IMPLATS
Distinctly Platinum

Integrated annual report 2014

Feedback

We welcome your feedback to make sure we are covering the things that matter to you. Go to **www.implats.co.za** or email **investor@implats.co.za** for the feedback form, or scan the code on the right with your smartphone.

Implats is one of the world's foremost producers of platinum and associated platinum group metals (PGMs)

Impala Platinum Holdings Limited (Implats) has its listing on the JSE Limited (JSE) in South Africa, and a level 1 American Depositary Receipt programme in the United States of America.

Implats is structured around five main operations with a total of 24 underground shafts. Our operations are located on the Bushveld Complex in South Africa and the Great Dyke in Zimbabwe, the two most significant PGM-bearing ore bodies in the world. Our headquarters are in Johannesburg and the five main operations are Impala, Zimplats, Marula, Mimosa and Two Rivers. The structure of our operating framework allows for each of our operations to establish and maintain close relationships with their stakeholders while operating within a Group-wide approach to managing the economic, social and environmental aspects of sustainability.

Additional information regarding Implats is provided in the following reports, all of which are available at **www.implats.co.za**

Sustainable development report

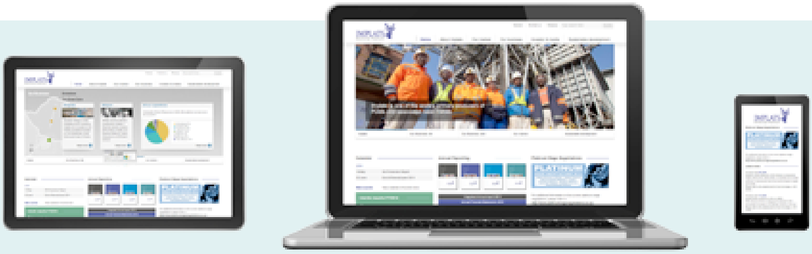
This document has been developed in accordance with G4 Core Compliance and the Global Reporting Initiative (GRI), Implats internal reporting guidelines, with consideration of the UN Global Compact.

Annual financial statements

These documents were prepared according to International Financial Reporting Standards (IFRS), the SAICA Financial Reporting Guides, Financial Reporting Pronouncements, the requirements of the South African Companies Act, the regulations of the JSE and recommendations of King III.

Mineral resource and mineral reserve statement

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



www.implats.co.za

Our vision

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

Our mission

To safely mine, process, refine, recycle and market our products at the best possible cost ensuring sustainable value creation for all our stakeholders.

Our values

WE RESPECT

- all our stakeholders, including:
  - shareholders
  - employees and their representative bodies
  - communities within which we operate
  - regulatory bodies
  - suppliers and customers
  - directors and management
  - all other interested and affected parties
- the principles of the UN Global Compact
- the laws of the countries within which we operate
- Company policies and procedures
- our place and way of work
- open and honest communication
- diversity of all our stakeholders
- risk management and continuous improvement philosophies

WE CARE

- for the health and safety of all our stakeholders
- for the preservation of natural resources
- for the environment in which we operate
- for the socio-economic well-being of the communities within which we operate

WE STRIVE TO DELIVER

- positive returns to our stakeholders through an operational excellence model
- a safe, productive and conducive working environment
- on our capital projects
- a fair working environment through equitable and competitive human capital practices
- on the development of our employees
- on our commitments to all stakeholders
- quality products that meet or exceed our customers' expectations

The report seeks to provide a concise and balanced account of performance over the reporting period

About our 2014 integrated annual report

This integrated annual report, compiled for Impala Platinum Holdings Limited (Implats) and its subsidiaries, provides information relating to governance practices and performance for the financial year 1 July 2013 to 30 June 2014. In addition, information regarding strategy and prospects is provided. The integrated annual report is the responsibility of the Company's directors.

This is Implats' fifth integrated annual report. It has been produced in line with the recommendations of the South African Code of Corporate Practice and Conduct (King III), and draws on the guidance provided in the Discussion Paper, Towards Integrated Reporting, issued by the International Integrated Reporting Council (IIRC).

This year's report includes a review of our contribution to sustainability imperatives in terms of:

- Global business commitments on sustainability – as outlined in the World Business Council for Sustainable Development WBCSD's Vision 2050
- National Development priorities – as outlined in the South African National Development Plan (NPD)
- Local sector-specific commitments – as provided in the Deputy President's Framework Agreement for a Sustainable Mining Industry entered into by organised labour, organised business and government.

The details of which can be found on pages 68 and 69.

The report seeks to provide a concise and balanced account of performance over the reporting period, and of the approach taken to address those social, economic, environmental and governance issues and risks that have a material impact on the long-term success of the business and that are important to key stakeholders. The process for identifying the issues that we regard as being most material to Implats in 2014 is described on pages 28 and 29.

While the report is targeted at existing and prospective stakeholders who wish to make an informed assessment of the Group's ability to create and sustain value, it focuses primarily on meeting the needs of shareholders, analysts and investors. Additional information is provided in separately available annual financial statements, mineral resource and mineral reserve statement, and sustainable development report. This report contains abridged financial information which was compiled in accordance with the JSE Limited's requirements for summary financial statements and the requirements of the Act as applicable to summary financial statements.

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; when included these are referred to as 6E. Both historical and forward looking data is provided. Unless otherwise stated, information in this report is primarily for the year ended 30 June 2014, except for that relating to physical metals markets, which is provided by calendar year.

There has been no significant change to the organisational structure during the year.

