

Vision and values

Implats' vision

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

Implats' values

- Safeguarding the health and safety of our employees, and caring for the environment in which we operate
- Acting with integrity and openness in all that we do and fostering a workplace in which honest and open communication thrives

- Promoting and rewarding teamwork, innovation, continuous improvement and the application of best practice by being a responsible employer, developing people to the best of their abilities and fostering a culture of mutual respect among employees
- Being accountable and responsible for our actions as a company and as individuals
- Being a good corporate citizen in the communities in which we live and work.

Scope of report

The Implats 2010 annual report integrates the Group's financial and non-financial performance for the first time, applying global best practice in reporting to stakeholders. The previous year's report was published in August 2009.

The report has been compiled for the Implats Group and its subsidiaries and covers the financial year from 1 July 2009 to 30 June 2010. It includes the annual financial statements, an operational overview, a summarised mineral resources and reserves statement and a review of non-financial performance. In addition to this annual integrated report, Implats has also produced a mineral resource and mineral reserve statement 2010.

Sustainability elements have been compiled in line with the guidelines of the Global Reporting Initiative (GRI G3).

GRI reporting principles for defining report content, quality and boundary setting have been used as guidelines. As a signatory to the principles of the United Nations Global Compact, Implats has submitted a report in line with its commitment to this compact (index on page 147). In accordance with GRI guidelines, Implats has declared a B+ level of reporting, confirmed by KPMG.

The annual financial statements were prepared according to International Financial Reporting Standards (IFRS), the requirements of the South African Companies Act, regulations of the JSE Limited (JSE) and recommendations of King II.

Reporting Mineral Resources and Reserves estimates conforms to the South African Code for Reporting of Mineral Resources and Mineral Reserves (SAMREC) and the Australian

Code for Reporting of Mineral Resources and Ore Reserves (JORC), and was signed off by the competent persons, as defined by these codes.

In this report, production is reported in terms of platinum and platinum group metals (PGMs, which include platinum, palladium, rhodium, ruthenium and iridium as well as gold, also referred to as 5PGE+Au). Both historical and forward-looking data is provided for information. Unless otherwise stated, information in this report is primarily for FY2010 while that relating to physical metals markets is provided by calendar year. There were no significant changes to organisational structure, or significant restatements of data, during the year. Where data has been restated, this is indicated.

Certain statistical information is provided for comparative purposes for up to 10 years (financial years 2001 to 2010). Information covers all 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.

This report is available to identified stakeholders.

Printed copies may be requested from the contacts listed at the end of this report.



It is also available as an interactive online report on the corporate website, www.implats.co.za.

Contents

Impala Platinum Holdings Limited (Implats) is one of the world's foremost producers of platinum and associated platinum group metals (PGM). The Group has operations on the PGM-bearing orebodies of the Bushveld Complex in South Africa and the Great Dyke in Zimbabwe. Implats contributes around 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.

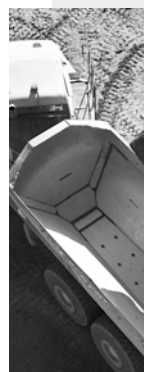
 To view the Implats integrated report online, please visit our website at: www.implats.co.za



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Our business

Implats produces around 25% of the world's supply of platinum with a workforce of 54 000 (including 16 000 contractors). In the review period, the Group produced 3.689 million ounces of PGMs, including 1.741 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 are produced annually (one-fifth of gold production), of which less than 200 tonnes are platinum – yet they play a progressively more important role in everyday life, either in goods used daily or in producing these goods.

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

Our products

PGMs – the green metals

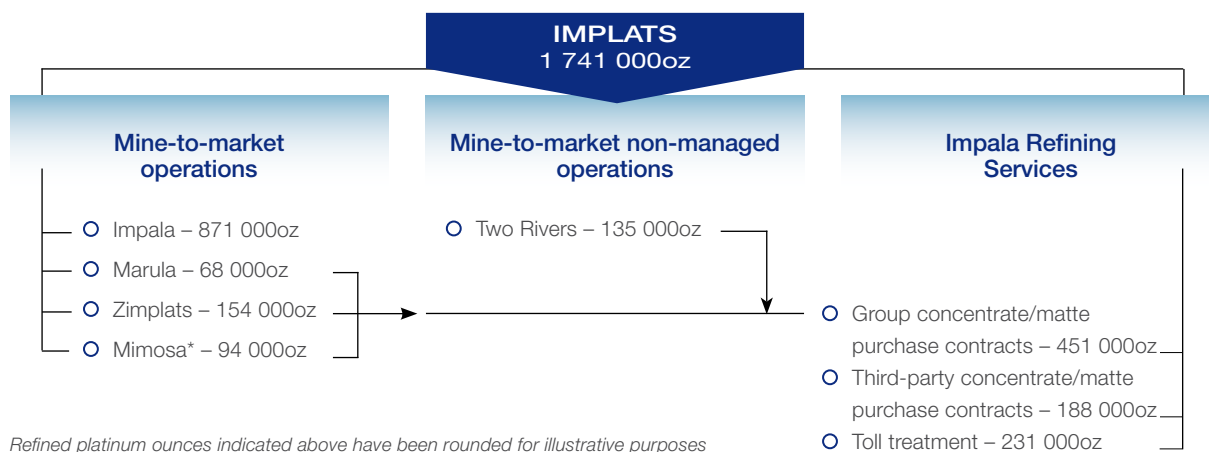
As a vital component in autocatalytic convertors, PGMs play a significant role in reducing air pollution by substantially limiting the discharge of carbon monoxide, hydrocarbons and nitrous oxides as well as particulates in diesel engines.

PGMs are recyclable, thus reducing waste while ensuring the sustainability of their supply. The most efficient recycling of PGMs occurs in the automotive sector, where a whole industry has been developed to recycle autocatalytic convertors from scrapped vehicles. Some 25% of the platinum used in new autocatalytic convertors stems from this source.

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.

The platinum group metals possess excellent catalytic and a range of other properties including resistance to corrosion and high melting points, making them ideal metals for a wide variety of industrial uses, particularly the automotive section. Other important uses can be found in table on page 66.

Group platinum production



Group performance

	2010 Rm	2009 Rm
Revenue	25 446	26 121
Gross profit	8 152	9 762
Headline earnings	4 718	6 015
Cash net of debt	1 730	1 363

Key indicators

Implats total dividend of 390 cents per share (2009: 320 cents)

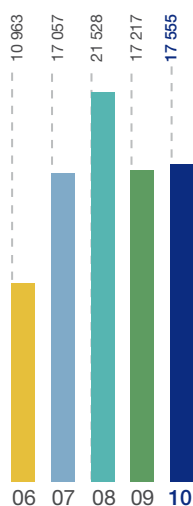
Gross profit margin declined to 32% (2009: 37%)

Unit cost per platinum ounce is up 11% to R10 089 (2009: R9 129)

Gross production is up to 1.741 million platinum ounces (2009: 1.704 million)

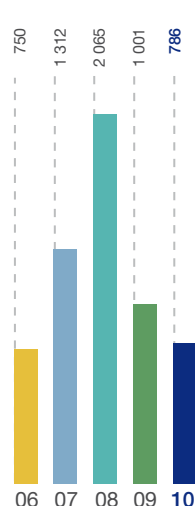
Revenue per platinum oz

(R/oz)



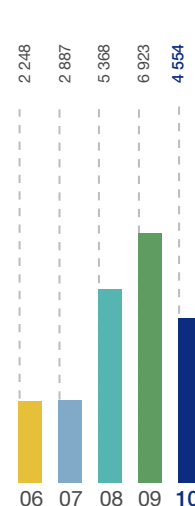
Headline earnings per share

(cps)



Capital expenditure

(Rm)



	2010	2009
Employee numbers (including contractors)	54 000	53 000
HDSA focused procurement (% of discretionary procurement)	50	45
Total direct SO ₂ emitted (tonnes)	16 926	21 152

Key indicators

Total water consumption down by 1% (2009: down by 5%)

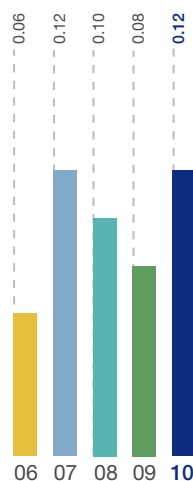
Total energy consumption increased by 4% (2009: increased by 2%)

ART patient new enrolments improved by 76% (2009: improved by 93%)

TB new cases decreased by 6% (2009: increased by 30%)

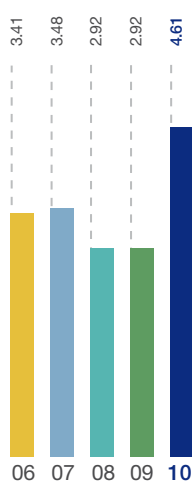
FIFR

(per million man-hours worked)



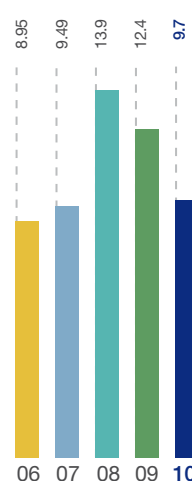
LTIFR

(per million man-hours worked)



Total SO₂ emitted

(Kg/platinum oz)



Operations at a glance

Impala

871

Refined platinum production
(000oz) (2009: 950)

- A 14-shaft mining complex
- Mineral processes, incorporating concentrating and smelting plants
- Refineries, housing the base and precious metals refineries
- Total number of employees*: **45 600** (2009: 43 300)
- Cost/oz: **R10 003/oz** (2009: R8 559/oz)
- Capital expenditure: **R3 435 million** (2009: R4 782 million)

* Includes contractors

Zimplats

174

Platinum in matte production
(000oz) (2009: 96)

- Three shallow mechanised underground mines
- Concentrator and smelter plants
- Concentrator plant at Ngezi
- Total number of employees*: **3 700** (2009: 5 500)
- Cost/oz: **R7 614/oz** (2009: R11 740/oz)
- Capital expenditure: **R698 million** (2009: R1 358 million)

Marula

70

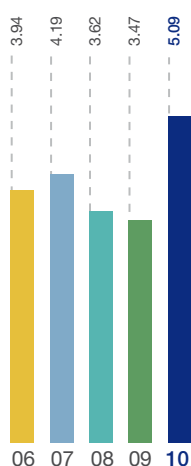
Platinum in concentrate production (000oz) (2009: 74)

- Two on-reef decline shafts and an off-reef conventional decline
- Concentrator plant
- Total number of employees*: **4 000** (2009: 3 500)
- Cost/oz: **R14 208/oz** (2009: R11 730/oz)
- Capital expenditure: **R281 million** (2009: R398 million)

* Includes contractors

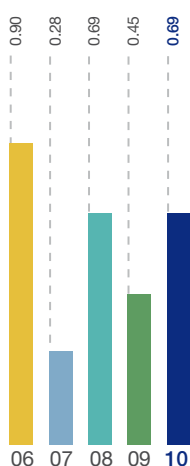
LTIFR

(per million man-hours worked)



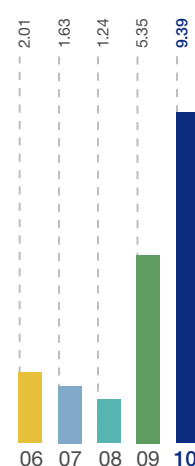
LTIFR

(per million man-hours worked)



LTIFR

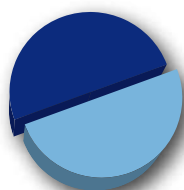
(per million man-hours worked)



Contribution to Group's refined platinum production

(%)

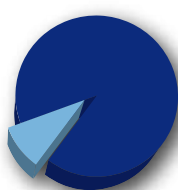
Impala
50%



Contribution to Group's refined platinum production

(%)

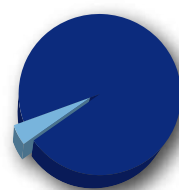
Zimplats
9%



Contribution to Group's refined platinum production

(%)

Marula
4%



Mimosa

101

Platinum in concentrate production (000oz) (2009: 92)

- Jointly managed with Aquarius Platinum Limited
- Mechanised shallow underground mine
- Concentrator plant
- Total number of employees*: **1 800** (2009: 1 900)
- Cost/oz: **R9 018/oz** (2009: R9 454/oz)
- Capital expenditure: **R255 million** (2009: R555 million)

Two Rivers

141

Platinum in concentrate production (000oz) (2009: 118)

- Non managed joint venture with African Rainbow Minerals Limited
- Two on-reef shafts
- Concentrator plant
- Total number of employees*: **2 700** (2009: 2 900)
- Cost/oz: **R8 467/oz** (2009: R8 830/oz)
- Capital expenditure: **R116 million** (2009: R349 million)

IRS

870

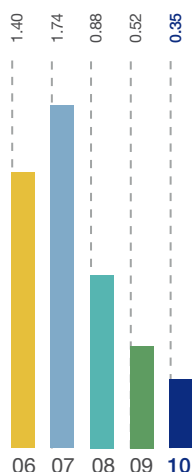
Refined platinum production (000oz) (2009: 754)

Four main areas of activity:

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

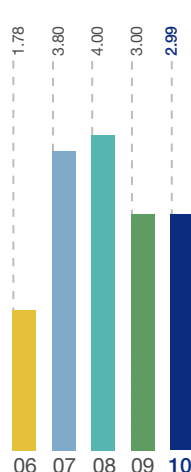
LTIFR

(per million man-hours worked)



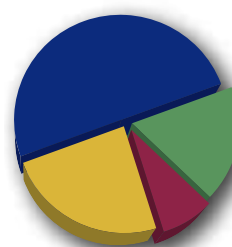
LTIFR

(per million man-hours worked)



Contribution to Group's refined platinum production

(%)

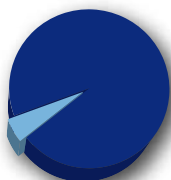


- Impala – 50%
- Managed operations* – 18%
- Non-managed operations** – 8%
- Third-party processing – 24%

Contribution to Group's refined platinum production

(%)

● Mimosa
5%



Contribution to Group's refined platinum production

(%)

● Two Rivers
8%



* 100% of platinum production processed
** Production from Two Rivers

Chairman's statement

Key strategies focused on people, capital efficiency and delivery have allowed us to maintain a leading position in the platinum industry. Our goal is set and our team ready to move forward together.

Dr Khotso Mokhele
Chairman



2.1 million ounces

Production target
for platinum by 2014

Dear stakeholder

Reflecting on Implats' performance over the last year, this is undeniably both a challenging and an exciting time to be in the platinum industry. Following on the positive signs of global recovery at the beginning of 2010, commodity markets appeared to be poised on the cusp of sustained recovery. However, the European debt crisis could see the global economy staring a double-dip recession in the face. Despite this, recovering vehicle sales, increasing investment in exchange-traded funds (ETFs) and a firmer jewellery market augur well for the market for platinum and palladium.

In this, my first letter to you, I have to acknowledge that this has been one of the toughest years we have yet faced, both in terms of economic recession as well as the various internal issues currently confronting us. Despite this, our management team under the leadership of David Brown has guided the organisation with remarkable dexterity over the last year. I extend my thanks and appreciation to all of them for a remarkable effort in extremely trying circumstances.

It is with great sadness that we report that 15 of our employees lost their lives at work during this period, nine of them in the fall-of-ground incident at 14 Shaft in July last year. Both the Board and management team extend our sincere sympathies and condolences to the families, friends and colleagues of those who died.

The safety of our employees remains our key priority and, in the light of a disappointing safety performance, particularly at Impala Rustenburg and Marula, we have engaged with Du Pont to objectively benchmark our current safety management practices against world-class best safety practices. The results were enlightening and it is evident that our safety culture is a 'dependent' one where our employees still require high levels of supervision in the work situation. As such, the designs of future interventions will take this into account.

Our resolve to create safe working environments remains undiminished and is the focus of our commitment to 'zero harm' in the longer term. To this end, the issue of zero tolerance around non-compliance is non-negotiable, while we continue promoting and creating an embedded safety culture through better and more frequent training and improved communications throughout the organisation. Visible leadership, however, remains the key to driving home a safety culture within every employee.

Long-term sustainability and the concept of sustainable development have become vital aspects of our business, both of which we have embraced. It is an area that has become more complex and more regulated over time and this report is our first attempt to report back to our stakeholders in an integrated manner giving due attention to the social, economic and environmental considerations that will have a bearing on the future of this Company. We remain vigilant in minimising the negative impacts in these areas.

The strike during August and September 2009 was unfortunate and exposed some significant relationship issues between our employees, elected union officials and management. We are currently working hard on strengthening our relationships with all our stakeholders. The acknowledgement and reward of every individual's contribution to our business is an essential element in the creation of a successful and motivated team.

We recognise the importance of developing our people and work in this area continues unabated. Skills, however, remain a scarce commodity and we continue to invest in manpower by attracting, retaining and developing talented individuals in order to ensure operational efficiency and the capacity for operational expansion when necessary. Our ability to do so is further complicated by the maturing HIV/Aids epidemic as well as pulmonary TB infections with impacts on both safety and production performances.

Chairman's statement continued

This has been a tough financial year for Implats. However, despite the difficult conditions, we have not defaulted on dividends, and payments were maintained throughout the economic downturn albeit based on the quantum of cash available rather than on a cover basis. Your Company remains financially sound with a relatively ungeared balance sheet and is well placed in the current environment to take advantage of the expected upturn.

Meeting our production target of 2.1 million ounces of platinum by 2014 remains a key focus and is premised on safe, efficient production in terms of volumes, grades and cost containment. Efficient and effective utilisation of resources remains key to sustain our revenue stream and profitability.

The focus at Impala Rustenburg remains on the restoration of the one million platinum ounce production profile over the next four years. The impact on output of both the 14 Shaft incident and industrial action at the beginning of the year was disappointing. However, the current rates of on-reef development at the major Merensky shafts are pleasing and indicative that the recovery of this operation is under way. The Board nevertheless remains anxious that further setbacks with our capital projects be eliminated as these will seriously undermine our ability to reach our targets timeously. We look forward to the first production from 20 Shaft, scheduled for the coming year.

Despite Marula management's best endeavours during 2010, the results have not been forthcoming. The Board will be looking forward to the further tightening of the management of the operation which is needed to bring greater credibility to the potential of that operation.

The key elements of maintaining our cost leadership position in the industry remain the achievement of production targets and good financial discipline. Further scope for improvement is still possible and productivity remains the key factor in mitigating the expected cost impacts going forward.

In the medium to longer term, fundamentals for PGMs remain sound and underpin the Group's growth objectives.

The recovery in the auto sector and a continued regime of tightening tailpipe emission standards, as well as a greater adoption of these standards will result in strong demand for PGMs in a constrained environment. The potential expansion opportunity of Zimplats to one million ounces of platinum per annum stands us in good stead to satisfy growing demand in the future.

I extend my heartfelt thanks and appreciation to my fellow Board members who have guided your Company so well over the last number of years. My particular gratitude goes out to Fred Roux, Fatima Jakoet, Steve Phiri and Shadwick Bessit who all resigned from the Board during the year. Through their commitment and dedication they were always a helpful and welcome addition in our deliberations. We welcome Paul Dunne as an executive director, as well as Terence Goodlace and Mpueleng Poee who were appointed as non-executive directors at the August board meeting. Their experience, vision and business acumen will further strengthen the Board in guiding your Company into the future.

We have taken cognisance of the impending requirements of King III as well as the new Companies Act and have initiatives in place to fulfil their respective requirements. Implats remains committed to good corporate governance.

In closing, I feel privileged to have assumed the chairmanship at this exciting and decisive juncture in the Company's development. I have complete faith in the Implats team in meeting the challenges we currently face. The efforts of every member of the Implats family – my fellow directors, the management team, our employees and contractors, customers, suppliers and business partners – have supported a solid performance in extremely difficult circumstances. I am confident that with your continued support, we will not be found wanting.

Dr Khotso Mokhele
Chairman

Chief executive officer's review

A difficult start but a positive finish. Implats has proved that with the right team and the right strategic focus areas, we are well placed to capitalise on the positive performances being recorded across the Group.

David Brown
Chief executive officer



Zero harm

Working safely with zero harm is our vision.

Chief executive officer's review continued

Dear stakeholder

We present the year under review in this, our first integrated annual report, which reflects our holistic approach to measuring our performance and reporting on the triple bottom line.

The review period has been one of the toughest ever for the Implats team. Not only did we have to contend with the global economic crisis, we also faced one of the worst tragedies in our history in July 2009 when nine colleagues died in a fall of ground at our Rustenburg operations. In addition we suffered another setback due to industrial action in late August and early September 2009.

The global financial crisis, which began in 2008, progressed through 2009 as major world economies moved into recession. Simultaneously, there was a major shift in the world's economic power towards the east as Asian economies grew significantly faster than Western economies. This shift helped cushion the impact in our industry of the slump in Western economies.

Platinum prices began rising through the year as Asian jewellery and investor purchases including the exchange traded funds gained momentum. By December 2009, the platinum price had reached \$1 500, supported by the notion that the worst of the recession was over and world economies were on a recovery path. While Implats remains poised to take advantage of this recovery, we are mindful of developments in Europe and the debt problems faced by certain European countries which may point to a second recessionary cycle.

Safety

The devastating loss of nine fellow team members at 14 Shaft echoed throughout the Group and touched every one of us. We pay tribute to this team and the six other colleagues we lost during the year on page 51.

At Implats, we recognise that it is the families of those who have died that are hardest hit by their loss. These family

members need our compassion and ongoing assistance. As such, Implats will continue to offer support to the immediate family of any employee who loses his or her life as a result of an incident at work, maintaining regular contact to monitor their well-being.

Our fatal incident benefit policy reinforces our concern for these families and defines our commitment going forward. Benefits include providing for schooling needs such as fees, learning materials and uniforms. Beyond financial assistance we ensure, where necessary, that these families are able to participate in other available opportunities from career prospects to apprenticeships, bursaries and employment opportunities at Implats.

Our lost-time injury frequency rate of 4.61 per million man-hours worked reflected a poor year for the Group, a 58% deterioration from the previous year, with the largest decline coming from the Marula and Impala Rustenburg mining operations, while all fatalities occurred at the latter operation.

Our goal is zero lost-time injuries by 2012. While we acknowledge that this is an ambitious target, it is being proven possible across the Group, most notably in some of our high-risk underground shafts. Ultimately, it is only through our behaviour and the way we work that we demonstrate to our fellow team members the importance of safety and following the correct procedure at all times. By caring for one another and setting the right example for those around us to follow, we ensure the safety and well-being of our team members and make Implats a safer place to work. The calibre of our people and their ability to stay focused throughout these difficulties has seen us emerge as a stronger and more united team, committed to working together with pride.

Financial and business review

The year was one of growth in some areas and disappointment in others. Implats production was up in FY2010 by some 2% to 1.74 million ounces.

The growth came from the Zimplats, Mimosa and Two Rivers operations as well as an increase in toll treatment through Impala Refining Services. Our Marula mine unfortunately did not show the anticipated growth and in fact produced a lower output for FY2010. This operation continues to disappoint.

With regard to Impala Rustenburg the start of the year was disastrous with the tragic safety incident at 14 Shaft and then industrial strike action by the workforce. The year was already anticipated to be tough due to the later than expected delivery of 20 Shaft and the lack of minable Merensky resources. Despite these factors Impala Rustenburg pulled together well and achieved our revised production target of approximately 871 000 ounces of platinum.

Revenue was 3% down when compared to the previous financial year. Despite stronger US\$ metal prices the rand was significantly stronger against the US\$ period on period.

Cost pressures continue to build on the mining industry as a whole, in particular labour and power costs. Above inflation increases without improvements in productivity undermined our competitive position and as such our gross profit margin was impacted.

Headline earnings per share declined from 1 001 cents in FY2009 to 786 cents in the review period.

During the period under review the Group's unit costs per platinum ounce remained under pressure. Excluding share-based payments unit costs per platinum ounce increased by 11% to R10 089, if one includes share-based payments then unit costs per platinum ounce increased by 22% to R10 417. Therefore the difference of 11% related to the income statement charge for share-based payment provision due to an increase in our share price during the period under review.

The cost performance was impacted by the stoppages at 14 Shaft and the subsequent mining layout changes. In

addition the two week industrial action had a significant impact. If one was to strip out the impact of these issues then group unit cost would have risen by 5%.

The underlying reasons behind our cost performance lie in the lack of mining flexibility (particularly on the Merensky reef). This has meant increased mining in remnant areas with the concomitant reduction in productivity. The Company is also in a transition period of older infrastructure reaching the end of its life and new infrastructure being started up. This situation will remain an issue for the next three to four years. Once 20 Shaft and then 16 Shaft come into production we will begin to see productivity improvements. In addition the relative inefficiency of the current operating environment will also improve as we close older infrastructure.

Our dividend for the full year represents a 22% increase over FY2009 and reflects our view that the market fundamentals during 2011 will continue to improve.

The financial year began with a positive net cash balance of R1.4 billion. However, cash net of all debt rose to R1.7 billion at year end due to a combination of a significantly reduced capital expenditure programme and cash obligations for tax and dividends. This has spurred renewed efforts to preserve cash throughout our organisation.

Our strategic focus areas

- **Safety** – Despite the unsatisfactory safety performance in the year under review, we remain committed to the vision of zero harm. As part of this commitment, we completed a Du Pont review which has been incorporated into our approach towards achieving this goal and help create a better understanding of some of the underlying causes of safety incidents. We focus on compliance, and fostering a culture of intolerance towards unsafe practices and behaviour. We will pursue the vision of zero harm over the coming years, through visible leadership, continuous training, adhering to standards and communicating on safety

Chief executive officer's review continued

- **Capital delivery** – Delivery has been behind original expectation. 20 Shaft, which should have delivered production tonnage during FY2010, is now expected to deliver only in the next financial year. Consequently our focus remains on ensuring delivery of our mining projects so as to restore Impala Rustenburg to a one million ounce producer by 2014
- **Cost leadership** – Implats through its Impala Rustenburg and Springs operations remains the cost leader among its peers by balancing its labour complement with throughput and managing the cost of input materials. In an industry where metal prices are driven by market fundamentals, production and cost containment is key to managing the bottom line. The medium-term opportunities are centred on the revised delivery of our new mining projects
- **Balance sheet management** – Despite the economic recession we have managed our balance sheet positively. We continued to pay dividends and avoid new equity issues and material increases in borrowings. Going forward we will continue to manage the balance sheet prudently, ensuring an appropriate balance between investment and shareholder return
- **People** – During the economic downturn some relief for the demand for scarce skills was evident. With the upturn in the global economy, we expect there will be greater demand for scarce skills. We continued to invest in our people and to develop the necessary skills from the technical level to executive management
- **Growth** – Our growth path continues to focus on four key areas namely: *Exploration, Organic growth, Acquisitions and Purchase/recycling*
 - **Organic growth** – The \$340-million first phase of the Zimplats Ngezi expansion was officially opened in October 2009. In addition we announced the start of Phase 2 at Zimplats which will support our growth aspirations to 2.1 million platinum ounces per annum by 2014. A review on our Afplats property is under way in order to explore an optimal exploration scenario.
 - **Purchase/recycling** – Through Impala Refining Services we are able to gain access to potential new resources without direct ownership in an orebody as we can purchase and treat material from third-party

mines. In addition, recycling has significant potential for growth in the medium to long term given the anticipated increase in the number of vehicles recycled.

Our approach to sustainability

Implats is a long-term business, and this determines our actions. Equally, we know our business is part of the greater environment in which we live, so our actions are shaped by national and international trends in sustainable development.

Sustainability is the cornerstone of every one of our values. It is part of our Board's mandate. It drives our continued, cost-effective growth. It underpins our approach to attracting, retaining and developing our people. It guides our actions in preserving our environment.

In a regulated industry, compliance has always been our baseline. By integrating sustainable development into our business strategy, we are steadily moving beyond a reactive, compliance-driven approach to an integrated and holistic view, governed by the same rigorous disciplines that guide our other business processes. We also have a clearer appreciation of the role Implats plays at different levels in society, namely local, national and international, based on the manner in which we do business.

This integrated annual report reflects our understanding of sustainability and how non-financial performance indicators have a direct impact on the bottom line.

Material sustainability issues

Through our risk processes we have identified the following sustainable development issues as most material in ensuring the sustainability of our business:

- **Safety** – To realise our vision of becoming the world's best platinum-producing Company, it is incumbent on us to ensure a world-class safety environment. Safety performance has a direct impact on production performance and the overall business. A Du Pont safety review reflected that the Group needs to adjust its approach to safety, so as to recognise that we operate in a "dependency" culture and a more active and direct



16 Shaft, Rustenburg.

enforcement of adherence to the important platinum safety rules is needed. The review showed that the safety culture of all our employees needs to change for Implats to achieve its safety goal. Supervisory staff must be seen as safety leaders who not only live by the standards but enforce the standards as well. Despite a disappointing safety performance for the Group, several operations delivered world-class safety achievements

- **Health** – High HIV prevalence has a direct and indirect impact on the business. It has become imperative that we understand the state of health of our workforce and manage it consistently through educating, providing care and support to ensure a productive workforce. Systems are in place to identify and help those individuals who need care and assistance. The ongoing drive to encourage stakeholders to 'know their status' is paying off as more and more people voluntarily test for HIV. We believe knowing one's status is a pivotal step in managing this

pandemic on two levels: proactively by preventing new infections and, reactively, through effective medical care

- **Climate change and SO₂ emissions** – The impact of climate change has become evident in the scarcity of natural resources such as water, an important resource in running any mine. We are cognisant of the impact we have and have begun to find ways to improve on water utilisation. We have strategies in place to reduce our energy consumption where possible and to reduce our impact on the environment through improved emission control. With the full commissioning of new emission abatement equipment at Impala Rustenburg, sulphur dioxide emissions have decreased to around 10t/day, significantly below our permitted daily limit of 16t/day, in part due to lower production and improved emission control
- **Power** – Given our high operational power requirements, supply remains a key strategic risk. We continue to

Chief executive officer's review continued

manage and mitigate this through initiatives to reduce consumption. Recent tariff hikes by the power utility will add further pressure to the cost of production. We are committed to conserving energy and managing our use of energy to maintain our cost leadership

- **Skills** – The past year has seen a reduction in staff turnover to 6% from 8% the previous financial year. With the anticipated economic recovery, we are mindful of the potential erosion of our skills base, and continue to drive relevant programmes that invest in our people and ensure retention. Our housing programme, which received a prestigious award in 2009, is one such strategy:
 - The quality of life of over 750 families was considerably improved during the year as a direct result of our focus on home ownership and living conditions in our South African operations.
 - In the past three years, around 6 000 employees have benefited from a R1.5 billion investment in upgrading existing facilities and building new homes and new suburbs across our operating areas. Implats remains committed to further investments as part of the accommodation strategy in the coming year.

Transformation

Implats continues to focus on transforming the organisation to ensure demographic representation across all structures, to bring about true empowerment across all elements of our business. We have structures in place to ensure we meet our objectives, detailed in our approach to management and governance sections.

We need to foster an environment that takes full advantage of diversity using a multi-pronged approach, detailed on page 107. Set targets underpin our commitment to create a culture that is comfortable for all.

We have progressed significantly against both our own and mining charter targets in transforming the organisation. More than 40% Historically Disadvantaged South Africans (HDSA) representation in management across the Group has been achieved, R4 billion in procurement went to BEE

suppliers (13% above target), 78% of our social and labour plan (SLP) projects are fully implemented and approximately R270 million has been spent on skills development as we continue to ensure the right skills base to keep us on our growth path.

During the year, Implats, through industry stakeholder groups, participated in the review of the new mining charter due to be released in September 2010. We are optimistic that the new charter will give better clarity on performance requirements for the mining industry.

Compliance

Important progress has been made in achieving and exceeding compliance on all fronts from corporate governance to closure plans. For every stakeholder, compliance is simply our licence to operate. We are committed to exceeding compliance so as to give our organisation a competitive advantage.

Our response to assurance

We believe independent assurance is as important for reporting to stakeholders on sustainability as formal audits are for financial statements. This is a journey we embarked on in FY2007 by appointing KPMG to audit certain aspects of our sustainable development performance. Over the last three years, we have made significant progress in the way in which we manage and report on sustainability performance. Our commitment is underscored by the rapid progress made on identified findings over this period which has resulted in:

- The implementation of a group-wide non-financial reporting system
- The development of consolidated group-wide reporting principles and definitions
- Greater acceptance and understanding of sustainability management and reporting, resulting in a significant decline (90%) in high-risk findings during the review period
- The elevation of non-financial reporting to the Group Audit and Risk Committee for oversight and the involvement of internal audit in the assurance process

The year ahead

The year ahead should see higher demand for natural resources, including PGMs, as economic recovery takes hold. Accordingly, we need to focus on the following areas:

Safety and health – This remains our key focus for the year ahead. Zero harm remains our vision. This vision will be achieved, but not without commitment from every one of the Implats team. We need to recognise and embrace the positive inputs from other stakeholders. We have a common goal. The health of our employees is important and as such prevention and treatment campaigns will continue to be emphasized during the next financial year.

Environmental – Water and energy consumption will be areas of focus with emphasis on efficient use and conservation of both these resources. The implementation of our water and energy efficiency strategy will go a long way in meeting these objectives.

Project delivery – The major capital mining projects have not delivered according to our original expectations. There is a need to ensure that the revised delivery dates are met to achieve our medium-term goal of restoring Impala Rustenburg to a one million platinum ounce per annum producer within the next four years. Learning points over recent years have been invaluable in understanding the timing for future large mining projects.

Cost containment – Industry in general, and the mining industry in particular, is facing a number of significant cost increases which it will need to combat through improved efficiency and productivity gains. Labour costs and power costs have been the most significant contributors to cost increases. The year ahead will be no different.

Production: Meeting our targets is vital to ensuring a cost-efficient production base and ensuring the Group generates sufficient funding for its capital requirements and, hence, ensures sustainability.

None of these focus areas is possible without ensuring we continue to develop positive remuneration practices that ensure we retain and attract the best skills when needed.

Prospects

The market fundamentals for all our metals produced will improve during the next financial year. We believe that metal prices in US\$ will remain at similar levels to those being achieved in the second half of this financial year with a degree of upside potential. The South African rand's further strength in July/August 2010 is not positive because of its significant impact on our earnings. We see a stronger for longer rand scenario. In addition labour costs need to be reviewed as real wage increases without improvements to productivity will continue to reduce the industry's competitive position.

In closing, I extend my gratitude to the Implats team members who have made it all possible and who have worked diligently in steering the organisation towards realising its goals, after an incredibly difficult start to the year.

The coming financial year will be crucial in ensuring that safety performance is improved to ensure the well-being of our employees and to foster a productive environment to the benefit of all stakeholders.

