 July 2009)
- IAS 28 (amendments) *Investments in Associates* (effective 1 July 2009).

Notes to the consolidated annual financial statements continued

For the year ended 30 June 2011

1. **Summary of significant accounting policies** *(continued)*

1.2 **Changes in accounting policies** *(continued)*

- IAS 31 (amendments) *Interests in Joint Ventures* (effective 1 July 2009)
- IAS 32 (amendment) *Financial Instruments: Presentation* (effective 1 February 2010). Amendment relating to classification of right issues
- IAS 36 (amendment) *Impairment of Assets* (effective 1 January 2010). Amendment to clarify the unit of accounting for goodwill
- IAS 38 (amendment) *Intangible Assets* (effective 1 July 2009)
- IAS 39 (amendment) *Financial Instruments: Recognition and Measurement* (effective 1 January 2010). Amendment to treat loan prepayment penalties as closely related embedded derivatives, scope exemption for business combination contracts, cash flow hedge accounting and hedging using internal contracts.

The following standards, amendments to standards and interpretations have become effective or have been early adopted and have no impact on the results of the Group:

- Improvements to IFRS 2010 – Improvements to IFRS is a collection of amendments to International Financial Reporting Standards (IFRS). These amendments are the result of conclusions the Board reached on proposals made in its annual improvements project
- IAS 12 (amendment) *Income Taxes* (effective 1 January 2012). The amendment provides a practical approach for measuring deferred tax liabilities and deferred tax assets when investment property is measured using the fair value model in IAS 40 *Investment Property*. Under IAS 12, the measurement of deferred tax liabilities and deferred tax assets depends on whether an entity expects to recover an asset by using it or selling it. However, it is often difficult and subjective to determine the expected manner of recovery when the investment property is measured using the fair value model in IAS 40. To provide a practical approach in such cases, the amendments introduce a presumption that the investment property is recovered entirely through sale. This presumption is rebutted if the investment property is held within a business model whose objective is to consume substantially all of the economic benefits embodied in the investment property over time, rather than through sale
- IFRS 7 (amendment) *Financial Instruments: Disclosure* (effective 1 July 2011). The amendment will allow users of financial statements to improve their understanding of transfer transactions of financial assets, including understanding the possible effects of any risks that may remain with the entity that transferred the assets. It will also require additional disclosures if a disproportionate amount of transfer transactions are undertaken around the end of the reporting period
- IFRIC 14 (amendment) *Prepayment of a Minimum Funding Requirement* (effective 1 January 2011). This amendment applies in the limited circumstances when an entity is subject to minimum funding requirements and makes an early payment of contributions to cover those requirements. The amendment permits such an entity to treat the benefit of such an early payment as an asset
- IFRIC 19 *Extinguishing Financial Liabilities with Equity Instruments* (effective 1 July 2010). The interpretation clarifies the accounting by an entity when the terms of a financial liability are renegotiated and result in the entity issuing equity instruments to a creditor of the entity to extinguish all or part of the financial liability (debt for equity swap). It requires a gain or loss to be recognised in profit or loss, which is measured as the difference between the carrying amount of the financial liability and the fair value of the equity instruments issued. If the fair value of the equity instruments issued cannot be reliably measured, the equity instruments should be measured to reflect the fair value of the financial liability extinguished.

1. Summary of significant accounting policies *(continued)*

1.2 Changes in accounting policies *(continued)*

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

- IAS 1 (amendment) *Presentation of Financial Statements* (effective 1 July 2012). The amendment requires entities to separate items presented in other comprehensive income (OCI) into two groups based on whether or not they may be recycled to profit or loss in the future. All other comprehensive income of Implats may be recycled to profit and loss in future. This amendment will not be early adopted. The impact will mainly be disclosure
- IAS 19 (amendment) *Employee Benefits* (effective 1 January 2013). The amendments eliminates the option to defer the recognition of actuarial gains and losses, streamlines the presentation of changes in assets and liabilities arising from defined benefit plans including the requirement that remeasurements be presented in other comprehensive income, and enhances the disclosure requirements for defined benefit plans to provide better information about the characteristics of defined benefit plans and the risks that entities are exposed to through participation in those plans. This amendment will not be early adopted. The standard is not expected to have an impact
- IAS 27 (amended) *Separate Financial Statements* (effective 1 January 2013). This amendment contains accounting and disclosure requirements for investments in subsidiaries, joint ventures and associates when an entity elects or is required by local regulations to present separate financial statements. The standard requires an entity preparing separate financial statements to account for those investments at cost or in accordance with IFRS 9 *Financial Instruments*. This amended standard will not be early adopted. The standard is not expected to have an impact
- IAS 28 (amended) *Investments in Associates and Joint Ventures* (effective 1 January 2013). The new IAS 28 prescribes the accounting for investments in associates and sets out the requirements for the application of the equity method when accounting for investments in associates and joint ventures. This amended standard will not be early adopted. The standard is expected to result in the 50% investment in Mimosa Investments Limited to be equity accounted, instead of being proportionate consolidated
- IFRS 9 *Financial Instruments* (effective 1 January 2013). This standard addresses classification and measurement of financial assets. It uses a single approach to determine whether a financial asset is measured at amortised cost or at fair value. The approach in IFRS 9 is based on how an entity manages its financial instruments (its business model) and the contractual cash flow characteristics of the financial assets. The standard requires a single impairment method to be used, replacing the numerous impairment methods in IAS 39 that arose from the different classification categories. The standard also removes the requirement to separate embedded derivatives from financial asset hosts. This new standard will not be early adopted. The impact will be assessed
- IFRS 9 *Financial Instruments* (effective 1 January 2013). The accounting and presentation for financial liabilities and for derecognising financial instruments has been relocated from IAS 39, '*Financial Instruments: Recognition and Measurement*', without change, except for financial liabilities that are designated at fair value through profit or loss. The amendment introduces new requirements that address the problem of volatility in profit or loss (Profit & Loss) arising from an issuer choosing to measure its own debt at fair value. With the new requirements, an entity choosing to measure a liability at fair value will present the portion of the change in its fair value due to changes in the entity's own credit risk in the other comprehensive income (OCI) section of the statement of comprehensive income, rather than within profit and loss. This amendment will not be early adopted. The impact will be assessed

Notes to the consolidated annual financial statements continued

For the year ended 30 June 2011

1. **Summary of significant accounting policies** *(continued)*

1.2 Changes in accounting policies *(continued)*

- IFRS 10 *Consolidated Financial Statements* (effective 1 January 2013). IFRS 10 establishes principles for the presentation and preparation of consolidated financial statements when an entity controls one or more entities and supersedes IAS 27 *Consolidated and Separate Financial Statements*. IFRS 10 changes the definition of control so that the same criteria are applied to all entities to determine control. The revised definition of control focuses on the need to have both power and variable returns before control is present. The standard provides additional guidance to assist in determination of control where this is difficult to assess. This new standard will not be early adopted. The standard is not expected to have an impact
- IFRS 11 *Joint Arrangements* (effective 1 January 2013). IFRS 11 establishes principles for financial reporting by parties to a joint arrangement and supersedes IAS 31 *Interests in Joint Venture*. IFRS 11 classifies joint arrangements into joint operations and joint ventures. A joint operation is a joint arrangement whereby the parties that have joint control of the arrangement have rights to the assets, and obligations for the liabilities, relating to the arrangement. A joint venture is a joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the arrangement. The standard requires a party to a joint arrangement to determine the type of joint arrangement in which it is involved by assessing its rights and obligations arising from the arrangement. The focus is no longer on the legal structure. The existing policy choice of proportionate consolidation for jointly controlled entities has been eliminated. Equity accounting is mandatory for participants in joint ventures. This new standard will not be early adopted. The standard is expected to result in the 50% investment in Mimosa Investments Limited being equity accounted, instead of being proportionately consolidated
- IFRS 12 *Disclosure of Interest in Other Entities* (effective 1 January 2013). IFRS 12 is a comprehensive standard on disclosure requirements for all forms of interest in other entities, including joint arrangements, associates, special-purpose vehicles and other off-balance sheet vehicles. The new standard requires entities to disclose information that helps financial statement readers to evaluate the nature, risk and financial effects associated with the entity's interest in subsidiaries, associates, joint arrangements and unconsolidated structured entities. This new standard will not be early adopted. The impact will be additional disclosure
- IFRS 13 *Fair Value Measurement* (effective 1 January 2013). IFRS 13 defines fair value, sets out in a single IFRS a framework for measuring fair value, and sets out disclosure requirements on fair value measurements. This new standard will not be early adopted. The standard is not expected to have an impact.

1.3 Consolidation

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

Subsidiaries

Subsidiary undertakings are those companies (including special-purpose entities) in which the Group, directly or indirectly, has an interest of more than one-half of the voting rights or otherwise has power to exercise control over the operations. Subsidiaries are consolidated from the date on which effective control is transferred to the Group and are no longer consolidated from the date that control ceases. The acquisition method of accounting is used to account for the acquisition of subsidiaries by the Group. The cost of an acquisition is measured as the fair value of the assets given, equity instruments issued and liabilities incurred or assumed at the date of exchange. Costs directly attributable to the acquisition are accounted for as an expense. Identifiable assets acquired, liabilities and contingent liabilities assumed in a business combination are measured initially at fair values at the acquisition date. The excess of the aggregate of the cost of the acquisition, the non-controlling interest and the fair value of the acquirer's previously held equity interest in the acquiree over the net of the acquisition-date amounts of the identifiable assets acquired and the liabilities assumed is recorded as goodwill. (Refer to note 1.8.). Any shortfall is recognised in profit or loss.

1. Summary of significant accounting policies *(continued)*

1.3 Consolidation *(continued)*

Subsidiaries (continued)

The non-controlling interest in the acquiree is measured either at the non-controlling interest's proportionate share of the acquiree's identifiable net assets or fair value. Inter-company transactions, balances and unrealised gains on transactions between Group companies are eliminated on consolidation. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred.

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

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

Any surplus or deficit arising from transactions with non-controlling interest holders, compared to the carrying amount of the non-controlling interest, is adjusted against equity.

Associates

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

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

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

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

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

Joint ventures

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

Notes to the consolidated annual financial statements continued

For the year ended 30 June 2011

1. **Summary of significant accounting policies** *(continued)*

1.4 Foreign currency translation

Functional and presentation currency

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

Group companies

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

Transactions and balances

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

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

1.5 Property, plant and equipment

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

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

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

1. Summary of significant accounting policies *(continued)*

1.5 Property, plant and equipment *(continued)*

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

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

Other assets consist mainly of information technology equipment and mobile equipment.

Shafts, mining development and infrastructure

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

Metallurgical and refining assets

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

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

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

Other assets

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

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

1.6 Exploration for and evaluation of mineral resources

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

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

Notes to the consolidated annual financial statements continued

For the year ended 30 June 2011

1. Summary of significant accounting policies *(continued)*

1.6 Exploration for and evaluation of mineral resources *(continued)*

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

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

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

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

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

1.7 Prepaid royalty

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

1.8 Goodwill

Goodwill represents the excess of the aggregate of the cost of the acquisition, the non-controlling interest and the fair value of the acquirer's previously held equity interest in the acquiree over the net of the acquisition-date amounts of the identifiable assets acquired and the liabilities assumed. Goodwill is tested annually for impairment or whenever there is an impairment indicator. Goodwill is carried at cost less accumulated impairment loss. Gains and losses on the disposal of an entity include the carrying amount of goodwill relating to the entity sold.

1. Summary of significant accounting policies *(continued)*

1.9 Impairment of assets

Non-financial assets

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

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

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

Goodwill

Goodwill is tested annually for impairment. Goodwill is allocated to cash-generating units for the purpose of impairment testing. The recoverable amount of the cash-generating unit to which goodwill has been allocated is based on fair value less cost-to-sell or value-in-use derived from reserve and resource ounce valuation. Impairment writedowns on goodwill may not be reversed.

Financial assets

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

- In the case of equity securities classified as available-for-sale, a significant or prolonged decline in the fair value of the security below its cost, is considered in determining whether the securities are impaired. If any such evidence exists for available-for-sale financial assets, the cumulative loss, measured as the difference between the acquisition cost and the current fair value less previously recognised impairment loss is recognised as an impairment loss. Any fair value loss or reversal thereof is recognised in other comprehensive income. On disposal of available-for-sale assets, previously recognised fair value adjustments are transferred to profit and loss
- A provision for impairment of loans, receivables and advances is established when there is objective evidence that the Group will not be able to collect all amounts due according to the original terms of the asset. Significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy or financial reorganisation, and default on or delinquency in payments are considered indicators that the trade receivable is impaired. The amount of the provision is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the original effective interest rate. The carrying amount of the trade receivable and advances is reduced through the use of a provision account, and the amount of the loss is recognised as an operating expense. When a trade receivable is uncollectible, it is written off against the provision account for trade receivables. Subsequent recoveries of amounts previously written off are credited against other income and expenses.

Notes to the consolidated annual financial statements continued

For the year ended 30 June 2011

1. Summary of significant accounting policies *(continued)*

1.10 Leases

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

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

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

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

Metal leases are classified as operating leases, the metal is carried as inventory and the payments made or received are recorded and accounted for in profit or loss.

1.11 Inventories

Metal inventories

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

Stores and materials

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

1.12 Financial instruments

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

1. Summary of significant accounting policies *(continued)*

1.12 Financial instruments *(continued)*

1.12.1 Financial assets

The Group classifies its financial assets in the following categories: financial assets held for trading at fair value through profit and loss, loans and receivables, held-to-maturity investments, and available-for-sale financial assets. No financial instruments were designated at fair value through profit and loss on initial recognition. The classification is dependent on the purpose for which the asset were acquired.

Management determines the classification of its investments at the time of the purchase and re-evaluates such designation on a regular basis. Purchases and sales of investments are recognised on the trade date – the date on which the Group commits to purchase or sell the asset. Investments are initially recognised at fair value plus transaction costs except financial assets at fair value through profit or loss which are recognised at fair value. Investments are derecognised when the rights to receive cash flows from the investments have expired or have been transferred and the Group has transferred substantially all risks and rewards of ownership.

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

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

Loans and receivables

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

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

Held-to-maturity investments

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

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

Available-for-sale financial assets

Available-for-sale financial assets are non-derivatives that are either designated in this category or not classified in any of the other categories. They are included in non-current assets unless management intends to dispose of the investment within 12 months of the reporting date. Available-for-sale financial assets are subsequently carried at fair value which is determined using period-end bid rates.

Unrealised gains and losses arising from changes in the fair value of non-monetary securities classified as available-for-sale are recognised in other comprehensive income. When securities classified as available-for-sale are sold or impaired, the accumulated fair value adjustments are included in profit or loss as gains and losses from investment securities.

Notes to the consolidated annual financial statements continued

For the year ended 30 June 2011

1. Summary of significant accounting policies *(continued)*

1.12 Financial instruments *(continued)*

1.12.1 Financial assets (continued)

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

1.12.2 Derivative financial instruments and hedging activities

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

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

The Group documents, at the inception of the transaction, the relationship between hedging instruments and hedged items, as well as its risk management objectives and strategy for undertaking various hedging transactions. The Group also documents its assessment, both at hedge inception and on an ongoing basis, of whether the derivatives that are used in hedging transactions are highly effective in off-setting changes in fair values or cash flows of hedged items. The full fair value of a hedging derivative is classified as a non-current asset or liability when the remaining hedged item is more than 12 months; it is classified as a current asset or liability when the remaining maturity of the hedged item is less than 12 months. Trading derivatives are classified as current assets or liabilities.

Fair value hedge

Changes in the fair value of derivatives that are designated and qualify as fair value hedges are recorded in profit or loss, together with any changes in the fair value of the hedged asset or liability that are attributable to the hedged risk.

Cash flow hedge

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

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

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

1. Summary of significant accounting policies *(continued)*

1.12 Financial instruments *(continued)*

1.12.2 Derivative financial instruments and hedging activities (continued)

Derivatives at fair value through profit or loss

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

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

Forward sales, forward purchases and metal options are entered into from time to time to preserve and enhance future cash flow streams. Forward exchange contracts are from time to time entered into to hedge anticipated future transactions.

1.12.3 Borrowings

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

When general and/or specific borrowings are utilised to fund qualifying capital expenditure, such borrowing costs that are attributable to the capital expenditure are capitalised from the point at which the capital expenditure and related borrowing cost are incurred until completion of construction.

1.12.4 Trade and other payables

Trade payables are recognised initially at fair value and subsequently measured at amortised cost. Metal purchase commitments are entered into as part of a financing arrangement. These commitments are accounted for, initially at fair value, and subsequently at amortised cost. Metal purchase commitments are included in trade and other payables.

1.13 Fair value estimation

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

The fair value of forward metal purchases and sales is determined using forward metal market prices at the reporting date.

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

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

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

Notes to the consolidated annual financial statements continued

For the year ended 30 June 2011

1. Summary of significant accounting policies *(continued)*

1.14 Provisions

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

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

1.15 Environmental rehabilitation obligations

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

Decommissioning costs

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

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

Ongoing rehabilitation cost

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

Impala Pollution Control, Rehabilitation and Closure Trust Fund

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

The Group has control over the trust and the special-purpose entity is consolidated in the Group.

1.16 Employee benefits

Short-term employee benefits

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

Defined benefit and defined contribution retirement plans

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

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

1. Summary of significant accounting policies *(continued)*

1.16 Employee benefits *(continued)*

The Group operates or participates in a number of defined benefit and defined contribution retirement plans for its employees. The pension plans are funded by payments from the employees and by the relevant Group companies to insurance companies or trustee-administered funds, determined by periodic actuarial calculations, and contributions to these funds are expensed as incurred. The assets of the different plans are held by independently managed trust funds. These funds are governed by either the South African Pension Fund Act of 1956 or Zimbabwean law. The defined benefit plan is a multi-employer plan in Zimbabwe. Sufficient information is not available to account for it as a defined benefit plan. It is in substance accounted for as a defined contribution plan.

Post-employment medical obligations

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

Termination benefits

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

Bonus plans

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

Share-based payments

Equity-settled share option incentive scheme

Implats Share Incentive Scheme

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

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

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

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

The fair value of the employee services received in exchange for the grant of options is recognised as an expense. The total amount to be expensed over the vesting period is determined with reference to the fair value of the options granted, excluding non-market vesting conditions, on grant date and is expensed on a straight-line basis over the vesting period. The fair value is determined by using the binomial option valuation model and assumptions used to determine the fair value is detailed in note 3.