The audited June 2013 and June 2012 results were restated as a result of IFRS 10 *Consolidated Financial Statements* and IFRS 11 *Joint Arrangements*, which has become effective. These standards require that the investment in Guardrisk (previously consolidated) be accounted for as available-for-sale assets and Mimosa (previously proportionately consolidated), be equity accounted. Non-financial information has been adjusted accordingly.

Data restatement has been indicated. Certain statistical information is provided for comparative purposes for up to five years (financial years 2010 to 2014). Information in the report covers all subsidiary, joint venture and investment companies over which the Group has direct control and for which it sets and implements policy and standards. 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, US$ or dollar refers to the US dollar.

Board approval

The board acknowledges its responsibility for the integrity of this report. The directors confirm they have collectively assessed the content and believe it addresses the material sustainability topics and is a fair representation of the integrated performance of the Group. The audit committee, which has oversight responsibility for the integrated annual report, recommended the report for approval by the board of directors. The board has therefore approved the 2014 integrated annual report for release to stakeholders.

Forward looking statements

This integrated annual report contains certain forward looking statements with respect to the financial condition, results, operations and businesses of the Group. These statements and forecasts involve risk and uncertainty because they relate to events and depend on circumstances that occur in the future. There are a number of factors that could cause actual results or developments to differ materially from those expressed or implied by these forward looking statements.

In May 2014 Zimplats committed to a first stage refurbishment of the existing Selous-based base metal refinery to partially process Zimplats matte

2013

3 JULY 2013
New recognition agreement with AMCU
Impala signs a new recognition agreement with AMCU laying the foundation to advance the election of shop stewards for wage negotiations and to progress the health, safety and environmental agreement

JULY 2013
Framework Agreement for a Sustainable Mining Industry in South Africa
The main stakeholders with the exception of AMCU agree to work cohesively together to bring about lasting change and to reposition the industry as a key contributor to the economy and job creation

18 AUGUST 2013
Impala 4 Shaft achieves one million fatality-free shifts

18 AUGUST 2013
Underground fire at 12 North Shaft

28 AUGUST 2013
Impala 11 Shaft achieves one million fatality-free shifts

24 OCTOBER 2013
Certificate of non-resolution issued by the CCMA to AMCU
Despite ongoing mediation facilitated by the CCMA between the Company and AMCU as part of the annual wage negotiation, the parties remained deadlocked and the CCMA issued a certificate of non-resolution allowing the union to call a protected strike subject to a 48 hour notice period

24 NOVEMBER 2013
Impala 14 Shaft achieves two million fatality-free shifts

NOVEMBER 2013
Eskom requests consumers to cut power usage
Following severe constraints on the power network, Eskom implements emergency measures to protect the grid

DECEMBER 2013
Safety remains Implats' key priority
Full implementation of nets and bolts on both the UG2 and Merensky horizons at Impala Rustenburg is completed at a cost of ±R200 million per annum (R21 per tonne). An increased focus on leading indicators and actions is implemented during the year

2014

23 JANUARY 2014
AMCU strike begins
AMCU takes its members out on a protected strike at the three major platinum producers in Rustenburg. Non-striking workers are put on paid leave in order to ensure their safety and to protect the assets of the Company. Only essential and emergency services were maintained for the duration of the strike

25 FEBRUARY 2014
Marula achieves two million fatality-free shifts

27 MARCH 2014
AMCU march to Implats' head office to deliver a memorandum
Terence Goodlace responds saying that while the Company was amenable to consider structural changes to the labour system, these could only be achieved over time through a carefully considered labour compact that not only considered the disposable income of workers, but also their socio-economic well-being and the mining communities that are impacted by mining, as well as the profitability/sustainability of these operations

MAY 2014
Primary beneficiation within Zimbabwe
Zimplats commits to a first stage refurbishment of the existing Selous-based base metal refinery to partially process Zimplats matte

24 JUNE 2014
Wage settlement agreement reached with AMCU
Impala and AMCU conclude a three-year wage settlement agreement for the Rustenburg operation bringing an end to the five-month industry-wide strike in which employees forfeited approximately R1.9 billion and Impala forfeited revenue of approximately R7.2 billion. Employees return to work on 25 June 2014

JUNE 2014
Implats continues to invest in housing
The second development in Implats' housing programme, Platinum Village, was initiated in Rustenburg in 2012 and during 2014 we completed Phase 1 (R140 million) to build 557 out of a planned 2 420 houses

JULY 2014
Underground collapse of Bimha mine at Zimplats
The rapid deterioration of ground conditions caused by the Mutambara Shear fault line that transgresses through half of the mining area at Bimha mine leads to the temporary quarantining of the mining footprint. Estimates are that overall production will be negatively affected by some 70 000 platinum ounces in 2015

We face continuing challenges around access to skills, infrastructure and certain resources, such as electricity and water

Dear Stakeholder

This has been a watershed year for the South African platinum sector. After the turbulence of the two previous years, each of which had been seen as the most difficult and challenging in the sector's history, we've had yet another, even more challenging year. The continuing combination of tough market, operational and social conditions, suggests the need for some fundamental changes in elements of our business model and in the nature of some of our relationships.

This year's crippling five-month strike across the platinum belt in Rustenburg comes on top of a subdued global PGM market, an ongoing rise in unit production costs, and a further reduction in margins and productivity. We face continuing challenges around access to skills, infrastructure and certain resources, such as electricity and water, as well as growing expectations from a demanding set of disparate stakeholders. Operating as a mining company in a region characterised by high levels of income inequality and unemployment, and where service delivery by local government has been slow, we are facing heightened expectations from neighbouring communities for jobs and the provision of services. At the same time, the sector is subject to an increasingly stringent legislative regime, with sometimes conflicting regulatory expectations, as well as growing demands for greater efficiencies and increased return from a very wary investment community.