David Brown

Chief executive officer

Ten-year statistics

Year ended 30 June 2010

Income statement

(R million)	2010	2009	2008	2007	2006	2005	2004	2003	2002	2001
Revenue	25 446	26 121	37 619	31 482	17 500	12 541	11 809	11 807	11 902	11 969
Platinum	15 547	15 996	20 388	15 577	9 991	8 132	7 941	7 391	6 137	5 253
Palladium	2 679	1 779	2 518	2 089	1 469	1 067	1 119	1 683	2 581	3 129
Rhodium	3 683	5 240	10 041	7 626	3 700	1 336	677	1 159	1 788	2 199
Nickel	1 840	1 500	2 733	4 062	1 431	1 323	1 284	938	682	700
Other	1 697	1 606	1 939	2 128	909	683	788	636	714	688
Cost of sales	(17 294)	(16 359)	(19 888)	(17 010)	(10 170)	(8 303)	(7 544)	(6 523)	(5 561)	(5 003)
On-mine operations	(8 796)	(7 214)	(7 303)	(5 901)	(4 709)	(4 100)	(3 668)	(3 251)	(2 567)	(2 330)
Processing operations	(2 257)	(1 962)	(1 478)	(1 316)	(1 130)	(1 043)	(967)	(801)	(643)	(493)
Refining operations	(764)	(592)	(670)	(594)	(523)	(480)	(468)	(412)	(355)	(333)
Depreciation	(1 083)	(979)	(1 013)	(865)	(643)	(646)	(576)	(452)	(249)	(212)
Metals purchased	(5 522)	(3 867)	(11 012)	(9 369)	(4 326)	(2 489)	(2 259)	(1 474)	(1 883)	(1 969)
Change in inventories	1 128	(1 745)	1 588	1 035	1 161	455	394	(133)	136	334
Gross profit	8 152	9 762	17 731	14 472	7 330	4 238	4 265	5 284	6 341	6 966
Other operating expenses	(585)	(497)	(533)	(478)	(340)	(319)	(255)	(264)	(204)	(117)
Royalty expense	(536)	(442)	(648)	(1 703)	(852)	(415)	(414)	(598)	(805)	(890)
Profit from operations	7 031	8 823	16 550	12 291	6 138	3 504	3 596	4 422	5 332	5 959
Finance income – net	2	794	534	560	225	174	56	286	266	383
Net foreign exchange transaction gains/(losses)	52	(211)	439	(15)	178	33	(216)	(329)	131	158
Other income/(expense)	55	(54)	(131)	(214)	(148)	292	12	(55)	(98)	(63)
Share of profit of associates	95	41	678	388	115	204	328	725	697	647
BEE compensation charge	–	–	–	(1 790)	(95)	–	–	–	–	–
(Loss)/profit from sale of investments/subsidiaries	(10)	–	4 831	–	–	3 155	322	–	–	–
(Impairment of assets)/reversal of impairment of assets	–	–	(84)	–	583	(1 034)	–	–	–	–
Profit before tax	7 225	9 393	22 817	11 220	6 996	6 328	4 098	5 049	6 328	7 084
Income tax expense	(2 431)	(3 389)	(5 112)	(3 895)	(2 614)	(1 079)	(1 141)	(1 622)	(1 737)	(2 431)
Profit for the year	4 794	6 004	17 705	7 325	4 382	5 249	2 957	3 427	4 591	4 653
Attributable to non-controlling interest	(79)	16	(109)	(93)	(40)	(16)	(17)	(23)	(10)	(5)
Profit attributable to owners of the company	4 715	6 020	17 596	7 232	4 342	5 233	2 940	3 404	4 581	4 648
Headline earnings	4 718	6 015	12 485	7 232	3 947	2 856	2 618	3 421	4 565	4 655
Earnings per share (cents)										
– Basic	786	1 001	2 910	1 312	825	989	552	639	863	878
– Headline (basic)	786	1 001	2 065	1 312	750	540	491	643	860	879
Dividend per share (cents)										
– Interim + proposed	390	320	1 475	975	400	288	263	331	463	475
– Special					688					375

Statement of financial position

(R million)	2010	2009	2008	2007	2006	2005	2004	2003	2002	2001
ASSETS										
Non-current assets	49 743	46 180	39 605	37 202	15 084	12 108	12 523	11 391	9 324	6 834
Property, plant, equipment and exploration assets	33 940	30 518	24 895	20 347	12 435	10 222	9 801	8 809	6 218	5 231
Investments and other	15 803	15 662	14 710	16 855	2 649	1 886	2 722	2 582	3 106	1 603
Current assets	12 828	11 500	22 504	12 758	8 386	8 895	4 680	4 878	5 448	5 162
Total assets	62 571	57 680	62 109	49 960	23 470	21 003	17 203	16 269	14 772	11 996
EQUITY AND LIABILITIES										
Capital and reserves	43 792	40 939	43 418	32 968	13 840	14 104	10 683	9 877	9 284	6 716
Non-controlling interest	1 941	1 864	1 885	1 730	215	160	128	419	62	19
Non-current liabilities	11 072	9 785	8 259	6 734	3 654	2 873	2 708	2 213	1 683	1 465
Deferred tax liability	7 747	6 909	5 247	5 048	2 919	2 378	2 271	1 887	1 390	1 156
Borrowings	1 827	1 778	1 464	685	174	195	167	63	86	113
Long-term provisions	1 498	1 098	1 548	1 001	561	300	270	263	207	196
Current liabilities	5 766	5 092	8 547	8 528	5 761	3 866	3 684	3 760	3 743	3 796
Total equity and liabilities	62 571	57 680	62 109	49 960	23 470	21 003	17 203	16 269	14 772	11 996
Cash, net of debt	1 730	1 363	8 883	2 504	1 663	3 786	636	2 057	3 037	2 900
Current liquidity	1 680	2 160	8 064	232	(311)	3 309	(233)	271	785	587
Gross profit margin (%)	32.0	37.4	47.1	46.0	41.9	33.8	36.1	44.8	53.3	58.2
Return on equity (%)	11.5	13.9	37.9	52.3	28.0	26.7	26.5	36.9	68.0	81.4
Return on total assets (%)	7.5	10.4	20.1	14.5	16.8	13.6	15.2	21.0	30.9	38.8
Debt to equity (%)	4.7	4.6	3.5	2.2	1.3	1.4	6.9	2.7	1.2	2.0
Current ratio	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	1.4:1
Capital expenditure (Rm)	4 554	6 923	5 368	2 887	2 248	1 992	1 822	1 787	1 250	2 090
(US\$m)	603	762	739	401	352	322	265	198	123	275
Group unit cost per platinum ounce (R/oz)	10 417	8 526	7 750	6 370	5 009	4 522	4 140	3 978	3 426	3 134
(\$/oz)	1 379	939	1 067	886	784	731	603	441	338	412
Group unit cost per platinum ounce excluding share-based compensation (R/oz)	10 089	9 129	6 930	5 921	4 890	4 501	4 122	3 968	3 426	3 134
(\$/oz)	1 335	1 005	954	823	765	727	601	440	338	412
IMPLATS SHARE STATISTICS										
Number of shares in issue outside the Group (m)	600.4	599.8	605.0	604.1	527.6	524.3	533.0	532.8	532.4	530.8
Average number of issued shares outside the Group	600.2	601.1	604.7	551.4	526.1	529.0	532.6	532.5	531.0	529.3
Number of shares traded	672.6	804.2	576.1	442.8	528.8	530.4	524.2	570.6	400.0	290.8
Highest price traded (cps)	22 870	31 400	36 800	25 500	17 938	7 688	8 013	8 125	9 000	5 913
Lowest price traded	15 550	8 655	17 202	14 438	7 200	5 312	5 206	4 325	3 588	2 998
Year end closing price	18 000	17 045	30 900	21 600	16 498	7 463	5 888	5 575	7 148	5 045

Ten-year statistics continued

Year ended 30 June 2010

US\$ information (unaudited)

(US\$ million)	2010	2009	2008	2007	2006	2005	2004	2003	2002	2001
Revenue	3 359	3 026	5 140	4 375	2 745	2 023	1 716	1 303	1 184	1 573
Platinum	2 056	1 833	2 780	2 166	1 563	1 312	1 156	819	606	690
Palladium	355	205	345	291	231	172	163	182	258	411
Rhodium	489	633	1 372	1 059	582	216	98	125	182	289
Nickel	243	176	378	564	227	213	187	107	67	92
Other	216	179	265	295	142	110	112	70	71	91
Cost of sales	(2 289)	(1 801)	(2 738)	(2 365)	(1 592)	(1 342)	(1 099)	(723)	(549)	(658)
On-mine operations	(1 164)	(794)	(1 006)	(820)	(737)	(663)	(535)	(360)	(253)	(306)
Processing operations	(299)	(216)	(204)	(183)	(177)	(169)	(141)	(89)	(63)	(65)
Refining operations	(101)	(65)	(92)	(83)	(82)	(78)	(68)	(46)	(35)	(44)
Depreciation	(143)	(108)	(139)	(120)	(101)	(104)	(84)	(50)	(25)	(28)
Metals purchased	(731)	(426)	(1 516)	(1 303)	(677)	(402)	(329)	(163)	(186)	(259)
Change in inventories	149	(192)	219	144	182	74	58	(15)	13	44
Gross profit	1 070	1 225	2 402	2 010	1 153	681	617	580	635	915
Other operating expenses	(77)	(55)	(73)	(66)	(53)	(52)	(37)	(29)	(20)	(15)
Royalty expense	(71)	(49)	(89)	(237)	(133)	(67)	(60)	(66)	(79)	(117)
Profit from operations	922	1 121	2 240	1 707	967	562	520	485	536	783
Finance income – net	–	87	74	78	35	28	8	32	26	50
Net foreign exchange transaction gains/(losses)	7	(23)	60	(2)	28	5	(32)	(37)	13	21
Other income/(expense)	7	(6)	(18)	(30)	(23)	47	2	(6)	(10)	(8)
Share of profit of associates	13	5	93	54	18	33	48	80	69	85
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)	–	91	(166)	–	–	–	–
Profit before tax	948	1 184	3 102	1 558	1 101	1 019	593	554	634	931
Income tax expense	(322)	(373)	(704)	(541)	(409)	(174)	(166)	(180)	(171)	(320)
Profit for the year	626	811	2 398	1 017	692	845	427	374	463	611
Attributable to non-controlling interest	(10)	2	(15)	(13)	(6)	(3)	(3)	(3)	(1)	(1)
Profit attributable to owners of the company	616	813	2 383	1 004	686	842	424	371	462	610
Headline earnings	616	812	1 679	1 004	624	458	377	373	461	611
Earnings per share (cents)										
– Basic	103	135	394	182	130	159	80	70	87	115
– Headline (basic)	103	135	278	182	119	87	71	70	87	115
Dividend per share (cents)										
– Interim + proposed	52	35	203	136	63	46	38	37	46	62
– Special					108					49

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

Operating statistics

		2010	2009	2008	2007	2006	2005	2004	2003	2002	2001
Gross refined production											
Platinum	(000oz)	1 741	1 704	1 907	2 026	1 846	1 848	1 961	1 673	1 387	1 291
Palladium	(000oz)	1 238	1 008	1 044	1 114	989	1 029	1 046	893	732	681
Rhodium	(000oz)	252	248	261	247	242	234	251	215	177	164
Nickel	(000t)	15.2	14.5	14.8	16.2	15.6	16.0	16.4	14.7	13.0	14.0
Impala refined production											
Platinum	(000oz)	871	950	1 044	1 055	1 125	1 115	1 090	1 040	1 025	1 002
Palladium	(000oz)	459	426	437	472	492	515	501	478	489	481
Rhodium	(000oz)	121	124	125	103	129	130	116	134	123	128
Nickel	(000t)	4.9	6.2	6.9	7.0	7.9	7.9	6.9	8.0	7.7	7.0
IRS refined production											
Platinum	(000oz)	870	754	863	971	721	733	871	633	362	289
Palladium	(000oz)	779	582	607	642	497	514	545	415	243	200
Rhodium	(000oz)	131	124	136	144	113	104	135	81	54	36
Nickel	(000t)	10.3	8.3	7.9	9.2	7.7	8.1	9.5	6.7	5.3	7.0
IRS returned metal											
Platinum	(000oz)	233	194	208	262	246	246	501	252	152	164
Palladium	(000oz)	259	181	199	191	190	160	314	174	102	116
Rhodium	(000oz)	49	38	42	47	42	54	97	18	16	21
Nickel	(000t)	2.8	2.5	2.1	0.9	2.2	1.9	1.5	0.9	0.7	0.5
Group consolidated statistics											
Tonnes milled ex mine	(000t)	20 309	20 083	20 380	20 732	20 197	19 315	19 065	17 483	15 607	15 184
PGM refined production	(000oz)	3 689	3 428	3 644	3 858	3 490	3 549	3 725	3 162	2 639	2 464
Exchange rate:	(R/US\$)										
Closing rate on 30 June		7.67	7.76	7.93	7.06	7.16	6.66	6.17	7.52	10.32	8.06
Average spot rate		7.56	9.08	7.26	7.19	6.39	6.19	6.86	9.02	10.13	7.61
Average rate achieved		7.58	8.63	7.32	7.20	6.37	6.20	6.88	9.06	10.16	7.68
Free market revenue per platinum ounce sold	(\$/oz)	2 359	1 826	3 053	2 445	1 791	1 304	1 140	939	934	1 376
Revenue per platinum ounce sold	(\$/oz)	2 316	1 995	2 941	2 369	1 721	1 279	1 116	935	934	1 321
	(R/oz)	17 555	17 217	21 528	17 057	10 963	7 930	7 678	8 471	9 489	10 145
Prices achieved											
Platinum	(\$/oz)	1 433	1 219	1 598	1 185	988	840	773	597	485	586
Palladium	(\$/oz)	376	263	390	334	258	208	223	264	389	773
Rhodium	(\$/oz)	2 149	3 517	6 963	5 152	3 015	1 217	548	646	1 098	2 001
Nickel	(\$/t)	18 981	12 995	30 253	34 486	15 343	14 592	11 843	7 664	5 594	6 951
Sales volumes											
Platinum	(000oz)	1 435	1 503	1 739	1 827	1 582	1 562	1 495	1 373	1 251	1 177
Palladium	(000oz)	945	781	885	870	896	826	733	688	663	543
Rhodium	(000oz)	228	180	197	206	193	177	179	193	165	145
Nickel	(000t)	12.8	13.5	12.5	16.3	14.8	14.6	15.8	13.9	12.0	14.1

Financial review

Results for the year

- Group production increased to 1.741 million ounces of platinum from 1.704 million ounces the previous year
- Revenue per platinum ounce was up by 16% in dollar terms, but only up 2% in rand terms
- Revenue reduced by 3% to R25.4 billion
- Group unit cost per platinum ounce, excluding share-based compensation, rose by 11% to R10 089, due to a combination of higher costs and lower mine to market production
- Gross margin declined to 32% from 37%
- Headline earnings at 786 cents per share decreased by 22%
- Total dividend increased to 390 cents per share – R2.3 billion returned to shareholders
- Cash net of debt was R1.7 billion compared to R1.4 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. In addition the financial review includes a value added statement, as well as reporting on the transformation of the South African procurement base.

The financial review should be read in conjunction with our audited consolidated financial statements for the year ended 30 June 2010, presented on page 154 to 243. We use certain non-GAAP financial performance measures in our financial review, please see pages 244 to 247.

Production

The table below reflects refined platinum production.

000oz	Notes	2010	2009
Impala	1	871	950
Zimplats	2	154	97
Marula	3	68	73
Mimosa (100%)		94	79
Two Rivers (100%)		135	116
Other third party		188	184
Toll treatment		231	205
Total production		1 741	1 704

Production commentary

Gross platinum production increased by 2% to 1.741 million ounces from 1.704 million ounces in the prior year.

The production is dealt with in detail in the individual operational sections on pages 70 to 95.

1. Impala

Approximately 80 000 platinum ounces were lost due to the 14 Shaft incident, the subsequent change in the mechanised layout and the strike action at the beginning of the year.

2. Zimplats

The ramping up at the Ngwarati (Portal 1) and Bimha (Portal 4) mines and the new concentrator at Ngezi resulted in additional production and stockpiled tonnes being milled, which in turn increased the platinum production.

3. Marula

The lack of build up in mill tonnage coupled with work stoppages due to the industrial action early in the year resulted in platinum ounces declining.

Statement of comprehensive income

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

R million	Notes	2010	2009
Revenue	1	25 446	26 121
Cost of sales	2	(17 294)	(16 359)
Gross profit	3	8 152	9 762
Other net expenses		(929)	(1 163)
Net finance income	4	2	794
Profit before tax		7 225	9 393
Income tax expense	5	(2 431)	(3 389)
Profit for the year		4 794	6 004
Other financial data			
Basic and headline earnings per share – cents	6	786	1 001
Dividend per share – cents	7	390	320

Statement of comprehensive income commentary

Basic and headline earnings decreased by 22% to R7.86 per share from R10.01.

A key feature in the decline of earnings was the increase in the share-based compensation (net of taxation) of R335 million in the current year, compared to a credit in the prior year of R648 million. This is equivalent to a movement of R1.64 per share.

1. Revenue

Economic conditions remained challenging; the limited recovery in the dollar metal prices was offset by the strengthening of the rand.

Revenue reduced by 3% to R25.4 billion, from R26.1 billion.

The variance can be further analysed as follows:

- **Sales volumes**

Higher production volumes, as well as the sale of the rhodium stock built up in the prior year was offset by leases in lieu of cash advances of 58 000oz of platinum. Metal leases are reflected in inventory and not shown as a sale. Platinum sales volumes for 2010 were 1.435 million oz compared to 1.503 million oz in the previous year. Palladium rose by 21% to 945 000 oz and Rhodium by 27% to 228 000 oz. The combination of the above resulted in a positive sales volumes variance of R1.1 billion.

- **Higher PGM dollar price**

Platinum rose by 18% to \$1 433/oz; palladium by 43% to \$376/oz; rhodium fell by 39% to \$2 149/oz; and overall dollar prices contributed to a positive price variance of R1.8 billion.

- **Strengthening of the R/\$ exchange rate**

The average exchange rate for the year was R7.58/\$, compared with R8.63/\$ for 2009. This resulted in a negative exchange-rate variance of R3.6 billion.

Revenue per platinum ounce sold was higher at \$2 316/oz compared to \$1 995/oz in the previous year.

The rand revenue per platinum ounce sold was R17 555/oz compared to the prior year of R17 217/oz.

The higher volumes in metals sold other than platinum had a positive impact on the revenue per platinum ounce sold.

2. Cost of sales

Cost of sales rose by 6% to R17.3 billion from R16.4 billion in the previous year. There were several key drivers:

- Wages and salaries were higher by 11% or R550 million to R5.5 billion
- A share-based compensation movement of R1.0 billion. The movement in the share price, changes in the market input factors influencing the valuation, together with the amortisation of the provision, resulted in the expense in the current year. The share price increased from R170/share as at June 2009 to R180/share as at 30 June 2010. In 2009 the share price reduced from R309/share as at June 2008 to R170/share
- Materials and other mining costs were 4% or R176 million higher at R4.9 billion. The increase in development at Impala and underground mining at Zimplats, was offset by consumable price decreases
- Utilities were up by 41% or R328 million to R1.1 billion
- The above was offset by lower cost of metals purchased (net of change in stock) of R1.2 billion

Cost per platinum ounce performance for the year

	Excluding SBP*		Including SBP*	
	FY2010	FY2009	FY2010	FY2009
Impala (refined)	10 003	8 559	10 399	7 854
Zimplats (in matte)	7 614	11 740	7 614	11 740
Marula (in concentrate)	14 208	11 730	14 579	11 243
Mimosa (in concentrate)	9 018	9 454	9 018	9 454
Implats Group (refined)	10 089	9 129	10 417	8 526

* Share-based payments.

The cost per platinum ounce is dealt with in detail in the individual operational sections on pages 70 to 95.

Excluding the share-based compensation unit cost per platinum ounce rose by 11% to R10 089 due to the following:

- Inflation accounted for 4% of the increase

Financial review continued

The South African inflation was 6%, due to:

- Wages and salaries up by 10%
- Utilities were up 31.5%. Electricity increased by 34% in July 2009 and a further 25% from April 2010
- Consumables were down by 5% due to a 10% decrease in steel price, 7% in explosives, 7% in fuel and the balance of consumables decreased by 2%

Deflation at the Zimbabwean operations was 6%, due to the strengthening of the rand against the dollar.

The impact of the strike and the subsequent change in the mechanised layout, the 14 Shaft incident, increased the unit costs by 5%, whereas other volume issues increased the unit costs by a further 2%.

On a normalised basis, excluding the impact of the strike, the 14 Shaft incident and the subsequent change in the mechanised layout, unit cost per platinum ounce rose by 5% to R9 592. Including the share-based expense the unit cost per platinum ounce produced deteriorated by 22% to R10 417.

3. Gross profit

The Group's margin deteriorated to 32% from 37%. This was due to higher costs and lower revenue.

Gross profit

	Gross profit		Adjusted gross profit*	
	FY2010	FY2009	FY2010	FY2009
Impala	5 222	7 586	5 368	7 606
Zimplats	1 571	(9)	1 159	397
Marula	(11)	(301)	16	181
Mimosa	495	127	421	314
Afplats	—	(1)	—	(1)
IRS	1 188	1 265	1 188	1 265
Inter-segment adjustment	(313)	1 095	—	—
Implats Group	8 152	9 762	8 152	9 762

* Includes inter-segment adjustments.

Gross profit margin

	Gross profit margin (%)		Adjusted gross profit margin* (%)	
	FY2010	FY2009	FY2010	FY2009
Impala	37	50	37	50
Zimplats	51	(1)	44	26
Marula	(1)	(48)	1	16
Mimosa	48	20	44	38
IRS	11	12	11	12
Implats Group	32	37	32	37

* Includes inter-segment adjustments.

4. Net finance income

Net finance income declined by R792 million as a result of lower average cash balances and interest rates during this financial year.

5. Income tax expense

The taxation charge fell by R1.0 billion to R2.4 billion, primarily as a result of lower earnings for the year and lower STC. The effective tax rate was 33.6% (2009: 36.1%).

6. Headline earnings

The impact of the above resulted in headline earnings for the financial year decreasing by 22% to 786 cents per share, compared with 1 001 cents per share in the previous year.

Contribution to headline earnings by company

R million	FY2010	%	FY2009	%
Headline earnings				
Impala	3 428	72.7	4 521	75.2
Zimplats	497	10.5	151	2.5
Marula	(104)	(2.2)	25	0.4
Mimosa	185	3.9	14	0.2
Two Rivers	95	2	41	0.7
IRS	599	12.7	1 375	22.9
Afplats	18	0.4	(112)	(1.9)
Headline earnings	4 718	100.0	6 015	100.0
Profit on disposal of assets	4		5	
Loss on disposal of investment	(7)		—	
Profit attributable to owners of the parent	4 715		6 020	

7. Dividend

Despite the decrease in headline earnings by 22%, the total dividend for the year increased by 22% to 390 cents per share.

A final dividend of 270 cents per share was declared on 26 August 2010, amounting to R1.6 billion, payable in September 2010. An interim dividend of 120 cents per share (R718 million) was paid in March 2010. The total distribution to shareholders was 390 cents per share which amounted to R2.3 billion, compared to the prior period of 320 cents per share which amounted to R1.9 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. Group capital expenditure for 2010 totalled R4.6 billion, compared with R6.9 billion in the previous financial year. Of this, R3.4 billion was spent at Impala, primarily on the development of 16, 17 and 20 Shafts. The Zimbabwean operations accounted for

capital expenditure of R0.8 billion, largely due to the phase 1 expansion. The focus on improving the living conditions of employees continued during the year, with capital expenditure of R426 million, inclusive of R129 million for home ownership. Capital investment underpins the development and sustainability of the Group.

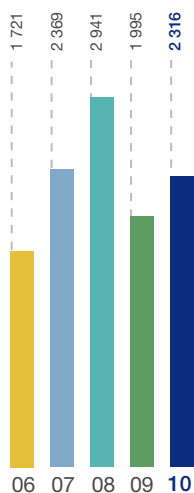
Capital expenditure by entity

R million	FY2010	FY2009
Impala	3 435	4 782
Zimplats	698	1 358
Marula	281	398
Mimosa	127	277
Afplats	13	108
Implats Group	4 554	6 923

The downturn in the world economy resulted in Implats reassessing some of its capital projects in 2010, however, the forecast capital expenditure for 2011 is R7 billion, and is estimated to be R33 billion for the next five years. This will be managed in line with Group profitability and cash flow.

Revenue per platinum ounce sold

(\$/oz)

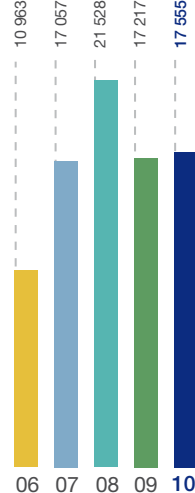


\$2 316/oz

(2009 > \$1 995/oz)

Revenue per platinum ounce sold

(R/oz)

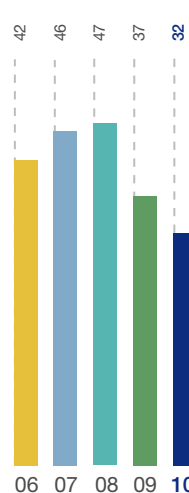


R17 555/oz

(2009 > R17 217/oz)

Gross profit margin

(%)



32%

(2009 > 37%)

Financial review continued

Cash flow statement

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

R million	Notes	2010	2009
Cash generated from operating activities	1	5 918	6 507
Cash flows from investing activities	2	(3 600)	(5 726)
Cash flows from financing activities	3	(1 816)	(7 940)
Net cash generated/(utilised)		502	(7 159)
Opening balance		3 348	10 393
Exchange rate		8	114
Closing balance		3 858	3 348

Cash flow statement commentary

The recent global economic crisis has underlined the importance of maintaining adequate levels of liquidity and a strong balance sheet. The Group will continue to fund cash requirements from cash generated from operations, and will use its adequate banking facilities to cover any shortfalls.

Notwithstanding the slow economic recovery and the Group's continued spend on capital projects, as well as a payment of an interim and a final dividend the Group generated R502 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 facilities at year end were R3.4 billion (2009: R3.4 billion).

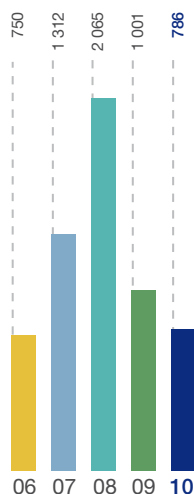
1. Operating activities

Profit before tax was R7.2 billion and taxes of R1.7 billion were paid. An adjustment of R1.6 billion consist of non cash flow items such as depreciation and share-based compensation. Cash utilised from changes in working capital amounted to R1.2 billion. The combination of the above resulted in cash generated from operating activities of R5.9 billion.

2. Investing activities

Net cash used in investing activities was R3.6 billion, mainly due to capital expenditure offset by finance income and repayment of loans by Incwala and Two Rivers.

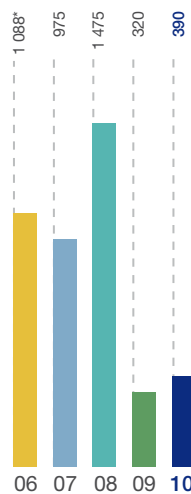
Headline earnings
per share
(cps)



786 cps

(2009 > 1 001 cps)

Dividend
per share
(cps)

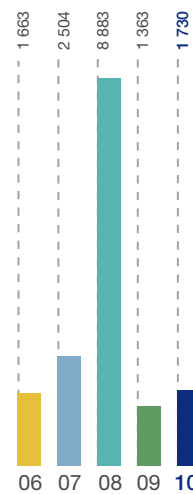


390 cps

(2009 > 320 cps)

*Includes a special dividend of 688 cps

Net cash position at the end
of the year
(Rm)



R1 730 million

(2009 > R1 363 million)

3. Financing activities

Net cash used in financing activities decreased by R6.1 billion compared to the prior year mainly as a result of lower dividend payments to shareholders. The dividend paid in 2009 was R7.8 billion, compared to R1.9 billion paid in 2010.

The net result of Implats' operating, investing and financing activities was a net cash inflow of R502 million. When combined with the opening balance of R3.4 billion, resulted in a closing cash and cash equivalent balance of R3.9 billion.

Credit rating

In January 2010, Fitch downgraded Implats' rating from BBB+ to BBB. This reflects Fitch Ratings' expectation that Implats' capex plan of R21 billion over the five years – ending 2014 – is likely to hinder Implats' ability to generate positive free cash flow over this period. Fitch anticipates Implats' financial flexibility would weaken in the medium term and its gross leverage profile will rise above its historical levels as a result of the uncertainty of an immediate and sustainable recovery in the platinum group

metal industry stemming from the slow recovery in the global automotive manufacturing industry. The rating reflects the historically low-cost mining operations of Implats and recognises the likely cost inflation pressure on South African operations, with above-inflation electricity prices in the next three to four years.

Management considers this assessment overly conservative as the positive fundamentals of the PGM market coupled with Implats' strong balance sheet will continue to support the business requirements.

Implats (in contrast with its peers) has been able to pay dividends largely funded by cash generated from the business. These factors should be reflected in fund ratings.

Adding value

In mining, processing, refining and selling the PGMs it produces, Implats generates and creates value for many of its stakeholders as:

- Employees receive salaries/wages, as well as share-based compensation

Value added statement for the year ending 30 June (R million)

	FY2010	FY2009
Revenue	25 446	26 121
Net cost of products and services	(10 681)	(11 745)
Value added by operations	14 765	14 376
Income from investments and interest	416	1 004
Total value added	15 181	15 380
Applied as follows to:		
Employee benefits	6 158	4 426
Labour and other	5 773	5 143
Share-based compensation	385	(717)
The state – direct taxes	1 584	1 733
Royalty recipients	536	442
Providers of capital	2 178	7 946
Financing cost	179	140
Non-controlling interest	79	(16)
Dividends	1 920	7 822
Total value distributed	10 456	14 547
Re-invested in the Group	4 725	833
Depreciation	1 083	979
Reserves retained*	3 642	(146)
	15 181	15 380

*Deferred tax included

Financial review continued

- Shareholders receive dividends and growth on the share price
- Governments receive taxes and royalty payments
- Suppliers and contractors are supported through the procurement of consumables, services and capital goods
- Communities benefit through employment, job creation and socio-economic development
- The basis for sustainability is the need for continuous and substantial re-investment into the Group.

Transforming the South African procurement base

In line with the requirements of the South African mining charter and in the interests of good business, 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. The aim of this policy is to support and

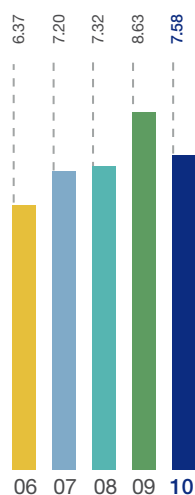
encourage the growth and business development of these suppliers.

Total South African Group procurement for the year was R11 billion (2009: R13 billion). Total discretionary procurement* for the year was R7.9 billion, 72% of total procurement (2009: R9.1 billion).

Of the total discretionary spend, R3.9 billion or 50% was spent with vendors with BEE/HDSA ownership of greater than 25% (2009: R4.1 billion or 45%). This reflects aggressive tendering of commodity contracts, interviews with strategic suppliers and doing business with more HDSA/BEE-compliant suppliers (64 additional suppliers). Key results from interviews conducted included direct transformation of ownership in several companies, and increased awareness of transformation needs as defined in the mining charter, as well as driving local economic participation.

Average annual rand/dollar exchange rate achieved

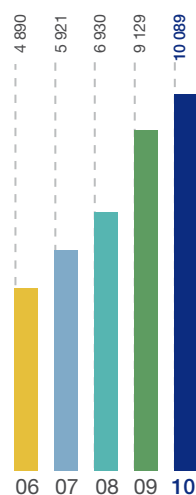
(R/\$)



R7.58/\$
(2009 > R8.63/\$)

Cost per platinum ounce (excluding share-based compensation)

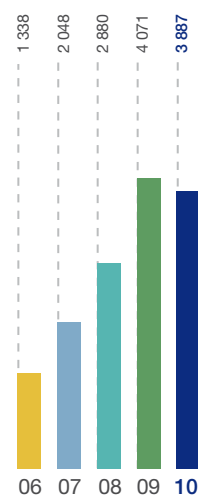
(R/oz)



R10 089/oz
(2009 > R9 129/oz)

HDSA/BEE procurement spend > 25% (South Africa)

(Rm)



R3 887 million
(2009 > R4 071 million)

HDSA/BEE discretionary procurement (South Africa)

%	Target 2010 ^o	FY2010	FY2009	FY2008
Capital	17	20	22	19
Consumables	9	13	10	9
Services	11	17	13	13
Total South Africa	37	50	45	41

* Discretionary procurement is defined as total procurement less procurement from public-sector vendors (rates and taxes), utility service providers (electricity), academic institutions, pass-through payments (medical aid contributions, legal fees) and sponsorship vendors.

Preferred procurement is from companies with HDSA/BEE ownership exceeding 25%.

^o FY2010 target as set in SLP.

The Group promotes procurement from vendors within the province of operations (defined as local). Total local procurement in 2010 was maintained at R5 billion or 48% of total procurement.

The number of preferred vendors with which Implats conducted business in 2010 rose by 9% to 797 (2009: 733). These increases contributed to the improvement in total BEE/HDSA spend during the year.

Local provincial procurement as a percentage of total procurement (all suppliers)

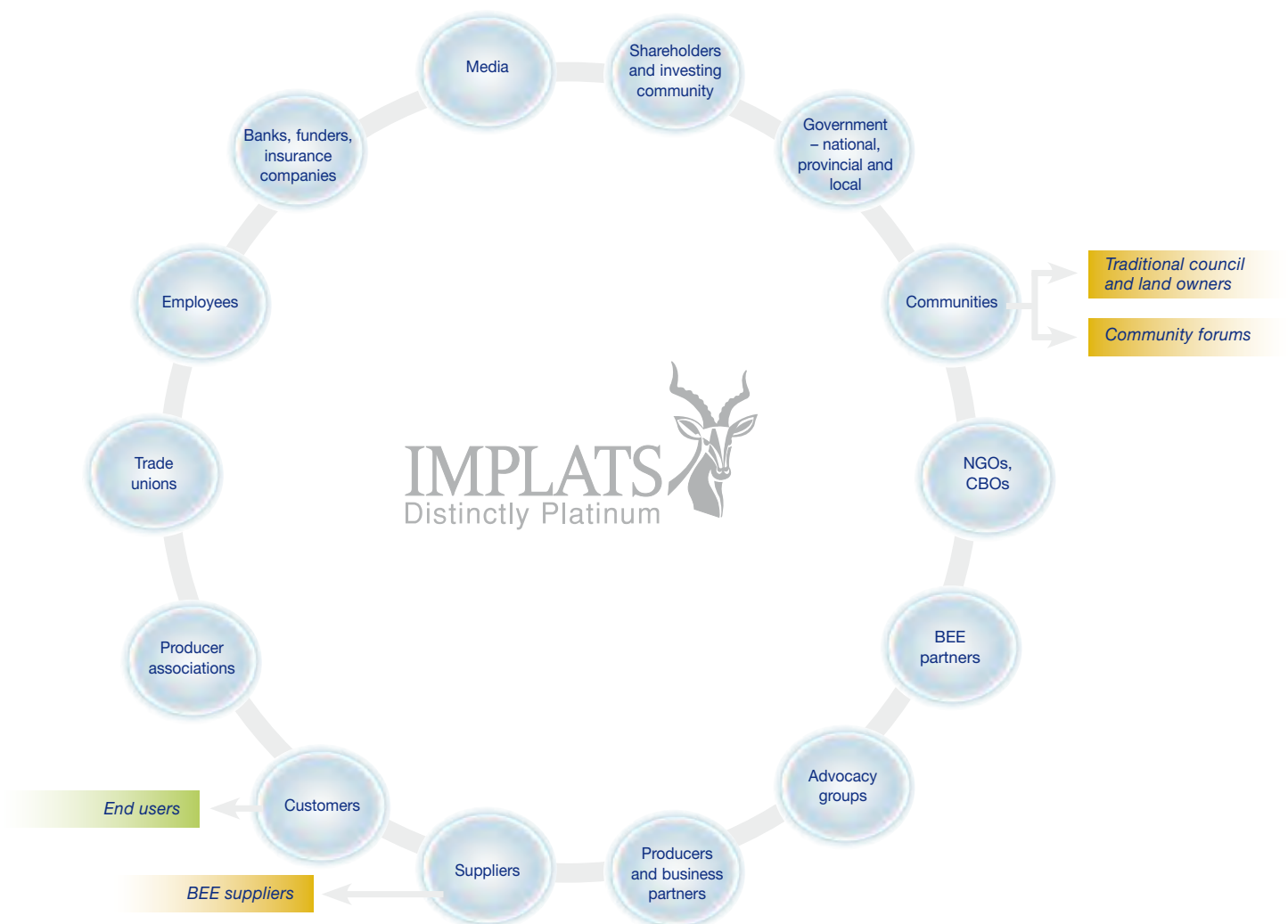
%	FY2010	FY2009	FY2008
Impala Rustenburg	48	42	42
Impala Springs	74	82	66
Marula	16	16	8
Total South Africa	48	43	42

No target was set for FY2010.

Engaging with stakeholders

Implats has a broad range of stakeholders who have material interests in the business.

These stakeholders have been identified through structured and unstructured processes as well as ad hoc day-to-day interactions at different levels of the organisation.



Implats engages with both internal and external stakeholders, through various designated structures in the organisation tabled below. Internal stakeholders include employees, unions and business partners. External stakeholders span government, the media, financial institutions, suppliers, advocacy groups and others. External stakeholders are primarily engaged through the Group stakeholder engagement and investor relations departments. The frequency and nature of these engagements is determined by the issues raised.