Notes to the consolidated annual financial statements continued

For the year ended 30 June 2011

1. Summary of significant accounting policies *(continued)*

1.16 Employee benefits *(continued)*

At each reporting date, the Group revises its estimates of the number of options that are expected to become exercisable. It recognises the impact of the revision of original estimates, if any, in profit and loss and a corresponding adjustment to equity over the remaining vesting period.

Cash-settled share-based payments

Share appreciation rights scheme

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

Employee Share Ownership Programme (ESOP)

The ESOP for the South African operations provides for participation in the Morokotso Trust and is for employees in the A, B and C Patterson bands in the employment of the Company before 4 July 2008.

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

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

1.17 Deferred income tax

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

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

Deferred income tax is provided on temporary differences arising on investments in subsidiaries and associates, except where the timing of the reversal of the temporary difference is controlled by the Group and it is probable that the temporary difference will not reverse in the foreseeable future.

Deferred income tax assets and deferred income tax liabilities of the same taxable entity are off-set when they relate to taxes levied by the same taxation authority and the entity has a legally enforceable right to set off current tax assets against current tax liabilities.

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

1. Summary of significant accounting policies *(continued)*

1.18 Revenue recognition

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

Sales of metals mined and metals purchased

The Group recognises revenue when the amount of revenue and costs associated with the transaction can be reliably measured and it is probable that future economic benefits will flow to the entity.

Revenue is recognised when the risk and reward of ownership is transferred and when the entity has no longer any managerial involvement or control over goods that would constitute control.

Consequently sales are recognised when a Group entity has delivered products to the customer or if the Group only retains insignificant risks of ownership and the Group has objective evidence that all criteria for acceptance have been satisfied.

Toll income

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

Interest income

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

Dividend income

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

1.19 Segment reporting

An operating segment is a component of an entity:

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

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

- Mine-to-market primary PGM producer, including the marketing of metals produced by the Group
- Toll refiner for third-party material (Impala Refining Services)
- Other.

1.20 Dividend distribution

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

1.21 BEE transactions

This accounting policy relates to transactions where the Group grants or sells equity instruments to people in context of empowerment in terms of the Broad-Based Black Empowerment Act No 53 of 2003. The difference between the fair value and the selling price of the equity instruments granted or sold is accounted for as a share-based compensation expense. Refer to note 1.16 for discussion of share-based payments.

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

Notes to the consolidated annual financial statements continued

For the year ended 30 June 2011

2. Financial risk management

2.1 Financial risk factors

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

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

2.1.1 Market risk

Foreign exchange risk

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

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

Sensitivity analysis

Foreign exchange risk sensitivity analysis presents the effect of a 10% change in the year-end exchange rate on financial instruments denominated in foreign currency in profit or loss.

	Year-end US$ exposure		Profit/Loss effect	
	2011 US$m	2010 US$m	**2011 Rm**	2010 Rm
Financial assets				
Receivables and prepayments	**276**	238	**±187**	±183
Trade and other receivables	**289**	164	**±196**	±126
Derivative financial instrument	**5**	4	**±3**	±3
Cash and cash equivalents	**125**	119	**±84**	±91
Financial liabilities				
Derivative financial instrument	**(5)**	(4)	**±3**	±3
Trade and other payables	**(199)**	(178)	**±135**	±137
Forward commitments	**–**	(30)	**–**	±23
	491	313	**±332**	±240

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

2. Financial risk management *(continued)*

2.1 Financial risk factors *(continued)*

2.1.1 Market risk (continued)

Securities price risk

The Group is exposed to equity securities price risk because of investments held by the Group and classified on the consolidated statement of financial position as available-for-sale financial assets.

These investments were acquired as strategic investments and were not actively managed with reference only to securities price risk.

Sensitivity analysis

The calculation of a 20% change in the share price of available-for-sale investments would have resulted in a R3 million movement in other comprehensive income in 2011 (2010: R3 million).

Commodity price risk

Commodity price risk refers to the risk of changes in fair value or cash flow of financial instruments as a result of commodity prices where the Group holds forward sales contracts, metal purchase commitments, included in trade and other payables which are determined with reference to commodity prices. This exposes the Group to commodity price risk.

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

Sensitivity analysis

Commodity price risk sensitivity analysis presents the effect of a 10% change in the commodity prices on commodity-based financial instruments in profit or loss.

	Year-end Commodity exposure		Profit/Loss effect	
	2011 Rm	2010 Rm	**2011 Rm**	2010 Rm
Financial assets				
Derivative financial instruments	**33**	32	**±3**	±3
Financial liabilities				
Trade and other payables	**(1 879)**	(1 590)	**±188**	±159
Derivative financial instruments	**(33)**	(32)	**±3**	±3
	(1 879)	(1 590)	**±188**	±159

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

Fair value interest rate risk

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

Notes to the consolidated annual financial statements continued

For the year ended 30 June 2011

2. Financial risk management *(continued)*

2.1 Financial risk factors *(continued)*

2.1.2 Credit risk

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

The maximum exposure to the credit risk is represented by the carrying value of all the financial assets and the maximum amount the Group could have to pay if the guarantees are called on. (Refer to note 33).

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

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

Cash and cash equivalents

Financial institutions' credit rating by exposure:

	Exposure	
Credit rating	**2011 Rm**	2010 Rm
South African operations		
AAA (zaf)	**674**	454
AA (zaf)	**1 286**	1 399
AA- (zaf)	**982**	968
A+ (zaf)	**716**	374
AA	**600**	180
AA-	**–**	175
A+	**100**	150
Overseas operations		
AA (zaf)	**184**	158
	4 542	3 858

Credit risk on cash and cash equivalents is further analysed in note 14.

Trade receivables and advances

The Group has policies in place to ensure that the sales of products are made to customers with an appropriate credit history. Trade debtors comprise a number of customers, dispersed across different geographical areas. Credit evaluations are performed on the financial condition of these and other receivables from time to time. Trade receivables are presented in the statement of financial position net of any provision for impairment.

2. Financial risk management *(continued)*

2.1 Financial risk factors *(continued)*

2.1.2 *Credit risk (continued)*

Trade receivables and advances (continued)

Advances are made to customers based on toll refining 'in-process metal'. Credit risk on advances where sufficient in-process metal serves as collateral is low.

The table below provides an analysis of the Group's customer mix:

	New customers	2 years and less	From 2 – 5 years	Longer than 5 years	Total
Financial year 2011					
Number of customers	**1**	**–**	**10**	**62**	**73**
Number of defaults	**–**	**–**	**–**	**1**	**1**
Value at year-end (Rm)	**0**	**–**	**70**	**2 085**	**2 155**
Financial year 2010					
Number of customers	1	8	3	62	74
Number of defaults	–	–	–	–	–
Value at year-end (Rm)	9	114	2	1 157	1 282

Credit risk exposure in respect of trade receivables and advances is analysed further in note 11 and 13.

Other financial assets

Credit risk relating to other financial assets consist of:

- Loans to BEE companies is secured by a guarantee from Lonmin Plc (Refer to note 11 (i))
- Shareholder's loans to Two Rivers Platinum (Pty) Limited which is unsecured
- Loan to the Reserve Bank of Zimbabwe is unsecured with no fixed terms of repayment
- Employee housing loans secured by a second bond over residential properties.

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

Employee receivables

Employee receivables consist mainly of vehicle loans for which the vehicles serve as collateral. Except as indicated in note 13.

No financial assets are past due.

Notes to the consolidated annual financial statements continued

For the year ended 30 June 2011

2. Financial risk management *(continued)*

2.1 Financial risk factors *(continued)*

2.1.3 Liquidity risk

Prudent liquidity risk management implies maintaining sufficient cash and cash equivalents, the availability of funding through an adequate amount of committed credit facilities and the ability to close out market positions. The Group has undrawn general banking facilities with various financial institutions as indicated below. Of these facilities, R3.9 billion (June 2010: R3.4 billion) were committed facilities at year-end.

South African banks

	Credit limit facilities	
Credit rating	**2011 Credit limits Rm**	2010 Credit limits Rm
AA (zaf)	**2 400**	3 792
AA- (zaf)	**500**	500
A+ (zaf)	**500**	500
	3 400	4 792

None of these facilities had been drawn down at year-end. These facilities are renewed annually.

Overseas operations

	Credit limit facilities	
Credit rating	**2011 Credit limits US$m**	2010 Credit limits US$m
AA (zaf)	**88**	80

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

2. Financial risk management *(continued)*

2.1 Financial risk factors *(continued)*

2.1.3 Liquidity risk (continued)

The table below analyses the Group's financial liabilities and derivative financial liabilities into the relevant maturity groupings based on the remaining period at the reporting date to the contractual maturity date.

Financial assets relevant to the understanding of future cash flow related to financial liabilities have been disclosed below.

	Total carrying amount Rm	Effect of discount/ financing rates Rm	Total contractual cash flow Rm	Less than 1 year Rm	Between 1 and 2 years Rm	Between 2 and 5 years Rm	Over 5 years Rm
At June 2011							
Financial assets							
Receivables and prepayments (note 11)	**2 468**	**583**	**3 051**	**282**	**1 004**	**327**	**1 438**
Shareholder's loan (note 8)	**71**	**1**	**72**	**72**			
Trade and other receivables (note 13)	**3 010**		**3 010**	**3 010**			
Derivative financial instruments (note 13)	**33**		**33**	**33**			
Cash and cash equivalents (note 14)	**4 542**		**4 542**	**4 542**			
Financial liabilities							
Borrowings (note 17)	**1 231**	**617**	**1 848**	**186**	**217**	**389**	**1 056**
Lease liabilities (note 17)	**611**	**708**	**1 319**	**79**	**82**	**221**	**937**
Liabilities (note 18)	**184**	**67**	**251**	**59**	**35**	**106**	**51**
Trade and other payables (note 20)	**5 229**		**5 229**	**5 229**			
Derivative financial instruments (note 20)	**33**		**33**	**33**			
Financial guarantee contracts (note 33)			**606**	**606**			
At June 2010							
Financial assets							
Receivables and prepayments (note 11)	2 434	1 139	3 573	18	778	1 607	1 170
Shareholder's loan (note 8)	343	42	385	137	128	120	
Trade and other receivables (note 13)	2 349		2 349	2 349			
Derivative financial instruments (note 13)	32		32	32			
Cash and cash equivalents (note 14)	3 858		3 858	3 858			
Financial liabilities							
Borrowings (note 17)	1 866	1 166	3 032	279	820	646	1 287
Lease liabilities (note 17)	262	220	482	51	59	145	227
Liabilities (note 18)	192	84	276	50	33	103	90
Trade and other payables (note 20)	4 712		4 712	4 712			
Derivative financial instruments (note 20)	32		32	32			
Financial guarantee contracts (note 33)			600				600

Notes to the consolidated annual financial statements continued

For the year ended 30 June 2011

2. Financial risk management *(continued)*

2.1 Financial risk factors *(continued)*

2.1.4 Cash flow interest rate risk

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

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

Exposure of the Group's borrowings to interest rate changes and contractual reprising dates is analysed further in note 17.

Sensitivity analysis

Interest rate risk sensitivity analysis presents the effect of a 100 basis points up and down in the interest rate in profit or loss.

	Floating interest rate exposure		Profit/Loss effect	
	2011 Rm	2010 Rm	**2011 Rm**	2010 Rm
Financial assets				
Receivables and prepayments (note 11)	**1 867**	2 004	**±19**	±20
Shareholders' loan (note 8)	**71**	343	**±1**	±3
Trade and other receivables (note 13)	**807**	641	**±8**	±6
Cash and cash equivalents (note 14)	**4 542**	3 858	**±45**	±39
Financial liabilities				
Borrowings (note 17)	**(1 231)**	(1 866)	**±12**	±19
Forward commitments (note 20)	**–**	(228)	**–**	±2
	6 056	4 752	**±61**	±47

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

2.1.5 Sovereign risk

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

2.2 Capital risk management

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

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

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

3. Critical accounting estimates and judgements

Use of estimates

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

The significant areas requiring the use of management estimates and assumptions that have a significant risk resulting in a material adjustment to the carrying amount of assets and liabilities within the next financial year are discussed below.

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

3.1 Carrying value of property, plant and equipment (note 5)

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

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

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

The recoverable amounts of cash-generating units and individual assets have been determined based on the higher of value-in-use calculations and fair values less costs to sell. The Group reviews and tests the carrying value of assets when events or changes in circumstances suggest that the carrying amount may not be recoverable. In addition, goodwill is tested on an annual basis for impairment (note 1.9).

Assets are grouped at the lowest level for which identifiable cash flows are largely independent of cash flows of other assets. If there are indications that impairment may have occurred, estimates are prepared of expected future cash flows for each group of assets. Expected future cash flows used to determine the recoverable amount of goodwill and tangible assets are inherently uncertain and could materially change over time. They are significantly affected by a number of factors including published reserves, resources, exploration potential and production estimates, together with economic factors such as spot and future metal prices, discount rates, foreign currency exchange rates, estimates of cost to establish reserves and future relevant capital expenditure.

The key financial assumptions used in the impairment calculations are:

- Long-term real revenue per platinum ounce sold of R22 560 (2010: R20 711) and
- Long-term real discount rate – a range of 6.5% to 12.5% (2010: 7.0% to 11.0%) for the various operations in the Group.

Notes to the consolidated annual financial statements continued

For the year ended 30 June 2011

3. Critical accounting estimates and judgements *(continued)*

3.2 Production start date (note 5)

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

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

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

3.3 Income taxes (notes 21, 29)

The Group is subject to income taxes in numerous jurisdictions. Significant judgement is required in determining the provision for income taxes. There are many transactions and calculations for which the ultimate tax determination is uncertain during the ordinary course of business. The Group recognises liabilities for anticipated tax audit issues based on estimates of whether additional taxes will be due.

Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the income tax and deferred tax provisions in the period in which such determination is made.

3.4 Metal in process and product inventories (note 12)

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

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

3.5 Recoverability of advances and receivables (notes 11 and 13)

Due to time involved in toll refining metals, certain customers are granted advances based on a contractually agreed percentage of the fair value of their in-process metal, which serves as collateral for the advances.

The contractually agreed percentage generally provides a sufficient safety margin for normal price fluctuations not to expose the Group to undue credit risk. However, in times of significant price decreases, there is a risk that the fair value of the in-process metal that serves as collateral, could decrease below the carrying amount of the advance.

In cases where the carrying value of advances are not fully supported by the fair value of in-process metal that serves as collateral, management uses judgement to determine the recoverability of the advances.

3. Critical accounting estimates and judgements *(continued)*

3.5 Recoverability of advances and receivables (notes 11 and 13) *(continued)*

Items considered by management include the ability of the customer to continue to deliver metals to the Group, the estimated levels of future deliveries and the estimated movements in PGM prices. Recent levels of deliveries and short-term price forecasts were used in management's assumptions. If customer deliveries or actual PGM prices differ significantly from estimates, there is a possibility of an impairment. Based on management's assessment, no impairment provisions against any advances were considered necessary.

Management assess the recoverability of trade receivables on an individual basis at the end of each reporting period. Based on management's assessment, no impairment provision for any trade receivables was considered necessary.

3.6 Mineral reserves

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

Factors impacting the determination of proved and probable reserves are:

- The grade of mineral reserves may vary significantly from time to time (ie differences between actual grades mined and resource model grades)
- Differences between actual commodity prices and commodity price assumptions
- Unforeseen operational issues at mine sites
- Changes in capital, operating, mining, processing and reclamation costs, discount rates and foreign exchange rates.

3.7 Goodwill impairment test (note 7)

In testing whether goodwill is impaired the following critical assumptions and judgements were used:

- The Afplats reserve and resource ounce valuation was based on the UG2 4E ounces
- These resource ounces were valued using a range of US$10 and US$51 per ounce (2010: US$12 and US$63 per ounce).

Goodwill was allocated to the Group's cash-generating units (CGUs) identified in accordance with business operations.

3.8 Liabilities (note 18)

Post-retirement medical benefits (note 18 (ii))

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

As at 30 June 2011, actuarial parameters used by independent valuators assumed 6.4% (2010: 6.9%) as the long-term medical inflation rate and an 8.5% (2010: 9%) risk-free interest rate corresponding to the yields on long-dated high-quality bonds.

A 1% increase in the medical inflation rate results in a R5.7 million increase in the provision and a decrease of 1% results in a decrease in the provision of R4.8 million.

Notes to the consolidated annual financial statements continued

For the year ended 30 June 2011

3. Critical accounting estimates and judgements *(continued)*

3.8 Liabilities (note 18) *(continued)*

Share-based payments

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

The fair value of share-based payments is calculated using the binomial option pricing model.

The average inputs into this model are as follows:

	Employee share option participation scheme[5]		Equity-settled share option scheme[7]		Cash-settled share appreciation scheme[5]	
	2011	2010	**2011**	2010	**2011**	2010
Weighted average option value (rand)[1]	**50.79**	77.92	**190.75**	190.75	**46.96**	63.60
Weighted average share price on valuation date (rand)[2]	**182.19**	180.00	**70.26**	70.26	**182.19**	180.00
Weighted average exercise price (rand)[3][6]	**159.18**	159.18	**61.03**	61.03	**175.61**	166.70
Volatility[4]	**33.29**	53.02	**42.03**	42.03	**33.29**	53.02
Dividend yield (%)	**2.31**	1.78	**5.75**	5.75	**2.31**	1.78
Risk-free interest rate (%)	**7.70**	8.26	**10.43**	10.43	**7.70**	8.26

(1) *The weighted average option value for cash-settled shares is calculated on reporting date. The weighted average option value of equity-settled shares is calculated on grant date.*

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

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

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

(5) *Cash-settled share-based payment.*

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

(7) *The share option scheme, equity settled, was closed to future grants with effect from October 2004.*

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

3. Critical accounting estimates and judgements *(continued)*

3.9 Provisions (note 19)

Environmental rehabilitation obligations

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

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

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

Assumptions used in calculating the provision:

South African operations

The interest rate is the long-term risk-free rate as indicated by the government bonds which ranged between 8.2% and 8.6% (2010: 8.9% and 9.1%) at the time of calculation. The net present value of current rehabilitation estimates is based on the assumption of a long-term real interest rate of 2.3% (2010: 2.9%).

Zimbabwean operations

The interest rate used was 10% (2010: 10%) at the time of calculation. The net present value of current rehabilitation estimates is based on the assumption of a long-term real interest rate of 5% (2010: 5%).