In this report, our fifth integrated annual report, we describe how Implats seeks to strike the right balance in meeting these competing stakeholder expectations. We outline our strategic approach and our performance in terms of creating, sustaining and sharing value, and we reflect on the steps that we are taking in response to the challenging operating context.

Continuing uncertainties in the global PGM market

Being a price-taker, our business is subject to the vagaries of the global PGM market; as the events this year have demonstrated, this is by no means a certain market. Despite the significant disruptions caused by the strike, there was little immediate impact on prices, suggesting a market that is in oversupply. On the supply side, this could be a result of larger-than-anticipated above-ground inventories and the increased use of PGM recycling, while on the demand side we could be seeing a continuing sluggish growth in demand, due to the general slowdown in economic activity as well as the possible uptake of substitute metals.

This uncertainty in the global platinum market is reflected across the mining sector, with resource companies around the world feeling the impact of volatile commodity markets, uncertain economic growth and an increasingly nervous investment community. There are some encouraging signs, though, of an increase in PGM demand, with a steady recovery in car sales in the US and EU, and further growth in China and other emerging economies, accompanied by tightening and more widespread uptake of vehicle emissions standards. The Japanese PGM jewellery market has also begun to pick up.

Without a material growth uptake in PGM demand, there is the worrying prospect that a return to normal production levels could see a continuance of current low PGM prices, or even a further reduction in prices. This presents obvious challenges regarding our ability to deliver sustained value – for our shareholders, employees, neighbouring communities and the country more broadly. Offsetting this scenario is the potential that future supply will be constrained as a result of the delays in returning to full production and the recent reduction in capital investment in capacity by the industry.

Chairman, **Khotso Mokhele** (59)
BSc (Agriculture), MSc (Food science), PhD (Microbiology)

Experience
Khotso has been an independent non-executive director of Implats since June 2004. He was appointed chairman of the board in 2009. In addition to his chairmanship of Implats, Khotso is the lead independent non-executive director of African Oxygen Limited and a non-executive director of Tiger Brands Limited, Zimplats Holdings Limited and Hans Merensky Holdings (Pty) Limited.

KHOTSO MOKHELE

Learning the lessons from the Rustenburg strike

It has been a particularly symbolic year in South Africa. The sad passing of former President Rolihlahla Nelson Mandela marked a significant moment in the political, social and moral history of this country. His passing became even more poignant as we celebrated 20 years of democracy with a generally peaceful and orderly election. The rise and fall of various opposition parties, and the sometimes fractious exchange of views accompanying the election, were all hallmarks of a robust and maturing democracy.

It is within this context that we need to consider the debilitating five-month strike across the Rustenburg platinum belt, the longest strike in the country's history. The strike was led by the emergent union – the Association of Mineworkers and Construction Union (AMCU) – and proved to be more than a conventional wage strike. In many respects, it manifested more as a campaign to address fundamental historic imbalances created by apartheid, and it marked some important shifts in the political discourse of the country.

The rise of AMCU as a majority union in the platinum belt, and its direct challenge to the traditional dominance of the ANC-aligned National Union of Mineworkers (NUM), has ushered in a new era in the history of industrial relations in South Africa. In the 1980s, the labour relations dynamic was arguably characterised by a close relationship between government and business, with unions seen as the outsiders. This dynamic changed with the rise to power of the ANC in 1994. Given the formal alliance between the ANC-led government and the dominant Congress of South African Trade Unions (COSATU) it was business now that found itself as the outsider in the trilateral relationship. The rising influence of AMCU and the developments in Marikana in 2012 – coupled with broader frustrations among other unions regarding the nature of labour's relationship with the governing party – has prompted a shift to a less homogeneous, more discordant set of relationships. This shift reflects the widening trust deficit between and within labour, government and business.

The financial impact of the strike has been huge: Implats lost R7.2 billion in reduced revenues, our employees lost R1.9 billion in lost wages (for some workers it could take up to five years to recoup these losses), while many of our suppliers have seen their businesses threatened following the reduction in economic activity. The country as a whole has experienced a resulting drop in economic growth rates, reduced tax revenues and increased pressure on global investor confidence and South Africa's credit rating.

The nature and impact of the strike requires some deep self-reflection by stakeholders across the mining sectors, not only on some of the traditional conditions of employment, but also more broadly on the nature of the sector's business model. Although the strike has ended, with a three-year settlement agreement signed on 24 June 2014, many of the systemic challenges have not been fully addressed. Key among these are the continuing vagaries of the migratory labour system and the associated difficult living conditions of many mining employees and their families, compounded by the activities of unscrupulous credit providers. Important questions remain regarding the manner in which the negotiations have been conducted, the nature of the union rivalry, the politicisation and violence that accompanied the strike, and the persistence of the majoritarian industrial relations system.

As a large South African mining company we accept both a moral and a fiduciary responsibility to work together

One key issue that unfortunately did not form part of the settlement agreement to end the strike was productivity improvements. The current inverse relationship between the persistently increasing wage bill and the persistently decreasing productivity seriously undermines the return to shareholders and threatens the sustainability of the Company. The situation cannot be allowed to persist any longer and needs to be addressed with some urgency.