Strategically, Implats focuses on proactively creating, building and maintaining effective relationships with all affected and interested stakeholders.

Due to the nature of our business and the impact we have on our immediate surroundings, communities are considered as important stakeholders. We recognise the symbiotic relationship between the business and the community. Any social issues present in the community have a direct impact on the business, while the way in which we operate and the performance of our business directly influence the livelihoods of these communities.

The types of engagement and material developments in South Africa during the year are summarised below.

Stakeholder engagement in South Africa

Stakeholder	Type of engagements	Material issues raised	Action taken
Shareholders and investing community	Annual and quarterly reports, interim results, website, fact sheets, roadshows, presentations and one-on-one conferences	Market performance Metal prices Safety performance	Responses are provided during the engagement process by providing relevant answers and data where available
Banks, funders, insurance companies	Equity, debt and insurance engagements	No material issues raised	
Media	Electronic, print, radio and television	Safety performance Operations efficiency	Dealt with through Investors Relations and media releases
Government – national, provincial, local	Close liaison with and reporting to national, provincial, district and local government	Feedback on SLP performance Safety performance	Formal presentations have been given during the visits and meetings
Non-governmental organisations (NGOs), community-based organisations (CBOs), and concerned groups, Chamber of Mines, North West Air Pollution Control Forum, Benchmarks Foundation (organises stakeholder meetings and symposiums)	Public open days on mines, environmental hotline, community liaison offices, publications	Issues relating to the impact of mining on the environment, health and implementation of socio-economic projects	Issues addressed through stakeholder engagement forums Monthly, quarterly meetings held as scheduled

Engaging with stakeholders continued

Stakeholder	Type of engagements	Material issues raised	Action taken
Traditional council leadership and land owners	Community stakeholder forums, meetings with traditional council leadership on request, one-on-one meetings	Employing local community members, capacitating locals with mining skills, procurement opportunities, land ownership	Statistical updates on these issues provided monthly or quarterly through stakeholder forum and to traditional council leadership as required. Use recognised forums to elaborate on appropriate processes
Community forums Marula Community Development Agency, business support unit/ Future Forum Impala Joint Community Forum	Formal stakeholder forums These forums meet monthly or quarterly	Local employment, preferential procurement, safety, health and environment, skills development and local economic development Legitimacy of community representation	Feedback provided monthly or quarterly in stakeholder engagement forums Community education on legitimate engagement structures. Monthly meetings held to resolve community issues
BEE partners – Royal Bafokeng Holdings (RBH), Tubatse Platinum, Marula Community Trust, Bakwena Ba Mogopa and Mmakau Mining	Board meetings, community trusts, Transformation Committee, local and steering committees	Lease area agreements Joint prospecting Socio-economic development initiatives Governance/Strategy	These are discussed at Board level and necessary action taken
Advocacy groups – Chamber of Mines, SAWIMA NBI, SAMDA	Meetings and workshops	Review of mining charter and understanding of targets	Provided input to mining charter review
Suppliers	Suppliers' forums, equipment forums, presentations and workshops	Confusion caused by difference between broad-based (BBBEE) transformation requirements and narrow-based requirements of mining charter. Implats is subject to BEE requirements as per mining charter	Interviews with critical (strategic) suppliers on transformation requirements, followed by letter explaining requirements when requested

Stakeholder	Type of engagements	Material issues raised	Action taken
BEE suppliers – Small, medium and micro enterprises (SMMEs) and co-operatives	Mentorship and business training	Procurement opportunities	Business support unit is in place to mentor and provide assistance in order to advance enterprise development
Customers – Representative office in Tokyo	Relationships maintained with key long-term customers through personal visits, quality control, and regular meetings	Customer complaints on product	Reviewed and resolved through the quality management system All rectified and necessary feedback provided
Producer associations – Steelpoort Valley Producers' Forum, Western Limb Producers' Forum; Chamber of Mines in South Africa	Responses to national issues relating to legislative and policy interactions	Electricity supply Water quality and quantity Transport and road infrastructure	Industry collaboration on managing risks
End-users	Beneficiation programme	No material issues raised	
Employees	Social economic development committee, health, safety and environment steering committee and other mine-based committees, <i>One team, one vision, with pride</i> programme, Group in-house publications, reports, presentations and roadshows, relevant mine-based committees and publications, intranet	Wage dispute resulting in strike action Job security	Realigned our employee engagement structures and building capacity/thrust to effectively resolve disputes Introducing cost containment and performance measures to mitigate against job security risks
Trade unions – NUM, UASA	Socio-economic development programme, collective bargaining, operational forums	Wage dispute – housing and transport allowance Safety performance	Constituted a joint task team and will be putting forward proposals during next wage negotiations in 2011 Ongoing communication, particularly on safety, health and transformation

Engaging with stakeholders continued

Stakeholder engagement – Zimbabwean operations

In Zimbabwe, management has established its own community stakeholder structures.

Stakeholder	Type of engagement	Material issues raised	Action taken
Shareholders and investing community	Annual and interim results, quarterly reports, website, presentations, site visits	Indigenisation regulations and their impact on Zimplats	Shareholders, analysts and interested parties advised of ongoing lobbying with government
Media	Electronic, print, radio, television, site tours	Impact of indigenisation on the Company and its growth plans	Press release issued to clarify that growth plans were going ahead
Government – national, provincial, local	Close liaison and regular meetings with national, provincial, district and local government	Indigenisation proposals Environmental authorisations and permits	Proposals aimed at a mutually agreeable position submitted and discussed
Local and traditional leadership	Community stakeholder forums, meetings with traditional leadership on request	Community development, employment of locals	Adoption of relevant development requests Statistical updates on local employment numbers
Advocacy groups Chamber of Mines	Meetings	Indigenisation regulations	Lobbying for a sector approach that considers the uniqueness of mining investment
Suppliers	Close liaison and regular meetings	Greater support of local suppliers	Close liaison and meetings with various bodies representing local suppliers, resulting in inclusion of over 300 new local suppliers on Zimplats list
Employees	Set works council meetings and ad hoc industrial relations meetings	Payment for services provided to housing at Ngezi Mine Housing for certain employees at Ngezi Mine and at Selous Metallurgical Complex Requests for wage increases	Meetings held to provide answers to queries Core housing scheme being installed for Ngezi. Planning same for SMC Interim increase awarded
Trade unions	Meetings at National Employment Council (NEC) and other informal engagement	Union membership drive, indigenisation act and regulations	Close liaison and informal discussion through meetings at NEC

Relations with shareholders and investment community

Investors, fund managers, analysts, the media and the market are kept fully, timeously and openly informed of material developments. Implats communicates regularly with shareholders and other stakeholders on its financial and operational performance. Communication with interested institutional and private investors considers statutory and regulatory requirements on disseminating price-sensitive information by the Company and its officers.

It is Company policy to pay dividends twice a year, at the end of the interim financial period (when approximately one-third of the dividend is paid) and at the end of the financial year (when the remaining two-thirds is paid). While dividends are not guaranteed, they have been paid consistently. The dividend policy remains unchanged.

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

Results announcements, both interim and annual, take the form of live presentations, with simultaneous webcasts. All presentations and webcasts are available on the website. In addition, copies of all presentations made by executive management to the investment community are posted on the website.

Community stakeholder engagement – South African operations

During the review period, the stakeholder engagement department and its established engagement forums on all the Group's South African operations were recognised by communities as authentic communication vehicles between themselves and Implats.

In addition to established engagement forums in the South African operations, Implats engages with interested and affected parties during prospecting and opencast mining activities for the duration of these projects. Dedicated ad hoc engagement forums are established for these purposes. Implats also engages with stakeholders in labour-sending areas, specifically OR Tambo District Municipality in the Eastern Cape and Greater Taung Municipality in the North West.

Objective FY2011

In the coming year, the South African operations will focus on:

- Reviewing and maintaining relevant systems and a framework of engagements
- Managing and resolving identified risks
- Enhancing and maintaining effective and authentic stakeholder forums
- Ensuring transparent processes
- Building and maintaining a favourable reputation for Implats among stakeholders
- Measuring stakeholder engagement performance through agreed processes

In the coming year, Zimplats will focus on:

- Reviewing and maintaining relevant systems and a framework of engagements
- Managing and identifying risks identified through the stakeholder perception survey
- Reviewing and enhancing effective, authentic stakeholder forums
- Ensuring transparent processes
- Building and nurturing a favourable reputation for Zimplats among stakeholders



For information relating to the structure of engagement forums, please go to www.implats.co.za



For information on stakeholder material issues, please go to www.implats.co.za

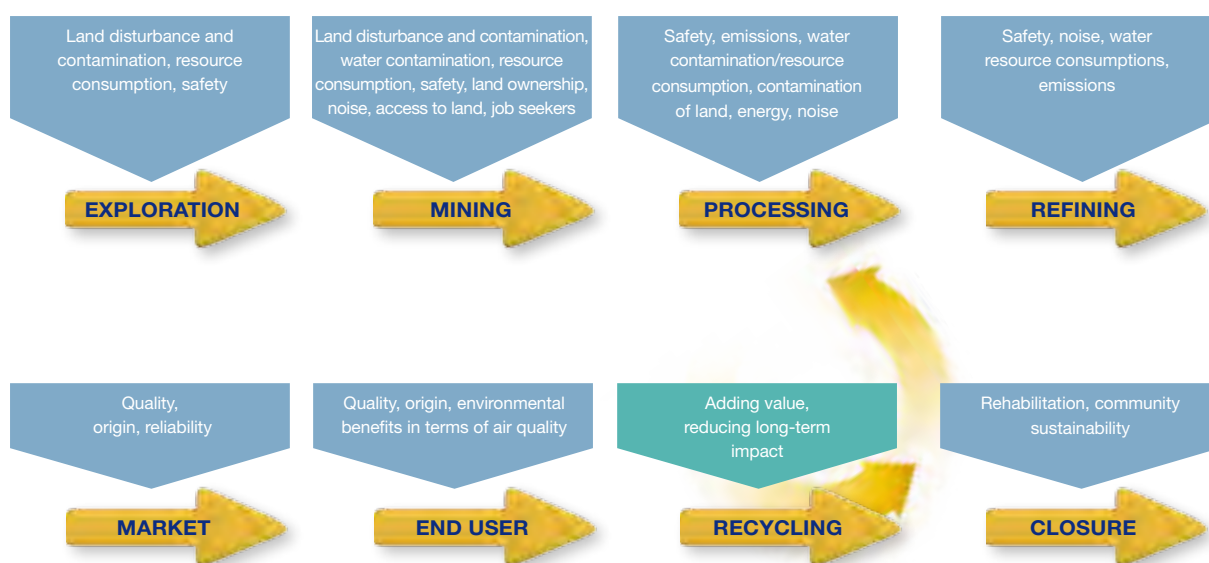
Management approach

Understanding our business and sustainability footprint

Implats is the second-largest producer of platinum in the world with the potential to impact the global PGM market. In the past two years, and amid a changing legislative and

global operating environment, Implats has concentrated on deepening its understanding of the Group's sustainability footprint. There is now heightened awareness that all aspects of sustainability – financial and non-financial – impact on our stakeholders and, therefore, on our business.

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.

We understand that our view of our business process must be integrated across the life cycle of operations, from exploration, mining and mineral processing to refining, marketing and recycling. We also understand that while we do not control our products through their full life cycles, we are responsible for ensuring safe delivery and recycling as much as possible. We acknowledge that our business has a direct impact:

- Environmentally – pollution of water, air, land and noise as well impact on availability of resources
- Socially – the social impact and consequences of the migrant labour systems; inherent dangers of mining that have a direct impact on the safety of employees and the community

- Economically – loss of land for community farming, animal grazing and generation of income

Despite these impacts, through mining we contribute positively to society by:

- Providing employment and drawing human resources from surrounding communities
- Creating sustainable communities through our upliftment programmes such as enterprise and skills development, and implementing community projects
- Developing infrastructure in our communities such as roads and electrification
- Working jointly with stakeholders to provide required government capacity to deliver on its mandate

All these initiatives are built on our principles of sustainability beyond a mining excavation.

While we acknowledge the impact our business processes may have on the environment, we continue to look for positive contributions from our metals in enhancing sustainable development. Each year, through the risk process, we identify market risks related to our products and seek potential opportunities for growth. Over the review period, the following potential market risks have been identified:

- The impact of constrained resource availability particularly in the South African context – given that 75% of the world's PGM supply emanates from this region – concerns major consumers of these metals and exacerbates the risk of substitution as does the move into recycled metals which represents a growing threat to mine supply.
- In line with this, the development of an alternative to PGMs in autocatalysts has been a threat for the last 30 years and will remain so in the future, hence having a possible negative impact on sustainability.
- High metal prices catalyse the search for alternatives to PGMs and we remain fully cognisant of the need for balance in the supply/demand equation.
- With more than half of PGM production consumed by the automotive industry, this is, by association, a major long-term risk to industry sustainability. The development of full electric propulsion systems poses a risk to industry longevity as this technology uses minimal amounts of PGMs. This is supported by projections of steadily diminishing oil reserves, the slow pace of capital investment to create additional capacity for oil production and increasing demand from the emerging market component, ultimately resulting in short supply for both energy and propulsion.

Despite these risks, longer-term industry fundamentals are superb in light of developments below:

- The move towards alternative propulsion sources depends heavily on hybrid technology over the next decade – hybrids could account for 30% of all vehicle sales over this period. Importantly, hybrid vehicles consume an equivalent amount of PGMs per vehicle compared with current engine technology.

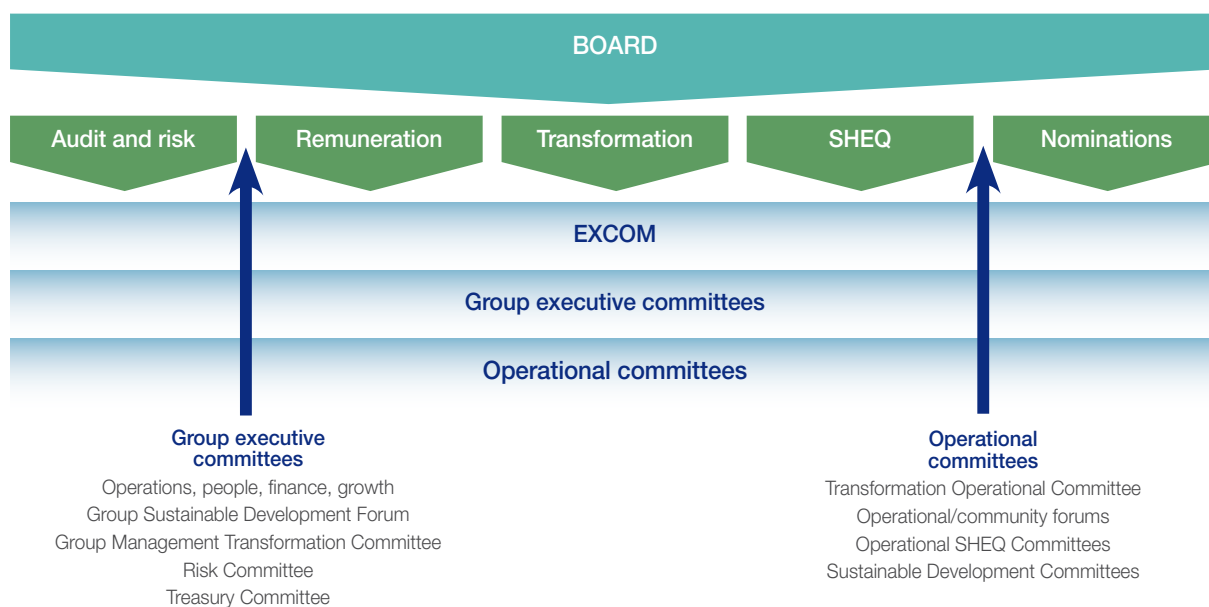
- The move towards gasoline frugality is trending towards smaller-engined vehicles with similar performance characteristics of current larger engines. These technological innovations require similar and often higher PGM loadings to achieve the requisite emission standards.
- Tightening emission standards across the world are expected to underpin long-term escalation in PGM demand, ably supported by a steadily increasing global vehicle fleet.
- Although electrical cars pose a potential threat to PGM demand, the rapid development of the technology is constrained by several limiting factors ranging from the safety of their battery technology, costs of the vehicles, availability of raw materials, impact on the energy grid, practical size of the battery, associated driving range and limitations in logistical roll-out of charging stations. We expect full electric vehicles to account for less than 5% of vehicle sales over the 20-year horizon.
- Historical and ongoing development work by the Platinum Guild International (PGI) in developing platinum jewellery demand has created a strong and growing jewellery sector, expected to sustain the industry over the longer term.
- Anticipated growth in emerging economies (notably China, India and the next 11 nations) up to 2050 ensures that demand for PGMs from the automotive, jewellery and industrial sectors should remain robust.
- Constraints on the long-term evolution of both petroleum and electric propulsion sources are expected to create a niche for other alternatives to vehicle propulsion. We therefore expect technologies like fuel cells to become increasingly prominent as feasible alternatives to petroleum-powered vehicles in future.

Against this background, Implats continues to partner with other PGM producers and industry bodies in identifying potential areas for beneficiation in the application of PGMs.

As an integral part of our business plan, and with concomitant benefits for our long-term growth, we are implementing a holistic strategy to address the obligations and opportunities inherent in our sustainability footprint.

Management approach continued

Accountability



Our management approach is based on accountability, beginning at operational level and culminating at Board level. Operational committees are tasked with implementing strategic imperatives to meet set objectives, while executive committees monitor progress against these imperatives as well as compliance. They are the primary facilitators in ensuring the sustainability of the business in its quest to achieve its goals. Sustainability objectives are included in the key performance indicators of senior management, against which performance is measured and remunerated.

The roles and responsibilities of Board committees are discussed under governance, pages 136 to 138.

The Sustainable Development Committee is charged with overseeing the overall performance of the Group's key non-financial indicators and supporting Board committees, such as the SHEQ, Transformation and Audit and Risk Committees. The Committee oversees performance against compliance indicators while continuing to ensure the implementation of strategic performance objectives.

Through the Executive Committee, performance is reviewed in line with the strategies employed. This Committee also advises the Board committees which, in turn, provide oversight and give input to the review of strategic imperatives to ensure relevance in the pursuit of organisational objectives.

Managing sustainability does not take place in isolation, but is influenced by and considers the primary stakeholders in our business, such as unions, which are represented in the management structures of operational committees and have set agreements in place. Equally, Implats actively participates in external initiatives related to its industry, for example the Group served on the government task team reviewing the mining charter in 2009 and contributed to policy development. Through other stakeholder groups, Implats has been involved in the sustainable development committee of the mining, minerals and development board of the DMR in providing input to the department's strategic focus on sustainability issues.

An integral part of managing business sustainability is to have a clear understanding of non-financial performance indicators that have a direct impact on the bottom line. For Implats, as with the broader industry, the business case for sustainability has been largely directed by compliance with legislation and mining industry requirements. While acknowledging that mining industry requirements vary by sector, we are steadily crystallising the material sustainability issues for Implats. This requires a long-term view of fundamentals, based on sound business principles, as opposed to short-term remedies.

Identifying material issues has been aligned with the risk management discipline and is an ongoing process which will culminate in better understanding of these issues.

Our risk assessment process follows five key steps: understanding the context, identifying the risk, analysing the risk, evaluating its impact and implementing mitigation plans. Through the risk department, each discipline undergoes a detailed risk analysis which is reviewed annually. This is discussed more fully on page 42 which sets out our strategic risk issues.

Out of this risk process, sustainability issues are identified per discipline and aggregated into overall Group risk. This process is a journey which should be completed in the coming year for Implats to better understand issues of materiality. At present these material issues have been identified as:

- **Safety** – inherent in sustaining our business is to ensure safe business practices that will translate into zero harm to our employees
- **Health** – understanding the impact of HIV on productivity and its correlation to the prevalence of TB
- **Climate change** – its impact on the availability of critical resources such as water and the role we play through our operations in green house gas emission control and improving efficiencies by managing our energy consumption

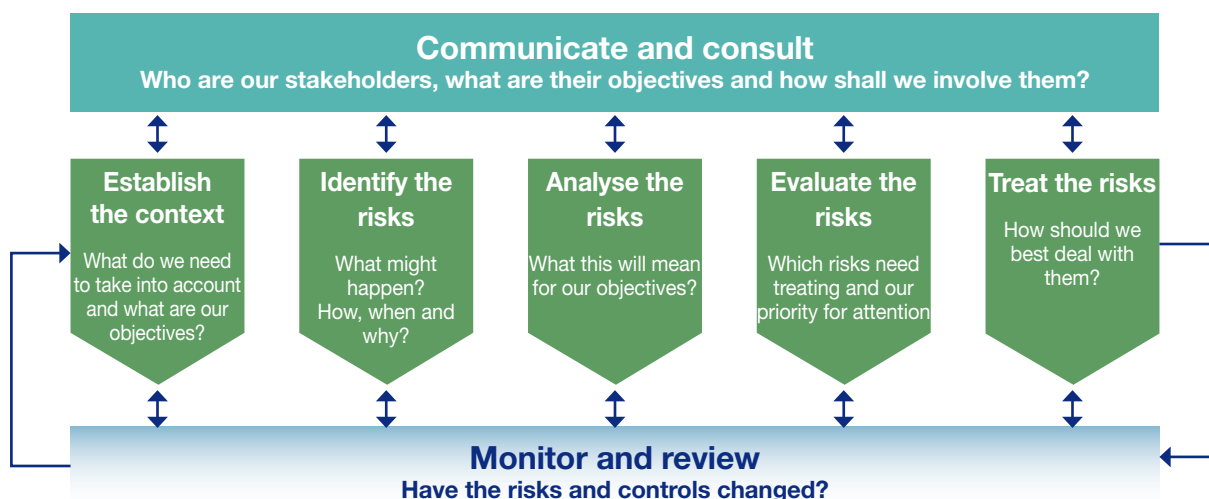
- **Skills** – ensuring the retention of scarce skills pertinent to meeting our growth objectives

These issues of materiality are encapsulated in our strategic performance areas (page 43), which are not seen in isolation but form an integral part in understanding the business imperatives that drive the bottom line. We believe that unless we manage these material issues within the context of our strategic performance areas, we will fail to meet our strategic objectives. Each aspect is dealt with in the respective section of this integrated report.

Strategic risk

At Implats, our approach to risk is based on contextualising, identifying and managing risk within a broader understanding of our objectives and by following a standard process of

objective-based risk assessment to identify and evaluate risks across the Group.



SOURCE BASED ON: ISO 31000: 2009, *RISK MANAGEMENT – PRINCIPLES AND GUIDELINES*, GENEVA: INTERNATIONAL STANDARDS ORGANISATION, 2009

- 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)

Ongoing review ensures the risk plan remains relevant. Factors that may affect consequences and the likelihood of an outcome, and the factors that affect the suitability or cost of treatment options may change. Implats therefore repeats the risk management cycle regularly. All information is captured into a group risk repository system, feeding into the Group risk profile. Risk reports are presented to the appropriate bodies and escalated as required,

culminating with the Board Audit and Risk Committee and the Board.

The Board has ultimate responsibility for establishing a framework for internal controls, including appropriate risk management and good corporate governance frameworks and systems.

Implats has established key controls that focus on critical risk areas identified by line management, facilitated by risk management, assessed and evaluated by the internal audit function. Every critical risk and control, as well as any associated tasks, have a designated line management 'owner'. The controls are designed to provide a cost-effective assurance that Implats' assets are safeguarded and that liabilities and working capital are efficiently managed. Established organisational policies, procedures, standards, guidelines, structures and delegation frameworks provide appropriate levels of direction, accountability and segregation of responsibility, which facilitate self-checking and monitoring mechanisms. Internal audit, in partnership with senior management, monitors these controls and risk management processes (page 139).

Strategic risks FY2010

The strategic risk issues currently facing the Group and which inform Implats' business planning, risk management and resource allocation priorities are noted below:

	Risk area	Objective
•	Safety, health and environment	Continual improvement in safety, health and environmental performance
•	Production	Maintaining reliable and effective production processes and delivering product on time and to specification
•	Project delivery	Maintaining effective project management processes and improving skills to ensure successful project implementation and delivery
•	Minerals resource management	Continually identify, delineate, measure and optimise our mineral resources and reserves
•	Unit costs	Sustaining unit production costs in the lowest quartile of the industry
•	Supply and demand	Understanding future demand for our products, and the corresponding industry supply-side profile
•	Rand/dollar exchange rate	Closely monitoring the effect of the rand/dollar exchange rate as a source of significant volatility for our business
•	Effective people	Attracting, developing, retaining and motivating the requisite management, operational, technical and business skills and pool of talent Achieving organisational diversity and improved employee engagement and participation in all business activities
•	Growth	Retaining a focused and sustainable growth portfolio of assets to ensure Implats remains in the top quartile of performers in its areas of core competence
•	Cash preservation	Focus on cash management as a key to preserving the financial value of the business Scanning the environment for technological advances that may affect demand for Implats' products (substitution), and instituting appropriate responses where possible
•	Country risk	Zimbabwe Managing the uncertainties that affect the Zimbabwe operations Social Addressing relevant issues on sustainability, corporate responsibility, and being recognised as a good corporate citizen in the countries and communities where we operate; maintaining sound and mutually beneficial relationships with these and the general public Retaining permission to operate, and full legal and regulatory compliance in a continually changing environment
•	Infrastructure	Continually monitoring the condition and future availability of infrastructure (power, water, roads) in both South Africa and Zimbabwe

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

Board of directors

As at 30 June 2010

Independent non-executive directors

Khotso Mokhele (54)

Chairman

BSc (Agriculture), MSc (Food Science), PhD (Microbiology)
Chairman 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.

Michael McMahon* (63)

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 (67)

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.

*British.

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.

Non-executive director

Thabo Mokgatlha (35)

CA(SA)

Financial director of Royal Bafokeng Holdings (Pty) Limited. Joined the Board in 2003 as nominee of the Royal Bafokeng Nation.

Alternate director

Niall Carroll (45)

CA(SA), CFA

CEO of Royal Bafokeng Holdings (Pty) Limited. Joined the Board in 2009 as alternate director to Thabo Mokgatlha.



Left to right
Khotso Mokhele
Michael McMahon
Vivienne Mennell



Left to right
Thandi Orleyn
Thabo Mokgatlha

Executive directors

David Brown (48)

Chief executive officer

BCom, CTA, CA(SA)

Joined the Group in 1999 as financial director and appointed chief executive officer in 2006. Independent non-executive director of Simmer and Jack Mines Limited.

Paul Dunne (47)

Executive director: Operations

BSc (Hons), MBA

Joined the Board in 2010 as operations director.

Dawn Earp (48)

Executive director: Finance

BCom, BAcc, CA(SA)

Joined the Board in 2007 as executive director: finance. Independent non-executive director of Rand Refinery Limited.

Les Paton (58)

Executive director

BSc (Hons) (Geology), BCom, PrSciNat FGSSA

Joined the Group as geologist in 1975 and appointed to the Board in 2003. Independent non-executive director of Metorex Limited.

*Left to right
David Brown
Paul Dunne*



*Left to right
Dawn Earp
Les Paton*



Safety and health review

Highlights	Disappointments
<ul style="list-style-type: none"> No fatalities at Marula, Zimplats, Mimosa and Impala Springs 365 days without a lost-time injury at 5 Shaft and Impala Springs 1 Shaft and Zimplats achieves three million fatality-free shifts; 11 Shaft, 6 Shaft and Mimosa achieved two million each; and 12 Shaft – one million Significant increase in occupational health screenings Cure rate of over 80% for pulmonary TB maintained at Impala Rustenburg 	<ul style="list-style-type: none"> 14 Shaft disaster in July 2009 when nine employees lost their lives Six other fatal incidents during the year Significant deterioration of lost-time injury frequency rate for Impala Rustenburg and Marula FIFR deteriorated by 50% from the previous financial year

Management approach

A safety-conscious workforce that adheres to the Company's rigorous safety standards and embraces the concept of zero tolerance to non-compliance is a key objective for Implats. The ongoing challenge the Group faces is changing the safety behaviour of everyone to one where safety and health is our first priority.

Safety and health at Implats is a function of line management, applied with the close involvement of employees and unions. A Group safety, health and environment executive guides the broader Group, while specialist safety and health personnel assist and guide the operations. A SHEQ Board committee reviews performance each quarter.

Recognised unions are fully involved in all aspects of managing safety and health – from policy development to detailed implementation. Over 5 700 full time and part time safety representatives are actively working with management in an effort to improve safety.

Each work area has a set of platinum rules. These are the cardinal rules of safety as breaches in these rules can result in serious injuries or fatalities. These rules are enforceable with disciplinary action.

Our vision is zero harm

Our goal is for each shaft and area to achieve zero lost-time injuries by 2012. To reach this significant goal, we have extended our safety and health programmes beyond the workplace to include road safety, and community safety and health. This will ensure that our employees recognise that safety and safe behaviour extends beyond the workplace and becomes a way of life. Several of our operating units have produced world-class safety performances (table page 131).

Performance in FY2010

While individual shafts and plants produced excellent safety performances during the year, overall our Group safety performance deteriorated significantly from the previous year.



For information on platinum rules, please go to www.implats.co.za



A planning meeting underground at 14 Shaft, Rustenburg.

The main reason behind the cause of accidents remains breaches in our safety rules and work procedures. This is being addressed by ensuring that all employees understand the rules and procedures and that they comply to these.

Although our safety performance has improved significantly over the past 10 years, the 14 Shaft accident and the deterioration in safety performance at the beginning of the year was unacceptable. We contracted Du Pont Safety Resources – the safety consulting division of the Du Pont Group – to review our safety systems and culture, and to benchmark these against world-class best practice as determined by Du Pont Safety Excellence framework. The review showed that our safety culture and that of all employees at all levels needs to change significantly in order for us to achieve world-class safety performance.

In addition to the Du Pont review, we commissioned an independent study on the external socio-cultural factors that affect management and employee behaviour in order for us to improve our safety programmes.

This study showed that the legacy and behaviour of South Africans in general toward discipline, alcohol and drug abuse, violence and the disease burden posed by the HIV epidemic could negatively affect safety behaviour at work and needs to be addressed in our safety initiatives programmes.

The major findings of the Du Pont study have been incorporated into our safety strategy and plans, which aim to change the behaviour of management and all employees to one where safety is considered to be the first priority.

Safety and health review continued

Fatal accidents

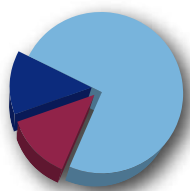
We deeply regret to report that there were 15 fatalities at Implats operations in FY2010, (FY2009: 11 fatalities). Nine of these happened in a single tragic fall of ground at Impala Rustenburg detailed on the next page. Two people died after a methane explosion at Impala Rustenburg, two in other falls of ground incidents, and two in locomotive accidents. The Group's FIFR deteriorated by 50% from the previous financial year.

Falls of ground accounted for 74% of our fatal incidents and to address this we have focused on the following areas:

- All of the bords in the trackless mining sections at Rustenburg have been reduced to six metres from 14 metres
- Special attention has been paid to training our employees in entry examinations and barring procedures
- Falls of ground incidents are investigated by independent teams to increase our understanding of the causes of these incidents in order to prevent recurrences

Causes of fatal incidents – Group FY2010

- Explosion – 13%
- Fall of ground – 74%
- Tramming – 13%



Fatal injury frequency rate

(per million hours worked)	FY2010	FY2009
Impala Rustenburg	0.17	0.11
Impala Springs	0.00	0.00
Marula	0.00	0.13
Mimosa	0.00	0.00
Zimplats	0.00	0.00
Group	0.12	0.08

Injury rates

Lost-time injury frequency rate

(per million man-hours worked)	FY2010	FY2009
Impala Rustenburg	5.35	3.63
Impala Springs	0.0	0.40
Marula	9.39	5.35
Mimosa	0.35	0.52
Zimplats	0.69	0.45
Group	4.61	2.92

The LTIFR deteriorated to 4.6 from 2.9 per million man-hours.

Total injury frequency rate

(per million man-hours worked)	FY2010	FY2009
Impala Rustenburg	15.41	15.16
Impala Springs	20.60	20.01
Marula	41.25	28.88
Mimosa	3.74	5.45
Zimplats	3.61	5.49
Group	15.21	13.95

The TIFR (total injury frequency rate) per million man-hours worked deteriorated by 9% to 15.21 from 13.95.

14 Shaft incident

The fall of ground that claimed nine lives at Impala Rustenburg's 14 Shaft on 20 July 2009 was a tragic start to the financial year. We paid tribute to those colleagues in a formal day of mourning across our operations on 24 July 2009, and a memorial service at the Royal Bafokeng Stadium that borders the Rustenburg operations. This service was attended by the Minister of Mineral Resources, Ms Susan Shabangu, the Honourable Kgosi Leruo Molotlegi of the Royal Bafokeng Nation, the general secretaries of Cosatu and NUM, among others.

In his address, Implats chief executive officer, David Brown, said: "We must remember why safety is so important to us and why we are asking you to focus on safe work procedures. It is not for the awards. Neither is it for the bonuses or positive publicity. We do not strive for a safe working environment to impress each other or the rest of the world. We do it because the loss of human life cannot be measured. We must work safely because of our families and loved ones."

After consulting with stakeholders, a separate memorial service and a cleansing ceremony was held on the shaft in September. The latter has deep cultural significance and proved an appropriate platform to reinforce the need to work together in ensuring the safety of all.

During the year, Implats has worked closely with the DMR and the unions in thoroughly investigating the events of 20 July 2009 to distil the lessons that will prevent such a tragedy from recurring. At the same time, the Group has helped the families through a very difficult time by taking care of issues – from funerals to schooling – in an attempt to reduce the impact that the loss has had on them.

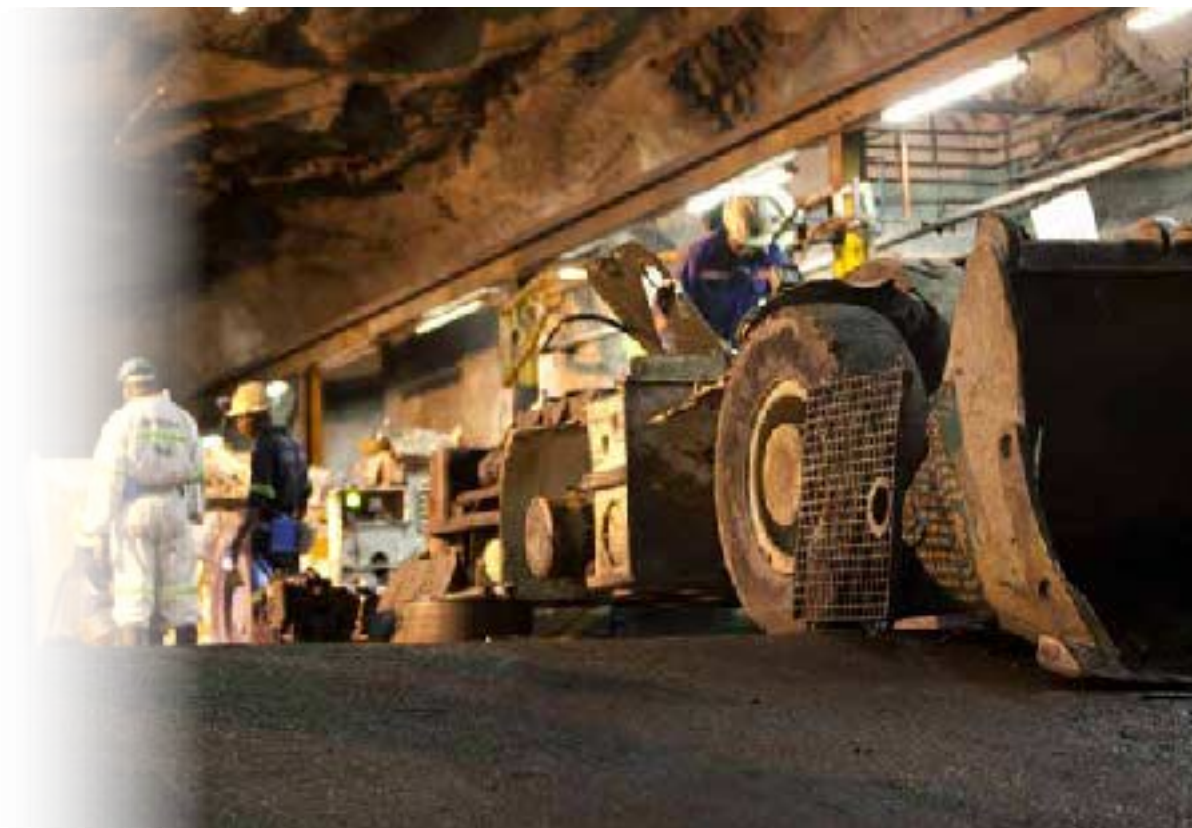
Perhaps the single lesson from this tragedy is that a transparent approach by the Company has generated a spirit of unity and compassion at all levels, and a determination to prevent a repeat of this disaster. Our role as a corporate citizen is to ensure that this lesson is never forgotten.