3.10 Contingencies (note 34)

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

3.11 Foreign currency translation

The following exchange rates were used:

- Year-end rate: R6.77 (2010: R7.67)
- Annual average rate: R7.03 (2010: R7.56)

Notes to the consolidated annual financial statements continued

For the year ended 30 June 2011

4. Segment information

Segment reporting

Operating segments – June 2011

	Mining segment				
	Impala Rm	Zimplats Rm	Marula Rm	Mimosa Rm	Afplats Rm
Segment profit					
Revenue from:					
Platinum	11 618	2 004	728	638	
Palladium	2 483	692	316	189	
Rhodium	2 132	211	183	64	
Nickel	989	465	28	248	
Other metal sales	1 219	337	45	145	
Treatment income					
Revenue	18 441	3 709	1 300	1 284	
On-mine operations	(7 594)	(870)	(1 034)	(364)	
Processing operations	(1 673)	(446)	(152)	(98)	
Refining operations	(467)				
Treatment charge			(3)	(59)	
Depreciation	(923)	(239)	(152)	(57)	(1)
Metals purchased					
Change in inventories	(298)	(21)		11	
Cost of sales	(10 955)	(1 576)	(1 341)	(567)	(1)
Gross profit	7 486	2 133	(41)	717	(1)
Other operating expenses	(367)	(203)		(45)	
Royalty expense	(606)	(113)	(41)	(44)	
Profit from operations	6 513	1 817	(82)	628	(1)
Other	(101)	(143)	(159)	(12)	17
Profit from metals purchased	25				
Sale of metal purchased	13 589				
Cost of metal purchased	(13 568)				
Change in inventories	4				
Share of profit of associates					
Profit before tax	6 437	1 674	(241)	616	16
Income tax expense	(1 865)	(314)	34	(198)	(12)
Profit for the year	4 572	1 360	(207)	418	4
External revenue*	32 030			318	

* *External revenue excludes intergroup sales.*

	Total mining segment Rm	Impala Refining Services Rm	Other Rm	Inter-segment adjustment Rm	Total Rm
	14 988	8 104		(3 382)	19 710
	3 680	2 169		(1 135)	4 714
	2 590	1 376		(443)	3 523
	1 730	1 305		(442)	2 593
	1 746	874		(411)	2 209
		445		(62)	383
	24 734	14 273		(5 875)	33 132
	(9 862)				(9 862)
	(2 369)	(232)			(2 601)
	(467)	(366)			(833)
	(62)			62	
	(1 372)				(1 372)
		(12 669)		5 834	(6 835)
	(308)	413		(92)	13
	(14 440)	(12 854)		5 804	(21 490)
	10 294	1 419		(71)	11 642
	(615)	(30)			(645)
	(804)				(804)
	8 875	1 389		(71)	10 193
	(398)	(395)	(77)		(870)
	25			(25)	
	13 589			(13 589)	
	(13 568)			13 568	
	4			(4)	
			238		238
	8 502	994	161	(96)	9 561
	(2 355)	(421)	9	16	(2 751)
	6 147	573	170	(80)	6 810
	32 348	784			33 132

Notes to the consolidated annual financial statements continued

For the year ended 30 June 2011

4. **Segment information** (continued)

Segment reporting (continued)

Operating segments – June 2011 (continued)

	Mining segment				
	Impala Rm	Zimplats Rm	Marula Rm	Mimosa Rm	Afplats Rm
Segment assets and liabilities					
Non-current segment assets	34 116	4 617	3 027	1 117	7 203
Property, plant and equipment	22 884	4 387	3 027	948	1 891
Exploration and evaluation assets					4 294
Intangible assets					1 018
Investments in associates					
Available-for-sale financial assets				15	
Held-to-maturity financial assets	61				
Receivables and prepayments	11 171	230		154	
Current segment assets	9 533	951	286	476	61
Inventories	2 169	335	23	180	
Trade and other receivables	3 350	250	267	117	14
Cash and cash equivalents	4 014	366	(4)	179	47
Total assets	43 649	5 568	3 313	1 593	7 264
Non-current segment liabilities	7 499	771	1 551	228	1 460
Deferred tax liability	5 700	395	627	207	1 460
Long-term borrowings	576	258	864		
Long-term liabilities	768	21	19		
Long-term provisions	455	97	41	21	
Current segment liabilities	3 244	649	378	55	29
Trade and other payables	2 704	411	336	55	29
Current tax payable	114	103			
Short-term borrowings	10	113	21		
Short-term liabilities	416	22	21		
Total liabilities	10 743	1 420	1 929	283	1 489
Segmental cash flow					
Net increase/(decrease) in cash and cash equivalents	2 642	353	(332)	(137)	3
Net cash from/(used in) operating activities	6 375	1 868	(112)	47	33
Net cash (used in)/from investing activities	(3 725)	(923)	(218)	(184)	(30)
Net cash used in financing activities	(8)	(592)	(2)		
Capital expenditure	4 240	840	242	186	32

Total mining segment Rm	Impala Refining Services Rm	Other Rm	Total Rm
50 080	1 824	904	52 808
33 137			33 137
4 294			4 294
1 018			1 018
		904	904
15			15
61			61
11 555	1 824		13 379
11 307	3 361	128	14 796
2 707	2 764		5 471
3 998	742	43	4 783
4 602	(145)	85	4 542
61 387	5 185	1 032	67 604
11 509	(57)	28	11 480
8 389	(57)	5	8 337
1 698			1 698
808		23	831
614			614
4 355	2 064	95	6 514
3 535	2 056	65	5 656
217	8	1	226
144			144
459		29	488
15 864	2 007	123	17 994
2 529	414	(2 174)	769
8 211	38	36	8 285
(5 080)	376	232	(4 472)
(602)		(2 442)	(3 044)
5 540			5 540

Notes to the consolidated annual financial statements continued

For the year ended 30 June 2011

4. **Segment information** (continued)

Segment reporting (continued)

Operating segments – June 2010

	Mining segment				
	Impala Rm	Zimplats Rm	Marula Rm	Mimosa Rm	Afplats Rm
Segment profit					
Revenue from:					
Platinum	8 833	1 767	655	554	
Palladium	1 410	405	188	108	
Rhodium	2 386	252	225	57	
Nickel	609	366	22	195	
Other metal sales	787	262	40	118	
Treatment income					
Revenue	14 025	3 052	1 130	1 032	
On-mine operations	(6 781)	(806)	(876)	(333)	
Processing operations	(1 457)	(373)	(146)	(91)	
Refining operations	(446)				
Treatment charge			(2)	(58)	
Depreciation	(742)	(184)	(117)	(40)	
Metals purchased					
Change in inventories	623	(118)		(15)	
Cost of sales	(8 803)	(1 481)	(1 141)	(537)	
Gross profit	5 222	1 571	(11)	495	
Other operating expenses	(378)	(145)		(33)	
Royalty expense	(420)	(69)	(23)	(24)	
Profit from operations	4 424	1 357	(34)	438	
Other	320	(98)	(137)	(50)	37
Profit from metals purchased	146				
Sale of metal purchased	10 516				
Cost of metal purchased	(10 370)				
Share of profit of associates					
Profit before tax	4 890	1 259	(171)	388	37
Income tax expense	(1 432)	(337)	49	(152)	(14)
Profit for the year	3 458	922	(122)	236	23
External revenue*	24 541			250	

** External revenue excludes intergroup sales.*

Total mining segment Rm	Impala Refining Services Rm	Other Rm	Inter segment adjustment Rm	Total Rm
11 809	6 661		(2 923)	15 547
2 111	1 227		(659)	2 679
2 920	1 242		(479)	3 683
1 192	1 024		(376)	1 840
1 207	583		(365)	1 425
	332		(60)	272
19 239	11 069		(4 862)	25 446
(8 796)				(8 796)
(2 067)	(190)			(2 257)
(446)	(318)			(764)
(60)			60	
(1 083)				(1 083)
	(10 470)		4 948	(5 522)
490	1 097		(459)	1 128
(11 962)	(9 881)		4 549	(17 294)
7 277	1 188		(313)	8 152
(556)	(29)			(585)
(536)				(536)
6 185	1 159		(313)	7 031
72	(11)	38		99
146			(146)	
10 516			(10 516)	
(10 370)			10 370	
		95		95
6 403	1 148	133	(459)	7 225
(1 886)	(548)	(69)	72	(2 431)
4 517	600	64	(387)	4 794
24 791	655			25 446

Notes to the consolidated annual financial statements continued

For the year ended 30 June 2011

4. Segment information (continued)

Segment reporting (continued)

Operating segments – June 2010 (continued)

	Mining segment				
	Impala Rm	Zimplats Rm	Marula Rm	Mimosa Rm	Afplats Rm
Segment assets and liabilities					
Non-current segment assets	31 210	4 543	2 936	1 119	7 172
Property, plant and equipment	19 617	4 317	2 936	916	1 860
Exploration and evaluation assets					4 294
Intangible assets					1 018
Investment in associates					
Available-for-sale financial assets				14	
Held-to-maturity financial assets	56				
Receivables and prepayments	11 537	226		189	
Current segment assets	7 896	1 275	246	448	48
Inventories	2 452	348	12	188	
Trade and other receivables	2 318	304	234	105	8
Cash and cash equivalents	3 126	623		155	40
Total assets	39 106	5 818	3 182	1 567	7 220
Non-current segment liabilities	6 389	1 344	1 598	262	1 460
Deferred tax liability	4 940	455	659	241	1 460
Long-term borrowings	212	761	854		
Long-term liabilities	805	17	50		
Long-term provisions	432	111	35	21	
Current segment liabilities	2 631	654	361	79	1
Trade and other payables	2 344	387	323	56	1
Current tax payable				24	
Short-term borrowings	9	255	38	(1)	
Current portion of long-term provision	278	12			
Total liabilities	9 020	1 998	1 959	341	1 461
Segmental cash flow					
Net increase/(decrease) in cash and cash equivalents	1 533	307	(105)	(508)	(40)
Net cash from/(used in) operating activities	4 108	908	168	(384)	(37)
Net cash (used in)/from investing activities	(2 567)	(672)	(273)	(124)	38
Net cash (used in)/from financing activities	(8)	71			(41)
Capital expenditure	3 435	698	281	127	13

Total mining segment Rm	Impala Refining Services Rm	Other Rm	Total Rm
46 980	1 829	934	49 743
29 646			29 646
4 294			4 294
1 018			1 018
		934	934
14			14
56			56
11 952	1 829		13 781
9 913	2 742	173	12 828
3 000	2 382		5 382
2 969	532	87	3 588
3 944	(172)	86	3 858
56 893	4 571	1 107	62 571
11 053	(14)	33	11 072
7 755	(14)	6	7 747
1 827			1 827
872		27	899
599			599
3 726	1 958	82	5 766
3 111	1 958	61	5 130
24			24
301			301
290		21	311
14 779	1 944	115	16 838
1 187	1 033	(1 718)	502
4 763	1 104	51	5 918
(3 598)	(71)	69	(3 600)
22		(1 838)	(1 816)
4 554			4 554

Notes to the consolidated annual financial statements continued

For the year ended 30 June 2011

4. Segment information (continued)

Notes to operating segment analysis

The Group distinguishes its segments between mining operations, refining services (which include metals purchased and toll refined) and other.

Management has determined the operating segments based on the business activities and management structure within the Group. Operating segments have consistently adopted the consolidated basis of accounting and there are no differences in measurement applied.

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

Sales to the two largest customers in the Impala mining segment comprised 10% each (2010: 12% and 10%) of total sales.

Revenue

Metals mined

Reflects the mine-to-market sales primarily from the Impala mining operations.

Metals purchased

Revenue from metals purchased is recognised within two separate legal entities:

- For Impala this incorporates sales of metals purchased principally from Impala Refining Services
- For Impala Refining Services this includes sales from purchases of metals from third-party refining customers. The majority of sales are to Impala and a portion directly to the market.

Treatment income

Fees earned by Impala Refining Services for the treatment of metals from third party refining customers.

Inter-company

Comprises sales of concentrate from Marula, Mimosa and Zimplats mining operations to Impala Refining Services.

Segment operating expenses

Gross cost

Comprises total costs associated with the mining, refining and purchase of metals.

Inter-segment adjustments

Elimination of inter-segment sales, purchases, interest, administration fees, toll refining fees and unrealised profit in the Group.

Inter-segment transfers

Inter-segment transfers are based on market-related prices.

	2011 Rm	2010 Rm
4. Segment information (continued)		
Analysis of revenue by destination		
Main products		
Asia	10 743	9 379
North America	6 810	5 912
Europe	5 707	3 877
South Africa	4 687	2 741
	27 947	21 909
By products		
South Africa	2 451	1 771
Asia	1 344	938
Europe	684	333
North America	323	223
	4 802	3 265
Treatment income		
South Africa	315	189
North America	68	83
	383	272
	33 132	25 446
Analysis of sales by category		
Sales of goods		
Precious metals		
Platinum	19 710	15 547
Palladium	4 714	2 679
Rhodium	3 523	3 683
Ruthenium	363	315
Iridium	410	219
Gold	756	506
Silver	11	7
	29 487	22 956
Base metals		
Nickel	2 593	1 840
Copper	452	299
Cobalt	31	9
Chrome	186	70
	3 262	2 218
Revenue from services		
Toll refining	383	272
	33 132	25 446

Notes to the consolidated annual financial statements continued

For the year ended 30 June 2011

		Revenue		Capital expenditure		Non-current assets	
		2011 Rm	2010 Rm	**2011 Rm**	2010 Rm	**2011 Rm**	2010 Rm
4.	**Segment information** (continued)						
	Other segment information						
	South Africa	**28 139**	21 362	**4 514**	3 729	**46 170**	43 147
	Zimbabwe	**4 993**	4 084	**1 026**	825	**5 734**	5 662
	Investment in associates					**904**	934
		33 132	25 446	**5 540**	4 554	**52 808**	49 743

Non-current assets and capital expenditure are allocated according to the location of the asset.

Revenues are allocated based on the country in which the sale originates.

		Shafts, mining development and infrastructure Rm	Metallurgical and refining plants Rm	Land and buildings Rm	Assets under construction Rm	Other assets Rm	Total Rm
5.	**Property, plant and equipment**						
	Cost						
	Balance at 30 June 2010	15 058	9 229	2 388	9 489	1 894	38 058
	Additions	4 750	461	885	(816)	259	5 539
	Interest capitalised (note 27)				1		1
	Transfer from assets under construction	7	57	134	(225)	27	
	Disposals		(3)	(49)		(16)	(68)
	Exchange adjustment	(201)	(299)	(98)	(89)	(90)	(777)
	Balance at 30 June 2011	**19 614**	**9 445**	**3 260**	**8 360**	**2 074**	**42 753**
	Balance at 30 June 2009	13 473	7 248	2 014	9 179	1 703	33 617
	Additions	1 252	436	105	2 526	157	4 476
	Interest capitalised (note 27)				78		78
	Transfer from assets under construction	343	1 532	270	(2 247)	102	
	Disposals	(1)				(61)	(62)
	Exchange adjustment	(9)	13	(1)	(47)	(7)	(51)
	Balance at 30 June 2010	15 058	9 229	2 388	9 489	1 894	38 058

	Shafts, mining develop-ment and infra-structure Rm	Metal-lurgical and refining plants Rm	Land and buildings Rm	Assets under con-struction Rm	Other assets Rm	Total Rm
5. Property, plant and equipment (continued)						
Accumulated depreciation and impairment						
Balance at 30 June 2010	5 083	2 035	95		1 199	8 412
Charge for the year (note 23)	617	435	30		290	1 372
Disposals					(14)	(14)
Exchange adjustment	(49)	(49)	(7)		(49)	(154)
Balance at 30 June 2011	**5 651**	**2 421**	**118**		**1 426**	**9 616**
Balance at 30 June 2009	4 585	1 712	75		1 021	7 393
Charge for the year (note 23)	501	326	20		236	1 083
Disposals					(54)	(54)
Exchange adjustment	(3)	(3)			(4)	(10)
Balance at 30 June 2010	5 083	2 035	95		1 199	8 412
Carrying value at 30 June 2011	**13 963**	**7 024**	**3 142**	**8 360**	**648**	**33 137**
Carrying value at 30 June 2010	9 975	7 194	2 293	9 489	695	29 646

Notes to the consolidated annual financial statements continued

For the year ended 30 June 2011

		2011 Rm	2010 Rm
5.	**Property, plant and equipment** (continued)		
	Assets under construction consist mainly of (carrying value)		
	Impala (16, 17 and 20 Shaft)	5 526	6 866
	Afplats (Leeuwkop)	1 889	1 857
	Zimplats (Ngezi phase 1 and underground mine project)	815	452
	Other assets consist of the following (carrying value):		
	Mobile equipment	532	623
	Information technology	87	58
	Other	29	14
		648	695
	Commitments in respect of property, plant and equipment		
	Commitments contracted for	1 994	2 597
	Approved expenditure not yet contracted	23 541	17 782
		25 535	20 379
	Less than one year	7 965	5 277
	Between one and five years	16 967	11 553
	More than five years	603	3 549
		25 535	20 379
	This expenditure will be funded internally and from borrowings, where necessary. Apart from finance leases, assets are not encumbered by loans. No assets were pledged as collateral.		
	Included in property, plant and equipment are assets with a carrying amount of R562 million (2010: R218 million) arising from finance leases capitalised (note 17).		
6.	**Exploration and evaluation assets**		
	Cost	4 318	4 318
	Accumulated impairment	(24)	(24)
	Carrying value	4 294	4 294

		2011 Rm	2010 Rm
7.	**Intangible assets**		
	Goodwill		
	Goodwill at cost less impairment	**1 018**	1 018
	The goodwill originated from the deferred taxation provided on the fair value of the assets over carrying amount of an acquired subsidiary.		
	A summary of the goodwill allocation is as follows:		
	Leeuwkop project	**179**	179
	Evaluation and exploration projects	**839**	839
		1 018	1 018
	There was no impairment of goodwill in the current financial year.		
8.	**Investment in associates**		
	Summary		
	Two Rivers Platinum	**847**	934
	Makgomo Chrome	**57**	–
	Total investment in associates	**904**	934
	(i) Two Rivers Platinum investment		
	Investment		
	Beginning of the year	**591**	444
	Share of profit (note 32)	**231**	95
	Unrealised profit in inventories (note 32)	**(63)**	72
	Taxation thereon (note 16)	**17**	(20)
	End of the year	**776**	591
	Loan		
	Beginning of the year	**343**	539
	Interest (note 26)	**16**	41
	Payments received	**(288)**	(237)
	End of the year	**71**	343
	Total	**847**	934

Unrealised profit in inventories net of tax arises due to intergroup sales.