As a large South African mining company we accept both a moral and a fiduciary responsibility to work together to address these concerns. At a company level, we will focus on those areas that fall most clearly within our responsibility and where we can make the most material contribution. At a collective level we are ready to work closely with all our stakeholders, with a common commitment to the need for change. In my letter last year, I argued that we will not make progress in addressing the challenges facing the mining sector, unless business, government, labour and the investment community collectively adopt a new idiom of conversation, based on mutual trust. The events this year – both in South Africa and Zimbabwe – have further highlighted this need for greater trust across these stakeholder groups, and for a deeper appreciation and understanding of our respective interests and priorities. Without this trust and a new approach to engagement by all of us, I fear that the current challenges may continue to deepen.

Reaffirming our commitment to Zimbabwe

Zimbabwe held a national election in 2013 which brought to an end the power sharing Government of National Unity that had been in place since 2009 and returned ZANU-PF to sole power. The political clarity that was brought by this election laid a good basis for us to engage with the new government. I have since had a series of very constructive engagements with various senior government officials and Ministries to pave a path to the resolution of the indigenisation commitments of Zimplats. These engagements also address the various other niggling issues that have bedevilled the relationship between Implats/Zimplats and the Government of Zimbabwe. A major focus of these engagements is to rebuild mutual trust which is prerequisite for a mutually beneficial relationship between Implats/Zimplats and the Government of Zimbabwe. Both parties appreciate the Company's long-term commitment to the country, our desire to work in partnership in developing the country's platinum mining sector and to contribute to Zimbabwe's economic transformation.

This commitment is best demonstrated by the decision taken by Zimplats, with the support of Implats, to refurbish our Selous Base Metals Refinery (BMR). The preliminary plant assessment has been completed and the long lead items for the refurbishment are being procured. The refurbishment will take two years to complete at an estimated cost of US$100 million. For the Government of Zimbabwe, this investment by Zimplats is the first step in meeting the government's objective of further beneficiation of its minerals in Zimbabwe. For Implats, it will secure our continuing ability to generate value from this important resource.

The Selous Base Metals Refinery refurbishment will take two years to complete at an estimated cost of US$100 million

Appreciation

In closing, I would like to thank my colleagues on the board for their advice and support during this particularly tough year. Their diversity of experience and their clearly expressed views has proved exceptionally valuable in helping us make some difficult decisions.

Since my last letter, there has been continuity on the board of directors, with the only change being the resignation of Mr PA Dunne in October 2013.

This is the second year in which I have had the pleasure of working with Mr Terence Goodlace, who took over as chief executive officer in July 2012. I have benefited significantly from his deep knowledge and experience in the mining sector. His influence has been felt in numerous ways, including in particular through his strong and visible commitment to safety and operational issues, and his determination to change the culture in the business and promote a culture of trust, respect and care throughout the Company. The board deeply appreciated the high calibre of leadership and integrity that Terence provided during the very difficult and protracted strike. Transparent communication that has been the hallmark of his tenure as CEO is highly cherished by the board. I am confident that under his leadership the Company will successfully weather the difficult times that we have been experiencing, and continue to generate value for all our stakeholders.

Finally, I wish to thank all the Implats employees whose contribution remains crucial to the continuing success of the Company.

Dr Khotso Mokhele
Chairman

Operating statistics

Operating statistics			**2014**	2013	2012	2011	2010
Gross refined production							
Platinum	('000oz)	▽	**1 178**	1 582	1 448	1 836	1 741
Palladium	('000oz)	▽	**710**	1 020	950	1 192	1 238
Rhodium	('000oz)	▽	**157**	220	210	262	252
Nickel	('000t)	▽	**13.9**	16.0	15.4	16.3	15.2
IRS metal returned (toll refined)							
Platinum	('000oz)	▽	**94**	189	121	220	233
Palladium	('000oz)	▽	**28**	190	148	210	259
Rhodium	('000oz)	▽	**9**	36	25	42	49
Nickel	('000t)	◁	**3.2**	3.2	3.1	3.4	2.8
Sales volumes							
Platinum	('000oz)	▽	**1 197**	1 333	1 368	1 665	1 434
Palladium	('000oz)	▽	**767**	859	765	1 011	945
Rhodium	('000oz)	▽	**147**	176	183	221	228
Nickel	('000t)	▽	**10.7**	13.2	12.5	14.1	11.5
Prices achieved							
Platinum	(US$/oz)	▽	**1 423**	1 551	1 614	1 691	1 433
Palladium	(US$/oz)	△	**737**	676	687	670	376
Rhodium	(US$/oz)	▽	**1 000**	1 143	1 601	2 275	2 149
Nickel	(US$/t)	▽	**14 644**	16 541	19 603	23 851	18 884
Consolidated statistics							
Average exchange rate achieved	(R/US$)	△	**10.36**	8.81	7.70	7.03	7.58
Closing exchange rate for period	(R/US$)	△	**10.64**	9.88	8.17	6.77	7.67
Revenue per platinum ounce sold	(US$/oz)	▽	**2 299**	2 505	2 576	2 772	2 293
	(R/oz)	△	**23 818**	22 069	19 844	19 480	17 375
Tonnes milled ex mine	('000t)	▽	**13 916**	17 209	16 626	19 819	19 171
Total development (Impala)	(Metres)	▽	**61 337**	97 378	96 841	132 342	122 573
Gross PGM refined production	('000oz)	▽	**2 370**	3 233	3 016	3 772	3 689
Group unit cost per platinum ounce	(US$/oz)	◁	**1 874**	1 874	1 739	1 544	1 334
	(R/oz)	△	**19 430**	16 526	13 466	10 858	10 078

Implats refined
1 178 000oz

Group refined platinum production

Mine-to-market operations

- Impala 411 000oz
- Zimplats 226 300oz*
- Marula 76 800oz*
- Mimosa 103 300oz*
- Two Rivers 168 300oz*