In memoriam

We again extend our condolences to the families, friends and colleagues of those who died at work in FY2010.

Name	Impala Rustenburg	Date	Home
Mziwonke Matandabuzo	14 Shaft	20 July 2009	Mdwaka Village, Mqanduli, Eastern Cape
Sithembisile Foxo	14 Shaft	20 July 2009	Nenga Village, Mqanduli, Eastern Cape
Tsollana Tshatsha	14 Shaft	20 July 2009	Digetlane Village, Matatiele – Mount Fletcher, Eastern Cape
Albert Machubeni	14 Shaft	20 July 2009	Dinokana, Zeerust, North West
Phindisingaki Mvuleni Mbhamali	14 Shaft	20 July 2009	Lekhuni Village, Lebote, Eastern Cape
Jotata Gitywa	14 Shaft	20 July 2009	Bhanganoma Village, Mqanduli, Eastern Cape
Ofentse Zacharia Mafora	14 Shaft	20 July 2009	Thabaneng, Lerome Village, Rustenburg, North West
Bethuel Karabo Rakoma	14 Shaft	20 July 2009	Khakhathane, Mhaleshoek, Lesotho
Sechache Coronea Ramonyatsi	14 Shaft	20 July 2009	Esunwane Village, Idutywa, Eastern Cape
Bongakale Ben Motshodi	14 Shaft	13 Sep 2009	Madikwe, North West
William Molefe	14 Shaft	17 Sep 2009	Naupoort Village, Delareyville
Malungisa Msulelwa	8 Shaft	21 Sep 2009	Bizana, Eastern Cape
Maxwell Phono Ntenti	E&F	02 Dec 2009	Willowvale, Eastern Cape
Bonginkosi Ngcuka	8 Shaft	21 Dec 2009	Flagstaff, Eastern Cape
Antonio Eugenio Mugabe	9 Shaft	21 June 2010	Maputo, Mozambique

Safety and health review continued



There were no fatalities in the past financial year at the Mimosa mine.

Safety and health compliance

In South Africa, amendments to the Mine Health and Safety Act tabled in FY2009 have far-reaching implications for safety and health management, particularly on the accountability of management for incidents. These amendments place criminal liability on employees who may face prosecution should they be found guilty of causing a serious injury or death of an individual. Additional measures and systems are in place to ensure that Implats is aligned with the new requirements.

As such, all operational mine managers and the executives have undergone training and awareness in terms of their responsibilities and accountability.

During the year, the Department of Mineral Resources (DMR) imposed a number of instructions for the cessation of sections of operations, or entire operations, in terms of section 54a of the Mine Health and Safety Act as a result of safety-related issues and particularly after fatal incidents. This resulted in the loss of 187 days of production at some

sections of Impala Rustenburg and eight days at some sections of Marula. This translates to approximately 25 000 ounces of platinum production lost. Our various operations engage proactively with the DMR on these closures and rapidly address issues raised. In addition, we have increased on-site safety training capacity to comply with departmental requirements.

Emergency preparedness

Emergency teams and mine rescue teams are in place at all mining operations. Team members receive ongoing refresher training, including drills, to manage the range of incidents that can occur in a mining environment. Teams are expanded in line with operational growth.

Due to the expansion of Ngezi operations in Zimbabwe, the mine rescue team was increased to 12 members to ensure that there are always two fully staffed and equipped teams available to respond to emergencies at Ngezi or at any other operation in the country that is a member of the Chamber of Mines Zimbabwe.

In June 2009, the Impala Springs emergency response team underwent intensive training on fire, breathing apparatus, hazardous materials spillage and high-angle rope rescue. As part of the training, different scenarios were created in simulators and treated as real-life situations. These included confined space entry (using self-contained breathing apparatus), stopping leaks, preventing spills of hazardous materials, and fighting industrial fires (before and after dark) on oil containers, gas cylinders and transformers.

Recognition and awards

Safety medal system promotes awareness and understanding

In the prior period, we introduced a system of ranking Company safety performance against winning a medal at

the 2012 Olympics. Our intention was twofold: we wanted to simplify and create an understanding among all employees of standard industry measurements such as LTIFR, as well as create an understanding of the level of commitment required from every employee to achieve world-class safety performances by 2012.

LTIFR targets were linked to medals:

- Bronze medal – LTIFR of less than 3.0
- Silver medal – LTIFR below 2.0
- Gold medal – LTIFR of less than 1.0
- Platinum trophy – LTIFR of zero

In the review period, 5 Shaft and Impala Springs achieved platinum status. Seven gold, five silver and nine bronze medals were awarded to various shafts.

Platinum performers LTIFR = 0 for 12 months	Gold medallist LTIFR <1	Silver medallist LTIFR <2	Bronze medallist LTIFR <3
Springs Refineries 5 Shaft Rustenburg	Springs Refineries Processing division Zimplats operation Mimosa operation 8 Shaft Rustenburg 4 Shaft Rustenburg 5 Shaft Rustenburg	Processing division 8 Shaft Rustenburg 4 Shaft Rustenburg 6 Shaft Rustenburg 5 Shaft Rustenburg	Processing division 8 Shaft Rustenburg 4 Shaft Rustenburg 6 Shaft Rustenburg 5 Shaft Rustenburg 10 Shaft Rustenburg 14 Shaft Rustenburg 2 Shaft Rustenburg E&F Shaft Rustenburg

FY2011 safety objectives

Our safety objectives for 2011 are focused on two key issues:

- To ensure that all of our employees are compliant with our safe work rules and procedures by demonstrating a zero tolerance approach to any breaches in these rules
- To change the culture of all of our employees to one where safety is regarded as a first priority



For case studies relating to safety and health, please go to www.implats.co.za

Safety and health review continued

Occupational health

All Group employees have access to comprehensive occupational health screening and medical treatment through site-based clinics and company/contracted occupational health centres, hospitals and specialists.

Occupational health surveillance

Occupational health surveillance on all employees and contractors is undertaken annually. These examinations are to ensure employees are fit for work in their specific environments and occupations, and that any occupational ill health is detected early and receives immediate attention to minimise the impact.

In cases where occupational illness is detected, these are referred for independent assessment to determine if compensation is due. Other lifestyle diseases – such as hypertension and diabetes – are also screened for and monitored as part of the annual health surveillance examination. In FY2010, over 75 000 occupational screening examinations were conducted across the Group.

Primary occupational health risks

Noise-induced hearing loss (NIHL) and pulmonary tuberculosis (TB) are the primary occupational health risks at Implats' operations. In South Africa, TB is considered an occupational illness when associated with exposure to dust.

Heat stress remains a potential risk in certain occupations; however no cases of heat exhaustion or heat stress were diagnosed during the year.

Another occupational illness, silicosis, is occasionally detected among employees; this is often a consequence of prior employment in the gold mining industry where silicosis is a risk. Four cases were detected among employees at Impala Rustenburg, all of whom had previous gold mining exposure. These patients are treated and referred for compensation assessment.

Tuberculosis

TB remains a significant health risk to employees. The high level of HIV/Aids in South Africa compounds TB as infected

employees' immune systems are compromised, in turn increasing their risk of contracting TB; 74% of newly diagnosed TB patients are HIV positive. In FY2010, 399 new cases of pulmonary TB were detected, compared to 426 new cases in the prior year. Treatment in line with the World Health Organisation's directly observed treatment supervision (DOTS) protocol was initiated in all cases.

At Impala Rustenburg, a cure rate of above 80% has been maintained for pulmonary TB, with the rate of infection dropping to 1% of the workforce (1 090/100 000). Five new cases of multi-drug-resistant TB and one of extreme drug-resistant TB were detected during the year and all these patients are being successfully treated.

New pulmonary TB cases treated at Implats' facilities

Operation	FY2010	FY2009
Impala Rustenburg	352	380
Impala Springs	—	5
Marula	25	12
Mimosa	11	15
Zimplats	11	14
Group	399	426

Noise-induced hearing loss

Hearing conservation programmes are in place at all Implats' operations. A programme to reduce noise levels at source to below 110dBA continued during the year. By year end, 100% of face rockdrills in the underground environment had been silenced.

Customised hearing protection devices are provided to all at-risk employees to further reduce noise levels to below 85dBA. An important part of this programme remains educating employees as individual non-compliance (not wearing hearing protection devices) is a significant contributing factor to hearing loss.

In FY2010, 107 new cases of NIHL were diagnosed and submitted for assessment of compensation (FY2009: 45). Forty-four of these employees had pre-existing hearing loss, but 63 employees have developed hearing loss since

their audiometric baseline in 2005. This is attributed to the long-term and delayed effects of exposure to noise, ageing itself and individual non-compliance.

New cases of NIHL diagnosed at Implats

Operation	FY2010	FY2009
Impala Rustenburg	92	44
Impala Springs	—	—
Marula	14	1
Mimosa	1	—
Zimplats	—	—
Group	107	45

Swine flu

During the year, 20 cases of swine flu (H1N1 virus) were diagnosed in the Group, with one related fatality occurring at Impala Rustenburg. High-risk individuals have been vaccinated against influenza, including swine flu.

Cholera

Following the cholera epidemic in Zimbabwe in early 2009, Zimplats continued its extensive education campaign and, where necessary, provided medication and treated water to employees and their families. Although there were some outbreaks of cholera in the country in FY2010, Zimplats was not affected due to its successful programmes.

Malaria

Implats provides ongoing malaria education, advisory services and prophylaxis for employees who travel to malaria areas. This has considerably reduced the incidence of this disease across the Group. Only 35 cases were diagnosed in FY2010. Unfortunately, one of our employees died of malaria, complicated by other pre-existing medical conditions.



A patient being examined by a doctor at Impala Rustenburg.

Safety and health review continued

HIV/Aids

Highlights	Disappointments
<ul style="list-style-type: none"> ○ Increased uptake of voluntary testing and counselling ○ Increased enrolment on HIV wellness programmes ○ Increased uptake of anti-retroviral treatment (ART) by 76% 	<ul style="list-style-type: none"> ○ High-risk behaviour continues among certain employees ○ Treatment compliance among some patients remains a problem

Management approach

Managing HIV/Aids is a major focus for the Group's health services and line management alike, as the spread of the disease continues at both South African and Zimbabwean operations. It is an important part of a broad healthcare management strategy that includes other chronic life-threatening illnesses. While HIV/Aids is not an occupational illness, managing it falls within the occupational healthcare services of the Company because of the threat it poses to the Group.

Performance in FY2010

The prevalence of HIV among our employees is estimated to be around 23%. HIV testing, counselling and treatment is available free of charge through our Company medical facilities at all operations.

Employees and their dependants are encouraged to undergo regular HIV testing because of the scale of the epidemic in southern Africa. People who test negative are obviously strongly advised to ensure they remain negative and patients who test positive are encouraged to join the Company-provided HIV wellness and ART (Anti Retroviral Treatment) programmes to stay well and delay the progression of HIV.

In FY2010, 6 837 employees undertook an HIV test and many of those who tested positive joined our Company wellness programme. A total of 4 151 employees are taking appropriate treatment through the wellness programme, 1 905 of whom are now on ART.

A vital component of the wellness programme is providing ART to all employees and their dependants through the Group's medical services. In FY2010, 1 041 patients started the ART programme.

The number of employees receiving treatment outside of our facilities through external medical aids or government health facilities is not known.

Individual patient adherence to ART regimes remains a challenge and is being closely monitored and managed. At Impala Rustenburg, HIV-positive peer educators who are successfully taking ART themselves assist the medical professionals in encouraging compliance among individual patients.

In spite of the treatment programmes, 134 patients died in service due to Aids-related illnesses (FY2009: 122). A further 281 patients (FY2009: 116) applied for medical incapacitation benefits and left the Company for HIV-related reasons.

Total participants in VCT (Voluntary Counselling and Testing) at Implats

Operation	FY2010	FY2009
Impala Rustenburg	6 236	5 595
Impala Springs	24	34
Marula	130	119
Mimosa	243	114
Zimplats	204	401
Group	6 837	6 263

** Includes dependants and contractors.*

Wellness programme at Implats

Operation	Number of people on wellness programme at year end	
	FY2010	FY2009
Impala Rustenburg	3 569	2 933
Impala Springs	24	27
Marula	359	329
Mimosa	131	23
Zimplats	68	78
Group	4 151	3 390

ART programme at Implats

Operation	Number of patients on ART at year end		New patients on ART	
	FY2010	FY2009	FY2010	FY2009
Impala Rustenburg*	1 709	872	954	518
Impala Springs	14	10	4	4
Marula	29	19	14	7
Mimosa	90	54	47	37
Zimplats	63	51	22	26
Group*	1 905	1 006	1 041	592

* Impala Rustenburg: FY2009 – 1 122 restated as 872 (excluded dependants and contractors).
Group: FY2009 – 1 256 restated as 1 006.



For information relating to HIV and TB awareness programmes, please go to www.implats.co.za

FY2011 health objectives

Occupational health

- Ensure that any occupational health risks are identified and that controls are in place to mitigate against the risks
- Ensure early diagnosis, treatment and, where necessary, compensation of occupational health diseases
- Ensure the silencing of all underground equipment to below 110dB by 2013. Issuing and complying with the use of hearing protection devices, and investigating and counselling employees with early NIHL remains a priority
- Ensure that all TB cases involving employees and contractors are diagnosed in, or reported early to, our Company medical facilities to ensure treatment

Non-occupational health

- Focus on providing affordable and accessible private healthcare for all our employees and, where employees choose, for their families
- The major non-occupational risk of HIV/Aids will continue to receive considerable medical focus and resources. The focus will remain on increased testing and diagnosis to ensure all known HIV-positive employees are on wellness programmes, including ART treatment
- Ensure that patients fully comply with their treatment and adhere to the programmes to limit treatment failure and the development of viral resistance

Market review

A market poised for growth

The Implats perspective on the performance of the PGM markets during the financial year reflects a market that is bubbling with growth drivers to the extent that we remain very positive about the medium and long term prospects for the industry. The year in review witnessed the emergence of a sustainable increase in platinum jewellery demand and latterly, greater consumption by the ETF (Exchange Traded Funds) segment. In combination, these two demand segments provided the counterpoint to the reduced demand from the fabrication sector and from a sustainability perspective rescued the industry from the crippling short-term decline in automotive demand.

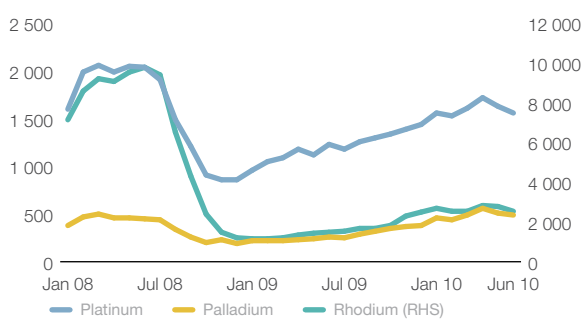
Over the medium term, sans any further macro-economic shocks, we expect reviving industrial activity to underpin fundamental growth in demand levels.

The forecasts of rapidly escalating long term demand growth from emerging markets and the quantum leap in technological innovation required to sustain this growth are expected to unlock new demand segments for PGM's to the extent that long-term supply projections will be stretched to meet these anticipated burgeoning demand projections.

Stability returns after catastrophic 2008

Following a 66% plunge in the price of platinum during the financial and economic crisis of 2008, 2009 proved a year of cautious recovery, despite the woes impacting the automotive industry. Bloated vehicle inventories seen earlier in 2009 resulted in drastic production cuts by automobile manufacturers across the developed world, negatively impacting on physical demand for metals. However, the precipitous decline in prices at the end of 2008 together with historically low interest rates re-ignited interest in the metals from investors with platinum and palladium prices tracking gold on the back of increased levels of risk aversion.

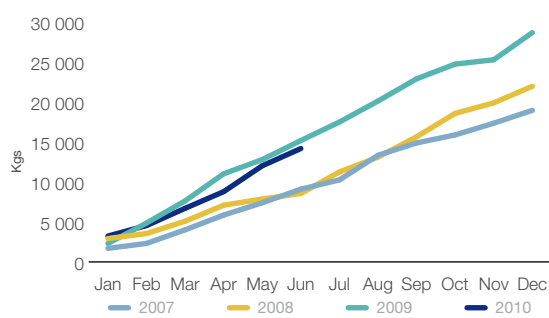
Price graph (\$)



Continuing appetite from European based ETFs was augmented by the spectacular boost to demand from the launch of the US ETF's early in 2010.

The Chinese jewellery market mirrored the performance of the investment sector as low metal prices sparked a surge in interest from manufacturers and consumers, with platinum off-take more than doubling from 2008 and continuing into 2010. While jewellery demand remains highly price elastic, the underlying strength in demand at levels up to \$1 500 per platinum ounce augments the outlook for sustainable levels of demand.

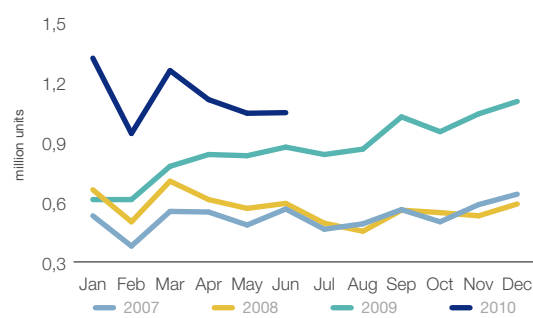
Cumulative monthly volume on Shanghai Gold Exchange



Without this physical off-take, inevitably lower prices would have added significant additional pressure to the South African producers. The resulting demand for physical metal sent platinum prices spiralling to over \$1 600, double its 2008 low.

Automobile manufacturers had to restart production lines as vehicle sales incentives offered across the major world economies resulted in a scramble by consumers to take advantage of the subsidies on offer. This resulted in the previously historically high inventory levels dropping to historical lows (for several manufacturers) with sustained demand for physical metal noted as a consequence. Restocking by producers at low metal prices exacerbated demand for metals and added additional momentum for prices moving into the top echelons of forecast ranges.

Chinese light duty vehicle sales



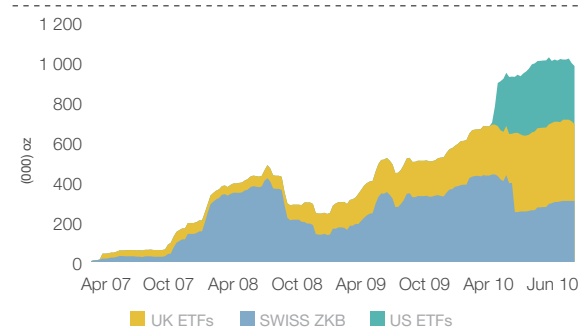
The undoubted story of the year has been the evolution of Chinese automotive demand on the back of incentives offered by the Chinese state into one of the dominant markets globally. While the anticipated gradual withdrawal of incentives will impact on sales going forward, we expect that rising income levels should take up most of the slack.

The growing strength of the auto market was capped by sovereign debt concerns beginning in Greece and spreading to Spain and Portugal raising fears of a double dip recession. The above mix of demand drivers provided a heady brew with platinum prices in the first few months of 2010 experiencing a roller-coaster ride between \$1 490 and \$1 730.

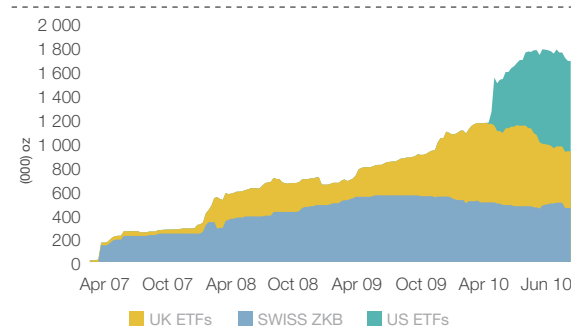
Investor appetite maintained – but lofty levels are a challenge

Although investors continued to add significantly to their long positions in both the paper markets of NYMEX and Tocom, as well as the physically backed ETFs, it was not

Platinum ETF investment

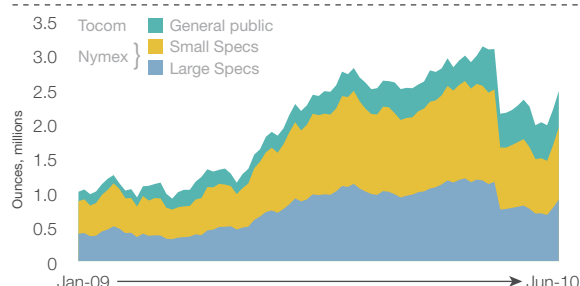


Palladium ETF investment



Market review continued

Platinum exchange investment



all one-way traffic. The travails of the euro in early 2010 resulted in a record sell-off in NYMEX long positions, nearly 400 000 ounces – or one third – in three days. While we are encouraged by the relative resilience of these investors in this uncertain market, a return to risk could see further liquidation. Notwithstanding this massive sell off, investment levels reached all time highs during 2010.

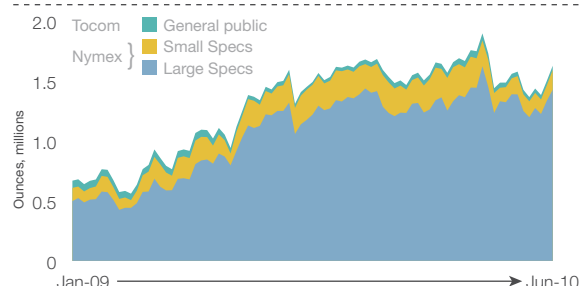
Palladium fortunes were also unpredictable, with growing Asian vehicle sales providing a solid underpin to demand, but the woes of Europe providing a bearish undertone leaving a spread of \$170 for the early part of 2010.

Rhodium's price was buoyed throughout 2009 on the cessation of auto destocking seen at the end of 2008, with the price more than doubling from a 2008 low of \$1 000 to reach levels above \$2 900 during 2010.

South African production stabilises

While SA supply increased marginally in 2009, a combination of safety issues and industrial action – particularly at our own operations – curtailed what should have been a better year. However, significant reductions in the amount of recycled metal from both automotive and jewellery sources, combined with lower output from North America, is expected to leave the market with a deficit of some 170 000 ounces for 2010.

Palladium exchange investment



Outlook

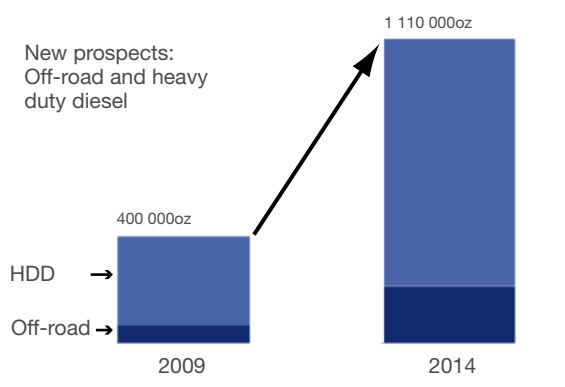
The outlook continues to be dominated by macro-economic drivers. The USA, post inventory rotation has uncovered a more modest level of final consumer demand, with underemployed America seemingly not anxious to restore its 'consumer of last resort' status and choosing rather to direct surplus cash towards deleveraging. The sovereign debt crisis in Europe has highlighted the previously 'papered' over structural cracks in the initial formation of the EU. The requirement for fiscal retrenchment within the region is expected to curb rapid consumption growth over the medium term. China and increasingly the other emerging nations continue to provide the underlying prop to the global economy during these times of economic crisis. The conservative management of the Chinese economy by the government bodes well for the sustainability of the GDP growth levels to the extent that the eastern bloc should sustain the global economy until the western powerhouses have recovered from their various incarnations of the credit crisis.

Platinum

Over the five-year horizon, we expect the market to progressively move into a very robust position with resurfacing industrial demand in tandem with gradual economic recovery in the developed world adding further gloss onto the existing fundamentals. Supply growth will continue to be catered for by the majors given the chronic underinvestment within the junior mining sector over the past two years. The anticipated escalation in recycling is expected to provide a barrier against significant supply deficits over the interim period.

On the demand side, over and above increasing off-take fuelled by a recovery in global markets, there are several exciting developments in the auto catalyst sector. Over the next five years, tight emission standards for on- and off-road heavy-duty engines both in the developed and emerging economies will boost platinum demand. We expect that Euro 5 could be adopted in China by 2012, which within the context of continued GDP growth in the region will support these applications towards an increasingly important segment of global platinum demand.

Heavy-duty diesel – Pt consumption



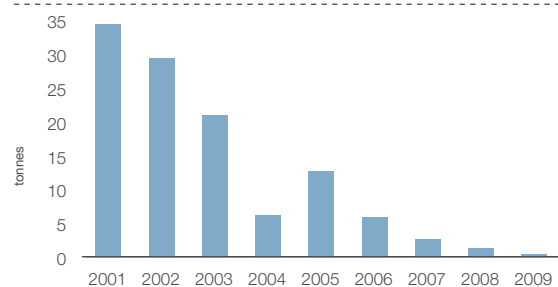
A return to global GDP growth will support increasing industrial/fabrication demand within the glass, petroleum and other sectors off the lows seen over the past two years. Sustaining levels of jewellery demand and investor interest complete the all-round picture of health within the platinum segment.

Palladium

The level of Russian stocks continues to be the prime determinant of supply/demand balances. With the Russian state having to maintain a minimum strategic reserve, we would be surprised by additional large shipments of metal out of what we surmise as a minimal current stockpile. While investor appetite for palladium has been a standout factor over the past year, we expect this to moderate into 2011. The automobile sales growth in China favours palladium consumption and physical demand will continue to be robust out of this region. Greater use of palladium in new catalyst technology (including diesel catalysts) coupled with

tighter emission standards in all markets create a very fertile base for growth in palladium demand.

Swiss palladium imports from Russia



Rhodium

With rhodium inextricably linked to the automotive industry as the pre-dominant consumer, tightening emission standards provide the fundamental underpin driving the demand curve back up to the one million ounce level over the medium-term horizon. The Euro 6 implementation in Europe requiring rhodium bearing NOx adsorbers adds significantly to the demand baseload. Euro 4 is currently being implemented in China and potential upside for rhodium demand will depend on the speed at which the next standard is adopted across this and other emerging economies.

Long-term outlook

The long-term outlook is dominated by the expected commodity requirements stemming from projected economic growth in China, India and importantly the N-11 (next 11 emerging economies). This expected growth wave in tandem with increased environmental focus and energy requirements, create a breeding ground for a plethora of new PGM demand segments. Implats is fully committed to fostering growth in the development of new technologies including the accelerated development for fuel cells as a viable demand segment.

Market review continued

Platinum supply/demand balances

(000 toz)	2006	2007	2008	2009	2010*
DEMAND					
Automobile	4 040	4 080	3 830	2 950	3 350
Jewellery	1 665	1 545	1 355	2 410	2 145
Industrial	1 840	1 850	1 755	1 230	1 395
Investment	(40)	170	425	650	550
Total demand	7 505	7 645	7 365	7 240	7 440
SUPPLY					
South Africa	5 455	5 185	4 485	4 580	4 765
North America	365	350	330	260	270
Other	270	280	745	665	535
Recycle	855	925	970	850	900
Russian sales	800	800	800	775	800
Total supply	7 745	7 540	7 330	7 130	7 270
BALANCE	240	(105)	(35)	(110)	(170)

*Estimate.

Palladium supply/demand balances

(000 toz)	2006	2007	2008	2009	2010*
DEMAND					
Automobile	4 800	5 075	4 940	4 170	4 710
Other	3 380	3 305	3 620	3 365	3 740
Total demand	8 180	8 380	8 560	7 535	8 450
SUPPLY					
South Africa	2 760	2 670	2 355	2 470	2 525
North America	980	980	870	655	690
Other	335	285	310	325	375
Recycle	780	930	1 085	990	1 420
Russian sales (Prod from 2009)	4 500	4 250	3 750	3 765	3 135
Total supply	9 355	9 115	8 370	8 205	8 145
BALANCE	1 175	735	(190)	670	(305)

*Estimate.

Rhodium supply/demand balances

(000 toz)	2006	2007	2008	2009	2010*
DEMAND					
Automobile	825	845	760	680	720
Industrial	145	150	135	115	150
Total demand	970	995	895	795	870
SUPPLY					
South Africa	650	665	580	640	670
North America	20	20	20	10	15
Other	20	20	15	25	25
Recycle	185	205	220	185	200
Russian sales	70	70	70	65	65
Total supply	945	980	905	925	975
BALANCE	(25)	(15)	10	130	105

*Estimate.

Sustainable approach to PGMs

Management approach

Safety, health and environmental issues relating to Group products are systematically addressed at all stages of the product life cycle. Specific measures are in place to protect the health and safety of those using or delivering products. Procedures for assessing product health and safety are addressed during conceptual development, research and development, product certification, manufacturing and production, marketing and promotion, storage distribution and supply, use and service and disposal, or recycling.

Performance in FY2010

Only minor customer complaints were received, and no significant issues of non-compliance with regulations or codes were reported.

Most of the products dispatched from Implats operations pose no health or safety risk. The exception is sulphuric acid transported from Impala Rustenburg's mineral processes to Impala Springs' refineries. Implats adheres to all protocols on transporting hazardous materials, including labelling containers with their contents, safe handling and use, and disposal. There were no incidents during the year.

Detailed product safety protocols are available on the Implats website.

Recycling and beneficiation are important parts of our product responsibility. Through our association with one of the world's leading auto catalyst recyclers, Implats is a significant recycler of metals. Our role in beneficiation again received attention during the year, and progress is being made with both our approach and that of government. See the discussion below.

ISO certification

Implats' quality management system is based on the International Organisation of Standardisation ISO9001 and ISO17025. These standards specify the requirements for a quality management system that can be used for internal application and certification, and focuses on the system's effectiveness in meeting customer requirements.

Being recognised as a provider of quality service and product gives Implats a distinct advantage in a marketplace that is extremely competitive and volatile. The ISO9001 process assists the Company to retain this reputation for the benefit of all stakeholders.

Operation	Date of initial ISO certification	Most recent audits
Impala Rustenburg	2002	October 2009
Impala Springs	1994	June 2009
Mimosa	Mimosa does not have a quality management system	
Zimplats	2005	April 2010

Customer analysis

The PGMs and base metals produced by Implats are sold to various customers, both in South Africa and around the world (see pages 66 and 67 for additional information on Implats products and beneficiation). The Group's regular customers are primarily in Asia, North America, Europe and South Africa. In general, the countries with which we choose to trade are selected to limit our credit risk, and increase our geographic diversification.

Implats sells to a range of customers – end users and intermediaries – in automotive and related industries; industrial, jewellery and chemical sectors. Sales by sector largely reflect the global split in PGM end uses. Customers in South Africa and the United States are mostly in the automotive and related sectors while those in Japan and Europe are across the board.

Most of the platinum sold is sponge (a coarse powder) as is all the palladium and rhodium. The balance of platinum is in the form of ingots which is sold to jewellery manufacturers and trading houses.

Nickel is mostly sold as briquettes to the South African stainless steel industry and the Japanese battery industry for use in hybrid vehicles. Copper by-products are sold in 1m² cathode sheets, with around half sold in South Africa and half in Europe, for use in blends and alloys in industrial-type applications.



For information on Beneficiation, please go to www.implats.co.za

Market review continued

Major PGM uses

	Platinum	Palladium	Rhodium	Ruthenium	Iridium
Automotive	Catalyst to control exhaust emissions Spark plug tips Oxygen sensors in vehicle on-board diagnostic systems	Catalyst to control exhaust emissions (particularly hydrocarbon control) Oxygen sensors in vehicle on-board diagnostic systems	Catalyst to control exhaust emissions (essential for NO _x control)		Alloying agent in spark plug tips
Chemical	Gauze for catalytic production of nitric acid Process catalyst for producing bulk (PTA) and speciality chemicals (eg silicones)	Catchment gauze to recover Pt and Rh in nitric acid production Process catalysts	Process catalysts, eg acetic acid, oxo alcohols and rubber products Alloy with platinum in nitric acid production	Process catalysts, eg production of ammonia (Kellogg process)	Process catalysts, eg production of acetic acid (Cativa process)
Dental	Hardener in dental alloys	Alloying agent		Alloying agent	
Electro-chemical				Coating for anodes in chlorine and caustic soda production Sodium chlorate production	Coating for anodes in chlorine and caustic soda production Sodium chlorate production Coating for electrode – for electro-galvanising of steel strip
Electronics	Alloy coating for hard disks to improve storage capacity Thermocouples to monitor temperature in steel, semi-conductor and glass industries	Conductive paste in multi-layer ceramic chip capacitors Conductive tracks of hybrid integrated circuits Salts for plating processes	Alloyed with platinum in thermocouples	Resistor pastes for hybrid integrated circuits and chip resistors PMR technology to increase hard disk memory storage	Fabrication of crucibles for growing rare earth and other crystals (lasers and memory chips) Thermocouples



Major PGM uses continued

	Platinum	Palladium	Rhodium	Ruthenium	Iridium
Glass	Production of LCD glass Bushings for producing glass fibre Speciality glasses Glass for TVs, monitors and cathode ray tubes Glass substrates for hard disks		Alloyed with platinum in producing LCD glass Alloyed with platinum in bushings		
Investment	Small/large bars, coins ETFs (exchange traded funds)	Coins ETFs (exchange traded funds)			
Jewellery	Fabrication	Fabrication Alloying agent platinum jewellery Whitening agent in production of white gold	Electroplating to give jewellery white finish	Alloying agent in platinum jewellery	Alloying agent in platinum jewellery
Petroleum	Reforming and isomerisation for upgrading octane quality	Hydrocracking to achieve higher yields			Alloyed with platinum in reforming catalysts
Other	Anti-cancer drugs Protective coating on turbine blades Pacemakers and catheters Control of industrial emissions (volatile organic compounds) Magnets	Control of industrial emissions (volatile organic compounds)			Alloyed with platinum in pacemakers and catheters
Fuel cells	Electrode coating in fuel cell stack Fuel-processing catalyst Tailgas burner	Tailgas burner	Fuel-processing catalyst	Electrode coating in fuel cell stack	



Impala

Impala's key mining initiative for this year will be to maintain focus on on-reef development and capital project delivery with our goal being to produce one million platinum ounces by 2014.

Impala performance

What happened ...

Fifteen employees lost their lives
Production impacted by two-week strike action
Mining flexibility remained constrained resulting in limited face availability

What we did about it ...

Engaged Du Pont to benchmark safety management systems
Reconfigured mechanised mining sections to new standards
Renewed emphasis on on-reef development and capital delivery

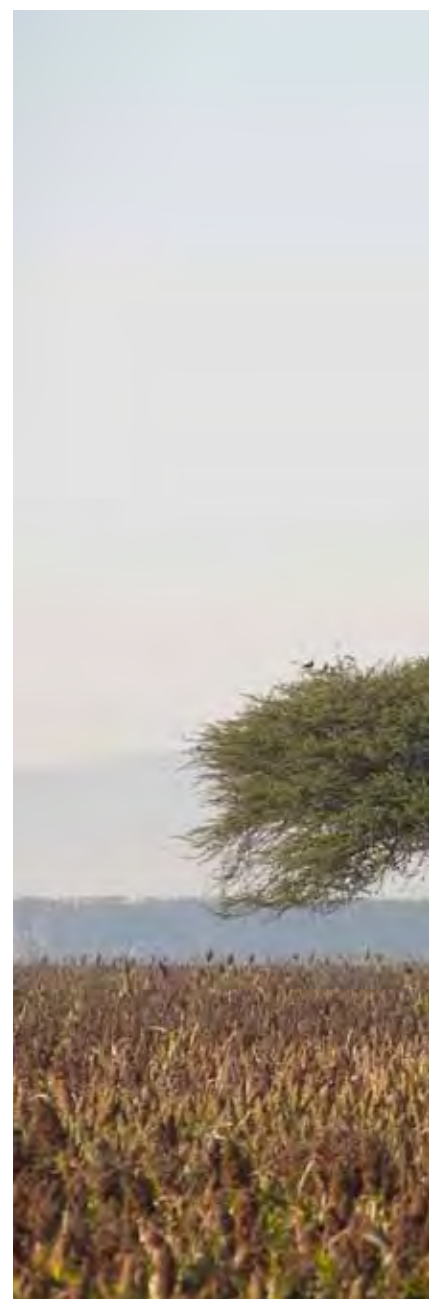
What we achieved ...

