Impala Platinum Holdings Limited
Results discussion
14 September 2017
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OPERATIONAL OVERVIEW

Gerhard Potgieter
### Key features

<table>
<thead>
<tr>
<th>Description</th>
<th>Unit</th>
<th>2017</th>
<th>2016</th>
<th>Var %</th>
</tr>
</thead>
<tbody>
<tr>
<td>Group</td>
<td>koz</td>
<td>1,530</td>
<td>1,438</td>
<td>6.4%</td>
</tr>
<tr>
<td>Mine-to-market</td>
<td>koz</td>
<td>1,283</td>
<td>1,255</td>
<td>2.2%</td>
</tr>
<tr>
<td>- Zimplats</td>
<td>koz</td>
<td>266</td>
<td>251</td>
<td>6.1%</td>
</tr>
<tr>
<td>- Impala</td>
<td>koz</td>
<td>655</td>
<td>627</td>
<td>4.4%</td>
</tr>
<tr>
<td>- Mimosa</td>
<td>koz</td>
<td>117</td>
<td>117</td>
<td>(3.3%)</td>
</tr>
<tr>
<td>- Two Rivers</td>
<td>koz</td>
<td>177</td>
<td>183</td>
<td>(3.3%)</td>
</tr>
<tr>
<td>- Marula</td>
<td>koz</td>
<td>68</td>
<td>77</td>
<td>(11.7%)</td>
</tr>
<tr>
<td>Third-party production</td>
<td>koz</td>
<td>247</td>
<td>183</td>
<td>35%</td>
</tr>
<tr>
<td>Group unit costs</td>
<td>R/Pt</td>
<td>22,691</td>
<td>21,731</td>
<td>4.4%</td>
</tr>
<tr>
<td>Capital expenditure</td>
<td>Rbn</td>
<td>3.43</td>
<td>3.56</td>
<td>3.7%</td>
</tr>
<tr>
<td>16 &amp; 20 Shafts Rustenburg SIB Zimplats</td>
<td>Rbn</td>
<td>1.14</td>
<td>1.05</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Rbn</td>
<td>0.86</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

**Impala**
- Assessment underway
  - Old
  - Mature
  - Ramp-up
- Rebalance labour complement
- Complete 16 & 20 shafts only
- Keep 17 shaft on care and maintenance

**Marula**
- No disruptions – sustain operational run rates
- Engage communities
- Cash positive or close

**Two Rivers**
- Steady state low cost producer
- Dividend paying

**Zimplats**
- Build Mupani
- Next portal in 2028
- Return cash to shareholders

**Mimosa**
- Steady state low cost producer
- Dividend paying
- Affordability of beneficiation

**IRS**
- Cash generative
- Leverage refining intellectual capital
FINANCIAL OVERVIEW
Brenda Berlin
Key features

Income Statement

• Revenue increased due to higher metal prices
• Cost of sales contained at an increase of 4%
• Business interruption proceeds of R657 million for 14 shaft fire incident
• Impairment – Prepaid royalty R10.2 billion
• Group unit cost up 4% to R22 691 per platinum ounce

<table>
<thead>
<tr>
<th></th>
<th>Jun-2017</th>
<th>Jun-2016</th>
<th>% change</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sales</td>
<td>36 841</td>
<td>35 932</td>
<td>3</td>
</tr>
<tr>
<td>Cost of sales</td>
<td>(37 370)</td>
<td>(35 928)</td>
<td>(4)</td>
</tr>
<tr>
<td>Gross profit</td>
<td>(529)</td>
<td>4</td>
<td>(100)</td>
</tr>
<tr>
<td>Gross margin (%)</td>
<td>(1.4)</td>
<td>-</td>
<td>(100)</td>
</tr>
<tr>
<td>Loss from operations</td>
<td>(224)</td>
<td>(63)</td>
<td></td>
</tr>
<tr>
<td>Impairment</td>
<td>(10 229)</td>
<td>(307)</td>
<td></td>
</tr>
<tr>
<td>Other</td>
<td>(235)</td>
<td>(230)</td>
<td></td>
</tr>
<tr>
<td>Loss before tax</td>
<td>(10 688)</td>
<td>(600)</td>
<td></td>
</tr>
<tr>
<td>Income tax credit</td>
<td>2 590</td>
<td>557</td>
<td></td>
</tr>
<tr>
<td>Loss for the year</td>
<td>(8 098)</td>
<td>(43)</td>
<td></td>
</tr>
<tr>
<td>HEPS (cps)</td>
<td>(137)</td>
<td>12</td>
<td></td>
</tr>
<tr>
<td>Group unit cost (R/Ptoz)</td>
<td>22 691</td>
<td>21 731</td>
<td>(4)</td>
</tr>
</tbody>
</table>
Key features