Impala Refining Services (IRS)

Third-party concentrate purchase contracts, recycling and toll treatment
192 300oz

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

Key financial performance

Key financial performance			2014	2013	2012	2011	2010
Revenue	(Rm)	▽	**29 028**	29 844	27 393	32 872	25 254
Gross profit	(Rm)	▽	**3 242**	4 712	5 780	10 353	7 179
Profit/(loss) from operations	(Rm)	▽	**(21)**	2 214	5 337	9 446	6 684
Profit/(loss) for the year	(Rm)	▽	**(129)**	1 068	4 279	6 819	4 790
Headline earnings	(Rm)	▽	**523**	1 994	4 131	6 648	4 714
Dividends	(cps)	▽	**–**	95	195	570	390
Gross profit margin	(%)	▽	**11.2**	15.8	21.1	31.5	28.4
Capital expenditure	(Rm)	▽	**4 384**	6 258	7 894	5 354	4 426
Cash net of debt/(debt net of cash)	(Rm)	▽	**(3 482)**	(3 366)	(2 320)	2 454	1 509
Cash generated from operations	(Rm)	▽	**4 096**	5 582	4 441	7 801	5 607

Key non-financial performance

Key non-financial performance			2014	2013	2012	2011	2010
Fatality injury frequency rate	(pmmhw*)	▽	**0.043**	0.065	0.087	0.053	0.122
Lost-time injury frequency rate	(pmmhw*)	▽	**3.92**	4.21	4.96	4.94	4.61
Total injury frequency rate	(pmmhw*)	△	**11.90**	10.91	11.19	13.47	15.21
Employees (including contractors)	(no)	▽	**55 000**	56 000	61 000	56 000	53 000
Employee turnover	(%)	▽	**4.5**	6.0	10.0	8.3	6.0
Energy consumption	('000GJ)	▽	**14 395**	17 574	17 542	18 222	17 013
Energy intensity	(GJ/tonnes milled)	△	**1.034**	0.955	0.986	0.869	0.837
Water consumption	(Mℓ)	▽	**34 775**	40 711	40 114	41 868	37 060
Water intensity	(Mℓ/tonnes milled)	△	**0.0025**	0.0022	0.0023	0.0020	0.0018
Total direct SO_2 emissions	(tpa)	△	**30 735**	18 536	18 463	18 881	16 926
Total CO_2 emissions	('000tpa)	▽	**3 039**	3 788	3 707	4 022	3 755
Voluntary counselling and testing	(no)	▽	**10 086**	11 782	9 820	14 072	6 837

Share performance

Share performance			2014	2013	2012	2011	2010
Headline earnings per share	(cents)	▽	**86**	329	681	1 107	785
Closing share price	(R)	△	**107**	93	135	182	180
Market capitalisation	(R billion)	△	**68**	59	85	115	114

**pmmhw – per million man-hours worked.* △▽ *Improvement.* △▽ *Deterioration.* ◁ *No change.*

1.18m

gross production of platinum ounces

25.5% down 2013

0.043

reduced fatality injury frequency rate

2013: 0.065

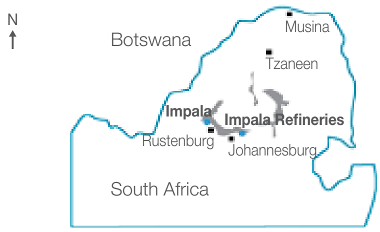
SUMMARISED OPERATIONAL REVIEW

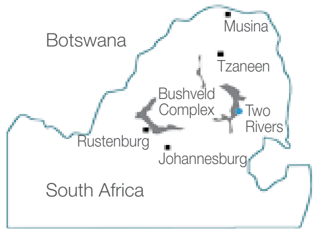
SOUTH AFRICA

Impala

Marula

Two Rivers





Overview

Impala

- A 14 shaft mining complex
- Mineral processes, incorporating concentrating and smelting plants
- Refineries, housing the base and precious metals refineries
- Reserves: 19.8 million attributable ounces of platinum
- Resources (including reserves) 57.6 million attributable ounces of platinum
- Contribution to Group Pt production: 35%

Marula

- Two decline shafts
- Concentrator plant
- Reserves: 1.1 million attributable ounces of platinum
- Resources (including reserves) 7.4 million attributable ounces of platinum
- Contribution to Group Pt production: 7%

Two Rivers

- Joint venture with African Rainbow Minerals Limited
- Two on-reef shafts
- Concentrator plant
- Reserves: 0.8 million attributable ounces of platinum
- Resources (including reserves)
- 2.9 million attributable ounces of platinum
- Contribution to Group Pt production: 14%