Maintained production on a normalised basis (excluding 14 Shaft incident, subsequent mechanised layout changes and strike)
Increased on-reef development at the major shafts by 20%

Where to from here ...

Develop 'interdependent' safety culture
Maintain focus on on-reef development
Dovetail closure of old shafts with opening of new shafts
Restore operation to one-million ounce platinum producer by FY2014

16 Shaft, Rustenburg.



Operational review – Impala

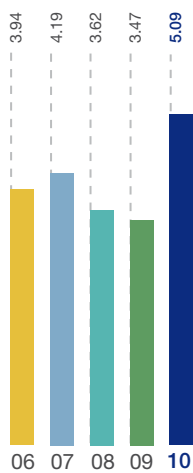


Business summary

- A 14 Shaft mining complex
- Mineral processes, incorporating concentrating and smelting plants
- Refineries, housing the base and precious metals refineries
- Reserves: 23.0 million attributable ounces of platinum
- Resources (including reserves) 68.0 million attributable ounces of platinum
- Production: 871 400 ounces of refined platinum
- Employees and contractors: 45 587

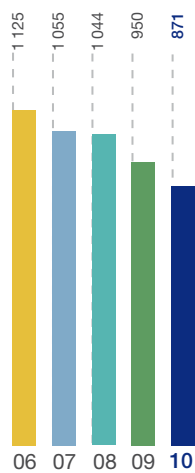
LTIFR

(per million man-hours worked)



Production

(000oz of platinum)



Regrettably nine employees lost their lives in a fall-of-ground incident in one of the mechanised sections at Impala Platinum's 14 Shaft in July 2009. Following a detailed investigation involving Implats, the DMR and the unions, we decided to reconfigure all mechanised sections at Rustenburg and bord widths were reduced from 12 to six metres at both 12 Shaft North and 14 Shaft. This reconfiguration was completed in January this year and will reduce output by approximately 20 000 ounces of platinum per annum going forward. The two week section 54 closure at all mechanised sections in Rustenburg after the accident resulted in a loss of a further 18 000 ounces of platinum. The two-week strike resulted in a further loss of 43 000 ounces of platinum.

A further six employees sadly lost their lives during the year, bringing the total number of fatalities to 15. Of these, two were due to further falls-of-ground, two from a methane gas explosion and two were underground transport related. Following the sad start to the year, it is encouraging to report that only one fatal incident occurred in the second half of the year.

Du Pont Safety Resources was engaged during the year to objectively benchmark Impala's safety management systems against world-class safety best practises. This assessment revealed that the prevalent safety culture is less mature than previously thought and depends on a high level of supervision to ensure compliance. In addition, we commissioned an independent study to investigate the external socio-cultural factors that affect employee behaviour. The relevant findings of the Du Pont study has been incorporated into our safety strategy and plans, where the focus is on ensuring that safety becomes every employee's first priority.

Tonnes milled decreased by 10.4% to 13.5 million. The main reasons were the two week industrial action, the revised trackless mining layout as a result of moving to six-metre bords, the closure of 12 and 14 Shafts mechanised sections following the fall of ground incident, and safety stoppages. Limited Merensky face availability at the major shafts, as highlighted last year, continued to impact on the amount of Merensky ore milled which was down by 21% to 5.4 million

Impala – key statistics

		FY2010	FY2009
Revenue	(Rm)	14 025	15 250
Platinum		8 833	9 875
Palladium		1 410	930
Rhodium		2 386	3 067
Nickel		609	640
Other		787	738
Cost of sales		(8 803)	(7 664)
On-mine operations		(6 781)	(5 428)
Processing operations		(1 457)	(1 349)
Refining operations		(446)	(363)
Depreciation		(742)	(630)
Change in inventory		623	106
Gross profit		5 222	7 586
Other operating expenses		(378)	(325)
Royalty expense		(420)	(373)
Profit from operations		4 424	6 888
Profit from metal purchased transactions		146	18
Sales of metals purchased		10 516	10 060
Cost of metals purchased		(10 370)	(10 042)
Profit from operations in Implats Group		4 570	6 906
Gross margin ex-mine	(%)	37.2	49.7
Sales volumes ex-mine			
Platinum	(000oz)	819.1	924.0
Palladium		501.9	401.1
Rhodium		147.9	100.5
Nickel	(000t)	4.4	6.2
Sales volumes metals purchased IRS			
Platinum	(000oz)	610.7	551.5
Palladium		427.6	366.7
Rhodium		77.3	77.4
Nickel	(000t)	5.1	3.7
Prices achieved ex-mine			
Platinum	(\$/oz)	1 427	1 228
Palladium		373	271
Rhodium		2 144	3 733
Nickel	(\$/t)	18 286	12 774
Exchange rate achieved ex-mine	(R/\$)	7.56	8.56
Production ex-mine			
Tonnes milled ex-mine	(000t)	13 531	15 102
% UG2 milled	(%)	60.2	54.9
Headgrade (5PGE+Au)	(g/t)	4.60	4.56
Development metres (including mechanised)	(metres)	105 565	92 358
Platinum refined	(000oz)	871.4	950.5
Palladium refined		459.3	425.5
Rhodium refined		121.7	124.1
Nickel refined	(000t)	4.9	6.2
PGM refined	(000oz)	1 714.7	1 790.1
Total cost	(Rm)	9 062	7 465
	(\$m)	1 199	822
Share-based compensation	(Rm)	345	(670)
per tonne milled*	(R/t)	644	539
	(\$/t)	85	59
– per PGM ounce refined*	(R/oz)	5 084	4 544
	(\$/oz)	673	500
– per platinum ounce refined*	(R/oz)	10 003	8 559
	(\$/oz)	1 324	942
– net of revenue received for other metals*	(R/oz)	4 045	2 904
	(\$/oz)	535	320
– per platinum ounce refined	(R/oz)	10 399	7 854
	(\$/oz)	1 376	865
Capital expenditure	(Rm)	3 435	4 782
	(\$m)	455	526
Labour including capital as at 30 June	(number)	45 587	43 326
Own employees		31 870	30 540
Contractors		13 717	12 786
Centares per panel man per month**	(m ² /man)	32.8	34.6

* Excluding share-based compensation.

** Conventional mining and own employees efficiency.

Operational review – Impala continued

tonnes. Despite the resultant increase in the ore mix ratio to 60:40 in favour of the lower yield UG2, a marginal improvement in platinum yield ameliorated the decline in refined platinum production, which fell by 8% from the previous year to 871 000 ounces. The lower output negatively impacted unit costs which increased by 17% to R10 003 per platinum ounce. Excluding the effects of the strike, the 14 Shaft incident and the subsequent changes in the mechanised layout, the increase amounted to 9%.

Operational focus remained on on-reef development at the major shafts where development metres rose by 20% on the previous year. Total development, including capital, increased by 16.4% to 122.5 kilometres.

At Minpro overall metallurgical recoveries were 82.1% despite the change in ore mix. With the completion of the upgrading of the gas handling abatement equipment, SO₂ emissions at the smelter have been reduced to 10 tonnes per day for FY2010, well below the legislative requirements which permit 16 tonnes per day.

The Refineries delivered another strong operational performance and maintained excellent recoveries across all the metals. Palladium outputs were augmented by a successful focused campaign to further reduce metal lock-up within the PMR. Numerous small capital projects were progressed during the year with the focus on improved environmental and waste management to ensure continued legislative and EIA compliance.

Five-year outlook

Impala currently comprises 14 operating vertical shafts, five associated with declines and three shafts under construction.

- **The old shafts – 2, 2A, 4, 5, 6, 7, 7A, 8, and 9**

These shafts, mining predominately UG2, are approaching the end of their lives. It is envisaged that over the five year period tonnes milled will decrease by some 40% from the current level of 5.5 million. These

shafts will focus on maximising output in order to shorten their production life and optimise efficiencies.

- **The major shafts – 1, 10, 11, 12 and 14**

The base-load of production will continue to be produced by these shafts over the next five years. Being primarily Merensky shafts, they will benefit from increased on-reef development and the key focus for FY2011 will remain on-reef development. Output is expected to increase by 15% from the current level on the back of improved flexibility, and ramp-up from 14 and 11 shafts decline projects.

- **The new shafts – 16, 17 and 20**

First production at 20 and 16 shafts is scheduled to commence in FY2011 and FY2013 respectively. 20 shaft will initially only mine Merensky reef and 16 shaft will mine both Merensky and UG2. This will remain a key component to delivering a smooth ramp-up to target production at Rustenburg.

Over the next five years this operation will concentrate on maximising production at its major shafts while dovetailing the closure of the old shafts with the ramp-up of the new deeper-level shafts. As the new projects come on stream, they will restore the ore mix ratio back to 50:50 and enhance productivity by enabling the replacement of remnant mining with concentrated mining activity. This will restore production to a steady state output of one million ounces of platinum per annum.

Beyond this period, the key to maintaining this ounce profile will be the systematic development of new shaft blocks. The first of these is 17 Shaft which is currently being sunk and had reached a depth of 850 metres below collar at year end. This shaft is expected to begin production in FY2017. Subsequent to this is 18 Shaft where a feasibility study is currently underway. This study will be completed in 2011 and if approved could result in the first production by 2021.

Zimplats

Successfully implemented Phase I expansion to nameplate capacity of 180 000 ounces of platinum per annum.

Zimplats performance

What happened ...

Indigenisation regulations requiring 51% local indigenisation gazetted

What we did about it ...

Zimplats is confident that it has a plan to comply with the indigenisation legislation
Discussions with the government of Zimbabwe are ongoing

What we achieved ...

Successfully implemented phase 1 expansion and achieved nameplate production
Positioned Zimplats as one of the world's lowest cost platinum producers

Where to from here ...

Phase 2 expansion received go-ahead
Phase 3 expansion subject to feasibility study
Long-term goal remains becoming a million-ounce producer



Aerial view of Zimplats' Ngezi concentrator.

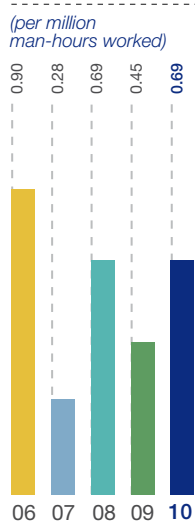
Operational review – Zimplats



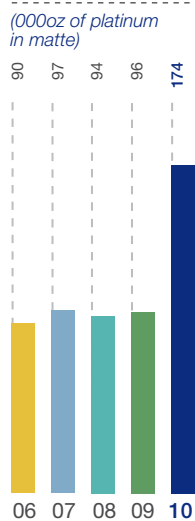
Business summary

- Three shallow mechanised underground mines
- Concentrator and smelter plants at Selous Metallurgical Complex (SMC) (77km north of Ngezi)
- Concentrator plant at Ngezi
- Reserves: 10.2 million attributable ounces of platinum
- Resources (including reserves) 92.9 million attributable ounces of platinum
- Production: 173 900 ounces of platinum in matte
- Employees and contractors: 3 680

LTIFR



Production



Zimplats' safety performance remained world-class despite the 53% deterioration in the lost-time injury frequency rate to 0.69 per million man-hours worked. It continues to feature among the top mining operations in the Group in terms of safety.

FY2010 proved a truly outstanding operational year for Zimplats, crowned by the successful commissioning of the phase 1 expansion, essentially on time and within budget. This project involved the development of two new underground mines, Portals 1 (Ngwarati) and 4 (Bimha), a new concentrator at Ngezi and additional infrastructure. The concentrator was commissioned in July 2009 and reached nameplate capacity of two million tonnes in September 2009. As a result tonnes milled increased by 89%, from 2.2 million in the previous year to 4.1 million and platinum production in matte rose by 81% to 173 900 ounces. Full throughput of 180 000 ounces of refined platinum on an annualised basis will be achieved in this financial year.

Despite the dollarisation of the economy, which affected costs, higher production volumes resulted in unit costs declining by 22% to \$1 007 per platinum ounce in matte. This firmly positions Zimplats as one of the lowest-cost primary producers in the world.

The political environment in Zimbabwe remains uncertain. Relations between coalition partners in the government of national unity are strained, causing indecisiveness at administrative level. The indigenisation regulations were gazetted earlier this year and require foreign companies to indigenise 51% of their shares or interests within five years. Zimplats is confident its proposals which incorporate agreements concluded with the government of Zimbabwe will comply with the legislation. Plans are in place for a minimum 15% equity stake with local participants. Dialogue with the relevant authorities is ongoing to ensure legal agreements with government are honoured.

Five-year outlook

The \$450 million phase 2 expansion was approved in May this year. The project involves the development of a new two million tonne underground mine, Portal 3, an additional concentrator module at Ngezi, a dam and other infrastructure including 1 125 employee houses. Scheduled to commence early in FY2011, the concentrator will be commissioned in late FY2013 with Portal 3 reaching full throughput the following year. At nameplate capacity, milled tonnage will increase from the current 4.1 million to 6.1 million per annum and refined platinum production by 90 000 to 270 000 ounces per annum.

In the longer term with the appropriate investment climate, Zimplats has reserves to sustain one million ounces of platinum production. The next step to achieving this vision is a phase 3 expansion. A feasibility study incorporating a new smelter and base metals refinery in addition to the normal underground mine development and associated milling capacity is currently being undertaken.

Zimplats – key statistics

		FY2010	FY2009
Revenue	(Rm)	3 052	1 099
Platinum		1 767	749
Palladium		405	118
Rhodium		252	(18)
Nickel		366	135
Other		262	115
Cost of sales		(1 481)	(1 108)
Mining operations		(806)	(795)
Processing operations		(373)	(224)
Depreciation		(184)	(210)
Change in inventory		(118)	121
Gross profit		1 571	(9)
Intercompany adjustment*		(412)	406
Adjusted gross profit		1 159	397
Other operating expenses		(145)	(108)
Royalty expense		(69)	(20)
Profit from operations in Implats Group		945	269
Gross margin	%	51.5	(0.8)
Adjusted gross margin*		43.9	26.4
Sales volumes in matte			
Platinum	(000oz)	171.5	96.0
Palladium		139.8	75.8
Rhodium		15.1	8.2
Nickel	(t)	3 131	1 613
Prices achieved in matte			
Platinum	(\$/oz)	1 364	852
Palladium		384	171
Rhodium		2 204	(241)
Nickel	(\$/t)	15 466	9 195
Exchange rate achieved	(R/\$)	7.56	9.08
Production			
Tonnes milled ex-mine	(000t)	4 095	2 167
Headgrade (5PGE+Au)	(g/t)	3.56	3.52
Platinum in matte	(000oz)	173.9	96.0
Palladium in matte		140.2	75.6
Rhodium in matte		15.5	8.4
Nickel in matte	(t)	3 103	1 608
PGM in matte	(000oz)	368.9	201.7
Total cost	(Rm)	1 324	1 127
	(\$m)	175	124
– per tonne milled	(R/t)	323	520
	(\$/t)	43	57
– per PGM ounce in matte	(R/oz)	3 589	5 588
	(\$/oz)	475	615
– per platinum ounce in matte	(R/oz)	7 614	11 740
	(\$/oz)	1 007	1 293
– net of revenue received for other metals	(R/oz)	224	8 094
	(\$/oz)	30	891
Capital expenditure	(Rm)	698	1 358
	(\$m)	92	150
Labour including capital as at 30 June	(number)	3 680	5 459
Own employees		2 418	2 136
Contractors		1 262	3 323
Centares per panel man per month	(m ² /man)	43.0	26.0

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

Marula

The objective at Marula is to achieve steady-state production at 100 000 ounces of platinum in concentrate by FY2013.

Marula performance

What happened ...

Lost time injury frequency rate deteriorated
Ramp-up in production stalled

What we did about it ...

Engaged Du Pont to benchmark safety management systems
Identified production constraints and implemented corrective procedures

What we achieved ...

Reassessment of the operation indicates maximum throughput of 100 000 ounces of platinum in concentrate

Where to from here ...

Ramp-up to steady state production
Assessment of future growth options currently under way



Overland conveyer with the shaft behind, Marula.

Operational review – Marula

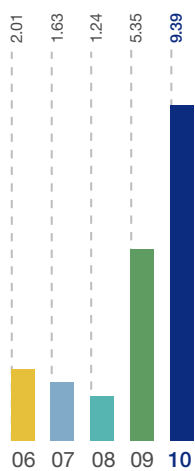


Business summary

- Two on-reef decline shafts and an off-reef conventional decline
- Concentrator plant
- Reserves: 1.9 million attributable ounces of platinum
- Resources (including reserves) 7.6 million attributable ounces of platinum
- Production: 70 100 ounces of platinum in concentrate
- Employees and contractors: 3 968

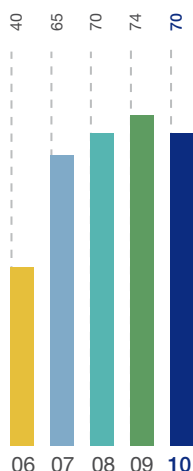
LTIFR

(per million man-hours worked)



Production

(000oz of platinum in concentrate)



Marula had another difficult year in virtually all aspects of the operation.

Although safety from a fatality perspective was excellent over the period with no fatalities, the lost-time injury frequency rate deteriorated from 5.35 to 9.39 per million man-hours worked. The results of the Du Pont safety review revealed that, similar to the larger Impala operation, the safety culture at Marula was a very dependent one. The remedial actions being applied at Rustenburg are also being implemented at this operation.

Marula's mining operation currently comprises the Clapham conventional section as well as the hybrid sections at Clapham and Driekop where mechanised development and conventional stopeing are undertaken.

The ramp-up in production at this operation stalled and tonnes milled remained virtually unchanged at 1.55 million. This was due to constrained mining flexibility as a result of a lack of adequate on-reef development, primarily at the Clapham conventional section which was impacted by logistical constraints. The reconfiguration of the twin decline access system to a single access via Clapham has proved difficult given the complexities of changing a mechanised development layout to conventional stopeing.

A number of steps have been taken in this regard. Trackless machinery workshops have been relocated from surface to underground and an underground chairlift has been extended to surface. These initiatives will improve both machine and people logistics respectively. In addition, the conclusion of the Mineral Reserve agreement with neighbouring Modikwa Mine will extend the life of Driekop and further enhance operational flexibility.

The lack of a build-up in mill tonnage coupled with work stoppages due to industrial action early in the year and lower recoveries resulted in platinum production reducing by 5% to 70 000 ounces in concentrate. Unit costs which increased by 17% to R14 208 reflect lower ounces and increased staffing levels to facilitate the conversion to conventional mining.

Five-year outlook

The resolution of the logistical bottleneck will result in improved system and team efficiencies, and increased face availability in the conventional section due to improved on-reef development. Having reassessed the potential of the mine, the operation will continue with its ramp-up and is expected to produce 80 000 ounces of platinum in concentrate in FY2011. Steady-state production is now estimated at 100 000 ounces.

Future growth will emanate from the development of the Merensky and deeper UG2 reefs. Studies are currently under way to assess the optimal exploitation of these reserves. Initial indications are that accessing the Merensky down to level 5, followed by the simultaneous exploitation of the deeper Merensky and UG2 (Marula phase 2) will provide the best synergies.

Marula – key statistics

		FY2010	FY2009
Revenue	(Rm)	1 130	631
Platinum		655	543
Palladium		188	112
Rhodium		225	(69)
Nickel		22	16
Other		40	29
Cost of sales		(1 141)	(932)
Mining operations		(876)	(700)
Concentrating operations		(146)	(132)
Treatment charges		(2)	(2)
Depreciation		(117)	(98)
Gross profit		(11)	(301)
Intercompany adjustment*		27	482
Adjusted gross profit		16	181
Royalty expense		(23)	(27)
Profit from operations in Implats Group		(7)	154
Gross margin		(1.0)	(47.7)
Adjusted gross margin*		1.4	16.3
Sales volumes in concentrate			
Platinum	(000oz)	70.1	74.0
Palladium		72.6	76.3
Rhodium		14.7	15.7
Nickel	(t)	216.6	220
Prices achieved in concentrate			
Platinum	(\$/oz)	1 244	824
Palladium		345	166
Rhodium		2 025	(201)
Nickel	(\$/t)	13 496	15 096
Exchange rate achieved	(R/\$)	7.51	8.35
Production			
Tonnes milled ex-mine	(000t)	1 545	1 574
Headgrade (5PGE+Au)	(g/t)	4.36	4.29
Platinum in concentrate	(000oz)	70.1	74.0
Palladium in concentrate		72.6	76.3
Rhodium in concentrate		14.7	15.7
Nickel in concentrate	(t)	216.6	219.5
PGM in concentrate	(000oz)	184.6	194.4
Total cost	(Rm)	1 022	832
	(\$m)	135	92
Share-based compensation	(Rm)	26	(36)
– per tonne milled**	(R/t)	645	551
	(\$/t)	85	61
– per PGM ounce in concentrate**	(R/oz)	5 395	4 465
	(\$/oz)	714	492
– per platinum ounce in concentrate**	(R/oz)	14 208	11 730
	(\$/oz)	1 880	1 291
– net of revenue received for other metals**	(R/oz)	7 430	10 541
	(\$/oz)	989	1 262
– per platinum ounce in concentrate	(R/oz)	14 579	11 243
	(\$/oz)	1 930	1 238
Capital expenditure	(Rm)	281	398
	(\$m)	37	44
Labour including capital	(number)	3 968	3 510
Own employees		3 241	2 512
Contractors		727	998
Centares per panel man per month	(m ² /man)	25.0	27.2

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

** Excluding share-based compensation.

Mimosa

Mimosa recently completed the Wedza phase 5.5 project, resulting in production increasing to 101 000 ounces of platinum in concentrate.

Mimosa performance

What happened ...

Achieved record lost-time injury frequency rate
Increased production

What we did ...

Maintained focus on safety
Completed concentrator expansions

What we achieved ...

Group leader in safety
Steady-state production of 100 000 ounces of platinum in concentrate
Maintained position as low-cost producer

Where to from here ...

Maintain steady-state production
Investigate growth options



Taking a break underground at Mimosa Mine, Zimbabwe.

Operational review – Mimosa



Mimosa achieved another excellent safety performance with no fatalities during the period. The lost-time injury frequency rate improved by 33% to a new low of 0.35 per million man-hours worked.

Since Implats' acquisition of a 50% stake in Mimosa early in the decade, the operation has undertaken a number of expansion projects, culminating in the recently completed Wedza phase 5.5 project. These have resulted in production increasing from 15 000 ounces to the current 101 000 ounces of platinum in concentrate.

Unit costs increased by 14.7% to \$1 194 per platinum ounce in concentrate as a result of the dollarisation of the economy, strengthening of the rand against the US currency and higher mining costs due to a combination of conveyor breakdowns, bad ground conditions and a delay in commissioning of the new ventilation shaft as a result of the late delivery of equipment.

During the year regulations on indigenisation were gazetted. The Company's response to these proposals was submitted to the relevant authorities on 14 April.

Business summary

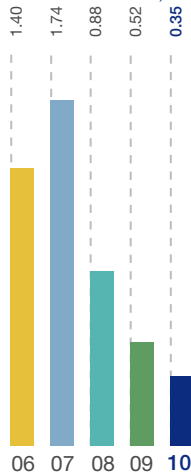
- Joint venture with Aquarius Platinum Limited
- Mechanised shallow underground mine
- Concentrator plant
- Reserves: 0.9 million attributable ounces of platinum
- Resources (including reserves) 3.9 million attributable ounces of platinum
- Production: 101 200 ounces of platinum in concentrate
- Employees and contractors: 1 802

Five-year outlook

The operation is now running at a steady-state throughput of 2.3 million tonnes per annum, equivalent to 100 000 ounces of platinum in concentrate.

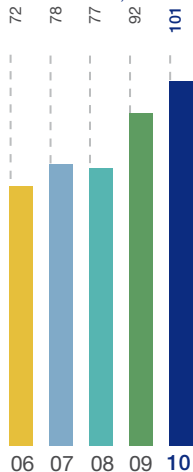
LTIFR

(per million man-hours worked)



Production

(000oz of platinum in concentrate)



Growth potential exists through increased production from the southern portion of South Hill and the exploitation of North Hill. Both areas are currently the subject of a pre-feasibility study and will require significant additional smelting and base metal refining capacity should they be brought into production to accommodate the base metal-rich concentrate. Consequently no expansion is envisaged in the five-year outlook period.

Mimosa – key statistics

		FY2010	FY2009
Revenue	(Rm)	2 063	1 262
Platinum		1 109	708
Palladium		217	102
Rhodium		114	69
Nickel		390	224
Other		233	159
Cost of sales		(1 072)	(1 008)
Mining operations		(665)	(582)
Concentrating operations		(183)	(215)
Treatment charges		(114)	(119)
Depreciation		(80)	(80)
Change in inventory		(30)	(12)
Gross profit		991	254
Other operating costs		(65)	(68)
Royalty expense		(47)	(45)
Profit from operations		879	141
50% of gross profit attributable to Implats		495	127
Intercompany adjustment*		(74)	187
Adjusted gross profit*		421	314
Other costs including royalties		(57)	(56)
Profit from operations in Implats Group		364	258
Gross margin	(%)	48.0	20.1
Adjusted gross margin*		44.0	38.4
Sales volumes in concentrate			
Platinum	(000oz)	98.4	85.6
Palladium		75.5	65.0
Rhodium		7.8	7.0
Nickel	(t)	2 819	2 443
Prices achieved in concentrate			
Platinum	(\$/oz)	1 491	911
Palladium		380	173
Rhodium		1 935	1 087
Nickel	(\$/t)	18 311	10 084
Exchange rate achieved	(R/\$)	7.56	9.08
Production			
Tonnes milled ex-mine	(000t)	2 277	2 111
Headgrade (5PGE+Au)	(g/t)	3.86	3.87
Platinum in concentrate	(000oz)	101.2	91.5
Palladium in concentrate		76.6	69.4
Rhodium in concentrate		8.1	7.2
Nickel in concentrate	(t)	2 776	2 539
PGM in concentrate	(000oz)	210.3	189.3
Total cost	(Rm)	913	865
	(\$m)	121	95
– per tonne milled	(R/t)	401	412
	(\$/t)	53	45
– per PGM ounce in concentrate	(R/oz)	4 341	4 569
	(\$/oz)	575	503
– per platinum ounce in concentrate	(R/oz)	9 018	9 454
	(\$/oz)	1 194	1 041
– net of revenue received for other metals	(R/oz)	(405)	3 399
	(\$/oz)	(54)	374
Capital expenditure	(Rm)	255	555
	(\$m)	34	61
Labour including capital as at 30 June	(number)	1 802	1 931
Own employees		1 576	1 623
Contractors		226	308
Centares per panel man per month	(m ² /man)	49.3	52.4

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

Two Rivers

A marginal increase in tonnes milled coupled with further improvements in concentrator recoveries will result in platinum production increasing to 150 000 ounces by FY2013.

Two Rivers performance

What happened ...

Trouble-free year

What we did ...

Implemented plant modifications to improve throughput

What we achieved ...

Increased production to 140 000 ounces of platinum in concentrate
Improved recoveries
Reduced unit costs

Where to from here ...

Further plant optimisation will increase production to 150 000 ounces of platinum in concentrate
Assessment of future growth options currently under way



The run of mine ore silo, Two Rivers.

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) 2.4 million attributable ounces of platinum
- Production: 140 900 ounces of platinum in concentrate
- Employees and contractors: 2 733

Two Rivers had a trouble-free year during which all key metrics were achieved and, in many cases, bettered.

The milling rate which reached the previous nameplate capacity of 225 000 tonnes per month last year improved by 12%. This was due to modifications made during the plant optimisation process which was completed earlier this year and resulted in tonnes milled increasing to 2.9 million. Coupled with a 7% improvement in recoveries, platinum production rose by 19% to 140 900 ounces in concentrate. The higher volume is reflected in unit costs which declined by 4% to R8 463 per platinum ounce in concentrate.

Approval is still awaited from the DMR to enable Implats to vend in portions 4, 5 and 6 of the farm Kalkfontein, as well as the area covered by the Tweefontein prospecting rights to Two Rivers. This transaction, when completed, will increase Implats' holding by 4% to 49% in the Two Rivers joint venture.

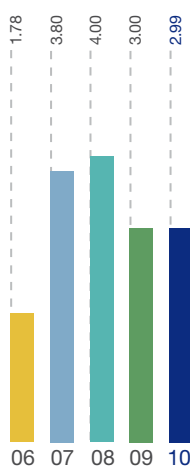
Five-year outlook

A marginal improvement in tonnes milled, coupled with further improvements in concentrator recoveries, will result in platinum production increasing to 150 000 ounces by FY2013.

Although the current operation has a relatively short life, the inclusion of the additional Kalkfontein resource provides longer-term growth and flexibility opportunities for the Company.

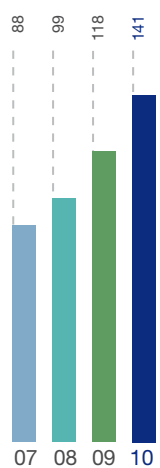
LTIFR

(per million man-hours worked)



Production

(000oz of platinum in concentrate)



Two Rivers – key statistics

		FY2010	FY2009
Revenue	(Rm)	2 086	972
Platinum		1 370	874
Palladium		221	102
Rhodium		375	(33)
Nickel		57	39
Other		63	(10)
Cost of sales		(1 512)	(1 325)
Mining operations		(992)	(867)
Concentrating operations		(201)	(179)
Treatment charges		(14)	(13)
Depreciation		(257)	(269)
Change in inventory		(48)	3
Gross profit		574	(353)
Royalty expense		(2)	—
Profit from operations		572	(353)
Gross margin	%	27.5	(36.4)
Profit for the year	(Rm)	325	(395)
45% attributable to Implats		147	(178)
Intercompany adjustment*		(52)	219
Share of profit in Implats Group		95	41
Sales volumes in concentrate			
Platinum	(000oz)	140.9	118.0
Palladium		81.6	67.4
Rhodium		23.6	19.1
Nickel	(t)	442.5	365.0
Prices achieved in concentrate			
Platinum	(\$/oz)	1 271	781
Palladium		355	159
Rhodium		2 079	(207)
Nickel	(\$/t)	16 970	11 949
Exchange rate achieved	(R/\$)	7.64	9.46
Production			
Tonnes milled ex-mine	(000t)	2 918	2 616
Headgrade (5PGE+Au)	(g/t)	3.95	4.10
Platinum in concentrate	(000oz)	140.9	118.0
Palladium in concentrate		81.6	67.4
Rhodium in concentrate		23.6	19.1
Nickel in concentrate	(t)	442	365
PGM in concentrate	(000oz)	296.8	246.3
Total cost	(Rm)	1 193	1 046
– per tonne milled	(R/t)	409	398
	(\$/t)	53	42
– per PGM ounce in concentrate	(R/oz)	4 020	4 231
	(\$/oz)	526	447
– per platinum ounce in concentrate	(R/oz)	8 467	8 830
	(\$/oz)	1 108	934
– net of revenue received for other metals	(R/oz)	3 385	8 032
	(\$/oz)	443	849
Capital expenditure	(Rm)	116	349
	(\$m)	15	37
Labour including capital	(number)	2 733	2 852
Own employees		702	774
Contractors		2 031	2 078

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.

IRS

IRS has access to Impala's smelting and refining capacity and remains well placed to process additional material from new or existing projects.

IRS performance

What happened ...

Subsidence at Everest Mine, an operation owned by IRS' long-time major customer Aquarius Platinum, resulted in suspension of mine operations and reduced baseload concentrate

What we did about it ...

Increased third-party purchases and toll treatment
Benefited from Group expansions

What we achieved ...

Increased production year-on-year by 15%

Where to from here ...

Short term

Production growth from continued ramp-up at Zimplats, Marula and Smokey Hills
Aquarius has resumed operations at the Everest Mine

Long-term production growth from

Restoration of full operation at Everest Mine
Phase 2 expansion at Zimplats
The rebound in metal and scrap prices from those experienced in 2009 which should support sustained growth in the autocatalyst recycle market
Continued pursuit of concentrate/matte purchase offtakes and toll treatment opportunities



New autoclave at the BMR refinery, Springs.

Operational review – IRS

Business summary

Four main areas of activity

- Providing smelting and refining services through offtake agreements for Group companies (except Impala)
- Providing smelting and refining services through offtake agreements for third parties
- Autocatalyst recycling
- Toll refining

Impala Platinum's excess processing and refining capacity is used to smelt and refine the concentrate and matte produced at the Group's other mine-to-market operations, material purchased from other companies, recycling and toll-refining on behalf of other companies. In case of the former two business streams, Implats acquires the PGM-bearing material and markets the final product, while in the case of the latter, the final product is returned to the company from which it was acquired.

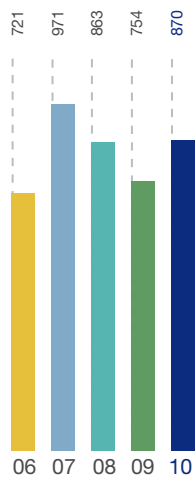
Despite the continued suspension of operations at Everest, refined platinum production rose by 15% to 870 000 ounces. This was primarily due to the ramp-up in production at both Zimbabwean operations, namely Mimosa and Zimplats, a further increase from Two Rivers as a result of plant modifications and the start of production at the two new offtake projects, Blue Ridge and Smokey Hills.

Five-year outlook

In the short term, growth will come from continued ramp-up in production at Zimplats, Marula and Smokey Hills and the resumption of operations at Everest. In the longer term, growth will be underpinned by the phase 2 expansion at Zimplats, restoration of full operations at Everest and increasing deliveries of autocatalysts in line with the organic development of this market.

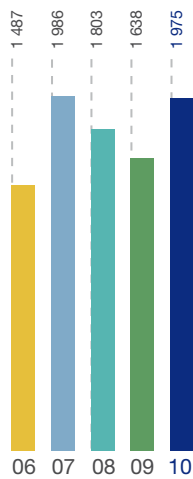
Production

(000oz of platinum)



Production

(000oz of PGMs)



IRS – key statistics

		FY2010	FY2009
Revenue	(Rm)	11 069	10 507
Platinum		6 661	5 954
Palladium		1 227	834
Rhodium		1 242	2 142
Nickel		1 024	755
Other metal sales		583	517
Treatment income		332	305
Cost of sales		(9 881)	(9 242)
Metals purchased		(10 470)	(5 822)
Smelting		(190)	(150)
Refining		(318)	(229)
Change in inventory		1 097	(3 041)
Gross profit		1 188	1 265
Other operating expenses		(29)	(30)
Profit from operations		1 159	1 235
Gross margin	%	10.7	12.0
Sales	(Rm)	11 069	10 507
Direct sales to customers		383	424
Sales to Impala		10 354	9 778
Toll income		332	305
Total sales volumes			
Platinum	(000oz)	615.4	556.7
Palladium		434.3	371.8
Rhodium		79.6	79.5
Nickel	(t)	7 117	6 253
Prices achieved			
Platinum	(\$/oz)	1 432	1 215
Palladium		374	255
Rhodium		2 065	3 210
Nickel	(\$/t)	19 031	13 695
Exchange rate achieved	(R/\$)	7.56	8.72
Refined production			
Platinum	(000oz)	870.0	753.8
Palladium		778.7	581.7
Rhodium		130.5	124.4
Nickel	(t)	10 314	8 339
PGM refined		1 974.7	1 638.1
Metal returned			
Platinum	(000oz)	233.0	194.1
Palladium		259.3	180.9
Rhodium		49.3	37.5
Nickel	(t)	2 792	2 480

Mineral Resources and Mineral Reserves

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.

Since 1969 when production began at the Impala mine area, the Company has grown the Mineral Resource portfolio and related platinum production significantly. 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 but also the second largest world-class deposit namely the Great Dyke in Zimbabwe. Mining mostly takes place as underground operations focusing on relatively narrow, mineralised horizons with the specific methods adapted to suit the local geology and morphology of the mineralised horizons. The Mineral Resources and Mineral Reserves are geographically spread but are dominated by the Mineral Resources at Impala and Zimplats.