The shareholder's loan is unsecured and bears interest at 7.1% (2010: 8.1%) per annum and has no fixed term of repayment (refer note 34).

Shares beneficially owned in the company involved in the business of mining and producing PGM concentrate.

Impala Platinum Holdings Limited has provided a guarantee to Nedbank Limited for its share of the borrowings by Two Rivers Platinum. At 30 June 2011, the exposure under the guarantee to Nedbank Limited amounted to R49 million (2010: R56 million). (Refer note 33, 34).

Notes to the consolidated annual financial statements continued

For the year ended 30 June 2011

		2011 Rm	2010 Rm
8.	**Investment in associates** (continued)		
	(i) Two Rivers Platinum investment (continued)		
	Shareholding		
	Number of shares		
	Ordinary shares	270	270
	Effective holding %	45	45
	Summarised financial information as at 30 June and for the year then ended:		
	Capital and reserves	1 725	1 310
	Non-current liabilities	763	1 529
	Current liabilities	884	451
		3 372	3 290
	Non-current assets	2 415	2 423
	Current assets	957	867
		3 372	3 290
	Revenue	2 274	2 098
	Profit for the year	415	325

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

There were no unrecognised losses in the associate for which the Group had not accounted.

Unrealised profit on sales from Two Rivers to Implats were eliminated in the share of profit recognised above.

	2011 Rm	2010 Rm
(ii) Makgomo Chrome investment		
Investment		
Amount invested	55	–
Share of profit (note 32)	7	–
Dividend received	(5)	–
End of the year	57	–

	2011 Rm	2010 Rm
8. Investment in associates (continued)		
(ii) Makgomo Chrome investment (continued)		
Shares beneficially owned in the Company involved in the business extracting and selling of chrome.		
Shareholding		
Number of shares		
Ordinary shares	499	–
Effective holding (%)	49	–
Summarised financial information as at 30 June and for the year then ended:		
Capital and reserves	61	–
Non-current liabilities	5	–
Current liabilities	1	–
	67	–
Non-current assets	47	–
Current assets	20	–
	67	–
Revenue	26	–
Profit for the year	15	–
The results of the associate are based on audited financial statements.		
There were no unrecognised losses in the associate for which the Group had not accounted.		
This investment is a venture between Implats, Marula Platinum and Marula Community Chrome to beneficiate chrome from the Marula tailings.		
9. Available-for-sale financial assets		
Investment in listed shares		
Beginning of the year	14	18
Fair value adjustment	6	6
Disposals	–	(8)
Fair value (note 28, 32)	–	10
Cost	–	(18)
Exchange adjustment	(5)	(2)
	15	14
The Group holds various shares listed on the Zimbabwean stock exchange. The fair value of these shares as at the close of business is the stock exchange quoted prices at closing exchange rate.		
Available-for-sale investments are denominated in US dollar: (US$ millions)	2	2
Refer to note 37 for fair value hierarchy disclosure.		

Notes to the consolidated annual financial statements continued

For the year ended 30 June 2011

		2011 Rm	2010 Rm
10.	**Held-to-maturity financial assets**		
	Investment in interest-bearing instruments	61	56
	The investment is held through the Impala Pollution, Rehabilitation and Closure Trust Fund. The fund is an irrevocable trust under the Group's control. The funds are invested in interest-bearing instruments.		
11.	**Receivables and prepayments**		
	Summary		
	Shanduka Resources	176	260
	Employee housing	30	16
	Royalty prepayments	11 358	11 619
	Advances	1 923	1 869
	Reserve Bank of Zimbabwe (RBZ)	339	413
	Zesa Holdings	78	–
	End of the year	13 904	14 177
	Short-term portion	(525)	(396)
	Long-term portion	13 379	13 781
	(i) Shanduka Resources		
	Beginning of the year	260	681
	Interest accrued – present value adjustment (note 26)	–	4
	Interest accrued – contractual	–	17
	Repayment received	(84)	(442)
	End of the year	176	260
	Short-term portion (note 13)	(176)	(84)
	Long-term portion	–	176

This loan is repayable in September 2011. The loan bears interest at JIBAR plus 200 basis points. (2010: JIBAR plus 300 basis points). The capital portion of the loan is secured by a guarantee from Lonmin plc.

The effective interest rate for the loans is 9.8% (2010: 10.1%)

	2011 Rm	2010 Rm
11. Receivables and prepayments (continued)		
(ii) Employee housing		
Beginning of the year	16	–
Loans transferred from current receivable (note 32)	–	37
Loans granted during the year	33	–
Present value adjustment (note 27)	(18)	(22)
Interest accrued – present value adjustment (note 26)	2	1
Repayment received	(2)	–
End of the year	31	16
Short-term portion (note 13)	(1)	0
Long-term portion	30	16

These loans relate to the home ownership scheme whereby non-interest-bearing loans are provided to qualifying employees of Impala Platinum and Marula Platinum. These loans are interest free and repayable over 20 years from grant date. The average remaining repayment period is between 19 and 20 years.

	2011 Rm	2010 Rm
(iii) Royalty prepayments		
Beginning of the year	11 619	11 892
Expense (note 25)	(261)	(273)
End of the year	11 358	11 619
Short-term portion (note 13)	(261)	(272)
Long-term portion	11 097	11 347

In March 2007, the Group finalised a deal with the Royal Bafokeng Nation (RBN). In terms of this transaction Impala Platinum agreed to pay the RBN all future royalties due to them, thus effectively discharging any further obligation to pay royalties. In turn the RBN purchased shares through Royal Bafokeng Impala Investment Company and Royal Bafokeng Tholo Investment Holding Company, giving them a 13.2% holding in the company.

Notes to the consolidated annual financial statements continued

For the year ended 30 June 2011

	2011 Rm	2010 Rm
11. Receivables and prepayments (continued)		
(iv) Advances		
Beginning of the year	**1 869**	1 782
Interest accrued	**47**	29
Repayments received	**(353)**	(29)
Present value adjustment (note 27)	**(266)**	–
Interest accrued – present value adjustment (note 26)	**23**	–
Advances granted	**–**	106
Metal sale debtors converted (note 32)	**879**	–
Exchange adjustment	**(276)**	(19)
End of the year	**1 923**	1 869
Short-term portion (note 13)	**(55)**	(40)
Long-term portion	**1 868**	1 829

Advances have the following terms:

Pipeline advance

This advance bears interest at an effective interest rate of 5% per annum. The advance is secured by refined metal which is not under the control of the Company and is repayable within two years from the proceeds of the sale of the metal. Balance at year end R870 million (2010: R1 869 million) denominated in US Dollars – US$128 million (2010: US$244 million).

Metal lease advance

The advance bears interest at an effective interest rate of 5% per annum and is repayable in 168 monthly instalments. The advance is secured by additional collateral not under the control of the Company. Balance at year end R568 million (2010: nil) denominated in US Dollars – US$84 million (2010: nil).

Other advances

These advances consist of loans bearing interest at variable rates, ranging between Libor plus 1% and 9.95%. The advances are repayable in 168 monthly instalments and are unsecured. Balance at year end R485 million (2010: nil) denominated in US Dollars – US$72 million (2010: nil).

	2011 Rm	2010 Rm
11. Receivables and prepayments (continued)		
(v) Reserve Bank of Zimbabwe (RBZ)		
Beginning of the year	**413**	486
Present value adjustment (note 27)	**–**	(83)
Interest accrued – present value adjustment (note 26)	**61**	18
Impairment (note 32)	**(87)**	–
Exchange adjustment	**(48)**	(8)
	339	413

The loan to the RBZ emanates from the dollarisation of the Zimbabwean economy which resulted in the cessation of the agreed repayment of the loan in Zimbabwean dollars. The RBZ has acknowledged the amount due and recommended to the government of Zimbabwe to assume the debt. No fixed terms of repayment or interest payable has been set by the government of Zimbabwe. Given the circumstances, provision has been made for the long-term real value of the outstanding amount.

	2011 Rm	2010 Rm
(vi) Zesa Holdings – Electricity prepayment		
Recoverable expenditure on infrastructure	**81**	–
Exchange adjustment	**(3)**	–
End of the year	**78**	–
Short-term portion (note 13)	**(32)**	–
Long-term portion	**46**	–

The prepayment relates to the unrecovered portion of funds used to construct the Selous 330 KV substation for the national power utility. An amount of US$29 million was spent on the project of which 40% is recoverable through power unit credits which was determined using an agreed power tariff. No interest is charged on the balance.

Notes to the consolidated annual financial statements continued

For the year ended 30 June 2011

		2011 Rm	2010 Rm
12.	**Inventories**		
	Refined metal	1 704	2 008
	At cost	1 558	1 728
	At realisable value	146	280
	In-process metal	3 171	2 802
	At cost	2 881	2 672
	At realisable value	290	130
	Metal inventories	4 875	4 810
	Stores and materials inventories	596	572
		5 471	5 382

None of the refined main products were carried at net realisable value at 30 June 2011 (2010: refined main products at a cost of R93 million were carried at net realisable value of R57 million). In-process metal of main products at a cost of R312 million (2010: R220 million) were carried at net realisable value amounting to R290 million (2010: R130 million)

Included in refined metal is metal on lease to third parties of 38 304 ounces platinum (2010: 73 000 ounces platinum), 44 000 ounces palladium (2010: 2 500 ounces palladium) and 8 462 ounces rhodium (2010: nil) and 45 000 ounces ruthenium (2010: 45 000 ounces ruthenium).

A lease of 69 000 ounces platinum included in 2010 inventory was sold during the year.

		2011 Rm	2010 Rm
13.	**Trade and other receivables**		
	Trade receivables and advances	2 192	1 716
	Other receivables	591	298
	Employee receivables	227	211
	Prepayments	269	258
	Derivative financial instruments (note 20)*	33	32
	Shanduka Resources – short-term portion (note 11 (i))	176	84
	Employee housing – short-term portion (note 11 (ii))	1	0
	Royalties prepayments – short-term portion (note 11 (iii))	261	272
	Advances – short-term portion (note 11 (iv))	55	40
	Zesa Holdings – short-term portion (note 11 (vi))	32	–
	South African Revenue Services (value added taxation)	749	595
	Current tax receivable (note 21, 32)	197	82
		4 783	3 588

Advances of R787 million (2010: R501 million) to customers are secured by toll refining in-process metal held as collateral against these advances.

		2011 Rm	2010 Rm
13.	**Trade and other receivables** (continued)		
	The uncovered foreign currency denominated balances, included above, were as follows:		
	Trade and other receivables (US$ million)	293	211
	The credit exposures of trade receivables and advances (including current portion of long-term advances) by country are as follows:		
	North America	392	217
	South Africa	947	950
	Asia	224	185
	Europe	679	290
	Zimbabwe	5	114
		2 247	1 756
	Other receivables represent primarily a South African exposure.		
	** At 30 June 2011, the Group had forward purchase and sale contracts of 31 590 ounces of platinum (2010: 39 500 ounces of platinum) and 19 090 ounces of palladium (2010: 6 000 ounces of palladium). These contracts are entered into back to back for a period of five months to hedge commodity price movements. (Refer to note 20).*		
14.	**Cash and cash equivalents**		
	Short-term bank deposits	4 231	2 793
	Cash at bank	311	1 065
		4 542	3 858
	The weighted average effective interest rate on short-term bank deposits was 5.7% (2010: 7.0%) and these deposits have a maximum maturity of 60 days (2010: 60 days).		
	The net exposure to foreign currency denominated balances as at 30 June was as follows:		
	Bank balances (US$ million)	205	220
	The exposures by country are as follows:		
	South Africa	4 208	3 760
	Europe	330	91
	Zimbabwe	–	3
	Asia	4	4
		4 542	3 858
	The following cash and cash equivalents are restricted for use by the Group by virtue of contractual agreements:		
	Absa deposit account for guarantees	1	1
	Insurance cell captive	66	66
	Impala Pollution, Rehabilitation and Closure Trust Fund	106	100
		173	167
	The carrying amount of the cash and cash equivalents approximates its fair value.		

Notes to the consolidated annual financial statements continued

For the year ended 30 June 2011

		2011 Rm	2010 Rm
15.	**Share capital**		
	Share capital and share premium		
	The authorised share capital of the holding company is R21 million (2010: R21 million) consisting of 844 008 000 (2010: 844 008 000) ordinary shares with a par value of 2.5 cents each		
	Refer to note 30 and the statement of changes in equity for additional information.		
16.	**Deferred tax liability**		
	Deferred income tax assets and liabilities are off-set when there is a legally enforceable right to off-set current tax assets against current tax liabilities and when the deferred income taxes relate to the same fiscal authority. The off-set amounts are as follows:		
	Deferred tax assets		
	Deferred tax assets to be recovered within 12 months	**(143)**	(114)
	Deferred tax assets to be recovered after 12 months	**(467)**	(416)
	Deferred tax liabilities		
	Deferred tax liabilities to be settled within 12 months	**133**	137
	Deferred tax liabilities to be settled after 12 months	**8 814**	8 140
	Deferred tax liabilities – net	**8 337**	7 747
	There are unrecognised temporary differences of R231 million (2010: R555 million) in the Group relating to unredeemed capex.		
	Deferred income taxes are calculated at the prevailing tax rates of the different fiscal authorities where the asset or liability originates.		
	The movement on the deferred income tax account is as follows:		
	Beginning of the year	**7 747**	6 909
	Income tax expense (note 29)	**843**	819
	Prior year adjustment (note 29)	**10**	(14)
	Rate change (note 29)	**–**	42
	Unrealised profit on inventories purchased from associate (note 8 (i))	**17**	(20)
	Transfer from current tax payable (note 21)	**–**	2
	Other comprehensive income	**(195)**	8
	Exchange adjustment	**(85)**	1
	End of the year	**8 337**	7 747

	2011 Rm	2010 Rm
16. Deferred tax liability (continued)		
Deferred tax assets and liabilities are attributable to the following items:		
Deferred tax liabilities		
Recognised directly in profit or loss:		
Property, plant and equipment	6 529	6 250
Royalty prepayment	235	195
Fair value of assets and liabilities	436	–
Other	4	6
Recognised directly in equity:		
Translation differences of foreign subsidiaries	–	73
Revaluation of mining assets acquired	1 743	1 753
	8 947	8 277
Deferred tax assets		
Recognised directly in profit or loss:		
Rehabilitation and post-retirement medical provisions	(65)	(46)
Lease liabilities	(12)	(11)
Share-based compensation	(116)	(114)
Leave pay	(146)	(118)
Unrealised profit in metal inventories	(101)	(103)
Uncertain revenue	–	(127)
Secondary tax on companies credit*	–	(11)
Other	(47)	–
Recognised directly in equity:		
Translation differences of foreign subsidiaries	(123)	–
	(610)	(530)
Net deferred tax liability	8 337	7 747

** Represents the future tax benefit on dividends received that will be realised when future dividends are declared.*

The aggregate amount for deferred tax liabilities relating to subsidiaries, associates and interest in a joint venture is R8 332 million (2010: R7 741 million).

Our business

Integrated performance

Responsibility reporting

Notes to the consolidated annual financial statements continued

For the year ended 30 June 2011

		2011 Rm	2010 Rm
17.	**Borrowings**		
	Beginning of the year	2 128	1 985
	Proceeds	253	176
	Interest (repaid)/accrued	(5)	116
	Repayments	(855)	(154)
	Leases capitalised (note 5)	373	3
	Exchange adjustments	(52)	2
	End of the year	1 842	2 128
	Short-term portion	(144)	(301)
	Long-term portion	1 698	1 827
	Current		
	Standard Bank of South Africa Limited	123	280
	Lease liabilities	21	21
		144	301
	Non-current		
	Standard Bank of South Africa Limited	1 108	1 586
	Lease liabilities	590	241
		1 698	1 827
	Total borrowings	1 842	2 128

Borrowings from Standard Bank Limited

- Loans were obtained by BEE partners for purchasing a 27% share in Marula Platinum (Pty) Limited amounting to R771 million (2010: R775 million). The BEE partnership in Marula is consolidated as the loans are guaranteed by Implats. The loans carry interest at the Johannesburg Interbank Acceptance Rate (JIBAR) plus 130 (June 2010: 130) basis points and a revolving credit facility amounting to R114 million (June 2010: R117 million), which carries interest at JIBAR plus 145 (June 2010: 145) basis points. The loans expire in 2020.
- Two loan facilities from Standard Bank of South Africa Limited to finance the Ngezi Phase One expansion at Zimplats were obtained. These loans are secured by cessions over cash, debtors and revenue of Zimplats Mines (Pvt) Limited:
  - Loan 1 of R542 million (2010: R614 million) is denominated in US Dollars – US$80 million (June 2010: US$80 million) and bears interest at London Interbank Offering Rate (LIBOR) plus 700 (2010: 700) basis points. Repayments of 12 quarterly instalments commenced in December 2009 and will be fully settled by December 2012. At the end of the period the outstanding balance amounted to R102 million (US$15 million) (June 2010: R484 million (US$63 million)).
  - Loan 2, a revolving credit facility of R596 million, is denominated in US Dollars – US$88 million and bears interest at London Interbank Offering Rate (LIBOR) plus 700 basis points. The loan amortises over four years as per the relevant commitments with a final maturity date in December 2014. At the end of the period the outstanding balance amounted to R244 million (US$36 million). (2010: A rand denominated term loan facility with a balance of R490 million was repaid during this financial year.)

The total undrawn committed banking facilities at the end of the period were R3.9 billion (June 2010: R3.4 billion).

	2011 %	2010 %
17. Borrowings		
The effective interest rates for the year were as follows		
Bank loans ZAR	10	11
Bank loans US$	7	7

	2011			2010		
	Minimum lease payments Rm	Interest Rm	Principal Rm	Minimum lease payments Rm	Interest Rm	Principal Rm
Lease liabilities						
Less than one year	79	58	21	51	30	21
Between one and five years	337	256	81	205	115	90
More than five years	903	394	509	226	75	151
	1 319	708	611	482	220	262

The interest rates applicable are 10.0% (2010: 12.0%) for Zimbabwean US dollar denominated liabilities and 11.0% (2010: 11.5%) for South African rand denominated liabilities.