Platinum production

Impala: 411 000 ounces of refined platinum

Marula: 78 500 ounces of platinum in concentrate

Two Rivers: 175 100 ounces of platinum in concentrate

	Impala			Marula			Two Rivers		
	2014	2013	2012	**2014**	2013	2012	**2014**	2013	2012
Platinum ('000oz)	**411.0**	709.2	750.1	**78.5**	71.7	69.1	**175.1**	162.2	149.9
Palladium ('000oz)	**197.4**	350.5	408.6	**80.5**	73.5	71.2	**102.7**	98.6	89.5
Rhodium ('000oz)	**50.2**	101.3	98.9	**16.7**	15.2	14.8	**31.0**	28.7	25.5
Nickel (t)	**1 976**	4 035	4 757	**279**	245	238	**566**	555	595
Tonnes milled ('000)	**6 183**	10 897	10 654	**1 794**	1 628	1 579	**3 279**	3 172	3 103
Head grade 6E (g/t)	**4.34**	4.32	4.38	**4.19**	4.19	4.18	**4.01**	4.02	3.86
Performance									
Revenue (Rm)	**10 327**	14 588	13 009	**1 791**	1 404	1 197	**3 669**	2 867	2 335
Cost (R/Pt oz)	**22 036**	17 241	13 913	**19 860**	19 665	16 483	**11 433**	11 683	10 814
Gross profit/(loss) (Rm)	**(1 902)**	2 097	2 889	**(12)**	(216)	(80)	**1 082**	634	508
Capital expenditure (Rm)	**2 823**	4 390	5 269	**159**	125	223	**319.00**	489.00	467.00
Safety									
– Safety – LTIFR	**5.04**	4.91	5.74	**5.29**	5.42	11.46	**1.40**	1.78	1.43
– Safety – FIFR	**0.048**	0.087	0.110	**0.000**	0.000	0.130	**0.000**	0.000	0.280
Environmental									
Energy consumption ('000GJ)	**10 494**	14 180	14 048	**792**	729	713	**730**	681	656
Total water consumed (Mℓ)	**17 502**	25 979	27 263	**3 573**	3 544	3 585	**1 752**	1 134	1 320
Total water recycled (%)	**36**	41	39	**53**	44	45	**n/a**	n/a	n/a
Total CO_2 emissions ('000tpa)	**2 344**	3 024	2 938	**214**	182	177	**213**	11	10
Total direct SO_2 emissions (tpa)	**4 735**	6 519	4 993	**n/a**	n/a	n/a	**n/a**	n/a	n/a

Outlook

Impala

- Strategic review to be completed by December 2014
- Long-term goal to complete 2 420 new housing units at a total cost of R1 billion
- Production to build to 850 000 ounces of platinum per annum by 2019
- Capital expenditure of R3 billion for FY2015

Marula

- Optimisation of existing infrastructure
- Production planned to increase to 90 000 ounces of platinum over the next five years

Two Rivers

- Production capacity should be maintained at around 150 000 ounces of platinum in concentrate

Key risks and challenges

Impala

Improving delivery on development, equipping, construction and ledging and through this increasing ore reserve availability.

Marula

Delivering on development targets.

The adjustment of dealing with an additional union at the operation.

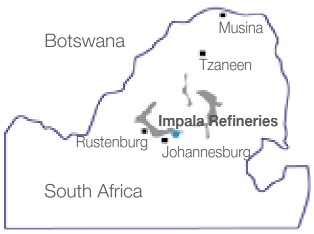
Rebuilding relationships with all stakeholders.

Employees and contractors

	Impala			Marula			Two Rivers		
Employees and contractors	**44 608**	46 671	48 307	**4 304**	4 018	3 708	**3 416**	3 706	3 514

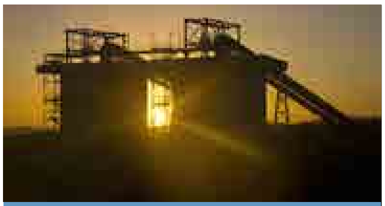
ZIMBABWE

IRS



- Provides smelting and refining services through offtake agreements with Group companies (except Impala) and third parties
- Recycling and toll-treatment
- Contribution to Group Pt production: 16% from third parties

767 000 ounces
of refined platinum



Zimplats

- Four shallow mechanised underground mines
- Concentrator and smelter plants at Selous
- Metallurgical Complex (SMC)
- Concentrator plant at Ngezi
- Reserves: 6.2 million attributable ounces of platinum
- Resources (including reserves) 95.1 million attributable ounces of platinum
- Contribution to Group Pt production: 19%

239 700 ounces
of platinum in matte

Mimosa

- Joint venture with Aquarius Platinum Limited
- Mechanised shallow underground mine
- Concentrator plant
- Reserves: 0.6 million attributable ounces of platinum
- Resources (including reserves) 3.7 million attributable ounces of platinum
- Contribution to Group Pt production: 9%

110 200 ounces
of platinum in concentrate

IRS 2014	IRS 2013	IRS 2012	Zimplats 2014	Zimplats 2013	Zimplats 2012	Mimosa 2014	Mimosa 2013	Mimosa 2012
767.0	872.3	697.5	**239.7**	198.1	187.1	**110.2**	100.3	106.0
513.0	669.8	541.1	**197.6**	157.1	149.2	**87.0**	79.5	82.3
107.3	118.4	111.1	**22.3**	17.0	16.9	**9.3**	8.7	8.5
11 939	11 983	10 582	**4 830**	3 909	3 787	**3 329**	3 161	3 046
n/a	n/a	n/a	**5 939**	4 683	4 393	**2 453**	2 381	2 324
n/a	n/a	n/a	**3.47**	3.53	3.53	**3.92**	3.95	3.93
18 495	14 696	14 069	**5 973**	4 159	3 665	**2 970**	2 579	2 403
n/a	n/a	n/a	**13 383**	11 524	9 594	**17 768**	15 713	11 255
1 701	1 409	1 339	**2 039**	1 451	1 589	**572**	623	905
n/a	n/a	n/a	**1 225**	1 449	2 137	**298**	265	497
n/a	n/a	n/a	**0.41**	0.70	0.21	**0.38**	0.26	1.19
n/a	n/a	n/a	**0.068**	0.000	0.000	**0.000**	0.000	0.000
n/a	n/a	n/a	**2 390**	1 940	2 100	**719**	725	701
n/a	n/a	n/a	**10 386**	7 852	6 003	**3 313**	3 336	3 263
n/a	n/a	n/a	**38**	26	27	**34**	30	35
n/a	n/a	n/a	**364**	410	428	**117**	171	162
n/a	n/a	n/a	**26 000**	12 017	13 470	**n/a**	n/a	n/a

IRS

- Short-term market production decline expected. IRS has access to spare smelting capacity
- Opportunities evaluated on an ongoing basis

Understanding the future demand for our products, and the corresponding industry supply-side profile. Scanning the environment for technological advances that may affect the demand for Implats' products.