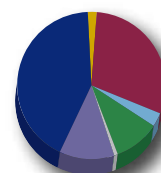
Key features

Main features relating to Implats' Mineral Resources and Mineral Reserves as at 30 June 2010 relative to 30 June 2009 are:

- Estimated total attributable Mineral Resources decreased by five million platinum ounces to 225 million platinum ounces from 230 million platinum ounces
- Total attributable Group Mineral Reserves decreased by 0.5 million platinum ounces to 36.9 million platinum ounces from 37.4 million platinum ounces
- Introduction of a new Group-wide standard protocol for the estimation, classification and reporting of Mineral Resources and Reserves
- As a consequence there were material changes in the classification of Mineral Resources and decreases due to the introduction of a depth cut-off
- Completion of a Group-wide audit of the Mineral Resources and Reserves by an independent third party
- A re-estimation of the Marula Merensky Reef Mineral Resources resulting in a material decrease
- Addition of Impala/RBR joint venture Mineral Resources following initial prospecting

Attributable Mineral Resources of 225 million platinum ounces as at 30 June 2010

Mimosa	2%
Impala	30%
Marula	3%
Afplats	10%
Two Rivers	1%
Tamboti	12%
Zimplats	42%



Attributable platinum ounces, net of depletion, corporate activity and additional work

30 June 2007	Resources	187Moz Pt	2% increase, Afplats included
	Reserves	40Moz Pt	8% increase, Afplats included
30 June 2008	Resources	237Moz Pt	27% increase, Tamboti added, reporting principle adjusted
	Reserves	42Moz Pt	5% increase, progression of 17 Shaft to reserves
30 June 2009	Resources	230Moz Pt	3% decrease, complex graben at Impala excluded
	Reserves	37.4Moz Pt	12% decrease, Afplats excluded
30 June 2010	Resources	225Moz Pt	2% decrease, mostly due to introduction of depth cut-off
	Reserves	36.9Moz Pt	No material changes

Attributable Mineral Resources

Attributable Mineral Resources inclusive of Mineral Reserves as at 30 June 2010

			Attributable tonnes (Mt)	Grade (g/t) 5PGE+Au	Implats % ownership	Attributable ounces Pt (Moz)
	Orebody	Category				
Impala	Merensky	Measured	136.2	6.82	100	16.9
		Indicated	63.6	6.76	100	7.8
		Inferred	78.5	6.21	100	8.9
	UG2	Measured	132.2	8.87	100	18.1
		Indicated	48.8	8.44	100	6.4
		Inferred	53.4	8.38	100	6.9
Impala/RBR JV	Merensky	Measured	1.6	6.98	49	0.2
		Indicated	3.6	6.51	49	0.4
		Inferred	10.5	7.23	49	1.4
	UG2	Measured	1.1	9.13	49	0.2
		Indicated	1.0	9.20	49	0.1
		Inferred	5.5	8.96	49	0.8
Total		536	7.57		68.0	
Marula	Merensky	Measured	14.1	4.77	73	1.2
		Indicated	11.0	4.49	73	0.9
		Inferred	13.5	4.30	73	1.0
	UG2	Measured	19.4	9.64	73	2.2
		Indicated	12.3	10.22	73	1.5
		Inferred	6.7	10.35	73	0.8
Total		77	7.23		7.6	
Afplats Leeuwkop	UG2	Measured	48.2	6.63	74	5.1
		Indicated	8.2	6.72	74	0.9
		Inferred	64.0	6.34	74	6.4
Kareepoort/Wolwekraal		Indicated	8.2	6.48	74	0.8
		Inferred	17.5	6.23	74	1.7
Imbasa		Indicated	5.7	5.65	60	0.5
		Inferred	32.0	6.10	60	3.1
Inkosi		Indicated	11.8	6.18	49	1.2
		Inferred	36.6	6.09	49	3.5
Afplats	Total		232	6.28		23.2
Two Rivers	Merensky	Indicated	8.4	3.55	45	0.5
		Inferred	1.8	3.36	45	0.1
	UG2	Measured	4.0	5.43	45	0.3
		Indicated	21.1	4.53	45	1.4
		Inferred	0.5	6.26	45	0.05
Total		36	4.37		2.4	
Tamboti	Merensky	Inferred	141.1	4.11	100	10.2
	UG2	Inferred	177.6	6.65	100	16.9
	Total		319	5.52		27.1

Mineral Resources and Mineral Reserves

continued

Attributable Mineral Resources (continued)

Attributable Mineral Resources inclusive of Mineral Reserves as at 30 June 2010

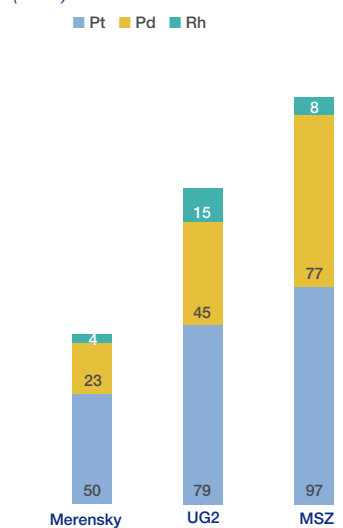
	Orebody	Category	Attributable tonnes (Mt)	Grade (g/t) 5PGE+Au	Implats % ownership	Attributable ounces Pt (Moz)
Zimplats	MSZ	Measured	119.4	3.90	87	7.0
		Indicated	582.7	3.90	87	34.4
		Inferred	933.0	3.78	87	51.4
		Total	1 635	3.83		92.9
Mimosa	MSZ	Measured	19.2	4.26	50	1.2
		Indicated	17.4	3.71	50	0.9
		Inferred	3.5	4.09	50	0.2
		Inferred (oxides)	3.3	3.95	50	0.2
		Inferred N Hill	24.3	3.90	50	1.4
	Total		68	4.01		3.9
All	Total		2 902	5.01		225

Notes

- Attributable Mineral Resources as expressed in tonnes and platinum ounces are based on Implats' equity interest
- Mineral Resource tonnage and grades are estimated in situ. Mineral Resources for the Merensky Reef are estimated at a minimum mining width and may include mineralisation below the selected cut-off grade
- Mineral Resource estimates for the UG2 Reef reflect the chromitite channel widths only and do not include any dilution
- Mineral Resource estimates for the Main Sulphide Zone (MSZ) are based on optimal mining widths
- These are summary estimates, and inaccuracy is derived from the rounding of numbers
- The largest proportion of the Group attributable Mineral Resources originates from the MSZ

Attributable Mineral Resources inclusive of Mineral Reserves

(Moz)



Attributable Mineral Reserves

Attributable Mineral Reserves estimates as at 30 June 2010 are as follows:

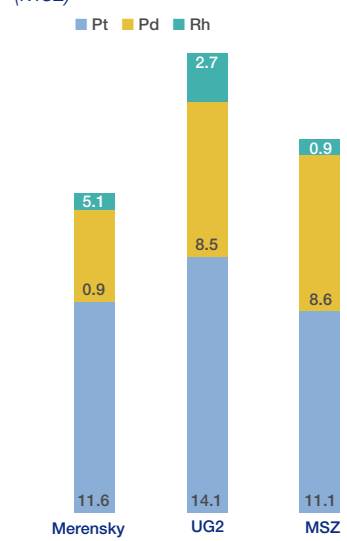
	Orebody	Category	Attributable tonnes (Mt)	Grade (g/t) 5PGE+Au	Implats % ownership	Attributable ounces Pt (Moz)
Impala	Merensky	Proved	13.0	4.58	100	1.1
		Probable	121.6	4.75	100	10.5
	UG2	Proved	17.6	4.64	100	1.3
		Probable	138.7	4.74	100	10.1
	Total		290.9	4.73	100	23.0
Marula	UG2	Probable	33.0	4.76	73.0	1.9
Two Rivers	UG2	Proved	2.3	3.94	45	0.1
	UG2	Probable	13.9	3.47	45	0.7
	Total		16.2	3.54	45	0.9
Zimplats	MSZ	Proved	45.3	3.60	87	2.5
		Probable	140.6	3.63	87	7.8
	Total		185.8	3.62	87	10.2
Mimosa	MSZ	Proved	7.7	3.91	50	0.4
		Probable	9.0	3.41	50	0.5
	Total		16.7	3.64	50	0.9
All	Total		542.7	4.28		36.9

Notes

- Attributable Mineral Reserves as expressed in tonnes and platinum 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 largest proportion of the Group attributable Mineral Reserves is sourced from the UG2 Reef

Attributable Mineral Reserves

(Moz)



Mineral Resources and Mineral Reserves

continued

Reconciliation

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

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

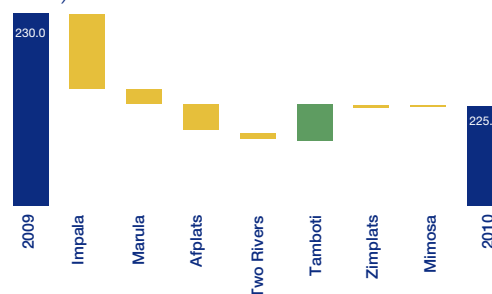
	2009	Depletion mined	Growth and changes	2010	Attributable Pt ounces per Implats ownership
Impala	74.1	1.21	(1.7)	71.2	68.0
Marula	11.2	0.10	(0.7)	10.4	7.6
Afplats	37.8	0.00	(2.1)	35.7	23.2
Two Rivers	5.8	0.21	(0.1)	5.5	2.4
Tamboti	23.5	0.00	3.6	27.1	27.1
Zimplats	106.9	0.26	0.2	106.8	92.8
Mimosa	8.0	0.16	0.1	7.9	3.9
Totals	267.4	1.93	(0.9)	264.6	225.2

Notes

- Depletion ounces were adjusted by mine call and concentrator factors
- The variance at Impala is the result of various changes eg depth cut-off off-set by the addition of the Impala/RBR JV estimates
- The variance at Marula can largely be ascribed to the updated Merensky estimate
- The negative variance at Afplats is mainly due to the imposed depth limit
- The positive variance at Tamboti is due to the increased mineral rights on the farm Kalkfontein

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

(Moz Pt)



Total Mineral Reserves Pt ounces (million)

	2009	Depletion mined	Growth and changes	2010	Attributable Pt ounces per Implats ownership
Impala	23.5	1.06	0.6	23.0	23.0
Marula	2.3	0.91	1.2	2.6	1.9
Two Rivers	2.0	0.18	0.1	1.9	0.9
Zimplats	11.9	0.22	0.1	11.8	10.2
Mimosa	1.8	0.13	0.1	1.8	0.9
Totals	41.6	2.51	2.0	41.1	36.9

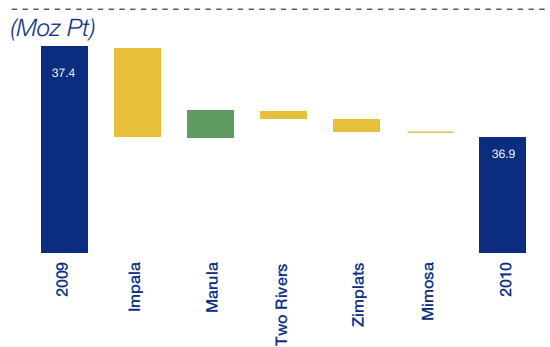
Notes

- Depletion ounces were adjusted for global concentrator factors
- The variance at Impala is largely due to the reduction of bord-and-pillar and some white area Mineral Reserves and the additional UG2 Mineral Reserves at existing infrastructure
- The positive variance at Marula is a combination of additional areas at the Clapham and Driekop hybrid sections, positive impact of increases in the extraction rates used and the exclusion of the Mineral Reserves previously included for levels 9 and 10 of the conventional section

Various Competent Persons, as defined by the SAMREC and JORC Codes, contributed to the summary 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 Resources Management, Seef Vermaak, PriSciNat Registration No 40015/88 assumes responsibility for the Mineral Resources and Mineral Reserves estimates for the Group.

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

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



The Mineral Resources and Mineral Reserves of the Implats Group reflect the Company's growth opportunities. We remain dedicated to safe production and ensuring that this is the first principle underpinning all Mineral Reserves estimates.

A more detailed breakdown of Implats' Mineral Resources and Mineral Reserves is provided in a separate report entitled, Mineral Resources and Mineral Reserves Statement 2010, 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.

Human capital review

Highlights	Disappointments
<ul style="list-style-type: none"> ○ Benefits of focused training and development programmes unfolding ○ Training budgets maintained despite economic conditions ○ Comprehensive skills audit under way ○ Improved retention of key skills ○ First engineering learners from our Skills Development Centre appointed 	<ul style="list-style-type: none"> ○ Quality of school education, particularly in rural areas ○ Industrial action experienced at our South African operations

Management approach

Implats focuses on developing strong leaders in a corporate culture founded on our core values by effectively managing our large talent pool, and nurturing constructive relationships with both our employees and organised labour.

Group policies and practices are developed and monitored at corporate level with specialists overseeing remuneration, transformation, stakeholder engagement, industrial relations, and training, while managing people is a designated line function.

Our aim as an employer is to offer stimulating careers and career progression to our people, particularly talented HDSA employees at our South African operations, in line with the requirements of our business and relevant legislation.

Performance of management and supervisory employees is regularly evaluated against predetermined targets. This takes place at the end of the first six months of the financial year and at the end of the financial year, as part of our skills development and performance management programme. Performance appraisals determine annual performance-based incentives and career development opportunities.

Operational committees are in place to deal with skills development, talent management and transformation.

They report to the Group Management Transformation Committee, which monitors compliance and progress, and into the Board Transformation and Remuneration Committees, respectively which provide strategic direction and inform the Board on all relevant matters.

Performance in 2010

The review period saw the benefit of our focused approach to human capital unfolding. Based on our aim of having the right people in the right place at the right time, in FY2010 seven learner officials (three females) received their mining certificates of competence, two received their engineering certificates of competence and three of our female mining engineering students were appointed as female shift supervisors. All from designated groups – underscoring our dual focus on transforming our workplace while maximising individual potential to meet the needs of our business.

We also appointed the first school leavers to benefit from our unique programme that incorporates vocational training into the final school years to ensure that they leave school with a basic apprenticeship qualification. Accredited by the Mining Qualifications Authority (MQA), this programme enables young people to train as electricians, fitters, boilermakers and diesel mechanics while completing grades 10 – 12.



Employees at 17 Shaft, Rustenburg.

Our greatest challenge in addressing the skills shortage remains the quality of formal education received at secondary level. This is particularly acute in poor rural areas. We are working with national and provincial government to implement a school support system to counter some of these challenges in the Rustenburg area.

Human resources development centres at Impala Rustenburg and Impala Springs retained their MQA accreditation, as well as their ISO9001:2008 quality management certification, enabling the Group to deliver fully accredited and quality-assured training to employees. Marula Platinum's human resources development centre received full accreditation for the first time in March 2009.

A comprehensive skills audit is being conducted at Impala Rustenburg and Refineries (September 2009 to August 2010). In partnership with the NUM, the audit will include all employees in the unskilled labour, skilled labour and junior management categories, prioritising mining, engineering and metallurgy. During the audit process, employee skills are compared to the profiles of each job to determine skills gaps and identify individual training and development needs. This enables a focused approach to training and development, and the opportunity to capitalise on individual skills that may not be used in an employee's current position. A total of 10 842 targeted employees had been audited by the end of June 2010 for both Rustenburg and Refineries.

Human capital review continued

Developing and managing talent

Training is conducted both internally and externally. In line with the Group's social and labour plans, provision is made for life-long learning, with support for external education and training. Sabbatical study periods include a guaranteed return to employment.

During the year, we enhanced our virtual reality DVD programme and extended targeted training initiatives to miners to deepen their understanding of their role in the workplace.

To date 71 employees have gone through our engineering foreman development programme. These include the first black female engineering foreman currently enrolled in the junior engineers programme; seven appointed as foremen and two as superintendents.

Adult basic education and training

At Implats we recognise that a literate workforce is key to our success. This not only benefits our organisation, but is also valuable to our employees in better managing their private lives.

Adult basic education and training (ABET) is prioritised at Implats, given the low levels of literacy at some South African operations.

Our literacy levels remained relatively constant in the year under review, with Impala Rustenburg at 55%, 90% at Impala Springs and 88% at Marula. All employees at the corporate office and Zimbabwe operations are literate.

ABET is provided both full time (38% of total intake) and part time (62%). In FY2010, 1 198 individuals participated, with 1 042 already in the programme at the end of the prior year. Providing part-time ABET and fulfilling the Company's mining charter obligations continued to present challenges. Among others, pass rates remained low (59%) in 2010 as training is frequently interrupted by leave periods and attendees are often tired after shifts.

Human resources development expenditure

Key indicators on training and development during the year for South African operations only include:

- The total cost of training provided (excluding ABET) was R257 million (FY2009: R262 million excluding ABET)
- The total number of hours of training provided to employees (excluding ABET) was 3 million, or an average of 88 hours per employee
- The total cost of ABET training provided was R15 million (FY2009: R18 million)
- The total number of people trained (internally and externally, including ABET) was 27 000, about 85% of South African employees

ABET training

	Value (R000)		Hours afforded		Number of employees	
	FY2010	FY2009	FY2010	FY2009	FY2010	FY2009
Impala Rustenburg	10 002	11 315	165 840	194 184	1 108	939
Impala Springs	4 161	5 862	27 808	39 088	58	61
Marula	1 012	900	24 422	13 920	32	42
SA operations	15 175	18 077	218 070	247 192	1 198	1 042

Talent development and management

Implats' approach to talent management has a dual thrust:

- Developing our own talent – specifically key leadership, supervisory and technical skills
- Recruiting external talent – aimed at selecting the right mix of technical, social and leadership skills at entry level

We have extended the depth of succession planning from executive and senior management levels to middle management and supervisory levels.

Performance assessments are done every six months at supervisory level, management and executive management level. These assessments are aligned to key performance indicators and business objectives. In FY2010 100% of employees received a performance assessment.

Our leadership development programme focuses on executive succession, identifying talented individuals with the potential to advance to executive and Board level. Full-time on-the-job development opportunities are offered to these individuals and, in collaboration with GIBS (the University of Pretoria's business school), 73 employees participated in a tailored intermediate management

development programme during the year (71% HDSAs and 26% women).

We have increased our focus on technical training, graduate recruitment and performance management to provide an adequate supply of the scarce and critical skills.

In the recruitment element of the programme, we allocate bursaries and apprenticeships to deserving individuals. Twelve new bursaries from South African operations were awarded in FY2010 (FY2009: 14) at a cost of R1 million, primarily in the fields of mining and chemical engineering: 100% of recipients were HDSAs and 25% were women. Another 7 bursaries were awarded as part of the Group socio-economic development programme. In total, for FY2010, Implats provided 63 bursars, at a Group cost of R4 million. Of these students, 88% are HDSAs and 30% are women.

A total of 80 new apprenticeships were offered in 2010 as part of the Company's skills development programme (FY2009: 160)

In addition to financial support for employees furthering their studies, we also offer similar support for the children of some employees in the form of study aid or bursaries.

Human capital review continued

HDSA representation in management (South Africa)

	FY2010				FY2009		
	FY2010 target %	% HDSA	Total number of employees/ members	HDSA employees/ members	% HDSA	Total number of employees/ members	HDSA employees/ members
Board	60	56	9	5	62	13	8
Senior management	40	34	103	35	27	95	26
Middle management	45	47	651	306	44	680	299
Total management	45	45	763	346*	45	788	333

* HDSA in management excluding the non-executive directors are 342.

Employment equity

Transformation in the mining industry remains a national imperative. We aim to ensure a workplace that is representative of all groups at all occupational levels. This includes black people (African, coloured and Indian), women (including white women) and people with disabilities. For Implats, this is a legal, social and business requirement.

Implats' policy is to ensure no gender or racial discrimination in payments made to employees. We remunerate employees equally based on position, value to the organisation, market-related reward and individual experience and expertise. Employment equity reports are submitted annually to the South African Department of Labour.

With oversight resting in a Board committee, Transformation Steering Committees are in place at all Implats' South African operations, representing management, NUM, UASA (where applicable), people with disabilities and women. The role of these committees includes:

- Developing and implementing employment equity plans
- Ensuring that employment policies, practices and procedures and the work environment are free from unfair barriers
- Compiling annual reports to the Department of Labour

A specific focus of our employment strategy at South African operations is to attract, retain, educate, develop and promote Historically Disadvantaged South Africans or HDSAs (HDSAs are defined by the MPRDA and mining charter; and as Designated Employees under the Employment Equity Act and include white women). This includes programmes on talent management, transfer of skills, preferential recruitment, accelerated training and a bursary scheme.

By end FY2010, 45% of total management were categorised as being HDSA (FY2009: 45%), compared to the mining charter target of 40%.

Women at Implats (South Africa)

	FY2010			FY2009	
	% of women in workforce	Total employees/members	Total – women employees	% of women in workforce	Total – women employees
Board	33	9	3	31	4
Senior management	12	103	12	10	10
Middle management	19	651	122	19	120
Management sub-total	18	763	137	18	134
Skilled	9	4 692	431	9	400
Semi-skilled*	12	5 729	716	—	—
Unskilled	8	23 932	1 983	8	2 262
Total	9	35 116	3 267	8	2 796

*Not reported in 2009.

Women in mining

Implats is fully committed to employing women in mining, for which the mining charter had prescribed a target of 10% by 2009. 'Women in mining' is currently defined as females employed in the core business of mining. Programmes in place to promote the employment of women in mining include career and individual development planning, accelerated training, mentoring and promotional opportunities. Specific policies (pregnancy and sexual harassment) facilitate the presence of women in core mining activities, and separate change houses and ablution facilities have been provided.

As at 30 June 2010 total women in mining figures were 2 518 which represents approximately 7% of women in core business.

As at 30 June 2010 9% of the South African workforce comprised women (FY2009: 8%) with 18% of senior and middle management being women (FY2009: 18%).

There are numerous challenges in meeting mining charter and social and labour plan targets: a high percentage of women recruits fail the heat tolerance tests that all mineworkers must pass before they may work underground; new recruits prefer surface employment and transfer as soon as possible; and safety conditions prohibit pregnant women from working underground.

Employment created

At year end, the Implats Group employed 54 136 people, comprising 38 317 employees (71%) and 15 819 contractors (29%). The lower figure for contractors for the current year compared to FY2009 reflects the completion of some capital projects, after which permanent employees were appointed.

Where possible, preference is given to sourcing employees locally. Due to the historical structure of the South African mining industry and migrant labour system, a significant number of employees (15%) at South African operations have permanent homes outside the country's borders. While Implats does not discriminate against employees from other countries, our long-term goal is that employees should ideally be drawn from South Africa and housed with their families where possible, near the operations.

Human capital review continued

Total number of employees and contractors

Operation	2010			2009		
	Own employees	Contractors	Total employees	Own employees	Contractors	Total employees
Rustenburg	30 791	13 443	44 234	29 462	11 862	41 324
Impala Springs	1 004	260	1 264	1 006	904	1 910
Marula	3 241	727	3 968	2 512	998	3 510
Zimplats	2 418	1 262	3 680	2 136	3 323	5 459
Mimosa*	788	113	901	812	154	966
Corporate office	75	14	89	72	20	92
Group	38 317	15 819	54 136	36 000	17 261	53 261

* 50% of Mimosa employees reported.

Employee retention

A benefit of reduced activity levels under prevailing economic conditions was the opportunity to stabilise the workforce and implement retention initiatives. As a result, employee turnover reduced to 6% in FY2010. Around 1% of total turnover represents women in certain categories, especially supervisory and technical positions.

Employee turnover is expected to remain relatively high in certain skills in FY2011, particularly at management and supervisory levels, as skills availability remains a key risk to our operations.

Unlike a number of its peers, Implats did not embark on any major restructuring and retrenchment programmes in the year under review.

Employee turnover (%)

Operation	All employees		Women	
	FY2010	FY2009	FY2010	FY2009
Impala Rustenburg	6.1	7.3	0.2	0.3
Impala Springs	6.7	8.6	2.0	1.4
Marula	4.8	10.0	0.3	0.4
Mimosa	6.2	6.2	—	—
Zimplats	5.3	10.7	5.2	—
Corporate office	18.7	11.1	12.0	6.9
Group	6.0	7.8	0.6	0.4

Key initiatives in FY2010 include:

- Further progress in our accommodation strategy to uplift the housing and living conditions of the majority of employees (pages 113 to 115)
- The Group's employee share ownership programme in South Africa
- Ama-Ching-Ching bonus scheme

In line with the Group's aim to continue to improve its 'employee value proposition', a number of programmes and objectives were implemented in FY2010, including:

- Employee benefits across the Group were further aligned. Benefits provided to employees include maternity leave, study assistance, medical aid and accommodation, pension and provident funds
- Preferred compensation and share appreciation bonus schemes were reviewed, and a revised performance evaluation system implemented, all aimed at retaining senior management
- Operational bonus parameters were reviewed to ensure alignment with the Group's business plan objectives
- Overall remuneration practices were evaluated to ensure that they are highly effective and competitive

Morokotso Trust – the fruits of transformation

The Morokotso Trust manages the Impala employee share ownership programme, which currently has around 31 804 beneficiaries – all employees from A-, B- and C-levels. The trust will hold these shares on behalf of employees for 10 years, with a scheduled 40% payout after the first five years (July 2011). The programme allows for employee shareowners to leave with benefits under the so-called 'good leavers' clause (death, retrenchment, normal retirement, approved early retirement, ill health). To date, R92.5 million has been paid to 1 862 good leavers resulting in an average payment of R49 500 per employee.

Employee relations

Employee relations across Implats operations is guided by the constitutions and prevailing legislation in South Africa and Zimbabwe. Much of this legislation is in turn guided by international regulations and conventions, including various International Labour Organisation (ILO) declarations.

In South Africa, legislation includes Acts on labour relations, employment equity, mine health and safety, the MPRDA and the mining charter. At operational level, specialist human resources, training and industrial relations personnel assist and advise line management in managing and developing human capital, and ensuring legislative compliance.

In terms of legislation, formal employee relations are mostly governed by collective bargaining processes that include recognition agreements with labour unions representing employees. Aspects covered include salaries and salary reviews, participation by employees or unions in decision-making forums, and notice periods for advising on significant organisational changes. The minimum notice periods are 30 days for any organisational changes or activities.

In South Africa, some 74% of the Implats' workforce is unionised, or subject to collective bargaining agreements. The two major recognised unions are the National Union of Mineworkers (NUM), representing 63.5% of employees, and the United Association of South Africa (UASA), representing 6.4% of employees.

The National Labour Act governs employer/employee relations in Zimbabwe, with a collective employee bargaining agreement negotiated at industry level by the National Employment Council (NEC) for the mining industry. About 86% of Implats' Zimbabwean workforce is covered by collective bargaining agreements and workers' committees interact with management at each operation.

In the mining industry there are two major recognised unions, the National Union of Mine Workers (NUM) representing between 47% and 89% of employees in 10 companies and UASA representing between 2% and 72% of employees in eight companies.

Unionised workforce by operation

	FY2010 %	FY2009 %
Impala Rustenburg	73.1	70.3
Impala Springs	84.3	59.9
Marula	65.0	70.0
Average for SA operations	74.1	67.0
Zimbabwe	26.5	25.3

A two-year wage agreement between the South African unions and the Company ended in June 2009. Wage negotiations for the next period (2010) began shortly thereafter and culminated in two weeks of industrial action when consensus could not be reached. While organised labour has the right to make itself heard, strike action is never good for the employees involved or the Company.

Human capital review continued

We believe the final settlement of 10% was fair and reasonable, as it followed increases of 12.1 – 12.6% under the prior agreement and compared to inflation of 7% for that period. This industrial action had a direct impact on production and, consequently, to the bottom line, translating to 45 000 ounces of platinum production lost.

In Zimbabwe, there has been an impasse at the NEC on wage negotiations which started in the second quarter of 2009. Given the high rate of inflation in that country, employee wages have been reviewed periodically on an interim basis and this has helped employees to cope with inflationary pressures in the economy, especially food inflation. In Zimbabwe a concerted effort is made to pay above the industry average given the high inflationary pressure on employees.

FY2011 objectives

- Evaluate ABET system to ensure correct balance between Company needs and social responsibility obligations
- Implement school support system to help address skills shortages in labour market
- Review Implats graduate programme to ensure we attract and retain best talent
- Maintain technical training initiatives and ensure compliance with relevant legislation
- Continue developing quality leaders
- Empower communities through socio-economic upliftment programmes

Human rights

Respecting human rights is integral to the Company's values and code of ethics, supporting the Constitution of South Africa and labour relations and employment equity legislation in South Africa and Zimbabwe. Policies and agreements with unions are in place at operational level and cover many aspects of human rights, including:

- Right to freedom of association and collective bargaining
- Prevention of child labour
- Prevention of forced or compulsory labour
- Equality and fair treatment of all individuals, irrespective of race, sex and physical ability
- Need to train security personnel to uphold these policies

As a signatory to the United Nations Global Compact on human rights and security compliance, the human rights policy is monitored by a Group Executive Committee that meets monthly.

Our contractors are required to adopt Implats policies and procedures. While contractor agreements do not specifically contain human rights clauses, contractors are expected to adhere to the South African Constitution and law within which these rights are entrenched, and the Group's own policies. This applies equally in Zimbabwe.

No alleged incidents of human rights abuses were brought against the Company during the year.

Socio-economic development

Highlights	Disappointments
<ul style="list-style-type: none"> ○ 750 houses at Sunrise View project occupied by employees whose mortgage bonds have been approved, of which 536 have been registered ○ 42 provincial government housing subsidies approved for employees earning below R7 000 basic salary ○ Successful conversion of hostel accommodation to family units and residences accommodating 6 000 employees ○ Successful implementation of local economic development (LED) projects at 78% rate 	<ul style="list-style-type: none"> ○ Low bond approval rate due to poor credit rating

Management approach

In line with the Group's approach to sustainable development, the way in which we manage socio-economic development in our operating areas has been substantially changed. In 2009 a fully fledged technical team was established to ensure the successful implementation of socio-economic projects, assisted by the stakeholder engagement department to ensure appropriate consultation with key roleplayers in each project. All project approvals start at operational committees and move through to the sustainable development forum, which comprises predominantly executive management. An independent verification agency assesses the impact of project implementation and verifies appropriate allocation of funds.

In South Africa, the Group's approach ensures the balanced delivery of socio-economic development objectives against a set of business imperatives on the one hand, and the needs of stakeholders on the other. Implats faces considerable challenges in meeting its socio-economic development goals in South Africa, involving dozens of affected communities with disparate needs. To manage this more effectively, we have concentrated on both these communities and their identified needs. Driven by champions in various areas, the approach to socio-economic development now focuses on:

- Enterprise development/local economic development
- Infrastructure development
- Housing and living conditions

- Education and training
- Health, safety and environment
- Sports development
- Corporate social investment

Sustainable development working and steering committees, supported by project committees, review and guide funding and monitor progress on identified development projects. Each major project undergoes a commercial and technical evaluation process and, once approved, the best project management principles are applied to ensure proper implementation, control monitoring and evaluation.

Included in our socio-economic development initiatives are the activities of the Impala Bafokeng Trust (page 116). At Group level, Implats continues to support civil society institutions such as the National Business Initiative (NBI), South African Mining Development Association (SAMDA) and South African Women in Mining Association (SAWIMA).

Performance in FY2010

South Africa

In FY2010, the Group spent R88 million on socio-economic development projects in South Africa (FY2009: R60 million), and R552 million has been spent on housing. This is part of the home-ownership programme to help employees acquire their own property.

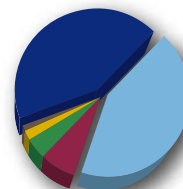
In FY2010, 54 793 people benefited directly and indirectly from Implats' socio-economic development expenditure (40 901 and 13 892, respectively).

Across our various initiatives, 1 333 direct and 983 indirect jobs were created. In total, 281 organisations benefited.

The demographic and category breakdown are shown in the graphs alongside.

Demographic split of beneficiaries

- Black males (youth) – 43%
- Black females (youth) – 43%
- Black females – 7%
- Black males – 4%
- Other – 2%
- Disabled – 1%



Socio-economic development expenditure in South Africa (Rm)

Programme	FY2010	FY2009
Empowerment of community structures*	21	18
Health, safety and environmental	1	2
Education	16	14
Government and municipal support infrastructure	12	4
Sports development	15	11
Enterprise development	19	10
Community welfare, arts and culture	4	1
Total socio-economic development	88	60
Housing and living conditions	552	917
Total sustainable development	640	977

Note: Overhead costs excluding R7.5 million was accrued for Afplats.

South African operations – flagship projects

Project	Operations	Programme	Project duration
Accommodation	Rustenburg/Marula	Housing and Living Conditions	2007 – 2012
Macharora Vegetable farm	Rustenburg	Enterprise development	2009 – 2014
Community Environmental rehabilitation	Rustenburg	Enterprise development	2008 – 2013
OR Tambo Essential oils production	Labour Sending Area	Enterprise development	2009 – 2014
Small Medium and Micro Enterprise	Rustenburg/Marula	Enterprise development	Ongoing
Hydroponics Farming	Marula	Enterprise development	2009 – 2012
Portable Water and Electricity	Marula	Infrastructure	2008 – 2013
Chrome Project	Marula	Enterprise development	Ongoing
Zivuseni Farming	Springs Refinery	Enterprise development	2005 – Ongoing

 For information relating to socio-economic development, please go to www.implats.co.za



Aerial view of Sunrise Village.

Socio-economic development continued

Impala Bafokeng Trust

Impala expenditure through the Impala Bafokeng Trust (jointly funded by Implats and RBH) is included above. Our focus is on ensuring that expenditure for every project is used to maximum benefit and for the purposes and beneficiaries intended.

Our socio-economic development expenditure is externally verified with rigorous monitoring systems in place.



Objectives FY2011

- Completion of hostel conversion to residences
- Completion of all housing related projects around Rustenburg and keep momentum on renovation and upgrading of Company housing portfolio
- Establishment of Business Support Unit to serve the Small Medium and Micro Enterprises
- Ensure sustainability of the existing community projects through mentoring and coaching
- Jointly Impala and North West Provincial Government to build a school to cater for the residents of Sunrise View in Rustenburg

Socio-economic development compliance

Social and labour plans are in place for Impala Rustenburg, Marula and Afplats Leeuwkop. These plans set out each operation's commitment to participate in specific local economic development (LED) initiatives that benefit both the surrounding communities and areas where they draw their labour (so-called labour-sending areas). Areas of focus are income-generating projects, preferential procurement, enterprise development, employment equity, skills development, housing and living conditions, and infrastructure development.

In recent years, there have been a number of problems in delivering infrastructure development programmes. These

The Impala Bafokeng Trust (IBT)

Formed after the significant BEE transaction between Implats and Royal Bafokeng Holdings (RBH), the primary aim of the trust is to contribute to the social and economic development of residents, particularly women, of Bojanala district in North West Province (home to Impala Rustenburg and the people of Royal Bafokeng Nation). Funding comes from equal contributions by Implats and RBH of R170 million over the eight years from 2007 to 2014. While the trust has an overarching emphasis on empowering women, it focuses more specifically on the areas of:

- Education, particularly early childhood development as the basis for entry to the formal education system
- Enterprise development, especially initiatives that help aspirant entrepreneurs advance beyond subsistence into the formal economic sector
- Health, particularly providing infrastructure, equipment and human resource development and retention
- Capacity-building in local institutions to support the work of the trust and its partners
- Sport and recreation to encourage personal development, healthy living and community building

The trust seeks to go beyond mere grant-making in these areas, avoiding duplicated effort and facilitating partnerships where the private, not-for-profit and public sectors collaborate on specific programmes. The IBT does not provide support to individuals, private companies or businesses, political parties, trade unions or events and initiatives aimed at promoting any religion. It is guided by a Board of trustees, and managed professionally by an independent consultant. For further information, go to www.ibt.org.za.

include a lack of bulk services, funding and systems to manage and maintain infrastructure upon completion and delivery.