	2011 Rm	2010 Rm
Borrowing powers		
In terms of the Memorandum of Incorporation of the companies in the Group, the borrowing powers of the Group are determined by the directors but are limited to equity attributable to owners of the Company.		
Equity attributable to owners of the Company	47 563	43 792
Total borrowings	1 842	2 128

Notes to the consolidated annual financial statements continued

For the year ended 30 June 2011

	2011 Rm	2010 Rm
18. Liabilities		
Summary		
Post-employment medical benefits	**52**	53
Share appreciation rights liability	**882**	1 019
Future commitments	**132**	139
Deferred profit on sale and leaseback of houses	**253**	–
End of the year	**1 319**	1 211
Short-term portion	**(488)**	(311)
Long-term portion	**831**	899

(i) Pension and provident plans

Independent funds provide pension and other benefits to all permanent employees and their dependants.

At the end of the financial year the following funds were in existence:

Impala Platinum Refineries Provident Fund

Impala Workers Provident Fund

Implats Pension Fund

Mine Employees Pension Fund (industry fund)

Mining Industry Pension Fund Zimbabwe (industry fund)

National Social Security Scheme Zimbabwe (industry fund)[1]

Old Mutual – Zimasco Pension Fund

Sentinel Pension Fund (industry fund)

During the year the Novel Platinum Pension Fund, the Impala Supplementary Pension Fund and the Impala Provident Fund were replaced with the Implats Pension Fund.

[1] *This is the only defined benefit plan. Information for the Zimbabwean multi-employer defined benefit plan is not readily available or cannot be obtained and therefore the assets or liabilities of the funds are not accounted for in the statement of financial position. The number of employees that contribute to these funds represents approximately 9% (2010: 8%) of employees in the Group. The Group accounts in substance for this multi-employer benefit plan as a defined contribution plan (note 1.16).*

		2011 Rm	2010 Rm
18.	**Liabilities** (continued)		
	(ii) Post-employment medical benefits		
	Beginning of the year	**53**	53
	Raised (note 22, 32)	**6**	5
	Paid (note 32)	**(7)**	(5)
	End of the year	**52**	53
	Short-term portion	**(6)**	(5)
	Long-term portion	**46**	48
	Post-employment medical benefits are an unfunded liability		
	(iii) Share appreciation rights liability		
	Beginning of the year	**1 019**	699
	Provision for the year (note 22, 32)	**(51)**	386
	Paid to employees (note 32)	**(82)**	(64)
	Exchange adjustment	**(4)**	(2)
	End of the year	**882**	1 019
	Short-term portion	**(426)**	(276)
	Long-term portion	**456**	743

The total intrinsic value was R650 million (2010: R680 million) as determined by the year-end share price of R182 (2010: R180).

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

Refer to note 38 for share-based compensation disclosure.

The cash-settled share appreciation rights include the employee share option participation scheme (ESOP) and the share appreciation rights scheme.

	2011 Rm	2010 Rm
(iv) Provision for future commitments		
Beginning of the year	**139**	143
Interest accrued – present value adjustment (note 27)	**16**	17
Payments for the year (note 32)	**(23)**	(21)
End of the year	**132**	139
Short-term portion	**(39)**	(31)
Long-term portion	**93**	108

Future commitments consist of:

- Fees payable to the Bakwena Bamagopa as a result of an agreement with the acquisition of Afplats Plc amounts to R52 million (2010: R49 million.)
- Future payments to the Impala Bafokeng local economic development trust as a result of the Impala-Bafokeng empowerment transaction amounts to R80 million (2010: R90 million).

Notes to the consolidated annual financial statements continued

For the year ended 30 June 2011

		2011 Rm	2010 Rm
18.	**Liabilities** (continued)		
	(v) Deferred profit on sale and leaseback of houses		
	Profit on sale of houses	253	–
		253	–
	Short-term portion	(17)	–
	Long-term portion	236	–

Impala Platinum Properties sold 478 of its houses with a cost price of R49 million for an amount of R302 million. These houses are leased back to Impala Platinum and under IAS 17 as they are classified as financial leases. Accordingly the profit on the sale of the asset, which is the subject of a sale and leaseback arrangement, will be amortised over the life of the lease which is 15 years from 2012 financial year onwards.

		2011 Rm	2010 Rm
19.	**Long-term provisions**		
	Provision for future rehabilitation		
	Beginning of the year	599	436
	Change in estimate – Rehabilitation asset	(48)	141
	Interest accrued – present value adjustment (note 27)	56	34
	Change in estimate through profit and loss (note 28, 32)	25	(12)
	Utilised during the year (note 32)	(2)	0
	Exchange adjustment	(16)	0
	End of the year	614	599

Current cost rehabilitation estimate is R974 million (2010: R1 049 million).

Cash flows relating to rehabilitation costs will mostly occur at the end of the life of the mine.

The movement of the investment in the Impala Pollution, Rehabilitation and Closure Trust Fund, is as follows:

	2011 Rm	2010 Rm
Beginning of the year	156	143
Interest accrued (note 26)	11	13
End of the year	167	156

Guarantees, an insurance policy and the funds in the Impala Pollution, Rehabilitation and Closure Trust Fund are available to the various Departments of Mineral Resources to satisfy the requirements of the Mineral and Petroleum Resources Development Act with respect to environmental rehabilitation (note 33). Refer to note 3 for assumptions used in calculating the provision.

		2011 Rm	2010 Rm
20.	**Trade and other payables**		
	Trade payables	**4 001**	3 375
	Leave liability[1]	**561**	459
	Forward commitments[2]	**–**	228
	Royalties payable	**183**	184
	Payables related parties (note 34)	**652**	615
	South African Revenue Services (value added tax)	**211**	219
	Derivative financial instruments (note 13)[3]	**33**	32
	Other payables	**15**	18
		5 656	5 130
	The uncovered foreign currency denominated balances as at 30 June were as follows:		
	Trade and other payables (US$ million)	**199**	234
	Forward commitments (US$ million)[2]	**–**	30
		199	264

[1] *Leave liability*
Employee entitlements to annual leave are recognised on an ongoing basis. The liability for annual leave as a result of services rendered by employees is accrued up to the reporting date.

[2] *Forward commitments*
From time to time, in order to finance third-party refining, Impala Refining Services sells refined metal, held on behalf of third parties, into the market with a commitment to repurchase at a later date. As at 30 June 2011 the Group had no forward commitments in respect of platinum (2010: 12 700 ounces) and palladium (2010: 21 000 ounces).

[3] *Derivative financial instruments*
At 30 June 2011 the Group had forward purchase and sale contracts of 31 590 ounces of platinum (2010: 39 500 ounces of platinum) and 19 090 ounces of palladium (2010: 6 000 ounces). These contracts are entered into back to back for a period of five months to hedge commodity price movements. (Refer to note 13.)

		2011 Rm	2010 Rm
21.	**Current tax payable**		
	Beginning of the year	**24**	36
	Income tax expense (note 29)	**1 898**	1 584
	Transfer to deferred tax liabilities (note 16)	**–**	(2)
	Payments made during the year	**(1 805)**	(1 676)
	Exchange adjustment	**(6)**	0
		111	(58)
	Transfer to current tax receivable (note 13, 32)	**115**	82
	End of the year	**226**	24

Notes to the consolidated annual financial statements continued

For the year ended 30 June 2011

		2011 Rm	2010 Rm
22.	**Employee benefit expense**		
	Wages and salaries	6 305	5 362
	Post-employment medical benefits (note 18)	6	5
	Pension-costs defined contribution plans	472	406
	Share-based compensation	(51)	385
	Equity settled	–	(1)
	Cash settled (note 18)	(51)	386
		6 732	6 158
23.	**Cost of sales**		
	Included in cost of sales:		
	On-mine operations	9 862	8 796
	Wages and salaries	5 590	4 703
	Share-based compensation* (note 22)	(90)	305
	Materials and other costs	3 781	3 341
	Utilities	581	447
	Concentrating and smelting operations	2 601	2 257
	Wages and salaries	517	446
	Materials and other costs	1 355	1 208
	Utilities	729	603
	Refining operations	833	764
	Wages and salaries	358	328
	Share-based compensation (note 22)	8	33
	Materials and other costs	383	333
	Utilities	84	70
	Depreciation of operating assets (note 5)	1 372	1 083
	Metals purchased	6 835	5 522
	Change in metal inventories	(13)	(1 128)
		21 490	17 294
	The following disclosure items are included in cost of sales:		
	Repairs and maintenance expenditure on property, plant and equipment	1 038	918
	Operating lease rentals	28	36

* *Includes concentrating and smelting.*

	2011 Rm	2010 Rm
24. Other operating expenses		
Other costs comprise the following principal categories:		
Corporate costs	398	374
Share-based compensation (note 22)	31	48
Other	367	326
Selling and promotional expenses	247	211
	645	585
25. Royalty expense		
Stakeholder royalties	130	154
State royalties	413	109
Amortisation of royalty prepayment (note 11)	261	273
	804	536
26. Finance income		
Short-term bank deposits	84	130
Associate loan (note 8 (i))	16	41
Shanduka Resources (note 11 (i))	–	4
Employee housing (note 11 (ii))	2	1
Advances (note 11 (iv))	23	–
Reserve Bank of Zimbabwe (note 11 (v))	61	18
Rehabilitation and closure trust fund (note 19)	11	13
Employee loans	10	10
South African Revenue Services	32	7
Loans and advances	69	46
Other	19	32
	327	302
Metal lease fees	16	19
	343	321

Notes to the consolidated annual financial statements continued

For the year ended 30 June 2011

		2011 Rm	2010 Rm
27.	**Finance cost**		
	Bank borrowings	150	215
	Finance leases	25	26
	Employee housing – present value adjustment (note 11 (ii))	18	22
	Advances – present value adjustment (note 11 (iv))	266	–
	Reserve Bank of Zimbabwe – present value adjustment (note 11 (v))	–	83
	Provision for future commitments – present value adjustment (note 18 (iv))	16	17
	Rehabilitation obligation (note 19)	56	34
	Finance costs	531	397
	Less: Borrowing cost capitalised (note 5)[1]	(1)	(78)
		530	319
	[1] The average rate calculated for the capitalisation was 12% (2010: 12%).		
28.	**Other (income)/expenses**		
	Exploration expenditure (note 32)	44	47
	Profit on disposal of property, plant and equipment (note 32)	(1)	(5)
	Rehabilitation provision present value adjustment (note 19, 32)	25	(12)
	Loss on disposal of available-for-sale financial assets (note 9, 32)	–	10
	Loss on disposal of investment (note 30, 32)	3	–
	Guarantee fees	(22)	(46)
	Commodity price fair value adjustment – trade payables	123	–
	Other	63	(39)
		235	(45)

	2011 Rm	2010 Rm
29. Income tax expense		
Current tax		
South African company tax		
Mining	989	652
Non-mining	443	477
Prior year adjustment	(69)	30
	1 363	1 159
Other countries' company tax	308	218
	1 671	1 377
Secondary tax on companies (STC)	227	207
Total current tax (note 21)	1 898	1 584
Deferred tax		
Temporary differences (note 16)	843	819
Prior year adjustment (note 16)	10	(14)
Rate change (note 16)	–	42
Total income tax expense	2 751	2 431
The tax of the Group's profit differs as follows from the theoretical charge that would arise using the basic tax rate for South African companies:		
	%	%
Normal tax rate for companies	28.0	28.0
Adjusted for:		
Disallowable expenditure	1.9	1.5
Profit on disposal of assets	(0.7)	–
Change in tax rate – Mimosa	–	0.6
Prior year adjustment	(0.7)	0.2
Capitalisation of mining loss to unredeemed capex	0.1	(0.4)
Effect of after-tax share of profit from associates	(0.7)	(0.4)
Effect of different tax rates of foreign subsidiaries	(1.5)	(1.7)
Additional profits and withholding tax – foreign subsidiaries	–	2.6
Secondary tax on companies	2.4	2.9
Secondary tax on companies' credits	–	0.3
Effective tax rate	28.8	33.6

Notes to the consolidated annual financial statements continued

For the year ended 30 June 2011

	2011 million	2010 millions
30. Earnings per share		
The weighted average number of ordinary shares in issue outside the Group for the purposes of basic earnings per share and the weighted average number of ordinary shares for diluted earnings per share are calculated as follows:		
Number of shares issued	631.71	631.71
Treasury shares	(16.23)	(16.23)
Morokotso Trust	(14.47)	(14.91)
Share Incentive Trust	(0.02)	(0.13)
Number of shares issued outside the Group	600.99	600.44
Adjusted for weighted shares issued during the year	(0.23)	(0.28)
Weighted average number of ordinary shares in issue for basic earnings per share	600.76	600.16
Adjustment for share appreciation scheme	0.34	0.34
Weighted average number of ordinary shares for diluted earnings per share	601.10	600.50
	Rm	Rm
Profit attributable to the owners of the Company	6 638	4 715
Basic earnings		
Basic earnings per share is calculated by dividing the profit attributable to the owners of the Company for the year by the weighted average number of ordinary shares in issue for basic earnings per share.	Cents	Cents
Basic earnings per share	1 105	786
Diluted earnings		
Diluted earnings per share is calculated by dividing the profit attributable to the owners of the Company for the year by the weighted average number of ordinary shares for diluted earnings per share.		
Diluted earnings per share	1 104	785
	Rm	Rm
Headline earnings		
Profit attributable to owners of the Company is adjusted as follows:		
Profit attributable to owners of the Company	6 638	4 715
Adjustments net of tax:		
Profit on disposal of property, plant and equipment	(1)	(5)
Loss on disposal of investment (note 28, 32)	3	10
Total tax effects of adjustments	(1)	(2)
	6 639	4 718
	Cents	Cents
Headline earnings per share		
Basic	1 105	786
Diluted	1 104	786

		2011 Rm	2010 Rm
31.	**Dividends**		
	On 25 August 2011, a sub-committee of the Board declared a final dividend of 420 cents per share amounting to R2.5 billion in respect of financial year 2011. Secondary tax on companies (STC) on the dividend will amount to R252 million.		
	These financial statements do not reflect this dividend and related STC payable. The dividend will be accounted for in shareholders' equity as an appropriation of retained earnings in the year ending 30 June 2011.		
	Dividends paid		
	Final dividend No 85 for 2010 of 270 (2009: 200) cents per share	**1 622**	1 202
	Interim dividend No 86 for 2011 of 150 (2010: 120) cents per share	**897**	718
		2 519	1 920
32.	**Cash generated from operations**		
	Adjustment to profit before tax:		
	Exploration costs (note 28)	**44**	47
	Depreciation (notes 5)	**1 372**	1 083
	Finance income (note 26)	**(327)**	(302)
	Finance cost (note 27)	**530**	319
	Share of associates' results (note 8 (i), (ii))	**(238)**	(95)
	Retirement benefit obligations (note 18 (ii))	**6**	5
	Share-based compensation (note 18 (iii))	**(51)**	386
	Payments made for employee benefit obligations (note 18 (ii), (iii))	**(89)**	(69)
	Payments made for future commitments (note 18 (iv))	**(23)**	(13)
	Rehabilitation provision (note 19, 28)	**25**	(12)
	Payments made for rehabilitation (note 19)	**(2)**	0
	Amortisation of prepaid royalty (note 11)	**261**	273
	Foreign currency adjustment	**320**	21
	Profit on disposal of property, plant and equipment (note 28)	**(1)**	(5)
	Loss on disposal available-for-sale financial assets (note 9, 28)	**–**	10
	Non-controlling interest in disposal of subsidiary (note 28, 30)	**3**	–
	Impairment of assets (note 11 (v))	**87**	–
	Metal sales converted into a loan (11 (iv), 12)	**(794)**	–
	Total adjustment to profit before tax	**1 123**	1 648

Our business

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Notes to the consolidated annual financial statements continued

For the year ended 30 June 2011

		2011 Rm	2010 Rm
32.	**Cash generated from operations** (continued)		
	Changes in working capital:		
	Trade and other receivables	(870)	(487)
	Per the statement of financial position	(1 195)	316
	Movement in short-term portion of receivables and prepayments	99	(843)
	Power credits capitalised	32	–
	Amount receivable on sale and leaseback of properties	302	–
	Transfer from current tax payable (note 13, 21)	115	82
	Transfer to long-term receivables and prepayments (note 11 (iv), 11 (ii))	(85)	(37)
	Exchange adjustment	(138)	(5)
	Inventories	(91)	(1 216)
	Per the statement of financial position	(89)	(1 134)
	Unrealised profit in inventories for associate (note 8 (i))	63	(72)
	Exchange adjustment	(65)	(10)
	Trade and other payables	590	519
	Per the statement of financial position	526	505
	Exchange adjustment	64	14
	Cash from changes in working capital	(371)	(1 184)
33.	**Contingent liabilities and guarantees**		
	Guarantees		
	At year-end the Group had contingent liabilities in respect of bank and other guarantees and other matters arising in the ordinary course of business from which it is anticipated that no material liabilities will arise.		
	Two Rivers Platinum (related party) (note 8 (i), 34)	49	56
	Department of Mineral Resources	489	489
	Eskom	63	50
	Registrar of medical aids	5	5
	Total guarantees	606	600

Contingencies

The Group has a contingent liability of US$36 million for Additional Profits Tax (APT) raised by ZIMRA (Zimbabwe Revenue Authority) consisting of an additional assessment of US$27 million in respect of the tax period 2007 to 2009 raised in December 2010 and a current APT amount of US$9 million based on the assumption that this amount would be payable should the Zimplats appeal against the ZIMRA interpretation of the APT provisions fail in the Special Court of Tax Appeals. Management, supported by the opinions of its tax advisors, strongly disagrees with the ZIMRA interpretation of the provisions of the act

	2011 Rm	2010 Rm
34. Related party transactions		
The following transactions were carried out with related parties:		
Equity accounted entities		
Two Rivers Platinum (Proprietary) Limited		
Refining fees	137	15
Interest received (note 8 (i), 26)	16	41
Capital repayments received (note 8 (i))	272	196
Purchases of goods from equity accounted entities		
Purchases of mineral concentrates	2 292	2 044
Key management compensation		
Key management compensation and options granted have been disclosed in the Directors' Report, as directors and senior management remuneration.		
Year-end balances arising from sales/purchases of goods/services		
Payables to associates (note 20)	652	615
Shareholders' loans to associates		
Two Rivers Platinum (Proprietary) Limited (note 8 (i))	71	343
Contingencies		
Guarantees provided (note 8 (i), 33)	49	56
35. Principal subsidiaries		
The principal subsidiaries of the Group are set out in page 197.		
36. Interest in joint venture		
The Group has a 50% interest in a joint venture, Mimosa Investments Limited, which is involved in the business of mining PGMs. The following amounts represent the Group's 50% share of the assets, liabilities, revenue and results of the joint venture and are included in the consolidated statement of financial position and statement of comprehensive income:		
Property, plant and equipment	948	916
Receivables and prepayments	154	189
Available-for-sale financial assets	15	14
Current assets	476	448
Total assets	1 593	1 567
Provisions for liabilities and charges	(228)	(262)
Current liabilities	(54)	(79)
Total liabilities	(282)	(341)
Net assets	1 311	1 226
Revenue	1 284	1 032
Profit before tax	616	388
Income tax expense	(198)	(152)
Profit after tax	418	236
Inter-group sales and profit are eliminated on consolidation.		
Capital commitments – approved expenditure not yet contracted	222	611
Capital commitments – commitments contracted for	106	23
	328	634
There are no contingent liabilities relating to the Group's interest in the joint venture.		