Zimplats

- Remains in negotiations with government on finalising the agreed indigenisation plan
- Phase 2 expansion project remains on schedule, for full production during FY2015

Maintaining regular contact with government officials. Ensuring full legal and regulatory compliance in a continuously changing environment. Investing in community and social development initiatives.

Mimosa

- Steady state platinum concentrate production will be maintained in the region of 100 000 ounces per annum

Addressing relevant issues regarding sustainability, corporate responsibility, and being recognised as a good corporate citizen.

IRS 2014	IRS 2013	IRS 2012	Zimplats 2014	Zimplats 2013	Zimplats 2012	Mimosa 2014	Mimosa 2013	Mimosa 2012
n/a	n/a	n/a	**6 074**	5 704	9 203	**1 550**	1 682	1 771

Implats is one of the world's primary producers of PGMs and associated base metals

13.2%# **Royal Bafokeng Holdings**

1.4%# **Morokotso Trust (ESOP*)**

85.4% **Other shareholders**

Impala Platinum Holdings Limited

- 100% Impala
- 73% Marula
- 87% Zimplats
- 74% Afplats
- 50% Mimosa
- 45% Two Rivers
- 100% Impala Refining Services

Marula — 27%:
- Tubatse Platinum (Pty) Ltd
- Mmakau Mining (Pty) Ltd
- Marula Community Trust

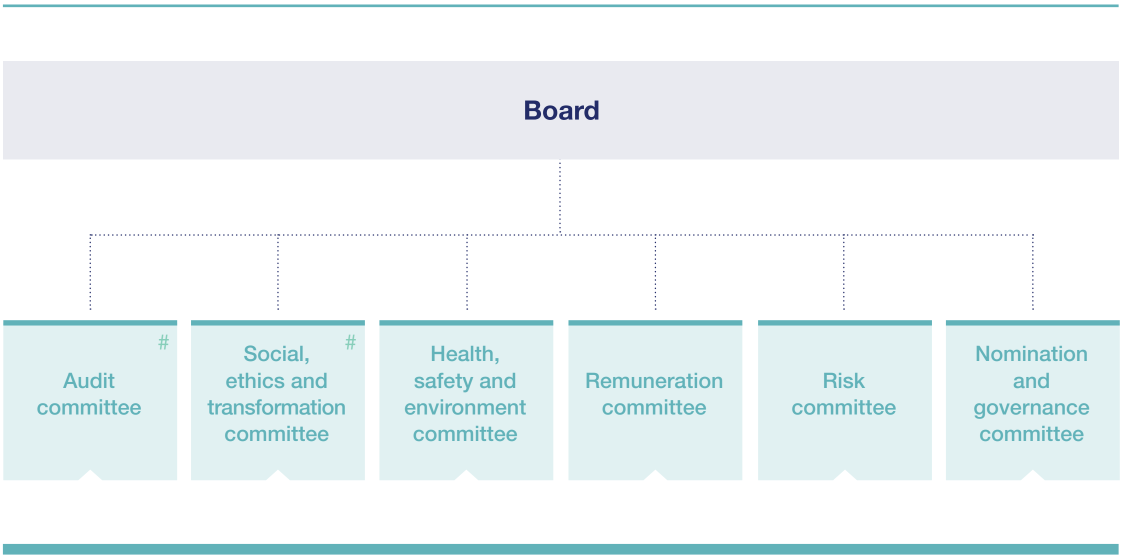
Afplats — 26%: Ba-Mogopa Platinum Investments (Pty) Ltd

Two Rivers — 55%: African Rainbow Minerals Ltd

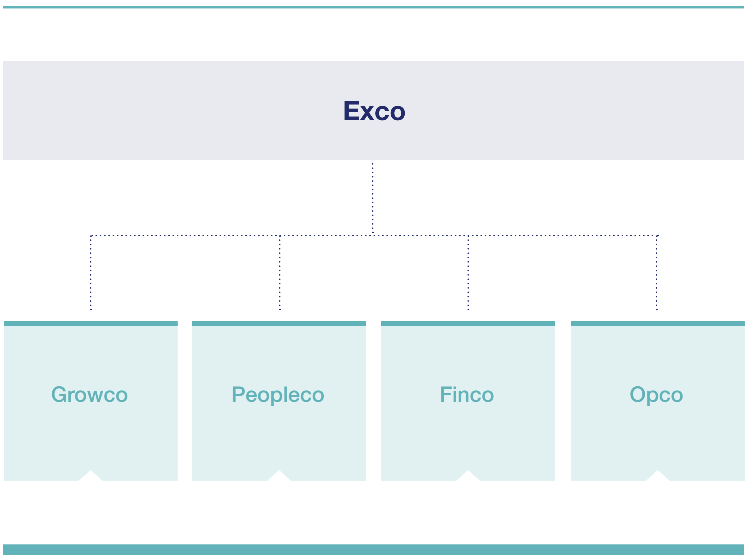
* *Employee Share Ownership Programme*

\# *Royal Bafokeng Holdings and Morokotso Trust's direct shareholding was equivalent to 26.4% ownership in Impala for purposes of conversion of its mining rights*