For case studies relating to sports development, please go to www.implats.co.za

Zimbabwe

During the year, amid rapid changes in the Zimbabwean operating environment, Zimplats conducted an extensive stakeholder survey to reassess needs and perceptions among its constituent communities. Overall results were encouraging. While this slowed progress on certain longer-term initiatives, it has sharpened our focus on areas most important to stakeholders:

- Health and sanitation
- Education
- Income-generating projects
- Water supply

While Zimplats is consciously doing the right things in terms of human rights, it also ensures this behaviour is replicated by suppliers.

The Group continues to implement investment initiatives where significant needs have been identified.

As in South Africa, Zimplats has reviewed its housing strategy and plans are now under way to implement a large-scale housing scheme at the mining operation. As part of the US\$340 million Ngezi expansion project, an employee housing project is on track, with 700 of 900 planned units already completed.

At Mimosa, after a strategic review of corporate social investment initiatives, the focus has shifted to self-sustaining projects to empower community members in the longer term. Accordingly, the mine will partner with its communities in addressing identified needs as opposed to donating funds. Projects scheduled for implementation include agriculture-based community programmes, providing clean water to communities by drilling boreholes, developing local school and refurbishing hospitals. In FY2010, Mimosa spent some US\$316 000 on CSI initiatives, primarily in the education field through scholarships and infrastructure development.



For case studies relating to socio-economic development, please go to www.implats.co.za

Zimbabwe operations – key socio-economic development projects

Project	Operations	Programme	Project duration
Refurbishment of local clinic	Zimplats	Community Welfare/Health	2009
Education Material donation	Zimplats	Education	2009
Student Scholarships	Zimplats	Education	2010
Conservation Farming	Zimplats	Enterprise development	2009 – 2010
Reconstruction of Primary School	Zimplats	Infrastructure	2010
Selous Electricity Sub-station	Zimplats	Infrastructure	2009 – 2010



For information relating to Zimbabwean projects, please go to www.implats.co.za

Environmental review

Highlights	Disappointments
<ul style="list-style-type: none"> ○ Water and energy conservation and efficiency strategy for implementation in FY2011 is being finalised. This includes the Group's response to climate change ○ Good levels of legal compliance reported ○ New and expanded air quality abatement equipment at the smelter in Rustenburg reduced direct SO₂ emissions by 74% due to a combination of lower production and emission control ○ Fresh water consumption reduced by 1% ○ Impala Rustenburg, Impala Springs, Zimplats and Mimosa retained ISO14001 certification. Preparation for certification at Marula well advanced ○ Emissions inventory nearing completion at Impala Rustenburg ○ Completion of stormwater control dams at Impala Rustenburg tailings dam and UG2 concentrator 	<ul style="list-style-type: none"> ○ ISO14001-based environmental management system being implemented at Marula, but certification has not been attained ○ Energy consumption up by 4% ○ Increase in SO₂ emissions at Zimplats by 92%

Management approach

Implats acknowledges the impact of mining in every form – from prospecting to closure – on the environment. The strategies and processes required to minimise this impact are in place at all stages of every operation's lifecycle. The Group also plays a significant role in recycling its primary products.

As a minimum Implats ensures compliance with environmental legislation, with significant environmental issues reported and considered at executive meetings. At Board level the SHEQ Audit Committee oversees environmental matters and pays regular site visits. The Group corporate environmental team conducts regular audits. The Group environmental policy was revised and approved in November 2008, and is being fully implemented at operational level.

In the mining context, we believe it is possible to achieve zero 'net' environmental harm by applying sustainability principles through social and environmental offsets that produce a net benefit. Environmental harm is avoided or mitigated as far as practical throughout the lifecycle of

mining operations by operational control and embedding sound environmental principles and practices, including:

- Legal compliance
- Pollution prevention
- Implementation of precautionary approach and duty of care
- Continual improvement in environmental performance
- Ongoing rehabilitation

Open and transparent communication with stakeholders is fostered by close liaison between the environmental teams and stakeholder engagement unit. Hotlines, open days, newsletters and community liaison forums form an integral part of communicating with stakeholders (page 33).

Performance in FY2010

Given the varying nature of mining, processing and refining operations and environmental circumstances across the Group, environmental priorities and risks vary from site to site. Generally, Implats' environmental priorities include:

- Improving resource use (water and energy)
- Reducing the Group's carbon footprint

- Preventing pollution (air, water and land)
- Instilling and ensuring good practice in waste management
- Responsibly conserving land under management

Substantial work has been completed on continually improving our management of environmental issues across the Group. During the review period, this included:

- A water and energy conservation and efficiency strategy which is in the process of being formulated and will incorporate:
 - Risk and resource security
 - Awareness
 - Consideration of alternatives (resources, technologies, external initiatives)
 - Development and implementation of conservation and efficiency programmes
 - Efficiency and reduction targets
 - Monitoring and reporting
- Conducting a waste management activity gap analysis to better understand our waste sources and related activities, as well as licensing requirements
- A biodiversity action plan to determine our current biodiversity is being developed at Impala Rustenburg and Marula, and will be rolled out across the Group in due course
- A project was initiated to quantify the Group's total carbon footprint, including CO₂ equivalents and scope three activities, which did not form part of the carbon disclosure in previous annual reports. This project was based on FY2009 data, and included the customisation of a carbon calculator which will be regularly updated
- Participating in the Carbon Disclosure Project 7 survey

Water management

Water is a scarce and valuable resource in southern Africa, and this situation is likely to escalate in future owing to the effects of climate change. The carbon disclosure project (CDP) launched the water disclosure initiative in 2010 which seeks to give investors a clear understanding of business risks and opportunities associated with water scarcity and availability. Implats will participate in this

project and continue to evaluate water availability across the Group's operations to mitigate potential risk.

The Group's water management strategy involves reducing fresh water consumption where possible, increasing recycling and mitigating any negative impacts of operations on local and regional water resources (e.g. prevention of pollution of water sources).

Implats representatives actively participate in several joint water forums and associated technical task teams have been established in the Rustenburg, Brits and Burgersfort areas. These teams include mining companies, municipalities, Department of Water Affairs (DWA) and local government.

Impala Springs is represented on the Blesbokspruit Forum that meets quarterly, and the Grootvallei Blesbokspruit Trust that meets each month.

Water use-reduction initiatives

Numerous water-reduction projects have already been implemented, with a number still to be evaluated. The main emphasis is on reducing potable water consumption and optimising industrial water use, as well as recycling water.

The following initiatives have been implemented to improve water-use efficiency at Impala Rustenburg:

- Containing run-off water at processing operations, preventing contamination of immediate groundwater and channelling run-off to specific holding sumps
- Installing larger penstock return-water sumps and pumping systems at the tailings dam
- Upgrading the Rockwall Dam return pumping system
- Rerouting treated effluent to the processing operation
- Installing Evapco towers at central and 7 Shaft compressor stations to replace evaporative cooling water ponds on compressor plants
- Treating both precious and base metals refineries' effluent to produce boiler water quality for re-use in the process

Environmental review continued

During the year, Impala Springs received a draft of its integrated water use licence. Other operations are still in discussions with the DWA, and are awaiting draft licences.

At Impala Springs, the water management plan has been reviewed. The containment of run-off water at this operation has achieved the target of zero effluent run-off. In 2010 the acid regeneration plant in the precious metal refinery (PMR) was successfully commissioned.

Marula's water management strategy is being implemented. A water balance has been drawn up and an action plan implemented to install flow meters that will enable the team to adequately monitor water use. Design plans for lining the return-water dam have been finalised to minimise seepage from the tailings dam.

Measures in place to optimise water use at Zimplats include:

- Recycling water from tailings dam into the plant
- Stormwater retention dam captures all water from the SMC plant area and channels it to the plant
- Run-off mine water is recycled from settling dams at the three underground mines at Ngezi

The Mimosa water management strategy focuses on using recycled water for both mining and plant operations to reduce fresh water consumption from the Ngezi River. Accordingly, the mine has installed density gauges and variable-speed drives on thickeners, installed dewatering cyclones, and maintains its pipelines to reduce losses through leakage. Mimosa has constructed a second return-water dam at a cost of \$1 million to optimise the use of return water decanted from the active tailings dam, and will upgrade the pumping system to increase consumption of return water and reduce fresh water uptake from the weir. The mine also plans to treat effluent from the new 240m³/day sewage plant under construction through chlorination and pump this to the tailings dam for re-use in the plant process.

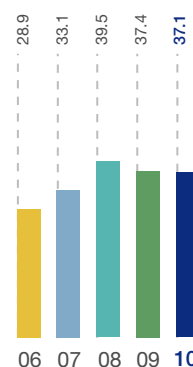
Water consumption

Total water consumption by the Group in FY2010 was 37 million kl, a decrease of 1% on the prior year. Total

water withdrawn increased by 5% to 27 million kl. The major contributor to this result was Zimplats, where the first phase of expansion has been completed.

Total water consumption

(million kl)



Preventing pollution

Given the nature of mining operations, the primary concern with water pollution is the potential release of process water containing sulphates, chlorides and nitrates into receiving water bodies. None of the Implats operations is associated with acid mine drainage or the use of cyanide.

Regular surface and groundwater sampling takes places at all operations. At Impala Rustenburg groundwater data is fed into a regional model, which is used as a management tool for identifying and addressing groundwater problems.

Capital expenditure of R68.5 million has been allocated for water-related projects at the Rustenburg operations between FY2009 and FY2012. Total expenditure to date is R37.1 million (R30 million in FY2009).

In addition to new and improved control dams across Group operations, various projects to prevent and mitigate groundwater pollution were finalised in FY2010. These include constructing cut-off trenches at 14 Shaft waste-rock dump and sludge ponds; and formalising an environmental standard for the construction, operation and closure of waste-rock dumps.

*Total water consumption and withdrawn (000kl)**

Operation	Total water consumption			Total water withdrawn		
	FY2010	FY2009	FY2008	FY2010	FY2009	FY2008
Impala Rustenburg**	22 859	26 401	29 530	17 482	18 843	19 812
Impala Springs	1 125	1 195	1 186	715	758	752
Marula	2 841	2 160	2 031	1 494	1 169	1 001
Zimplats	6 172	3 793	3 442	4 729	2 685	2 386
Mimosa	4 063	3 885	3 286	2 659	2 328	2 019
Group**	37 060	37 434	39 475	27 079	25 783	25 970

* Total water consumed includes all sources of water.

Total water withdrawn includes water from external service providers, rivers, dams, groundwater and externally recycled water.

** Impala Rustenburg: FY2009 – 24 894 restated as 26 401.

Group: FY2009 – 35 927 restated as 37 434.

Water quality management

Groundwater and surface water is regularly sampled at all operations. As part of the Company's objective to improve water quality in the receiving water bodies and further minimise discharges, several new stormwater control dams were constructed (Impala Rustenburg's UG2 concentrator and the No 3/4 tailings dam complex). This project forms part of an initiative to clean the Rockwall Dam by minimising the inflow of contaminated process water and stormwater. Commissioning and optimisation of these control dams will be finalised in FY2011. The design of stormwater control dams at Impala Rustenburg's central processing operation is complete and implementation of the first phase will begin in FY2011.

The 16 Shaft evaporation ponds are being lined and environmental engineering controls at the waste-rock dump implemented. An environmental standard for the construction, operation, control and closure of waste rock dumps has been finalised and implementation started at the sinking shafts.

An additional pond is planned at Impala Springs to manage effluent and prevent spills into water courses. This operation does not discharge water into any water courses, although some effluent is released into the municipal sewer (with permission).



For water sources, please go to
www.implats.co.za

Environmental review continued

Recycled water used (000kl)

Operation	FY2010	kl recycled		% total consumption		
		FY2009	FY2008	FY2010	FY2009	FY2008
Impala Rustenburg	5 376	7 557	9 719	24	29*	33
Impala Springs	411	438	433	36	37	37
Marula	1 347	991	1 030	47	46	51
Zimplats	1 443	1 109	1 056	23	29	31
Mimosa	1 404	1 557	1 267	35	40	39
Group	9 981	11 652	13 505	27	31	34

* Restated FY2009 total water consumption

Group water withdrawn by source – FY2010 (000kl)

	FY2010	FY2009
Total water withdrawn – municipal service providers	11 970	11 982
Water used from external organisations	3 668	3 829
Water used from potable sources – rivers	2 659	9 972
Water used from potable sources – dams/lakes	7 506	
Water used from potable sources – groundwater	1 276	
Total water withdrawn	27 079	25 783

New plant has cost and environmental benefits

The acid regeneration plant upgrade in the precious metal refinery (PMR) at Impala Springs was successfully commissioned in 2010. This project has both environmental and economic benefits compared to bulk acid: estimated savings include R13 million on disposing of this effluent in an environmentally sound manner and R3 million per annum on bulk acid. In addition, some 36m³ less effluent per day will be generated from the palladium circuit as the acid and water produced is reused.

The project is a good example of Implats caring for the environment while upholding the ISO14001 principle of continual improvement.

Energy management

For Implats, the amount of energy available and used is a material issue, given its impact on costs and on the continuity of our business energy used is also a significant component of our greenhouse gas (GHG) emissions.

The 5% reduction in the permanent electricity allocation to the South African mining industry introduced by power utility Eskom in 2008 after a national electricity shortage remains in place. Implats has worked closely with Eskom on demand-side management (DSM) programmes to effect this reduction.

Since then electricity tariffs have risen sharply and will continue to do so for at least the next three years. In 2009, 65.5% of the energy consumed by Implats was related to electrical power consumption. As the largest single source of energy consumption for Implats, this is the focal point for energy-related cost reduction. In FY2010, electricity

made up 8.6% of the Company's operating costs (excluding share-based payments).

As such, energy-saving initiatives focus on:

- Control of main ventilation fans
- Improved central control of refrigeration systems
- Reducing energy demand for underground pumping
- Installing efficient heat pump technology
- Central control of air compressors
- Using efficiency 1 motors
- Improved insulation systems to conserve heat
- Use of solar energy systems

The water and energy conservation and efficiency strategy is being finalised and will be implemented in FY2011. This is expected to have incremental benefits for our use of energy, primarily through energy efficiency.

Optimising energy consumption and energy efficiency is integral to our strategy to reduce GHG emissions. Opportunities to reduce electrical energy use at our smelters and refineries, however, are limited, as these energy requirements are largely fixed and based on throughputs. Our focus is therefore on optimising the energy efficiency of mining operations. Energy consumed by using fossil fuel is a central part of the strategy to reduce energy consumption.

With a third furnace now operating at Impala Rustenburg, the Group's total energy consumption, and hence GHG emissions, continued to rise during the review period in line with our growth strategy. Other contributing factors include mining operations becoming deeper and further from the shafts, requiring more energy for transport and refrigeration.

Group energy-saving initiatives have produced some benefits, although not yet apparent in total energy consumption figures with the primary beneficiary being Eskom.

As a result of our interaction with power utilities and our own priorities, Impala's new shafts (16, 17 and 20) have all been designed with high-level specifications for energy

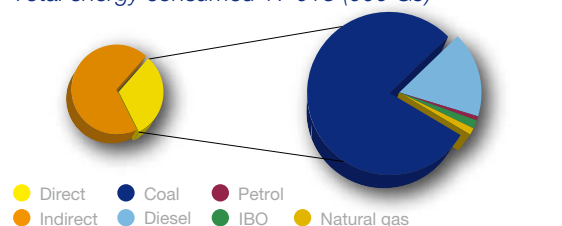
efficiency and power management in terms of main fan stations, refrigeration systems, underground pumping systems, underground lighting, air compressor and reticulation systems, and hot water control systems for change houses and residences.

Energy management is a similar issue in Zimbabwe, where severe power outages and punitive electricity tariffs become significant financial incentives for power-conservation strategies. Mimosa Mine has installed solar water-heating systems and inverters on 261 low-density residential houses to protect employees from power outages. Employees were also issued with energy-saving bulbs for home use. Energy reductions from the solar water-heating systems cannot be reflected at mine level as occupants pay their bills direct to the Zimbabwe Electricity Authority.

We expect these initiatives to deliver incremental improvements in time but, given the Group's expansion plans, the emphasis will remain on improving efficiencies rather than reducing absolute consumption.

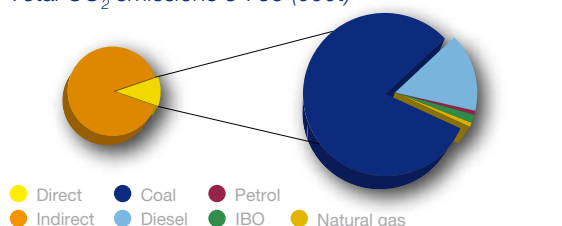
Breakdown of Group energy consumption – FY 2010 (% of total GJ)

Total energy consumed 17 013 (000 GJ)



Breakdown of Group CO₂ emissions – FY2010 (expressed in % of total CO₂ emissions)

Total CO₂ emissions 3 755 (000t)



Environmental review continued

Total energy consumed by operation

(000Gj)	FY2010	FY2009	FY2008
Impala Rustenburg	11 295	11 138	10 875
Impala Springs	2 530	2 554	2 520
Marula	674	637	613
Zimplats	1 826	1 413	1 587
Mimosa	688	646	540
Group	17 013	16 388	16 135

With operations in South Africa and Zimbabwe, Implats currently has limited exposure to legislation on GHG emissions, although this is expected to change in future. South Africa, in particular, depends on electricity generated from fossil fuels, and is thus a significant global emitter of carbon dioxide. At the United Nations Climate Change Conference in Copenhagen in December 2009, South Africa committed to a 34% reduction in GHG emissions by 2020 and 42% by 2025: this will have significant implications for both the public and private sectors in the country. The realisation of these targets is yet to be integrated.

The Group's primary risks from climate change include physical risks, such as water and electricity supply shortages (and hence rising costs).

In contrast, climate change presents many opportunities for the platinum industry, given the 'clean' uses for PGMs (page 66), growing awareness of global warming and increased emission-reduction legislation. As example, the focus on heavy-duty diesel vehicles will boost platinum consumption in autocatalyst.

Implats again participated in the Carbon Disclosure Project's (CDP) survey. The Group's CDP 2010 GHG emissions questionnaire is available at www.cdproject.net.

Integral to our objective to reduce GHG emissions are drives to reduce and optimise the Group's energy use and improve energy efficiency (page 123), as some 90% of our CO₂ footprint comprises indirect emissions from electricity consumption.

Total direct CO₂ emissions (from burning fuel such as coal, diesel, petrol and gases) were 396 tonnes and 6% higher than the previous year. Total indirect CO₂ emissions rose to 3.4 million tonnes, 13% higher than FY2009.

Sources of direct CO₂ emissions

(000)	FY2010		FY2009
	Tonnes	%	%
Petrol	3	1	1
Diesel	62	15	17
Coal	321	81	80
Natural gas	3	1	1
IBO	7	2	1
Total	396	100	100

Climate change indicators

(000)	FY2010	FY2009
Direct CO ₂ emissions (t)*	396	420
Indirect CO ₂ emissions (t)**	3 359	2 971
MWh indirect energy (electricity purchased)	3 267	2 981
Direct energy (GJ)	5 250	5 655
Indirect energy (GJ)	11 763	10 733
Total energy (GJ)	17 013	16 388

Data does not include CO₂e and scope 3 activities.

*Direct CO₂ emissions as a result of burning fuel (coal, diesel, petrol, IBO, natural gas).

**CO₂ emissions from energy purchased.



For climate changes case study, please go to www.implats.co.za

Air quality management

The major air quality issue for the Group's smelting and refining operations in Rustenburg, Springs and Zimplats is sulphur dioxide (SO₂) emissions. The installation of stack monitoring equipment throughout the Group is being investigated.

In FY2010, the first benefits of the ambitious SO₂ emission-reduction strategy initiated by Impala Rustenburg in 2006 were realised. The critical components of this strategy encompassed meeting air quality standards, limiting visual emissions and minimising occupational exposures. The R830 million smelter upgrade included upgrading the acid and sulfacid plants and construction of new tail gas and fugitive gas scrubbing plants.

Following full commissioning of new and expanded emission-abatement equipment that formed part of the smelter upgrade project, the 2010 target for the smelting complex was below 16 tonnes of SO₂ per day (against a previously allowable daily limit of 27.4 tonnes of SO₂). Actual emissions dropped to an average of 10 tonnes of SO₂ per day for FY2010, from an average of 38.9 tonnes SO₂ per day for FY2009. This equates to a 74% reduction. (Refer graph below.)

Total Group direct SO₂ emissions in FY2010 were 16 926 tonnes, down 20% on the prior year. While SO₂ and other significant emissions to air are reported in this section (chlorine, ammonia and NO_x), different monitoring systems are in place at different operations. At Impala Rustenburg and Zimplats, SO₂ balances are calculated, while at Impala Springs data is collated from a specialist report. The figure for Impala Springs excludes fugitive emissions, which are included in SO₂ balances calculated at the other two sites. A

project is under way to source and install in-line SO₂ monitors at Impala Rustenburg. Data from these continuous monitors will present a more accurate sulphur emission figure than the current sulphur-balance approach alone. NO_x emissions from electricity consumed for the year were 14 335 tonnes.

Total direct SO₂ emitted (tonnes)

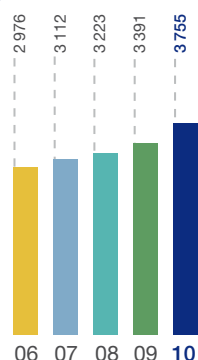
	FY2010	FY2009	FY2008
Impala Rustenburg	3 638	14 223	18 184
Impala Springs	839	455	342
Zimplats	12 449	6 474	7 951
Group	16 926	21 152	26 477

The Department of Environmental Affairs has issued a draft registration certificate for the expanded smelter operation. Impala Rustenburg submitted consolidated comments to the department in August 2009, and awaits issue of the revised draft certificate. From April 2010, all related issues will be dealt with by the North West Department of Agriculture, Conservation, Environment and Rural Development under the new air quality act.

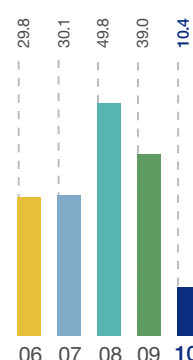
A new scrubber was commissioned at Impala Springs, and is operating efficiently in removing NO_x emissions generated in the precious metals refinery. Projects are also under way to address those few concerns highlighted by recent stack-sampling reports. After test work on raw material inputs to

Total direct and indirect CO₂ emissions

(000 tonnes)



Average daily SO₂ emissions (tonnes/day) for Rustenburg operations



Environmental review continued

the furnace ignition process, Impala Springs replaced plastic bags with paper bags, enhancing the process and limiting the impact on the scrubber system.

At Zimplats, SO₂ emissions increased by 92% during the year. This was expected due to the phase 1 expansion programme. A strategy is currently being developed to reduce SO₂ emissions of these operations.

The ambient monitoring network at Impala Rustenburg comprises six monitoring stations. Three of these stations measure meteorological conditions, SO₂ and PM10 (particulate matter smaller than 10 microns), two measure meteorological conditions and SO₂ and one only monitors meteorological conditions. In addition to ambient stations, a comprehensive total dust fallout network is maintained. Monitoring ambient conditions is one of the management tools that can be used to identify and investigate trends.

Ambient air monitoring in the vicinity of Impala Springs indicates only minor and infrequent exceedances against national ambient standards. However, Impala Springs remains concerned about the high level of pollution in Springs. Impala Springs falls within the Highveld Priority Area declared under the National Environmental Management Air Quality Act. Although air quality management plans for this area are a national priority and are being drawn up by the Department of Environmental Affairs, Impala Springs has continued with its own initiatives to minimise air pollution.

At Marula, the major dust generators are the tailings dam and dirt roads leading to the shafts and in the vicinity of the shafts. In July 2009, Marula commissioned a R2.5 million dust-suppression system on the tailings dam to address dust generated from the dam. The new overhead sprinkler system and dust fallout network complement existing measures such as mini water sprinklers and dust screen shields. In addition, grass has been planted to further reduce dust levels.

The focus of the ambient air quality management programme at Zimplats has been to restore the ambient air quality monitoring unit, and upgrade the dust fallout programme. Fugitive dust from the active tailings dam at

Mimosa remains a challenge and one of the mine's objectives is to minimise dust emissions by implementing a dust suppression system.

After phasing out the use and purchase of ozone-depleting substances, an audit to establish whether there are any potential ozone-depleting substances still in use was undertaken in FY2010.

Material consumption

Implats promotes the efficient use of raw and input materials, both from a cost and environmental conservation perspective. Non-renewable raw materials consumed include rock mined and milled and slag treated, as well as liquid fuels, coal, explosives, oils, grease and grinding mediums (steel balls). Timber used by operations is sourced from sustainable forestry enterprises.

Key production statistics

000 tonnes	FY2010	FY2009	FY2008
Ore milled	20 309	20 083	21 247
Tailings disposed of on tailings dams	21 809	20 333	19 162
Dump slag treated	179	235	365
Furnace and convertor slag generated and treated	844	842	903
Total slag treated	1 023	1 076	1 268
Platinum produced (000oz)	1 741	1 704	1 907
<i>Material consumption</i>			
Diesel (000 litres)	23 466	29 262	29 349
Petrol (000 litres)	1 250	1 621	1 206
Coal (tonnes)	159 240	164 378	160 947
Industrial burning oil (000 litres)	2 034	1 728	2 393

Land management, biodiversity and rehabilitation

The Group has significant areas of land under management – around 94 357ha in FY2010. Impala Rustenburg operations increased their land under management by 120ha during the year under review. All other operations remained the same. Closure plans have been developed for Impala Rustenburg, Impala Springs, Marula and Zimplats.

Compiled initially in June 2006, Mimosa's mine closure plan was reviewed during the period to accommodate current strategic changes.

Opencast mining operations have historically taken place at Zimplats and Impala Rustenburg. Rehabilitation at Impala Rustenburg is undertaken concurrently with mining activities. At Zimplats, opencast mining ended in October 2008 and rehabilitation work is under way.

During the process of mining significant amounts of ore (minerals-bearing material) are brought to surface and processed to extract the precious metals. Waste rock and tailings (the slurry left behind when the minerals concentrate is sent on for further processing) are deposited on surface in waste rock dumps and tailings dams, respectively.

Land under management – 30 June 2010

	Land under manage- ment (ha)	Disturbed areas rehabili- tated in FY2010 (ha)*	Disturbed areas rehabili- tated in FY2009 (ha)*
Impala Rustenburg	33 308	56	51
Impala Springs	239	—	—
Marula	5 720	61	—
Mimosa	6 590	—	—
Zimplats	48 500	—	305
Total	94 357	117	356

* Excludes rehabilitation of tailings dam side slopes.



For Zimplats host Africa Conservation Day, please go to www.implats.co.za

Tailings dam management

Standing contracts with civil engineering and environmental consultants guide the Group on all aspects of managing tailings dams. This includes the design, construction, operation and closure of all tailings dams. These contract agreements include dam safety programmes, monitoring, audits and risk assessments.

In addition, most operations have implemented additional criteria for tailings dam management including:

- Extensive surface and groundwater sampling programmes around tailings dams
- Biannual biomonitoring programmes to assess the impact of operations, including the tailings dam on downstream users at Impala Rustenburg
- Improved re-vegetation method for tailings side slopes
- A mandatory code of practice for mine residue deposits, defining all associated risks and their management

Implats uses an on-land impoundment disposal method for tailings (so-called tailings dams). Various controls are in place to collect all decant water and re-use this in the processing facility.

Given their high salt concentrations, these tailings dams are a potential source of ground- and surface-water contamination. Programmes are in place to minimise this impact, including landscaping and vegetation, as appropriate to the area of operation and designated land use. As far as possible, rehabilitation takes place concurrently with tailings deposition processes.

At Impala Rustenburg woodchips and sewage sludge from operations are collected for the manufacture of compost by a community-based business (page 115). This is then used in rehabilitating tailings dam slopes.

In FY2010, 27.4ha of tailings at the Rustenburg operations side slopes were cleared of alien vegetation and regrassed with a mixture of indigenous grass species and compost from the Monontsha project.

Rehabilitation

A significant and ongoing project at Impala Rustenburg operations is rehabilitation of historical waste sites. Another historical site (19ha) was rehabilitated during the year at an approximate cost of R2 million. To date, six historical sites covering 48ha have been rehabilitated at a cost of R10 million.

Environmental review continued

In FY2009, Impala Springs decommissioned the enhanced evaporation spray system it had used since the early 1990s as part of its effluent treatment facilities. The site is now being rehabilitated using phytoremediation (vegetation) techniques and over 4 600 indigenous trees were planted in December 2008. Once root systems are established, the trees begin to extract pollutants from the soil, storing this in their leaves. For the first few years, it will be necessary to harvest the leaves until the soil has been sufficiently cleansed. The main purpose of the first phase is to stabilise the soil pH by extracting the salts from the ground. After this initial period, more trees will be introduced to assist with metal uptake from the soil.

Disturbed areas for Mimosa Mine consist of a few borrow pits used for gravel and pit-sand extraction. All borrow pits except one are still active. The inactive borrow pit is being rehabilitated and about 400 indigenous acacia trees were planted on one part of the pit area during the national tree planting week in December 2009.

Group rehabilitation provisions and liabilities are indicated in the table below.

Rehabilitation liabilities and provisions

(R million)	Liability/(current cost)		Provision	
	FY2010	FY2009	FY2010	FY2009
Impala	768	517	432	289
Marula	80	66	35	33
Mimosa ¹	67	64	42	33
Zimplats	166	122	111	99
Group	1 081	769	620	454

* **Note:** these numbers reported are aligned with financial requirements and not environmental requirements.

¹ Represents 100%.

Biodiversity

All prospecting, mining, processing and refining activities are subject to environmental impact assessments (EIA) and ecological impact study prior to starting. As such, management commitments in terms of the identified impacts/risks are included in the environmental management plan for each operation.

Biodiversity is considered in each operation's environmental management plan and is managed as an integral part of the environmental management system. Other than Zimplats' Ngezi Mine, which partially overlaps into a national park, none of the Group's operations is in protected areas. Red data species are located near the Marula operations and this is considered in its environmental management plan.

The third phase of a biodiversity action plan is under way at Impala Rustenburg, after completion of the second phase in December 2009. Site surveys will continue over the next two seasons and the plan will be fully implemented by FY2011. Marula has initiated a project to implement a biodiversity action plan for its operations. This is expected to be completed during FY2011.

The aim of a biodiversity action plan is to identify any threatened species and habitats, and thus protect and restore biological systems within the mining area. This will, however, require a partnership with the local authorities to work towards regional biodiversity targets. To assist with managing such plans, a geographic information system (GIS) will be installed at Impala Rustenburg, becoming fully

operational during the first half of FY2011. This tool will facilitate managing sensitive areas better through more accurate data and pertinent management information, and is in line with the Group's intent to become more involved in biodiversity offset programmes to mitigate long-term harm to the environment.

At Zimplats, Marula and Mimosa, biodiversity-related issues are managed under the respective environmental management systems. Mimosa, which is not in a protected area of high-biodiversity value, has a resource conservation plan that focuses on wildlife habitats protection and flora conservation.

Impala Springs is a corporate trustee of the Blesbokspruit Environmental Centre, just outside the town. The centre is located near a wetland site, and provides environmental education to schools and communities.



For Magaliesburg biosphere projects, please go to www.implats.co.za

Waste management

Implats' strategy to minimise waste and protect the environment is enforced through site-specific waste management plans at all operations. To assist in managing and correctly reporting waste volumes, the Group is implementing a specific waste module as part of the SAP management programme. In addition, Implats' five-year capital forecast includes funds for implementing various waste management projects. These projects will focus on further increasing re-use and recycling of waste streams to decrease the volume of waste currently sent to landfill.

At Impala Rustenburg, an external specialist company is contracted to salvage, reclaim, sort and recycle waste. Final collection and transportation of hazardous waste is carried out by a reputable waste contractor. Due to the special requirements for handling and disposal of medical waste, all medical waste generated by Impala Medical Services is collected, treated and disposed of by a specialist external contractor.

Impala Rustenburg operates its own permitted general landfill site, managed by an external landfill operator. This gives Impala full control over its general waste and allows further recycling to be conducted at the disposal site. Current discussions with the Royal Bafokeng Nation will see this site made available for waste disposal from surrounding villages.

The initial site inspection to update the Rustenburg waste inventory and associated waste management plans was conducted during the year. This project will allow Impala to implement long-term plans to demonstrate compliance to the legislative requirement of increasing recycling and minimising disposal to landfill.

Impala Springs has a holistic effluent management programme in place, focused on recycling water and waste to become a zero-effluent operation in time. Unusually high rainfall during the period presented some significant challenges, which were dealt with as effectively as possible. Impala Springs generates three major waste streams: salt from the precious metals refinery crystalliser, and boiler ash and jarosite from the base metals refinery. These are disposed of in appropriately registered landfills. Crystalliser salts and jarosite are currently deposited at a permitted hazardous landfill and boiler ash is recycled for brick-making. At the precious metals refinery, the acid regeneration plant was upgraded and recommissioned during the year to reduce both the quantum of virgin acid purchased and effluent.

Marula's waste inventory is also being updated and action plans will be instituted to ensure compliance with the waste hierarchy requirements of new legislation.

Zimplats was granted permission by the authorities to construct incinerators for hydrocarbon-contaminated material in FY2009. With the SMC incinerator already operating, the Ngezi facility was commissioned in the review period. Both hazardous and non-hazardous waste generated during the year were within stipulated targets.

Mimosa's integrated waste management system focuses on cleaner production, recycling, treatment and disposal of waste.

Environmental review continued

Waste (tonnes)

	Unit	2010	2009
Non-mineral waste			
Non-hazardous waste sent to landfill	Tonnes	6 598	7 860
Non-hazardous waste sent for incineration	Tonnes	0	0
Hazardous waste sent to hazardous waste landfill	Tonnes	8 385	9 207
Hazardous waste sent for incineration	Tonnes	299	214
Mineral waste			
Accumulated tailings	000 tonnes	21 809	20 333
Accumulated waste rock (on surface)	000 tonnes	1 202	6 405

Environmental complaints

Complaints received from the public are addressed as part of non-conformance management under ISO14001 for all operations except Marula. At Marula, issues raised by communities are addressed by the Marula Community Development Agency.

Objectives FY2011

- Maintain ISO14001 certification at Impala Rustenburg, Impala Springs, Mimosa and Zimplats. Obtain ISO14001 certification at Marula by September 2011
- Achieve and maintain regulatory compliance with all permits
- Develop a waste management strategy in line with recent legislative changes and current best practice
- Implement water and energy conservation and efficiency strategy
- Align operations with pending legislation governing climate change and GHG reduction
- Maintain low levels of SO₂ and dust emissions at Impala Rustenburg. Finalise Zimplats SO₂ emission reduction strategy
- Maintain communication with interested and affected parties, contractors and employees
- Finalise Impala Rustenburg biodiversity plan to facilitate development of an appropriate conservation strategy

Awards and achievements

Impala Rustenburg	<ul style="list-style-type: none"> • Sunrise View received the prestigious Housing Project of the Year 2009 award (for units above R80 000) at the International South African Housing Foundation conference • Impala received top honours in the Southern African Institute of Steel Construction's 2009 Steel Awards (mining and industrial) for its role as developer in the construction of 17 Shaft headgear – a record-breaking engineering feat on several aspects • ISO17025 recertification of mineral process laboratory • 365 days without a lost-time injury at 5 Shaft • 3 million fatality-free shifts – 1 Shaft (11 May 2010) • 1 million fatality-free shifts – 11 Shaft (September 2009) • 2 million fatality-free shifts – 11 Shaft (25 May 2010) • 2 million fatality-free shifts – 6 Shaft (25 July 2009) • 1 million fatality-free shifts – 12 Shaft (17 December 2009) • 2 million fatality-free shifts – Processing (24 March 2010) • 6 million fatality-free shifts – Mining Services
Impala Springs	<ul style="list-style-type: none"> • Achieved platinum status with an LTIFR of 0 (365 days without a lost-time injury)
Mimosa	<ul style="list-style-type: none"> • Mimosa mining cadets dominated the 2009 awards at the Zimbabwe School of Mines, winning nine awards including best overall student • 2.75 million fatality-free shifts, June 2010 and six months without a lost-time injury • Lowest annual LTIFR ever
Zimplats	<ul style="list-style-type: none"> • Received the AMMZ Chamber of Mines environmental trophy • Ngezi Mine recognised as safest underground operation in the Implats Group • 3 million fatality-free shifts (April 2010)
Implats	<ul style="list-style-type: none"> • Awarded the “Excellence in Sustainability Report” ranked 4th

Corporate governance

Implats is committed to the implementation of sound corporate governance across the organisation. The Company understands that this approach to business is fundamental to the sustainability of the Company's success and is critical to earning the trust of all our stakeholders.