Notes to the consolidated annual financial statements continued

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	Carrying value Rm	Fair value Rm	Finance income/ (expense) Rm	Fair value adjustment Rm	Settlement discount Rm
37. Financial instruments by category					
June 2011					
Financial assets					
Loans and receivables	10 092	10 092	197	(371)	
Loans – Shanduka Resources	176	176			
Loan – Two Rivers Platinum	71	71	16		
Loan – RBZ	339	339	61	(87)	
Loan – Employee housing	31	31	2	(18)	
Long-term advances	1 923	1 923	25	(266)	
Trade and other receivables	3 010	3 010	15		
Cash and cash equivalents	4 542	4 542	78		
Financial instruments at fair value through profit and loss (held for trading)					
Trade and other receivables[2]	33	33		33	
Held-to-maturity financial assets	61	61	6		
Available-for-sale financial assets[1]	15	15		6	
Total	10 201	10 201	203	(332)	
Financial liabilities					
Financial liabilities at amortised cost					
Borrowings	1 842	1 842	(175)		14
Liabilities	184	184	(16)	(6)	
Trade and other payables	5 251	5 251			
Financial instruments at fair value through profit and loss (held for trading)					
Trade and other payables[2]	33	33		(33)	
Total	7 288	7 288	(191)	(39)	14

[1] Available-for-sale financial instruments carried at fair value are in Level 1 of the fair value hierarchy.
[2] Derivative financial instruments carried at fair value are in Level 2 of the fair value hierarchy.

Fair value hierarchy:
Level 1 – Quoted prices in active markets for the same instrument.
Level 2 – Valuation techniques for which significant inputs are based on observable market data.
Level 3 – Valuation techniques for which any significant input is not based on observable market data.

	Carrying value Rm	Fair value Rm	Finance income/ (expense) Rm	Fair value adjustment Rm	Settlement discount Rm
37. Financial instruments by category (continued)					
June 2010					
Financial assets					
Loans and receivables	8 984	8 984	274	(105)	
Loans – Shanduka Resources	176	176	21		
Loan – Two Rivers Platinum	343	343	41		
Loan – RBZ	413	413	18	(83)	
Loan – Employee housing	16	16	1	(22)	
Long-term advances	1 829	1 829	29		
Trade and other receivables	2 349	2 349	34		
Cash and cash equivalents	3 858	3 858	130		
Financial instruments at fair value through profit and loss (held for trading)					
Trade and other receivables[2]	32	32		32	
Held-to-maturity financial assets	56	56	5		
Available-for-sale financial assets[1]	14	14		6	
Total	9 086	9 086	279	(67)	0
Financial liabilities					
Financial liabilities at amortised cost					
Borrowings	2 128	2 128	(241)		18
Liabilities	192	192	(17)	(5)	
Trade and other payables	4 712	4 712	(2)		
Financial instruments at fair value through profit and loss (held for trading)					
Trade and other payables[2]	32	32		(32)	
Total	7 064	7 064	(260)	(37)	18

1 Available-for-sale financial instruments carried at fair value are in Level 1 of the fair value hierarchy.
2 Derivative financial instruments carried at fair value are in Level 2 of the fair value hierarchy.

Fair value hierarchy

Level 1 – Quoted prices in active markets for the same instrument.
Level 2 – Valuation techniques for which significant inputs are based on observable market data.
Level 3 – Valuation techniques for which any significant input is not based on observable market data.

Notes to the consolidated annual financial statements continued

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	2011 000	2010 000
38. Share-based compensation		
Cash settled		
Movement in the number of share appreciation rights outstanding was as follows:		
Beginning of the year	26 835	25 564
Granted	4 388	2 935
Lapsed during the year	(906)	(510)
Paid to employees during the year	(1 286)	(1 154)
End of the year	29 031	26 835
Exercisable	4 074	2 271
Not yet exercisable	24 957	24 564
	29 031	26 835

Cash-settled share-based payment rights outstanding (number in thousands) at the end of the year have the following terms:

	Vesting years									
Price per share	2009	2010	2011	2012	2013	2014	2015	2016	2017	Total number
R63 – R119	178.3	512.6	296.2	475.9	475.9	475.9				2 414.8
R127 – R168	108.4	272.4	1 098.3	6 627.2	731.4	731.5			8 683.9	18 253.1
R170 – R184	0.7	5.0	350.6	375.0	390.6	390.6	46.9	26.4		1 585.8
R185 – R194	3.3	3.4	18.8	38.3	897.4	897.8	882.7	863.2		3 604.9
R195 – R209	25.9	31.8	43.2	346.5	330.9	316.7	316.8	14.1		1 425.9
R210 – R230	11.4	32.1	38.9	44.4	52.6	31.5	25.1	20.1		256.1
R232 – R333	159.8	352.7	383.4	383.6	202.1	9.1				1 490.7
Total 2011	**487.8**	**1 210.0**	**2 229.4**	**8 290.9**	**3 080.9**	**2 853.1**	**1 271.5**	**923.8**	**8 683.9**	**29 031.3**
Total 2010	734.1	1 536.5	8 709.6	2 509.9	2 159.0	1 915.8	320.5	8 949.1		26 834.5
Actual remaining contractual life (years):										
2011	**4 – 6**	**4 – 7**	**5 – 8**	**5 – 10**	**7 – 10**	**8 – 10**	**9 – 10**	**10**	**5**	
2010	5 – 9	5 – 9	6 – 9	6 – 10	8 – 10	9 – 10	10	6		

Refer to the remuneration report for the details on share-based payment rights held by key management personnel (directors and executive management).

38. **Share-based compensations** (continued)

Equity settled

	2011 Number 000	2011 Weighted average exercise price Rand	2010 Number 000	2010 Weighted average exercise price Rand
Share options				
Movement in the number of share options outstanding was as follows:				
Beginning of the year	**627**	**66**	847	66
Exercised	**(103)**	**66**	(137)	66
Forfeited	**–**	**–**	(83)	67
End of the year exercisable	**524**	**66**	627	66

Refer to the Directors' report for the details on share options held by key management personnel (directors and executive management).

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

Price per share	2002 – 2005	2006	2007	2008	2009	2010	Total number
R47 – R61	2.4	18.0	27.5	48.7	26.4	21.2	**144.2**
R62 – R65	5.2	7.4	38.9	17.9	52.9		**122.3**
R66 – R70		1.0	8.9		33.4	29.8	**73.1**
R71 – R74				23.2	57.5		**80.7**
R75 – R77			1.8	99.6	2.0		**103.4**
Total 2011	**7.6**	**26.4**	**77.1**	**189.4**	**172.2**	**51.0**	**523.7**
Total 2010	7.6	27.2	77.6	219.7	211.3	83.7	**627.1**
Actual remaining contractual life (years):							
2011	**1 – 2**	**1 – 3**	**1 – 4**	**2 – 4**	**3 – 4**	**4**	
2010	1 – 3	2 – 4	2 – 5	3 – 5	4 – 5	5	

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

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Company statement of financial position

As at 30 June 2011

	Notes	2011 Rm	2010 Rm
Assets			
Non-current assets			
Investments in associates	2	170	388
Investments in subsidiaries and joint venture		6 767	6 767
Loans to subsidiaries		11 890	11 404
Receivables and prepayments	3	40	40
		18 867	18 599
Current assets			
Trade and other receivables		12	70
		12	70
Total assets		18 879	18 669
Equity and liabilities			
Equity attributable to owners of the Company			
Share capital	4	18 030	18 031
Retained earnings		763	542
Total equity		18 793	18 573
Liabilities			
Non-current liabilities			
Deferred tax liability	5	5	6
Long-term liabilities	6	23	27
		28	33
Current liabilities			
Trade and other payables		29	39
Current tax payable		–	3
Short-term liabilities	6	29	21
		58	63
Total liabilities		86	96
Total equity and liabilities		18 879	18 669

The notes on pages 192 to 197 are an integral part of these consolidated financial statements.

Company statement of comprehensive income

For the year ended 30 June 2011

	Notes	2011 Rm	2010 Rm
Finance income	7	2 892	2 067
Other expense	8	(25)	(21)
Profit before tax		2 867	2 046
Income tax income/(expense)	9	7	(66)
Profit for the year		2 874	1 980
Total comprehensive income for the year		2 874	1 980

The notes on pages 192 to 197 are an integral part of these consolidated financial statements.

Company statement of changes in equity

For the year ended 30 June 2011

	Number of shares issued (million)	Ordinary shares Rm	Share premium Rm	Share-based payment reserve Rm	Total share capital Rm	Retained earnings Rm	Total equity Rm
Balance at 30 June 2010	**632**	**16**	**16 121**	**1 894**	**18 031**	**542**	**18 573**
Employee share option scheme:							
Proceeds from shares issued			**(1)**		**(1)**		**(1)**
Total comprehensive income						**2 874**	**2 874**
Dividends (note 10)						**(2 653)**	**(2 653)**
Balance at 30 June 2011	**632**	**16**	**16 120**	**1 894**	**18 030**	**763**	**18 793**
Balance at 30 June 2009	632	16	16 112	1 895	18 023	583	18 606
Employee share option scheme:							
Proceeds from shares issued	0	0	9		9		9
Fair value of employee service				(1)	(1)		(1)
Total comprehensive income						1 980	1 980
Dividends (note 10)						(2 021)	(2 021)
Balance at 30 June 2010	632	16	16 121	1 894	18 031	542	18 573

Company cash flow statement

For the year ended 30 June 2011

	Notes	2011 Rm	2010 Rm
Cash flows from operating activities			
Profit before tax		**2 867**	2 046
Adjustment to profit before tax	12	**(2 888)**	(2 067)
Cash from changes in working capital	12	**54**	(10)
Income tax refund/(paid)		**2**	(62)
Net cash from/(used) in operating activities		**35**	(93)
Cash flows from investing activities			
Payment received from associate on shareholders' loan		**272**	196
Purchase of investment		**(55)**	–
Finance income		**19**	46
Dividends received	7	**2 867**	2 021
Net loans (to)/from subsidiaries		**(484)**	(158)
Net cash from investing activities		**2 619**	2 105
Cash flows from financing activities			
Issue of ordinary shares, net of cost		**(1)**	9
Dividends paid to Company's shareholders	10	**(2 653)**	(2 021)
Net cash used in financing activities		**(2 654)**	(2 012)
Cash and cash equivalents at beginning and end of year		**–**	–

The notes on pages 192 to 197 are an integral part of these financial statements.

Notes to the Company annual financial statements

For the year ended 30 June 2011

		2011 Rm	2010 Rm
1.	**Basis of preparation and accounting policies**		
	The basis of preparation and principal accounting policies are disclosed on page 119 to 135.		
	Subsidiaries, associated undertakings and joint ventures are accounted for at cost less any impairment provision in the Company financial statements.		
2.	**Investment in associates**		
	Two Rivers Platinum (Group note 8(i))		
	Beginning of the year	388	584
	Payments received on shareholders' loan	(289)	(237)
	Interest (note 7)	16	41
	End of the year	115	388
	Makgomo Chrome (Group note 8(ii))		
	Beginning of the year	–	–
	Acquisition of shareholding	55	–
	End of the year	55	–
	Total investments in associates	170	388
3.	**Receivables and prepayments**		
	Black economic empowerment (BEE) company		
	Non-current	40	40
	Loans granted to Tubatse Platinum (Pty) Limited, Marula Community Trust and Mmakau Platinum Mining (Pty) Limited in terms of a BEE transaction. The loan is repayable on approval and adoption by the Board of directors of Marula Platinum (Pty) Limited of a feasibility study on any aspect and/or portion of the non-cash producing portion of the Marula Mine.		
4.	**Share capital**		
	The authorised share capital of the holding company consist of:		
	844 008 000 (2010: 844 008 000) ordinary shares with a par value of 2.5 cents each	21	21

		2011 Rm	2010 Rm
5.	**Deferred tax liability**		
	Deferred tax liabilities to be settled within 12 months	–	1
	Deferred tax liabilities to be settled after 12 months	5	5
		5	6
	There are no unrecognised temporary differences in the company (2010: nil)		
	Deferred income taxes are calculated at the prevailing tax rates.		
	The movement on the deferred income tax account is as follows:		
	Beginning of the year	6	–
	Income tax expense (note 9)	(1)	6
	End of the year	5	6
	Deferred tax liabilities are attributable to the following items:		
	Recognised directly in profit or loss		
	Present value adjustment of fees payable to Bakwena Ba Mogopa	5	6
6.	**Long-term liabilities**		
	Beginning of the year	48	44
	Interest accrued – Present value adjustment (note 12)	4	4
	End of the year	52	48
	Current portion	(29)	(21)
	Long-term portion	23	27
	Fees payable to Bakwena Ba Mogopa as a result of an agreement with the acquisition of Afplats.		
7.	**Finance income**		
	Two Rivers Platinum (note 2)	16	41
	Subsidiaries shareholders' loans	6	5
	South African Revenue Services	3	–
		25	46
	Dividend received – subsidiaries	2 867	2 021
		2 892	2 067
8.	**Other (expenses)/income**		
	Net foreign exchange transaction gains (losses)	0	0
	Guarantee fees	22	49
	Corporate costs	(19)	(19)
	Exploration expenditure	(23)	(40)
	Other	(5)	(11)
		(25)	(21)

Notes to the Company annual financial statements continued

For the year ended 30 June 2011

	2011 Rm	2010 Rm
9. Income tax expense		
Current tax		
South African company tax	13	26
Prior year overprovision	(19)	–
	(6)	26
Secondary tax on companies (STC)[1]	–	34
Deferred tax		
Temporary differences (note 5)	(1)	6
Income tax expense	(7)	66

[1] The secondary tax on companies credit represents the tax benefit on dividends received that realised when dividends were declared.

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

	%	%
Normal tax rate for companies	28.0	28.0
Adjusted for:		
Exempt income	(28.0)	(27.6)
STC paid	–	1.6
Other	(0.2)	1.2
Effective tax rate	(0.2)	3.2

10. Dividends per share

On 25 August 2011, a sub-committee of the Board declared a final dividend in respect of 2011 of 420 cents per share amounting to R2.7 billion. The secondary tax on companies (STC) on the dividend will amount to R265 million.

These financial statements do not reflect this dividend and related STC payable. The dividend will be accounted for in shareholders' equity as an appropriation of retained earnings in the year ending 30 June 2012.

	2011 Rm	2010 Rm
Dividends paid		
Final dividend No 85 for 2010 of 270 (2009: 200) cents per share	1 705	1 263
Interim dividend No 86 for 2011 of 150 (2010: 120) cents per share	948	758
	2 653	2 021

		2011 Rm	2010 Rm
11.	**Contingent liabilities and guarantees**		
	Guarantees		
	At year-end the Company had contingent liabilities in respect of bank and other guarantees and other matters arising in the ordinary course of business from which it is anticipated that no material liabilities will arise.		
	Related party contingencies		
	Two Rivers Platinum (Pty) Limited	49	56
	Marula BEE parties	885	892
	Zimbabwe Platinum Mines (Pvt) Limited	346	974
	Department of Mineral Resources	489	489
	Total guarantees	1 769	2 411
	Contingencies		
	There are no contingent liabilities relating to the above		
12.	**Cash generated from operations**		
	Adjustment to profit before tax:		
	Foreign exchange (gain)/loss	0	0
	Finance income (note 7)	(25)	(46)
	Finance cost (note 6)	4	–
	Dividend income (note 7)	(2 867)	(2 021)
	Total adjustment to profit before tax	(2 888)	(2 067)
	Changes in working capital		
	Trade and other receivables	59	(41)
	Trade and other payables	(5)	31
	Cash from changes in working capital	54	(10)
13.	**Related party transactions**		
	The following transactions were carried out with related parties:		
	Loans to related parties		
	Loan to associates (note 2)	71	343
	Guarantees provided (note 11)		
	Subsidiaries (refer to page 197)		
	Share options granted to directors		
	The aggregate number of share options granted to key management (directors and senior executives) is disclosed in the Remuneration Report.		

Notes to the Company annual financial statements continued

For the year ended 30 June 2011

14. Financial risk management

The Company manages its risk on a group-wide basis. Refer to note 2 in the consolidated financial statements.

14.1 Market risk

Foreign exchange risk

There are no significant concentrations of foreign exchange risk.

14.2 Credit risk

Credit risk arises from the risk that the financial asset counterparty may default or not meet its obligations timeously. The maximum exposure to the credit risk is represented by the carrying value of all the financial assets and the maximum amount the Company could have to pay if the guarantees are called on. (Refer to note 11.)

The potential concentration of credit risk could arise in loan to associates, loans to subsidiaries, receivables and prepayments and trade receivables. No financial assets were past due for the current or the comparative period under review. No terms relating to financial assets have been renegotiated resulting in assets not being past due.

Loan to associates

This loan consists of shareholders' loan to Two Rivers Platinum which is unsecured.

Loan to subsidiaries

These loans are unsecured and have no fixed terms of repayment.

Receivables and prepayments

Credit risk relating to these loans consist of loans to BEE companies, which is secured by a guarantee from Lonmin Plc.

Trade and trade receivables

Trade and other receivables consist mainly of guarantee fees receivable from financial institutions with high credit rating.

14.3 Liquidity risk

Prudent liquidity risk management implies maintaining sufficient cash and cash equivalents and the availability of funding for its expected future cash flow. Impala Platinum Holdings Limited's cash requirements are met by Impala Platinum Limited.