Net Debt

- Net debt of R332 million at 30 June 2017 excluding leases
- Available
  - R7.8bn, cash
  - Facilities of R4.0 billion in place until June 2021

<table>
<thead>
<tr>
<th>R million</th>
<th>Jun-2017</th>
<th>Jun-2016</th>
<th>% change</th>
</tr>
</thead>
<tbody>
<tr>
<td>Gross cash</td>
<td>7 839</td>
<td>6 788</td>
<td>15</td>
</tr>
<tr>
<td>Convertible bond</td>
<td>(5 808)</td>
<td>(5 423)</td>
<td>(7)</td>
</tr>
<tr>
<td>Derivative financial instrument</td>
<td>(49)</td>
<td>1 137</td>
<td>(104)</td>
</tr>
<tr>
<td>Marula BEE debt</td>
<td>(889)</td>
<td>(882)</td>
<td>(1)</td>
</tr>
<tr>
<td>Zimplats debt</td>
<td>(1 425)</td>
<td>(1 601)</td>
<td>11</td>
</tr>
<tr>
<td>Debt excluding leases</td>
<td>(8 171)</td>
<td>(6 769)</td>
<td>(21)</td>
</tr>
<tr>
<td>Net debt excluding leases</td>
<td>(332)</td>
<td></td>
<td>19</td>
</tr>
<tr>
<td>Gearing ratio</td>
<td>0.6%</td>
<td></td>
<td>-</td>
</tr>
</tbody>
</table>
OUTLOOK & KEY FOCUS AREAS

Nico Muller
**Outlook**

**Production estimates for 2018**

- Impala Rustenburg: 680 000 to 720 000 oz pt
- Marula: 85 000 oz pt (conc)
- Two Rivers: 175 000 oz pt (conc)
- Zimplats: 260 000 oz pt (matte)
- Mimosa: 115 000 to 120 000 oz pt (conc)
- Third party material: 250 000 to 260 000 oz pt

- **Group production**: 1.57 to 1.61 million oz pt

- **Group unit cost is to be contained below R23 100 per platinum ounce**

- **Group capital expenditure is planned at approximately R4.7 billion**

**Key business objectives**

- Shareholder returns is our number one priority
- Short-term focus on profitability
  - Value above volume (not driven by output commitments)
  - No support for loss making production
  - Operational excellence, increased productivity and reduced unit costs
- Strategic review of Impala Rustenburg
- Cross-boundary opportunities
- Longer-term focus on developing strategic optionality
Key focus areas

**Priority Areas**

- **Turnaround Impala Rustenburg**
  - Right-size Impala Rustenburg
  - Optimise the operating model
  - Strengthen the leadership
  - Improve organisational effectiveness and performance orientation
  - Increase productivity
  - Reduce costs
  - Deliver growth projects

- **Decisive Marula Strategy**
  - Define clear performance expectations
  - Reduce operational disruptions
  - Improve productivity
  - Meet profitability targets or suspend operations

- **Capital Allocation and Cash Management**
  - Prioritise profitability
  - Eliminate loss making production
  - Review Impala Rustenburg investment case
  - Disciplined capital allocation policies
  - Maintain strong balance sheet

- **Increase Organisational Effectiveness**
  - Prioritise shareholder returns
  - Delegate authority and accountability
  - Improve performance orientation
  - Focus on performance management
  - Prioritise the strategic HR role in the organisation

- **Maintain Social Licence to Operate**
  - Act as a responsible corporate citizenship in the best interest of all stakeholders
  - Maintain responsible environmental stewardship
  - Minimise harm to employees health and safety

- **Develop Strategic Agility**
  - Rebalance portfolio
  - Focus on shallower orebodies that favour mechanised mining
  - Reduce future dependence on high cost deep conventional mining operations
  - Improve strategic optionality at Impala Rustenburg

- **Act as a responsible corporate citizenship in the best interest of all stakeholders**
  - Maintain responsible environmental stewardship
  - Minimise harm to employees health and safety
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