Implats has, in the year under review, complied with the requirements of the King Report on Corporate Governance (King II) and completed a gap analysis on its compliance with King III, which will be more fully reported on in the next financial year.

King III places additional responsibilities on the Board, management and stakeholders of Implats as well as expanding the extent of disclosures in the annual report, which ensures greater emphasis on transparency. Standards of disclosure have increased significantly and internal governance structures and roles have been reviewed and improved where necessary to reflect best practices. This has occurred at both board and management levels. The Board is satisfied that the Group's governance structures will accommodate all the recommendations and that the Group is in a good position to absorb the additional responsibilities placed on it by King III.

Board of directors

The Board comprised of nine directors at 30 June 2010. There were four independent non-executive directors, one non-executive and four executive directors on the Board. Dr K Mokhele, an independent non-executive director, is chairman of the Board. Mr DH Brown, an executive director, is the chief executive officer. The roles of the chairman and CEO are distinctly separate.

In keeping with JSE Listing Requirements, independent non-executive directors do not participate in any share incentive or option scheme of the Company.

Mr TV Mokgatla and his alternate director, Mr N Carroll, are nominees of the Royal Bafokeng Nation, a substantial shareholder of the Company and are not considered independent. During the year, Mr DS Phiri resigned from the Board and subsequent to year end the Royal Bafokeng Nation nominated Mr M Pooe as its representative on the Board, with effect from 18 August 2010.

During the year, Dr FJP Roux resigned as chairman of the Board and as a director. In addition Ms F Jakoet, an

independent non-executive director, also resigned from the Board. As reported in the previous annual report, Mr S Bessit did not avail himself for re-election at the last annual general meeting. The Nominations Committee remains focused on the process of appointing new non-executive directors to the Board in line with a strategy adopted by the Board in February 2010. There is a clear policy in place detailing procedures for appointments to the Board. Such appointments are formal and a matter for the Board as a whole, assisted by the Nominations Committee. When appointing directors, the Board takes cognisance of its needs in terms of different skills, experience, diversity, size and demographics. Mr PA Dunne, an executive, was appointed to the Board in February 2010.

Subsequent to year end, the following additional independent non-executive directors were appointed to the Board:

Mr T Goodlace	with effect from 5 August 2010
Mr H Cameron	with effect from 1 November 2010
Dr M Gantsho	with effect from 1 November 2010
Ms B Ngonyama	with effect from 1 November 2010

The Board comprises 56% HDSAs and 33% female members. Details of all Board members appear on page 44.

In terms of the Company's articles of association Board members are appointed for a three-year term of office. Re-election of board members takes place on a staggered basis to ensure continuity. Executive directors retire at the annual general meeting following their 63rd birthday, and non-executive directors following their 67th birthday, provided that, in the case of non-executive directors, their term of office continues on an annual basis if a majority of their co-directors so request. This was the case with Ms MV Mennell, who has been asked by the Board to remain a director until October 2011. The names of the retiring directors and curricula vitae appear on page 141.

The role of the Board is regulated in a formal board charter which defines matters reserved for board approval. The charter will be reviewed and updated to ensure compliance with King III and the new Companies Act 2008. 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 is in place which defines the powers and authority of management.

In addition to four quarterly board meetings, two full-day sessions are held annually, firstly for board members and senior executives to discuss strategy, and secondly for board training. The attendance of executive management at the strategy session is in line with the non-executive directors' recognition of the need for their independence, while further understanding the importance of good communication and close cooperation with executive management.

An annual board meeting is also held to discuss the business plan of the Group.

The Board also meets on an ad hoc basis to consider specific issues if the need arises. The progress and status of identified strategic issues are reported and monitored at quarterly board meetings.

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

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

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 for reporting to the Board to be followed by a board committee. All board committee mandates have been reviewed to take into account amendments to relevant legislation. These mandates will be amended again in November 2010 to take into account the requirements of King III and the new companies Act 2008, where applicable.

The chairmen of all board Committees are encouraged to attend the annual general meeting to answer any questions from shareholders. The chairmen of the Audit and Risk Committee and the SHEQ Committee are required to attend the annual general meeting.

All committees report back regularly to the Board at quarterly board meetings. Reports from the chairmen of the committees are tabled at board meetings.

The composition of board committees was amended, during the year and a change in chairmanship effected. The composition of these Committees and their terms of reference are given under their respective headings below.

Attendance at board and committee meetings and the annual general meeting is set out in the table below:

Attendance at Board, committee meetings and annual general meeting

	Board	Audit Committee	Remuneration Committee	SHEQ Committee	Nominations Committee	Transformation Committee	Annual general meeting
Number of meetings	7	4	4	4	4	4	1
FJP Roux ¹	2/2	—	—	1/1	1/1	1/1	✓
S Bessit ¹	2/2	—	—	—	—	1/1	✓
DH Brown*	7/7	—	—	4/4	—	4/4	✓
PA Dunne	2/2	—	—	—	—	2/2	—
D Earp [†]	7/7	—	—	—	—	4/4	✓
F Jakoet ¹	5/6	3/4	—	—	—	—	✓
JM McMahon	7/7	4/4	4/4	4/4	—	—	✓
MV Mennell	7/7	4/4	—	—	4/4	—	✓
TV Mokgatla	7/7	—	—	—	—	3/4	✓
K Mokhele	7/7	—	—	4/4	4/4	4/4	✓
NDB Orleyn	7/7	—	4/4	—	4/4	4/4	✓
LJ Paton	7/7	—	—	—	—	3/4	✓
DS Phiri ¹	4/4	—	3/3	—	—	—	✓

¹ Resigned during year under review.

* CEO.

† CFO.

Corporate governance continued

Following Dr FJP Roux's resignation as chairman of the Board at the Implats annual general meeting on 22 October 2009, Mr JM McMahon, an independent non-executive director and chairman of the Audit Committee, agreed to become acting chairman of the Board and chairman of the annual general meeting. King II, King III and the JSE Listings Requirements require that the chairman of the Board should not be a member of the Audit Committee. Mr McMahon remained acting chairman of the Board until Dr K Mokhele's appointment as chairman on 11 November 2009. During this period the Audit Committee met on 9 November 2009. This sequence of events was extraordinary and occurred only as a result of the unanticipated resignation of the chairman and the need for business continuity.

Directors' interests in contracts in terms of Section 234 of the Companies Act are disclosed at every meeting.

Board committees

Remuneration Committee

Members

Thandi Orleyn (Chairman)
Michael McMahon
Thabo Mokgatlha

The Remuneration Committee comprises two independent non-executive directors and one non-executive director. Ms NDB Orleyn was appointed as the chairman of the Committee in February 2010 in place of Mr DS Phiri. Mr TV Mokgatlha was appointed a member in May 2010. 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 is determined by this Committee and strives for competitive and fair compensation in recognising and rewarding individual and team achievements that contribute to attracting, retaining and motivating employees, organisational growth and prosperity.

The main functions of the Remuneration Committee are to:

- Determine fixed and variable remuneration for executive directors and senior executives

- Ensure the implementation of policies and practices to attract and retain the best talent at executive level
- Ensure the provision of fair, equitable and competitive conditions of employment across the Group
- Ensure the effectiveness of a comprehensive talent management process, encompassing employee development and succession planning
- Benchmark remuneration practices against both local and international best practice
- Monitor retirement benefits
- Recommend fees for non-executive directors to the Board for approval by shareholders at the annual general meeting

Nominations Committee

Members

Khotso Mokhele (Chairman)
Vivienne Mennell
Thandi Orleyn

The Committee comprises three independent non-executive directors. During the year, Dr FJP Roux resigned as a member of the Committee. The Committee assists the Board in ensuring that the structure, size, effectiveness and composition of the Board and its committees:

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

An assessment of the board committees, the board chairman and the chairmen of the board committees took place during the year. An individual evaluation of board members standing for re-election was also undertaken. Corrective action will be taken by the Nominations Committee to address issues identified. The re-election of

retiring directors was endorsed by their fellow directors unanimously.

Audit and Risk Committee

Members

Michael McMahon (Chairman)

Vivienne Mennell

Towards the end of the financial year, Ms F Jakoet resigned as a member of the Audit Committee and the Committee currently consists of two independent non-executive directors, which is in contravention of the Committee's terms of reference. This issue is soon to be resolved as new members are appointed to the Board.

The Audit Committee's role is to provide assurance that relevant Board duties are discharged by:

- Monitoring the integrity of the financial statements and other relevant external financial reports of Implats and reviewing all significant inputs, judgements and outputs to present a balanced and understandable assessment of the position, performance and prospects of Implats, as appropriate
- Reviewing the Company's internal financial control and financial risk management systems to safeguard Implats' assets
- Monitoring and reviewing the effectiveness of Implats' internal audit functions
- Recommending to the Board the appointment of the external auditors, approving the remuneration and terms of engagement of the external auditors and monitoring their independence, objectivity and effectiveness, taking into consideration relevant professional and regulatory requirements
- Regulating the use of the external auditors for non-audit duties in terms of a policy document prepared and enforced which governs the use of external auditors for non-audit services

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

The Audit Committee has adopted formal written terms of reference that were approved by the board of directors. The Audit Committee has satisfied its responsibilities for

the past financial year in compliance with these terms of reference. The Audit Committee is satisfied with the appropriateness of the CFO's expertise and experience. In addition, the Audit Committee is satisfied that the external auditors are independent of the Company.

Its terms of reference also allow investigation into any activity of the Company and permit seeking information or advice from any employee in the course of its duties. The chairman of the Audit Committee meets at least once a year individually with the external and internal auditors without any other executive member of the Board in attendance.

Safety, Health and Environmental Quality Audit Committee (SHEQ)

Members

Khotso Mokhele (Chairman)

Michael McMahon

David Brown

A board-appointed Safety, Health and Environmental Quality (SHEQ) Audit Committee has been in place since 1988. Its mandated role is to monitor and review safety, health and environmental performance and standards. The SHEQ Audit Committee supplements and gives support, advice and guidance on the effectiveness or otherwise of management's efforts in the areas of safety, health and the environment. As such, the Committee:

- Reviews the adequacy and appropriateness of the health, safety and environmental systems, policies, standards, codes of practice and procedures of the Group
- Monitors SHEQ performance in accordance with stated goals and objectives, including measurement against South African and international norms and benchmarks
- Monitors the SHEQ management function and recommends improvements where considered necessary
- Reviews the SHEQ element of the company's business plan and approves the annual report on health, safety and environmental matters
- Has the right to institute investigations into matters where inadequacies have been identified

The SHEQ Audit Committee comprises two independent non-executive directors and the chief executive officer.

Corporate governance continued

The Committee also retained the services of an external consultant, Mr M Pleming, who retired in February 2010.

Transformation Committee

Members

Thandi Orleyn (Chairman)	Dawn Earp
David Brown	Les Paton
Thabo Mokgatlha	Paul Finney
Khotso Mokhele	Johan Theron
Paul Dunne	

The Committee comprises two independent non-executive directors, a non-executive director and six executive directors.

The Committee is responsible for:

- Advising and guiding the Board in any decision-making process relating to transformation
- Guiding the organisation on issues of transformation
- Consulting all roleplayers to ensure commitment and adoption of an inclusive approach in addressing transformation issues
- Providing quality assurance on the implementation of all transformation processes
- Ensuring transparency in communication

Over the past few years the focus of the Transformation Committee has been to a greater extent on compliance reporting. With the changing landscape, and a drive by stakeholders to consider sustainability in our business practices, a need was recognised to redirect the focus towards strategic imperatives that will create a socially relevant organisation of the future taking into account the diverse composition of the organisation's workforce. To this end there is a need for an appreciation of the current status quo of the organisation and its desired end state over the next two decades, and a need to move away from a compliance-driven focus to a strategic focus. This necessitates an understanding of the environment in which we operate as well as an anticipation of future developments around social, environmental, economic, legislative, best practice and corporate governance issues which can impede progress towards attaining organisational goals both in transforming and creating a sustained business enterprise if not addressed.

The Transformation Committee of the Board, the Group Management Transformation Committee, the Sustainable Development Forum as well as the Transformation Steering Committees at all South African operations have aligned their role and responsibility in line with the renewed focus at Board level.

Education and induction

Board education is ongoing. 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 impact the Group and its operations. During the year, the structure and content of the education programme for directors was reviewed and a new programme will be implemented. Board members are given the opportunity to attend external courses should they so wish.

Group company secretary

The role of the Group secretary is to ensure that the Board remains cognisant of its duties and responsibilities. In addition to guiding the Board on discharging its responsibilities, the Group secretary keeps the Board abreast of relevant changes in legislation and governance best practices. The Group secretary oversees the induction of new directors, and the ongoing education of directors. The Group secretary is also the secretary to the board committees. All directors have access to the services of the Group secretary. In addition, board members are able to request outside independent advice when required.

Other corporate governance issues

Risk management

The risk management philosophy of the Group is explained in a separate section of the report on page 42.

Internal control

The Implats Board has overall responsibility to ensure that the internal control frameworks established are adequately designed to provide reasonable assurance over the company's governance, risk management and control processes. These were put in place to ensure that key business objectives are achieved. Key controls which

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.

Appropriate organisational policies, procedures, standards and guidelines are established; supported by structures and delegation frameworks set to provide acceptable levels of management, control, accountability and responsibility. External and internal assurance providers independently review the adequacy of the design and the operating effectiveness of the management controls. Quarterly, half yearly and annual reports are provided to the Audit and Risk Committee in this regard. We are confident that the combined assurance model we have adopted will provide a meaningful balance and will ensure that all key controls are sufficiently covered in build up to the King III requirement for a written assessment on the effectiveness of internal controls and risk management processes.

Group internal audit

Implats Group Internal Audit (IGIA) has consistently applied a risk-based approach to its plan and in the conduct of its audits. The department conducts its activities in conformance with the International Standards for the Professional Practice of Internal Auditing, as articulated in its charter. As the risk-based approach to internal auditing matured from King II to King III, so has the methodology matured in our organisation.

IGIA has established specific reviews to evaluate compliance with the requirements of King III through our risk-based audit plan. This has provided greater prominence to the role internal audit plays in contributing to effective corporate governance.

Particular effort has been directed towards enhancing the organisation's combined assurance framework, which is designed to ensure synergies between all the assurance providers of our organisation.

IGIA activities have been conducted in an independent and objective manner, supported by direct reporting to the Audit and Risk Committee on a quarterly basis, free and

unfettered access to Implats' documentation and quarterly meetings with the chief executive officer and chairman of the Board of Implats. The head of internal audit is a permanent invitee to the Executive Committee. The department is sufficiently skilled, positioned and poised to make a meaningful contribution to effective governance in the Group.

A control self-assessment process, facilitated by internal audit, has recently been established with the appropriate levels of support from management, senior management and the Board. The process is being rolled out throughout the organisation as part of the combined assurance framework. The outputs of this process will facilitate internal audit providing King III requirements for a written assessment of the effectiveness of the internal control and risk management. The control self-assessment will provide input to the written assessment of the financial controls to be provided by the Audit Committee to the Board of Implats.

To ensure internal audit continues to provide a service that is in conformance with the definition of Internal Auditing, the International Standards for the Professional Practices of Internal Auditing and the Code of Ethics, the quality assurance and improvement programme covers all aspects of the internal audit activity. The programme includes both internal and external evaluations which assess the effectiveness and efficiency of the internal audit activity and identifies opportunities for improvement.

Code of ethics

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

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

Corporate governance continued

Corruption and fraud

The Company expects employees, business partners, contractors and associates to conduct themselves with the highest levels of integrity and in line with the Implats code of ethics. The Company maintains a zero-tolerance approach to fraudulent activity. A detailed code of ethics underpins the Group's fraud policy, in line with the organisational culture which promotes a strong and healthy ethical fibre. Both policies ensure full compliance with the Prevention and Combating of Corrupt Activities Act, No 12 of 2004.

Executives and line management are responsible for implementing the fraud policy, code of ethics and resultant procedures.

A number of allegations were reported through the whistle-blowers' line. Some were reported directly to senior management and others to Group internal audit. In line with the fraud policy, Group internal audit investigates all cases and, for tracking purposes, maintains a register.

Allegations made and investigated by Group internal audit in FY2010

Allegations made	Confirmed	Disciplinary action
Tender fraud	2	Note 1
Clocking fraud	2	2
Misuse of company assets	1	1
Unfair labour practice	1	Restricted by the relevant labour laws

Note 1: Of the tender fraud allegations confirmed, the first employee was dismissed on charges relating to misconduct prior to the fraud investigation was completed. The second instance is still pending.

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, 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. 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 to good leavers. All directors' dealings require the prior approval of

the chairman and the Group secretary retains a record of all such share dealings and approvals.

Sustainable reporting

The Company published a sustainable development report in conjunction with the annual report in the prior reporting year, but has consolidated both financial and non-financial reporting to present an integrated annual report to our stakeholders for this financial year. 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 for six consecutive years from 2004 when the index was started. The index assesses the constituent's performance in terms of triple bottom-line reporting on environment, society and economy as well as corporate governance.

Political donations

Group policy prohibits political donations, either directly or indirectly.

Legislative developments

There were no significant legal issues either in progress or pending as at year end.

Sustainability compliance

Sustainable development in South Africa and Zimbabwe must be managed within the regulatory framework of the respective countries within which we operate.

Access to information

Implats has complied with the requirements of the Promotion of Access to Information Act of 2000. Relevant documents are available on www.implats.co.za and from the Group secretary.

Sponsor

Deutsche Bank is the Company's corporate sponsor, in compliance with the JSE Listings Requirements.

Annual general meeting

Effects and implications of the annual general meeting.

The notice of the annual general meeting on pages 256 to 258 includes the following items:

1. Approval of the annual financial statements for the year ended 30 June 2010.
2. Approval of the appointment of PricewaterhouseCoopers Inc, with JP van Staden as the designated partner, as external auditors of the Company until the next annual general meeting.
3. Re-appointment of directors of the Company who retire from office at this meeting and who offer themselves for re-election being Mr PA Dunne, Mr TP Goodlace, Mr M Pooe and Mr JM McMahon. The articles of association require that at least one-third of the Board retires from office annually and stands for re-election by shareholders at the annual general meeting.

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

Re-appointment

Michael McMahon (63)
BSc (Mech Eng), PrEng

Non-executive director of Murray & Roberts Holdings Limited and chairman of Central Rand Gold SA Limited.

Graduated from Glasgow University, Scotland as an engineer in 1968. Held numerous engineering positions on various mining operations and projects. Managing director and executive chairman of Implats from 1990 to 1998. Executive chairman of Gencor Limited from 1998 to 2002. Non-executive director on Implats board since 2002.

New appointments

Paul Dunne (47)
BSc(Hons), MBA

Joined the Gencor Group in 1987 and transferred to Impala in 1990 as an electrical engineer. Appointed General Manager – Mineral Processes in 2001 and as Group Executive – Operations in 2009.

Joined the Board in February 2010 as executive director.

Terence Goodlace (51)
MBA, BCom, NHD (Metaliferous Mining)

Currently CEO and executive director on the board of Metorex Limited. Held positions of the Chief Operating

Officer, the Executive Vice President and Head of South African operations, the Executive Vice President and Head of International Operations and Senior Vice President: Strategic Planning while at Gold Fields Limited from 1998 to 2008. Held numerous executive management positions at various South African gold mining operations.

Joined the Board in August 2010 as an independent non-executive director.

Mpueleng Pooe (51)
BProc

Non-executive director of Metair Investments Limited and Senwes Limited.

Director of Bell Dewar and Hall from 1985 to 1999. Legal Council to AngloGold Limited from 1999 to 2003. Currently Executive: Public Affairs of Royal Bafokeng Holdings Limited.

Joined the Board in August 2010 as a nominee of the Royal Bafokeng Nation.

4. Directors' remuneration

To increase the remuneration of the non-executive directors and of the chairman of the Board by 7.5%.

5. Control of unissued share capital

To place a maximum of 5% of the Company's issued share capital under the control of the directors with authority to issue such shares to such person or persons on such terms and conditions as they deem fit subject to Section 221 (2) of the Companies Act and the Listings Requirements of JSE Limited. The authority allows the directors to issue share capital in the Company to pursue and take advantage of any business opportunities/potential acquisitions which may arise without having to issue a shareholder circular to convene a shareholder meeting.

6. Share buyback

To extend for a further year the authority of the directors to buy back a maximum of 10% of the company's issued share capital. The Company bought back approximately 2.6% of the issued share capital in prior years, utilising surplus cash to acquire shares at lower price levels. The special resolution requires approval by a 75% majority of members present in person or by proxy at the meeting.

Audit and Risk Committee report

Year ended 30 June 2010

Background

The Committee presents its report for the financial year ended 30 June 2010. The Committee's operation is guided by a formal detailed charter that is in line with the Companies Act in South Africa (the Act) and King II and is approved by the Board as and when it is amended.

It does so by evaluating the findings of internal and external audits, actions taken and the appropriateness and adequacy of the systems of internal financial and operational controls. The Committee reviews accounting policies and financial information issued to stakeholders. The chairman of the Audit and Risk Committee reports to the Board on the Committee's deliberations and decisions. The internal and external auditors have unrestricted access to the Committee.

The Committee has discharged all its responsibilities as contained in the charter.

The King Code of Governance for South Africa (King III) and its Code of Governance Principles was launched on 1 September 2009 and came into effect and replaced King II on 1 March 2010.

King III has adopted an 'apply or explain' approach. The Committee is in the process of reviewing its corporate governance practices with a view to complying with the requirements of the 2008 Companies Act and the King III recommendations and reporting thereon at the end of the next financial year.

Objective and scope

The overall objectives of the Committee are:

- To assist the Board in discharging its duties relating to safeguarding of assets and the operation of adequate systems and controls
- To control reporting processes and the preparation of fair presentation of the financial statements in compliance with the applicable legal requirements and accounting standards

- To provide a forum for discussing business risk and control issues and developing recommendations for consideration by the Board
- To oversee the activities of internal and external audit.
- To perform duties that are attributed to it by the Act, the JSE and King II

The Committee performed the following activities:

- 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 auditors detailing their concerns arising out of their audits and requested appropriate responses from management
- Made appropriate recommendations to the Board of directors regarding the corrective actions to be taken as a consequence of audit findings, as appropriate
- Considered the independence and objectivity of the external auditors and ensured that the scope of their additional services provided did not impair their independence
- Reviewed and recommended for adoption by the Board the financial information that is publicly disclosed, which for the year included:
 - The annual report of the year ended 30 June 2010
 - 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

The objectives of the Committee were met during the year under review. Where weaknesses in specific controls have been identified, management undertook to implement appropriate corrective actions to mitigate the weakness identified.

Memberships

During the course of the year, the membership of the Committee comprised solely independent non-executive directors. Details of membership to the Committee can be found on page 137.

External audit

The Committee has satisfied itself through enquiry that the auditor of Impala Platinum Holdings Limited is independent as defined by the Act. The Committee, in consultation with executive management, agreed to an audit fee for the 2010 financial year. The fee is considered appropriate for the work that could reasonably have been foreseen at that time. Audit fees are disclosed in note 28 to the financial statements. The independence of the external auditor is regularly reviewed and the approval of all non-audit related services are governed by an appropriate approval framework.

Meetings were held with the auditor where management was not present, and no matters of concern were raised.

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 2011 financial year, with Mr JP van Staden as the designated auditor. In terms of the rotation requirements of the Act 2011 will be his second year as designated auditor of the Company. The Committee confirms that the auditor and designated auditor are accredited by the JSE.

Financial director review

The Committee has reviewed the performance, appropriateness and expertise of the chief financial officer, Ms Dawn Earp, and confirms her suitability for appointment as financial director in terms of the JSE Listings Requirements.

Annual financial statements

The Audit and Risk Committee has evaluated the annual report for the year ended 30 June 2010 and considers that it complies, in all material aspects, with the requirements of the Act and International Financial Reporting Standards. The committee has therefore recommended the annual financial statements as set out in the integrated annual report for approval to the Board. The Board has subsequently approved the financial statements which will be open for discussion at the forthcoming annual general meeting.

JM McMahon

Chairman of the Audit and Risk Committee

26 August 2010

Independent Assurance Report on Selected Sustainability Information

To the Directors of Impala Platinum Holdings Limited

We have undertaken a limited assurance engagement on selected sustainability information, as presented in the 2010 Impala Platinum Integrated Annual Report (the Report) of Impala Platinum Holdings Limited (Implats) as described in the Scope of Our Engagement paragraph below.

Directors' responsibility

The Directors are responsible for the:

- Selection, preparation and presentation of the sustainability information;
- The identification of stakeholders, stakeholder requirements and material issues;
- For commitments with respect to sustainability performance; and
- Establishing and maintaining appropriate performance management and internal control systems from which the reported information is derived.

The Directors are also responsible for the selection and application of the following criteria in the evaluation of the selected sustainability information:

- The Global Reporting Initiative (GRI) G3 Guidelines, supported by Implats' internally developed reporting guidelines which are available on request from Implats, for the selected performance information; and
- The GRI G3 Guidelines for Implats' self declaration of the B+ application level.

Scope of Our Engagement

The sustainability information selected for the year ended 30 June 2010 is described below:

1. Selected performance information:

- **Economic performance indicators** – HDSA procurement as a percentage of total procurement: SA Operations (pg. 30);
- **Social performance indicators – human capital:** Number of employees on adult basic education and training (ABET): SA operations (pg. 107), number of employees who are classified as historically disadvantaged South Africans (HDSA) and who are employed at management levels: SA Operations (pg. 108), total number of women in mining: SA Operations (pg. 109)
- **Social performance indicators – safety and health:** Contractor and employee fatalities (pg. 50), contractor and employee lost time incident frequency rate (LTIFR) (pg. 50), new cases of noise induced hearing loss compensated (pg. 55), new cases of pulmonary tuberculosis diagnosed and treated (pg. 54)
- **Social performance indicators – HIV & AIDS:** Total number of participants on VCT (pg. 56), total number of employees on ART programme (pg. 57)
- **Social performance indicators – socio-economic development:** Socio-economic development (SED) spend: SA Operations (pg. 114)
- **Environmental performance indicators:** Total water withdrawn (pg. 122), total water consumption (pg. 121), total energy consumed (pg. 124), total direct CO₂ emissions (pg. 124), total indirect CO₂ emissions (pg. 124), direct SO₂ emitted (for Rustenburg and Springs sites only) (pg. 125), total nitrogen oxide emitted (pg. 125)

2. Implats' self-declaration of a GRI B+ application level (pg. 147)

Independence, Expertise and Limitation of Liability

We have complied with the International Federation of Accountants' Code of Ethics for Professional Accountants, which includes comprehensive independence and other requirements founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behaviour.

Our engagement was conducted by a multidisciplinary team of health, safety, social, environmental and assurance specialists with extensive experience in sustainability reporting.

Our work has been undertaken to enable us to express conclusions contained in this Report solely to the Directors of Implats in accordance with the terms of our engagement, and for no other purposes. We do not accept or assume liability to any party other than the directors, for our work, for this report, or for the conclusions we have reached.

Our Responsibility

Our responsibility is to express conclusions on the selected sustainability information based on our work performed. We conducted our engagement in accordance with International Standard on Assurance Information (ISAE) 3000, Assurance Engagements other than the Audits or Reviews of Historical Financial Information, issued by the International Auditing and Assurance Standards Board. That standard requires that we plan and performed our engagement to obtain limited assurance about whether the selected information is free from material misstatement.

Summary of Work Performed

Our evidence-gathering procedures are more limited than where reasonable assurance is expressed and included:

- Interviewing management and senior executives at Group level to evaluate the application of the GRI G3 principles and to obtain an understanding of the internal control environment relative to the reported sustainability information.
- Inspecting documentation at Group level to corroborate the statements of management and senior executives in our interviews.
- Understanding the risk assessment process and the information system which includes the related sustainability reporting processes.
- Testing the processes and systems at Group level and site level which generate, collate, aggregate, monitor and report the selected sustainability information.
- Visiting a risk based selection of four operation sites, including Rustenburg (mining, concentrating and smelting), Springs (refineries), Marula (mining and concentrating) and Mimosa (mining and concentrating).
- Conducting an application level check on the report to ensure all disclosure requirements of the GRI B+ application level have been adhered to.
- Evaluating whether the information presented in the report is consistent with our findings, overall knowledge and experience of sustainability management and performance at Implats.

Conclusions

1. On the selected performance information

Based on the work performed, nothing has come to our attention that causes us to believe that the selected performance information for the year ended 30 June 2010, as described in the scope of our engagement paragraph above, is not fairly stated in all material respects in accordance with the GRI G3 Guidelines supported by Implats' internally developed reporting guidelines.

2. On Implats' self-declaration of GRI G3 B+ application level

Based on the work described above, nothing has come to our attention that causes us to believe that Implats' self-declaration of a B+ application level, is not fairly stated in all material respects in accordance with the GRI G3 Guidelines.



KPMG Services (Pty) Limited

Per PD Naidoo

Director

Johannesburg
26 August 2010

Reporting in line with the global reporting initiative



Reporting in line with the Global Reporting Initiative

Implats has adopted the GRI as the basis of its reporting. This report has been compiled in accordance with the GRI's G3 guidelines. In preparing this report, Implats has been guided by GRI principles in respect of content, quality and reporting boundaries:

Principles relating to the quality of this report

- **Materiality:** The issues covered in this report have been guided by a combination of feedback from stakeholders, the identification of material issues by the sustainable development forum, and matters identified through the group's risk management process
- **Stakeholder inclusiveness:** The views and concerns of stakeholders have been considered in this report. Following the appointment of a stakeholder engagement manager in FY2009, this process is being formalised
- **Sustainability context:** The group has considered the nature of its products and markets (mainly used in first-world, developed nations) with the real sustainability matters in developing countries such as South Africa and Zimbabwe
- **Completeness:** The group's revised approach to sustainability management was reported extensively in FY2009, and only material changes from that basis were covered in this report
- **Balance:** The group has endeavoured to report in a balanced manner, reflecting both achievements and challenges during the year
- **Comparability:** In almost all performance areas, comparisons with FY2009 have been made. Where possible and where the information is available, data has been provided over a period of five years
- **Accuracy:** Implats believes data has been provided in a format that is broadly acceptable and comparable against industry norms – where necessary definitions have been provided
- **Timeliness:** This integrated report is published annually, combining financial and non-financial performance
- **Clarity:** The group has adopted a reporting style that is concise, but comprehensive enough to be understandable to the lay person
- **Reliability:** In FY2009, Implats implemented a sustainability toolkit to collate and verify data, and to ensure greater accuracy and reliability. Certain performance indicators have been verified by the external assurance provider

Principles relating to the boundaries of this report

This report includes operations that are wholly owned or managed by the group, as well as Mimosa Mine, in which Implats has a 50% interest. The Two Rivers operation, in which the group has a 40% interest and does not directly manage, is not directly covered.

GRI application level

GRI requires that the company self-declares an application level ranging C B to A. The requirements for these levels are indicated below. The + symbol indicates external assurance.

For 2010, Implats has declared a B+ level of reporting and this has been verified by a third party assurance provider. (See statement on page 144)

Implats will seek GRI confirmation of this level of reporting.

Report application level

	C		C+	B		B+	A		A+
Standard disclosures	G3 profile disclosures	Report on 1.1 2.1 – 2.10 3.1 – 3.8 3.10 – 3.12 4.1 – 4.4 4.14 – 4.15	Report externally assured	Report on all listed	Report externally assured	Same as requirement for Level B	Report externally assured		
	G3 management approach disclosures	Not required		Management approach disclosures for each indicator category		Management approach disclosed for each indicator category			
	G3 performance indicators and sector supplement performance indicators	Report on a minimum of 10 performance indicators including at least one from each of the social, economic and environment		Report on a minimum of 20 performance indicators at least one from each of the social, economic and environment, human rights, labour society, product responsibility		Respond on each Core G3 and sector supplement indicator with due regard on the materiality principle by either a) reporting on the indicator or b) explaining the reason for its omission			

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Management

Executive Committee (EXCOM)

Day-to-day management of Group operations

David Brown (Chairman)

Chief executive officer

Jon Andrews

Group executive: SHEQ

Brenda Berlin

Group executive: Commercial

Paul Dunne

Executive director: South African operations

Dawn Earp

Executive director: Finance

Derek Engelbrecht

Group executive: Marketing

Paul Finney

Group executive: Refining

Gerhard Potgieter (from 1 July 2010)

Group executive: Growth projects and consulting mining engineer

Alex Mhembere

Chief executive officer: Zimplats

Humphrey Oliphant

Group executive: Employee relationships

Les Paton

Executive director: Mineral Resource management and exploration

Johan Theron

Group executive: People

Permanent invitees

Bob Gilmour

Group executive: Corporate relations

Nonhlanhla Mgadza

Group head: Internal audit

Paul Skivington

Group executive: Strategy and risk

Seef Vermaak (from 19 July 2010)

Group executive: Mineral Resource management



Left to right
David Brown
Jon Andrews
Brenda Berlin
Paul Dunne



Left to right
Dawn Earp
Derek Engelbrecht
Paul Finney
Gerhard Potgieter

Risk Management Committee

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

Jon Andrews

Group executive: SHEQ

Paul Dunne

Executive director: Operations

Dawn Earp

Executive director: Finance

Paul Finney

Group executive: Refining

Nonhlanhla Mgadza

Group head: Internal audit

Gerhard Potgieter (from 1 July 2010)

Group executive: Growth projects and consulting mining engineer

Alex Mhembere

Chief executive officer: Zimplats

Reshma Ramkumar

Group risk analyst

Paul Skivington

Group executive: Strategy and risk

Johan Theron

Group executive: People

Avanthi Parboosing

Group secretary

Left to right
Alex Mhembere
Humphrey Oliphant
Les Paton
Johan Theron



Left to right
Bob Gilmour
Nonhlanhla Mgadza
Paul Skivington



Management continued

GROWCO

Growth and capital delivery

Brenda Berlin

Group executive: Commercial

Rob Dey

Group executive: Projects

Derek Engelbrecht

Group executive: Marketing

Martyn Fox

Group executive: Technical support

Chris McDowell

Group executive: New business

Les Paton

Executive director: Mineral resource management and mining operations

Gerhard Potgieter (from 1 July 2010)

Group executive: Growth projects and consulting mining engineer

Seef Vermaak

Group executive: Mineral Resource management

PEOPLECO

Managing and developing people and communities

Colin Smith

Human resource executive: Rustenburg

Humphrey Oliphant

Group executive: Employee relationships

Johan Theron

Group executive: People

Johanna Tau

Group stakeholder manager

Karen Otto

Group reward manager

Pierre Lourens

Group sustainable development manager

Andries de Kock

Group training manager

FINCO

Support, protection and service functions

Dawn Earp

Executive director: Finance

Nonhlanhla Mgadza

Group head: Internal audit

Francois Naudé

Group executive: Financial control

Avanthi Parboosing

Group secretary

John Strauss

Group executive: Shared services

Leon van Schalkwyk

Group strategic finance manager

Stefanie Vivier

Group legal services manager

OPCO

Delivery through effective safety, cost and production leadership

Jon Andrews

Group executive: SHEQ

Paul Dunne

Executive director: South African operations

Paul Finney

Group executive: Refining

Tinus Gericke

General manager: Technical services

Sean Graham

General manager: Processing

Les Paton

Executive director: Mineral Resource management and exploration

Gerhard Potgieter (from 1 July 2010)

Group executive: Growth projects and consulting mining engineer

Jacques van Schalkwyk

Management accounting manager: Operations

Seef Vermaak (from 1 July 2010)

Group executive: Mineral Resource management

Treasury Committee

Conversion of foreign exchange proceeds to rand and hedging metal sales

Warren Adams

Group treasurer

David Brown

Chief executive officer

Dawn Earp

Executive director: Finance

Derek Engelbrecht

Group executive: Marketing

Group sustainable development forum

Support of community development projects

Dawn Earp

Executive director: Finance

Johan Theron

Group executive: People

Paul Dunne

Executive director: Operations

Brenda Berlin

Group executive: Commercial

Derek Engelbrecht

Group executive: Marketing

Jon Andrews

Group executive: SHEQ

Leon van Schalkwyk

Group strategic finance manager

Johanna Tau

Stakeholder engagement manager

Pierre Lourens

Group sustainable development manager