Trade and other payables are all due within a 12 month period. Guarantees are further analysed in note 11.

14.4 Cash flow interest rate risk

The Company is not exposed to significant interest-bearing liabilities resulting in cash flow interest rate risk.

Principal subsidiaries and joint ventures

(All amounts in rand millions unless otherwise stated)	Issued share capital	Effective Group interest %		Book value in holding company Shares		Loans	
		2011	2010	**2011**	2010	**2011**	2010
Company and description							
Impala Holdings Limited	*	**100**	100			**11 099**	10 421
Investment holding company							
Impala Platinum Limited	*	**100**	100				
Mines, refines and markets PGMs							
Impala Platinum Investments (Pty) Limited	*	**100**	100				
Impala Platinum Properties (Rustenburg) (Pty) Limited	*	**100**	100				
Impala Platinum Properties (Johannesburg) (Pty) Limited	*	**100**	100				
Own properties							
Biz Afrika 1866 (Pty) Limited	*	**–**	74				
Inline Trading 83 (Pty) Limited	*	**100**	100				
Exploration							
African Platinum (Pty) Limited							
Owns mineral rights		**74**	74	**4 805**	4 805		
Imbasa Platinum (Pty) Limited	*	**60**	60			**36**	31
Owns mineral rights							
Inkosi Platinum (Pty) Limited	*	**49**	49			**40**	31
Owns mineral rights							
Barplats Holdings (Pty) Limited	*		100				
Investment holding company							
Gazelle Platinum Limited	*	**100**	100			**212**	219
Investment holding company							
Impala Refining Services Limited	*	**100**	100				
Provides toll refining services							
Impala Platinum Japan Limited[1]	¥10m	**100**	100	**2**	2		
Marketing representative							
Impala Platinum Zimbabwe (Pty) Limited	*	**100**	100	**73**	73	**352**	352
Investment holding company							
Impala Platinum BV[2]	€0.02	**100**	100	**900**	900		
Investment holding company							
Zimplats Holdings Limited**[3]	US$10.8m	**87**	87				
Investment holding company							
Zimbabwe Platinum Mines (Pvt) Limited[4]	US$30.1m	**87**	87				
Owns mineral rights and mines PGMs							
Mimosa Investments Limited[5]	US$48.0m	**50**	50	**376**	376		
Investment holding company							
Mimosa Holdings (Pvt) Limited[4]	US$28.8m	**50**	50				
Investment holding company							
Mimosa Platinum (Pvt) Limited[4]	US$28.8m	**50**	50				
Owns mineral rights and mines PGMs							
Marula Platinum (Pty) Limited	*	**73**	73	**607**	607	**151**	350
Owns mineral rights and mines PGMs							
Sundry and dormant companies	*	**100**	100	**4**	4	**–**	–
Total				**6 767**	6 767	**11 890**	11 404
Total investment at cost						**18 657**	18 171

** Share capital less than R50 000.*
*** Listed on the Australian Stock Exchange.*
1 Incorporated in Japan.
2 Incorporated in Netherlands.
3 Incorporated in Guernsey.
4 Incorporated in Zimbabwe.
5 Incorporated in Mauritius and is a joint venture.

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Non-GAAP disclosure

Non-GAAP disclosure

The Group utilises certain non-GAAP performance measures and ratios in managing the business and may provide users of this financial information with additional meaningful comparisons between current results and results in prior operating periods. Non-GAAP financial measures should be viewed in addition to, and not as an alternative for, the reported operating results or cash flow from operations or any other measure of performance prepared in accordance with IFRS. In addition, the presentation of these measures may not be comparable to similarly titled measures other companies use.

		2011 Rm	2010 Rm
1.	**Revenue per platinum ounce sold**		
	US$ sales	4 714	3 359
	US$ toll refining income	(54)	(36)
		4 660	3 323
	Sales volumes platinum (refer to operational statistics)	1 665	1 435
	Dollar sales revenue per platinum ounce sold	2 799	2 316
	Average rand exchange rate achieved	7.03	7.58
	Rand sales revenue per platinum ounce sold	19 677	17 555
2.	**Revenue per pgm ounce sold**		
	US$ sales	4 714	3 359
	US$ toll refining income	(54)	(36)
		4 660	3 323
	Sales volumes pgm	3 328	3 026
	Dollar sales revenue per pgm ounce sold	1 400	1 098
	Average rand exchange rate achieved	7.03	7.58
	Rand sales revenue per platinum ounce sold	9 842	8 323

	Note	2011 Rm	2010 Rm
3. Cost per platinum ounce refined			
On-mine operations	23	9 862	8 796
Concentrating and smelting operations	23	2 601	2 257
Concentrating operations		1 739	1 512
Smelting operations		862	745
Refining operations	23	833	764
Other operating expenses	24	645	585
		13 941	12 402
Mine-to-market platinum ounces [1]		1 237	1 141
Gross platinum ounces [2]		1 836	1 741
On-mine operations [1]		7 974	7 711
Concentrating operations [1]		1 406	1 326
Smelting operations [2]		469	428
Refining operations [2]		454	439
Other operating expenses [1]		521	513
Group unit cost per platinum ounce		10 824	10 417
Share-based compensation			
On-mine operations [1]		(90)	305
Refining operations [2]		8	33
Other operating expenses [1]		31	48
		(51)	386
Cost per platinum ounce excluding share-based compensation			
On-mine operations [1]		8 047	7 444
Concentrating operations [1]		1 406	1 326
Smelting operations [2]		469	428
Refining operations [2]		449	420
Other operating expenses [1]		496	471
		10 867	10 089

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Non-GAAP disclosure continued

		Group note	Unaudited 2011 Rm	2010 Rm
4.	**Gross profit margin**			
	Gross profit		**11 642**	8 152
	Gross revenue		**33 132**	25 446
	Gross margin profit %		**35**	32
5.	**Headline earnings margin**			
	Headline earnings		**6 639**	4 718
	Gross revenue		**33 132**	25 446
	Headline earnings margin %		**20**	19
6.	**EBITDA**			
	Profit before taxation		**9 561**	7 225
	Finance income	26	**(343)**	(321)
	Finance cost	27	**530**	319
	Depreciation and amortisation	23	**1 372**	1 083
	EBITDA (earnings before interest tax and depreciation)		**11 120**	8 306
	Depreciation and amortisation	23	**(1 372)**	(1 083)
	EBIT (earnings before interest and tax)		**9 748**	7 223
	Non-recurring/unusual transactions:			
	Adjustment to headline earnings	30	**1**	3
			9 749	7 226
7.	**Interest cover**			
	EBIT	Non-Gaap note 6	**9 749**	7 226
	Bank borrowings	27	**150**	215
	Interest capitalised	27	**(1)**	(78)
	Interest paid on finance leases	27	**25**	26
			174	163
	Interest cover – times		**56**	44
8.	**Dividend cover**			
	Headline earnings cents per share	30	**1 105**	786
	Dividends cents per share		**570**	390
	Dividend cover – times		**1.9**	2.0

** The dividend in 2010 was not in line with the stated dividend policy but was based on a cash quantum basis in view of the prevailing uncertain economic circumstances.*

		Group note	Unaudited 2011 Rm	2010 Rm
9.	**Return on equity**			
	Headline earnings	30	**6 639**	4 718
	Shareholders' equity per statement of financial position – at the beginning of the year		**43 792**	40 939
	Return on equity (%)		**15**	12
10.	**Return on capital employed (normalised)**			
	Headline earnings	30	**6 639**	4 718
	Finance cost	27	**530**	319
			7 169	5 037
	Capital employed	Non-Gaap note 12	**61 090**	56 805
	Return on net capital (%)		**12**	9
11.	**Return on assets**			
	Headline earnings	30	**6 639**	4 718
	Total assets		**67 604**	62 571
	Return on assets (%)		**10**	8
12.	**Capital employed**			
	Total assets per statement of financial position		**67 604**	62 571
	Current liabilities per statement of financial position		**(6 514)**	(5 766)
			61 090	56 805
13.	**Total capital**			
	Total equity		**49 610**	45 733
	Total borrowings	17	**1 842**	2 128
			51 452	47 861
14.	**Cash net of debt**			
	Long-term borrowings	17	**(1 698)**	(1 827)
	Short-term borrowings	17	**(144)**	(301)
	Total borrowings		**(1 842)**	(2 128)
	Cash and cash equivalents	14	**4 542**	3 858
	Cash net of debt		**2 700**	1 730
15.	**Gearing ratio**			
	Total borrowings	17	**1 842**	2 128
	Total capital	Non-Gaap note 13	**51 452**	47 861
	Total gearing (%)		**3.6**	4.4

Non-GAAP disclosure continued

		Group note	Unaudited 2011 Rm	2010 Rm
16.	**Debt to equity**			
	Total borrowings	17	**1 842**	2 128
	Shareholders' equity per statement of financial position at the end of the year		**49 610**	45 733
	Total debt to ordinary shareholders' equity (%)		**3.7**	4.7
17.	**Debt to EBITDA**			
	Total borrowings	17	**1 842**	2 128
	EBITDA (earnings before interest tax and depreciation)	Non-Gaap note 6	**11 120**	8 306
	Total debt to earning before interest and tax cover months		**2 months**	3 months
18.	**Current ratio**			
	Current assets		**14 796**	12 828
	Current liabilities		**6 514**	5 766
	Current assets to current liabilities		**2.3:1**	2.2:1
19.	**Acid ratio**			
	Current assets		**14 796**	12 828
	Inventories		**(5 471)**	(5 382)
			9 325	7 446
	Current liabilities		**6 514**	5 766
	Current assets excluding inventories to current liabilities		**1.4:1**	1.3:1
20.	**Current liquidity**			
	Current assets		**14 796**	12 828
	Current liabilities		**(6 514)**	(5 766)
	Net current assets		**8 282**	7 062
	Inventory	12	**(5 471)**	(5 382)
			2 811	1 680
21.	**Free cash flow**			
	Net cash inflow from operating activities per cash flow		**8 285**	5 918
	Total capital expenditure		**(5 293)**	(4 412)
			2 992	1 506
22.	**Net asset value – cents per share**			
	Net asset value per statement of financial position		**47 563**	43 792
	Number of shares (millions) issued outside the Group	30	**601.0**	600.4
	Net asset value (cents per share)		**7 914**	7 294

		Group note	Unaudited 2011 Rm	2010 Rm
23.	**Net tangible asset value (cents per share)**			
	Net asset value per statement of financial position		**47 563**	43 792
	Intangible assets	7	**(1 018)**	(1 018)
			46 545	42 774
	Number of shares (millions) issued outside the Group		**601.0**	600.4
	Net tangible asset value (cents per share)		**7 745**	7 124
24.	**Market capitalisation**			
	Number of ordinary shares in issue at year-end (millions)		**631.7**	631.7
	Closing share price as quoted on the JSE (Rand)		**182.19**	180.00
	Market capitalisation		**115 089**	113 706
25.	**Enterprise value**			
	Market capitalisation	Non-Gaap note 24	**115 089**	113 706
	Cash net of debt	Non-Gaap note 14	**(2 700)**	(1 730)
			112 389	111 976
26.	**Return on enterprise value**			
	Enterprise value	Non-Gaap note 25	**112 389**	111 976
	EBIT	Non-Gaap note 6	**9 749**	7 226
	Total return on enterprise value (%)		**8.7**	6.5

Shareholder information

Shareholders' diary

Annual General Meeting	Wednesday, 26 October 2011
Final dividend declared August 2011	19 September 2011 (Paid)
Interim report release	February 2012
Interim dividend declared February 2012	March 2012 (Paid)
Financial year end	30 June 2012
Annual report release	August 2012

Dividend payments 2011

The following dates are applicable to dividend payments for the 2011 financial year:

	Interim dividend	Final dividend
Declared	Thursday, 17 February 2011	Thursday, 25 August 2011
Last date to trade	Friday, 4 March 2011	Friday, 9 September 2011
Trade ex dividend	Monday, 7 March 2011	Monday, 12 September 2011
Record date	Friday, 11 March 2011	Friday, 16 September 2011
Paid	Monday, 14 March 2011	Monday, 19 September 2011
Amount	150 cents per share	420 cents per share

Analysis of shareholdings

	Number of shareholders	%	Number of shares (000s)	%
1 – 1 000	25 589	77.8	8 052	1.3
1 001 – 10 000	5 918	18.0	17 099	2.7
10 001 – 100 000	1 020	3.1	32 481	5.1
100 001 – 1 000 000	297	0.9	83 016	13.2
Over 1 000 000	60	0.2	491 066	77.7
	32 884	100.0	631 714	100.0

Analysis of shareholdings

	Number of shareholders	%	Number of shares (000s)	%
Other companies	1 374	4.2	130 063	20.6
Trust funds and investment companies	7 867	23.9	121 760	19.3
Insurance companies	125	0.4	23 130	3.7
Pension funds	649	2.0	120 768	19.1
Individuals	22 616	68.8	15 381	2.4
Banks	253	0.7	220 612	34.9
	32 884	100.0	631 714	100.0

Glossary of terms and acronyms

ABET	Adult Basic Education and Training
AIDS	Acquired immune deficiency syndrome
ART	Anti-retroviral therapy, provided for the treatment of HIV and AIDS (excluding state and private medical aid)
BEE	Black economic empowerment
CBO	Community-based organisation
CO_2	Carbon dioxide
dB	Decibels. Unit of measurement for sound
DMR	Department of Mineral Resources, South Africa
DSM	Demand side management
EIA	Environmental Impact Assessment
EMP	Environmental Management Programme
EMS	Environmental Management System
ESOP	Employee Share Ownership Programme
Executive director	Is employed by the Company and is involved in the day-to-day running of the organisation
FIFR	A rate expressed per million man hours of any Impala employee, contractor or contractor employee or visitor who is involved in an incident whilst performing his duties at work and who sustains terminal injuries shall constitute a fatal accident. Any road related fatal incident where the Company is in full control of the vehicle, the driver and conditions related to the road injury of an employee shall constitute a fatal incident. A fatal injury may occur when an employee is incapacitated for a period of time prior to expiration, thus requiring a revision of injury status from LTI to a fatality
FOG	Fall of ground
FY	Financial year (to 30 June)
GJ	Gigajoules. Unit of measure for energy
GHG	Greenhouse gases
GRI	Global Reporting Initiative
HDSA	Historically disadvantaged South African
HIV	Human immuno-deficiency virus
HSE	Health, Safety and Environment
IBT	Impala Bafokeng Trust, socio-economic development vehicle jointly funded by Implats and RBH
ICDT	Impala Community Development Trust, vehicle for socio-economic development, now dissolved
IDP	Integrated Development Plan
ILO	International Labour Organisation
Impala Platinum	Impala Platinum Limited, comprising the Rustenburg operations and the Refineries in Springs
Implats	Impala Platinum Holdings Limited
Independent directors	Directors who apart from receiving directors' remuneration do not have any other material pecuniary relationship or transactions with the Company, its management or its subsidiaries, which in the judgement of the Board may affect their independence

Glossary of terms and acronyms continued

IRS	Impala Refining Services
IPA	International Platinum Association
ISO	International Organisation for Standardisation
LED	Local Economic Development
Local community	Communities that are directly impacted on by our mining operations and are on or near the mine lease area
Lost time	A work-related injury resulting in the employee being unable to attend work at his/her place of work, performing his/her assigned duties, on the next calendar day (whether a scheduled work day or not) after the day of the injury. If the appointed medical professional advises that the injured person is unable to attend work on the next calendar day after the injury, regardless of the injured person's next roster shift, a lost time injury is deemed to have occurred
LSE	London Stock Exchange
LTIFR	Number of lost-time injuries expressed as a rate per million hours worked
Marula	Marula Platinum (Pty) Limited
Materiality and material issues	Issues of materiality are those aspects that may have a significant impact on the organisation's reputation and may carry a financial and/or legal cost. These aspects are identified internally through the risk process and externally through ad hoc or routine engagements with a range of stakeholders
Mimosa	Mimosa Platinum (Private) Limited
Mining Charter	Broad-based Socio-Economic Empowerment Charter for the South African Mining Industry
MPRDA	Mineral and Petroleum Resources Development Act, 28 of 2002, which came into effect in South Africa on 11 May 2004
Medical Treatment Cases (MTCs)	A Medical Treatment Case is defined as a one-time treatment and subsequent observation of minor injuries by an appointed medical professional. Such minor injuries may include treatment by the application of bandages, antiseptic, ointment, irrigation of the eye to remove non-embedded foreign objects or the removal of foreign objects from the wound. MTCs never involve a loss of one or more calendar days after the injury, regardless of the injured person's next rostered shift or where the injured is unable to perform one or more of their routine functions normally connected with their work due to a restriction applied by an appointed medical professional
MW	Megawatt, a measure of electric power
NBI	National Business Institute
NGO	Non-governmental organisation
NIHL	Noise-induced hearing loss
Non-executive director	A director who is not involved in the day-to-day running of the organisation but is a nominee director of a material shareholder
NOx	Nitrous Oxide
NUM	National Union of Mineworkers, South Africa
PGI	Platinum Guild International
PGMs	Platinum group metals being the metals derived from PGE
RBH	Royal Bafokeng Holdings
RBN	Royal Bafokeng Nation

RWC	Restricted Work Case. This refers to an individual who is injured on duty and receives medical treatment and is deemed by medical staff to be fit to resume his/her normal duties, in a normal working place, but with specific restrictions for a specific time period
Reportable	A reportable injury is an injury which results in: a) the death of the employee; b) an injury, to any employee, likely to be fatal; c) unconsciousness, incapacitation from heatstroke or heat exhaustion, oxygen deficiency, the inhalation of fumes or poisonous gas, or electric short or electric burning accidents of or by any employee and which is not reportable in terms of paragraph (d), or as required by the OHS Act where applicable; d) an injury which either incapacitates the injured employee from performing that employee's normal occupation for a period totalling 14 days or more, or which causes the injured employee to suffer the loss of a joint, or a part of a joint, or sustain a permanent disability
PPM	Parts per million
Restricted Work Injuries (RWI)	A Restricted Work Injury is a work related injury which results in the employee being able to return to his or her permanently assigned workplace, to perform his or her permanently assigned work on the next calendar day, but where the injured is unable to perform one or more of their routine functions normally connected with their work due to a restriction applied by an appointed medical professional
RLM	Rustenburg Local Municipality
SAWIMA	South African Women in Mining Association
SED	Socio-economic development
SLP	Social and Labour Plan
SMMEs	Small, medium and micro enterprises
SO_2	Sulphur dioxide
TB	Pulmonary tuberculosis, which in South Africa is considered an occupational illness when it is associated with the presence of dust in the workplace
Traditional council leadership	Elected/appointed members of a community according to customs and practices. The tenure of these leaders differ among communities. The chief King/Kgoshi/Kgosi or inKhosi is the head of the Traditional council leadership and the Chairman of the council
UASA	United Association of South Africa
UNGC	United Nations Global Compact
VCT	Voluntary counselling and testing, in respect of HIV & AIDS
WHO	World Health Organisation
WIM	All females including foreign nationals who are involved in core business activities of mining

Glossary of terms and acronyms continued

Basis of calculating both direct and indirect energy and resulting CO_2 emissions

Indicator	Basis of calculation
Indirect energy	Calculated by multiplying MWh by 3.6 (basic principles) to get GJ
Indirect CO_2	Eskom Integrated Report FY2010
Direct energy from diesel, petrol and IBO	2009 DEFRA Guidelines
Direct CO_2 from diesel, petrol and IBO	2009 DEFRA Guidelines
Direct energy from Sasol gas	From Sasol gas (supplier)
Direct CO_2 from Sasol gas	From Sasol gas (supplier)
Direct energy from coal consumption	Supplier analysis
Direct CO_2 from coal consumption	Supplier analysis

Notice to shareholders

Notice is hereby given that the fifty-fifth Annual General Meeting of shareholders of the Company will be held at the Company's head office in the Boardroom, 2nd Floor, 2 Fricker Road, Illovo, Johannesburg on 26 October 2011 at 11:00 for the following purposes:

Ordinary business

To consider, and, if deemed fit, pass, the following ordinary resolutions with or without modification (in order to be adopted these resolutions require the support of a majority of votes cast by shareholders present or represented by proxy at the meeting):

Ordinary resolution number 1: Adoption of annual financial statements

Resolved that the annual financial statements for the Company and the Group for the year ended 30 June 2011 be and are hereby adopted.

The 2011 Integrated Annual Report is available on the Company's website, **www.implats.co.za,** or a printed copy can be obtained from the transfer secretaries.

Ordinary resolution number 2: External auditors

Resolved that PricewaterhouseCoopers Inc. be and are hereby re-appointed as independent auditor of the Company from the conclusion of this Annual General Meeting until the conclusion of the next Annual General Meeting of the Company.

Ordinary Resolution number 3: Audit and Risk Committee

Resolved that each of the following independent directors, who are eligible and offer themselves for re-election, be and are hereby re-elected as members of the Implats Audit and Risk Committee:

3.1 Mr JM McMahon – Chairman

3.2 Mr HC Cameron

3.3 Ms B Ngonyama

Brief biographies of these independent directors appear on pages 88 to 89 of the Integrated Annual Report.

The appointments numbered 3.1 to 3.3 constitute separate ordinary resolutions and will be considered by separate votes.

Notice to shareholders continued

Ordinary Resolution number 4: Remuneration Policy

Resolved that the Company's Remuneration Policy for the 2011 financial year, appearing on pages 105 to 106 of the Integrated Annual Report, be and is hereby endorsed by a non-binding advisory vote.

Ordinary Resolution number 5: Directorate

Resolved that each of the following persons, who retire from office at this meeting and who offer themselves for re-election, be and are hereby re-elected as a director of the Company:

5.1 Ms B Berlin
5.2 Mr DH Brown
5.3 Mr HC Cameron
5.4 Dr MSV Gantsho
5.5 Mr TV Mokgatlha
5.6 Ms B Ngonyama

Each of the appointments numbered 5.1 to 5.6 constitute separate ordinary resolutions and will be considered by separate votes. Brief biographies of these directors are set out on pages 88 to 89.

Ordinary resolution number 6: Control of unissued share capital

Resolved that the authorised but unissued shares in the capital of the Company be placed under the control of the directors of the Company and the directors are hereby authorised and empowered to allot, issue and otherwise dispose thereof to such person or persons and on such terms and conditions at their discretion subject to a maximum of 5% (five percent) of the issued share capital and subject to the Listings Requirements of the JSE Limited.

Special business

To consider, and, if deemed fit, pass, the following special resolutions with or without modification (in order to be adopted these resolutions require the support of at least 75% of votes cast by shareholders present or represented by proxy at the meeting):

Special Resolution number 1: Acquisition of Company's shares by Company or subsidiary

Resolved that the Company and/or a subsidiary of the Company be and is hereby authorised to repurchase or purchase, as the case may be, ordinary shares issued by the Company on such terms and conditions and in such amounts as the directors of the Company may decide, but subject always to the provisions of Section 48 of the Companies Act, 2008 ("the Act"), the Listings Requirements of the JSE ("JSE Listings Requirements") and the following limitations:

(a) that this authority shall be valid until the Company's next Annual General Meeting provided that it shall not extend beyond fifteen months from the date of this Annual General Meeting;
(b) that any such repurchase be effected through the order book operated by the JSE trading system and done without any prior understanding or agreement between the Company and the counterparty;
(c) that authorisation thereto is given by the Company's Memorandum of Incorporation;
(d) that a paid announcement giving such details as may be required in terms of the JSE Listings Requirements be published when the Company or its subsidiaries have repurchased in aggregate 3% of the initial number of shares in issue, as at the time that the general authority was granted, and for each 3% in aggregate of the initial number of shares which are acquired thereafter;

(e) that a general repurchase may not in the aggregate in any one financial year exceed 5% of the number of shares in the Company's issued share capital at the time this authority is given, provided that a subsidiary of the Company may not hold at any one time more than 5% of the number of issued shares of the Company;
(f) that no repurchase will be effected during a prohibited period (as defined by the JSE Listings Requirements) unless a repurchase programme is in place, where dates and quantities of shares to be traded during the prohibited period are fixed and full details of the programme have been disclosed in an announcement over SENS prior to the commencement of the prohibited period;
(g) that at any one point in time, the Company may only appoint one agent to effect repurchases on the Company's behalf;
(h) that, in determining the price at which shares may be repurchased in terms of this authority, the maximum premium permitted is 10% above the weighted average traded price of the shares as determined over the five days prior to the date of repurchase ("the maximum price"); and
(i) prior to entering the market to proceed with the repurchase, the Board, by resolution authorising the repurchase has applied the solvency and liquidity test as set out in Section 4 of the Act and reasonably concluded that the Company will satisfy the solvency and liquidity test immediately after completing the proposed repurchase.

The Board of directors as at the date of this notice has stated its intention to examine methods of returning capital to shareholders in terms of the general authority granted at the last Annual General Meeting. The Board believes it to be in the best interest of Implats that shareholders pass a special resolution granting the Company and/or its subsidiaries a further general authority to acquire Implats shares. Such general authority will provide Implats and its subsidiaries with the flexibility, subject to the requirements of the Companies Act and the JSE Listings Requirements, to purchase shares should it be in the interest of Implats and/or its subsidiaries at any time while the general authority subsists.

After considering the effect of such maximum repurchase:
(i) the Company and the Group will be able in the ordinary course of business to pay its debts for a period of 12 months after the date of the notice of the Annual General Meeting;
(ii) the assets of the Company and the Group will be in excess of the liabilities of the Company and the Group for a period of 12 months after the date of the notice of the Annual General Meeting. For this purpose, the assets and liabilities should be recognised and measured in accordance with the accounting policies used in the latest audited Group annual financial statements;
(iii) the share capital and reserves of the Company and the Group will be adequate for ordinary business purposes for a period of 12 months after the date of the notice of the Annual General Meeting;
(iv) the working capital of the Company and the Group will be adequate for ordinary business purposes for a period of 12 months after the date of the notice of the Annual General Meeting.

The reason for and the effect of this special resolution number 1 *is to grant the Company's directors a general authority, up to and including the date of the following Annual General Meeting of the Company, to approve the Company's purchase of shares in itself, or to permit a subsidiary of the Company to purchase shares in the Company.*

Notice to shareholders continued

For purposes of considering the special resolution and in compliance with rule 11.26 of the JSE Listings Requirements, the information listed below has been included in this integrated annual report:

- *Directors and management – refer pages 88 to 93 of this report*
- *Major shareholders – refer page 204 of this report*
- *Directors' interest in securities – refer page 103 of this report*
- *Share capital of the Company – refer page 100 of this report*
- *The directors, whose names are set out on pages 88 and 89 of this report, collectively and individually accept full responsibility for the accuracy of the information contained in this special resolution and certify that to the best of their knowledge and belief there are no other facts, the omission of which would make any statement false or misleading, and that they have made all reasonable enquiries in this regard*
- *Litigation – there are no legal or arbitration proceedings (including any such proceedings that are pending or threatened of which the Company is aware) which may have or have had a material effect on the Group's financial position in the previous 12 months.*

Special Resolution number 2: Increase in Directors' Remuneration

Resolved that in terms of Section 66 (9) of the Companies Act 2008, the remuneration of the non-executive directors and of the Chairman of the Board of directors be and is hereby increased with effect from 1 July 2011 as set out below:

	1 July 2010 (R)	1 July 2011 (R)	% increase
Board of Directors			
Chairperson	1 693 000	1 820 000	7.5%
Member	310 400	333 680	
Audit and Risk Committee			
Chairperson	310 400	333 680	7.5%
Member	146 700	157 700	
Remuneration Committee			
Chairperson	225 700	242 630	7.5%
Member	101 500	109 110	
Nominations Committee			
Chairperson	225 700	262 630	7.5%
Member	101 500	109 110	
Health, Safety and Environmental Committee			
Chairperson	225 700	242 630	7.5%
Member	101 500	109 110	
Transformation Committee			
Chairperson	225 700	242 630	7.5%
Member	101 500	109 110	

__The reason for and effect of this special resolution number 2__ is to grant the Company the authority to pay the fees to non-executive directors for their services as directors.

Special Resolution number 3: Financial assistance

Resolved that the directors be and are hereby authorised in terms of and subject to the provisions of Sections 44 and/or 45 of the Companies Act 2008 to cause the Company to provide any direct and/or indirect financial assistance for a period of two years commencing on the date of this special resolution to:

- Any of its present or future subsidiaries and/or any other company or corporation which is or becomes related or inter-related to the Company for any purpose or in connection with any matter, including, but not limited to, the subscription of any option, or any securities issued or to be issued by the Company or a related or inter-related company or for the purchase of any securities of the Company or related or inter-related company;
- Any of its present or future directors or prescribed officers (or any person related to any of them or to any company or corporation related or inter-related to any of them), or to any other person who is a participant in any of the Company's or Group's share or other employee incentive schemes, for the purpose of, or in connection with, the subscription of any option, or any securities, issued or to be issued by the Company or related or inter-related company, or for the purchase of any securities of the Company or a related or inter-related company, where such financial assistance is provided in terms of any such scheme that does not satisfy the requirements of Section 97 of the Act;
- Provided that the Board is satisfied that immediately after providing the financial assistance, the Company will satisfy the solvency and liquidity test, that the terms under which the financial assistance is proposed to be given, are fair and reasonable to the Company and that the conditions or restrictions in respect of the granting of the financial assistance which may be set out in the Company's Memorandum of Incorporation have been satisfied.

__The reason for and effect of this special resolution number 3__ is to authorise the Board to cause the Company to provide financial assistance to any entity which is related or inter-related to the Company and to its present or future directors or prescribed officers (or any person related to any of them or to any company or corporation related or inter-related to any of them), or to any other person who is a participant in any of the companies' or Group's share or other employee incentive schemes, for the purposes of, or in connection with, the subscription of any option, or any securities, issued or to be issued by the Company or related or inter-related company, or for the purchase of any securities of the Company or related or inter-related company.

Notice to shareholders continued

The record date of the Annual General Meeting for shareholders to participate in and vote at the Annual General Meeting is Friday, 21 October 2011.

Persons intending to attend or participate in the Annual General Meeting will be required to present reasonably satisfactory identification.

By order of the Board

Avanthi Parboosing
Company Secretary

Registered office
2 Fricker Road
Illovo
Johannesburg
2196

25 August 2011

Note
A shareholder entitled to attend and vote is entitled to appoint one or more proxies to attend and speak and vote in his stead. A proxy need not be a shareholder.

Form of proxy

Impala Platinum Holdings Limited
(Incorporated in the Republic of South Africa)
(Registration number: 1957/001979/06)
(Share code: IMP) (ISIN: ZAE000083648)
("Implats" or "the Company")

FOR USE BY:
– CERTIFICATED REGISTERED SHAREHOLDERS on the South African and United Kingdom register
– DEMATERIALISED 'OWN NAME' REGISTERED HOLDERS

This form of proxy is not for use by shareholders who have already dematerialised their Implats shares through a CSDP other than 'own name' dematerialised shareholders.

For use at the Annual General Meeting of the Company to be held on Wednesday, 26 October 2011 at 11:00 (the Annual General Meeting)

I/We

of appoint (see note 3)

1. or failing him/her

2. or failing him/her

3. the Chairman of the Annual General Meeting

as my/our proxy to act for me/us at the Annual General Meeting of the Company which will be held in the Boardroom, 2nd Floor, 2 Fricker Road, Illovo, Johannesburg, at 11:00 on Wednesday, 26 October 2011, and at each adjournment or postponement thereof, and to vote for and/or against the resolutions and/or abstain from voting in respect of the shares in the issued capital of the Company registered in my/our name/s (see Note 4).

	Number of ordinary shares		
Resolutions	**For**	**Against**	**Abstain**
Ordinary resolutions			
Adoption of annual financial statements			
Appointment of external auditors			
Appointment of members of Audit and Risk Committee			
JM McMahon – Chairman			
HC Cameron			
B Ngonyama			
Endorsement of the Company's remuneration policy			
Directorate			
Re-appointment of directors			
B Berlin			
DH Brown			
HC Cameron			
MSV Gantsho			
TV Mokgatlha			
B Ngonyama			
Control of unissued share capital			
Special resolutions			
Acquisition of Company shares by Company or subsidiary			
Increase in directors' remuneration			
Financial assistance			

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

Signed at on 2011

Signature of shareholder(s)

Assisted by (where applicable)

Each ordinary shareholder is entitled to appoint one or more proxies (who need not be a shareholder/s of the Company) to attend, speak and vote in place of that shareholder at the Annual General Meeting.

Our business

Integrated performance

Responsibility reporting

Notes to the form of proxy

1. A shareholder on the Implats share register who has dematerialised his/her/its ordinary shares through Strate, other than that whose shareholding is recorded in his/her/its "own name" in the sub-register maintained by his/her/its CSDP, and who wishes to attend the meeting in person, will need to request his/her/its CSDP or broker to provide him/her/it with the necessary authority to do so in terms of the custody agreement entered into between the dematerialised shareholder and his/her/its CSDP or broker.

2. A shareholder (including certificated shareholders and dematerialised shareholders who hold his/her/its shares with "Own name" registration) entitled to attend and vote at the meeting may appoint one or more proxies to attend, participate and vote in his/her/its stead.

3. A shareholder may insert the name of a proxy or the names of two alternative proxies of the shareholder's choice in the space provided, with or without deleting 'the Chairman of the Annual General Meeting'. Any such deletion must be initialled by the shareholder. The person present at the meeting whose name appears first on the form of proxy and has not been deleted will be entitled to act as proxy to the exclusion of those whose names follow.

4. A shareholder's instructions to the proxy must be indicated by the insertion of the relevant number of votes exercisable by that shareholder in the appropriate space provided. Failure to comply with the above will be deemed to authorise the proxy to vote or to abstain from voting at the Annual General Meeting as he deems fit in respect of all the shareholder's votes exercisable thereat. A shareholder or his proxy is not obliged to use all the votes exercisable by the shareholder or by his proxy, but the total of the votes cast and in respect whereof abstention is recorded may not exceed the total of the votes exercisable by the shareholder or his proxy.

5. Any alteration or correction to this form of proxy must be initialled by the signatory/ies.

6. Documentary evidence establishing the authority of a person signing this form of proxy in a representative capacity must be attached to this form of proxy unless previously recorded by the transfer secretaries of the Company or waived by the Chairman of the Annual General Meeting.

7. The completion and lodging of this form of proxy will not preclude the relevant shareholder from attending the Annual General Meeting and speaking and voting in person thereat to the exclusion of any proxy appointed in terms hereof, should such shareholder wish to do so.

8. Forms of proxy must be lodged with or posted to the Company's transfer secretaries to be received not later than 24 hours (excluding Saturdays, Sundays and public holidays) before the time of the meeting.

9. This form of proxy expires after the conclusion of the meeting stated herein except at an adjournment of that meeting or at a poll demanded at such meeting.

Transfer secretaries
Computershare Investor Services (Pty) Limited
70 Marshall Street
Johannesburg
2001

PO Box 62053
Marshalltown
2107

United Kingdom transfer secretaries
Computershare Investor Services plc
The Pavilions
Bridgwater Road
Bristol
BS13 8AE

Contact details and administration

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Telefax: +27 (11) 731 9254
Email: investor@implats.co.za
Registration number:
1957/001979/06
Share codes:
JSE: IMP
LSE: IPLA
ADRs: IMPUY
ISIN: ZAE 000083648
Website: http://www.implats.co.za

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Impala Platinum (Rustenburg)
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Impala Platinum Refineries
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Telephone: +81 (3) 3504 0712
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Company Secretary
Avanthi Parboosing
Email: avanthi.parboosing@implats.co.za

United Kingdom Secretaries
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Telephone: +44 (020) 7499 3916
Telefax: +44 (020) 7491 1989
Email: phil.dexter@corpserv.co.uk

Public officer
Francois Naudé
Email: francois.naude@implats.co.za

Transfer secretaries
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70 Marshall Street
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PO Box 61051
Marshalltown 2107
Telephone: +27 (11) 370 5000
Telefax: +27 (11) 688 5200

United Kingdom
Computershare Investor Services plc
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Auditors
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Sunninghill
Johannesburg
2157

GRI assurance providers
KPMG Services (Pty) Limited
KPMG Crescent
85 Empire Road
Parktown
2193

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

Sustainability reporting
Cindy Mogotsi
Sustainable development manager: Reporting
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Email: cindy.mogotsi@implats.co.za

Selected South African photographs in this document were taken by Graeme Williams and selected Zimbabwean photographs were taken by Mike Fluxman.

BASTION GRAPHICS

www.implats.co.za