The board takes full responsibility for the management, direction and performance of the Company

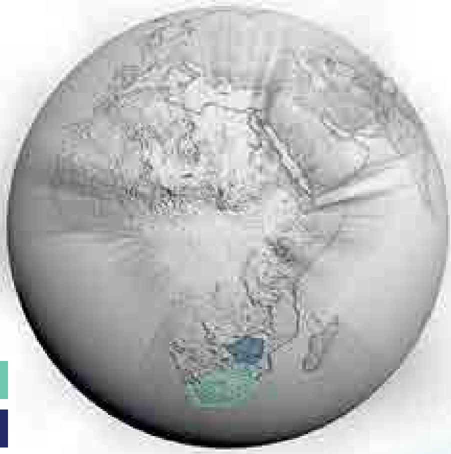


 # Statutory committees



55 000 workforce, including 15 000 contractors

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



SOUTH AFRICA

ZIMBABWE

SOUTH AFRICA

1 Marula

Marula is 73% owned by Implats and is one of the first operations to have been developed on the relatively under-exploited eastern limb of the Bushveld Complex in South Africa. Marula is located in the Limpopo province, some 50 kilometres north of Burgersfort.

2 Impala

Impala, Implats' 100% owned primary operational unit, has operations situated on the western limb of the world-renowned Bushveld Complex near Rustenburg in South Africa. This operation comprises a 14 shaft mining complex and concentrating and smelting plants. The base and precious metal refineries are situated in Springs, east of Johannesburg.

3 Two Rivers

Two Rivers is a joint venture between African Rainbow Minerals (55%) and Implats (45%). The operation is situated on the southern part of the eastern limb of the Bushveld Igneous Complex some 35 kilometres south-west of Burgersfort in Mpumalanga, South Africa.

4 IRS

Impala Refining Services (IRS) was created in July 1998 as a dedicated vehicle to house the toll refining and metal concentrate purchases built up by Implats. IRS is situated in Springs some 35 kilometres east of Johannesburg. IRS provides smelting and refining services through offtake agreements with Group companies (except Impala) and third parties' recycling and toll-treatment.

Implats produces approximately 22% of the world's supply of primary platinum. During the review period, the Group produced 2.370 million ounces of PGMs, including 1.178 million ounces of platinum

ZIMBABWE

1 Zimplats

Zimplats is 87% owned by Implats and its operations are situated on the Zimbabwean Great Dyke south-west of Harare. Zimplats operates four underground mines (including the expansion portal) and a concentrator at Ngezi. The Selous Metallurgical Complex (SMC), located some 77 kilometres north of the underground operations, comprises a concentrator and a smelter.

2 Mimosa

Mimosa is jointly held by Implats and Aquarius. Its operations are located on the Wedza Geological Complex on the Zimbabwean Great Dyke, 150 kilometres east of Bulawayo. The operation comprises a shallow underground mine, accessed by a decline shaft, and a concentrator.

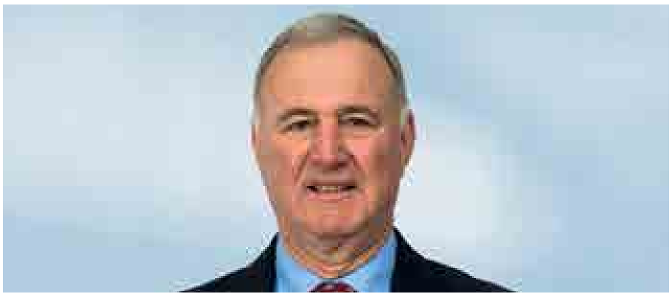
Independent non-executive directors

KHOTSO MOKHELE 59 – CHAIRMAN

BSc (Agriculture), MSc (Food science), PhD (Microbiology)

Experience

Khotso has been an independent non-executive director of Implats since June 2004. He was appointed chairman of the board in 2009. In addition to his chairmanship of Implats, Khotso is the lead independent non-executive director of African Oxygen Limited and a non-executive director of Tiger Brands Limited, Zimplats Holdings Limited and Hans Merensky Holdings (Pty) Limited.



HUGH CAMERON 63

BCom, BAcc, CA(SA)

Experience

Hugh was appointed to the board in November 2010 as an independent non-executive director and he was previously a partner at PricewaterhouseCoopers where he specialised in mining and headed up their global mining practice for a number of years. He is a trustee of the Sishen Iron Ore Company Community Development Trust.

PETER DAVEY 61 *(British)*

MSc Mining engineering, MBA

Experience

Peter was appointed to the board in July 2013 as an independent non-executive director. He was previously a resource analyst at various investment banks in the United Kingdom and he also has extensive production experience in the South African gold and platinum mining industry.

MANDLA GANTSHO 52

BCom (Hons), CTA, CA(SA), MSc, MPhil, PhD

Experience

Mandla joined the board as an independent non-executive director in November 2010. He has held a number of senior executive positions in public and private sector organisations, including vice-president for infrastructure at the African Development Bank, chief executive officer and managing director of the Development Bank of Southern Africa following a number of years as its chief financial officer, and manager at Transnet and Engen Limited. He is a former non-executive director of the South African Reserve Bank. He is currently the chief executive officer of Africa Rising Capital and is chairman of Sasol Limited and Ithala Development Finance Corporation.

To ensure that the Company remains at the forefront of best corporate governance practices, compliance with King III and the Companies Act remains high on the agenda

ALASTAIR MACFARLANE 63 *(British)*

MSc Mining engineering

Experience

Alastair was appointed to the board in December 2012 as an independent non-executive director. He has extensive experience in various senior and executive management positions in the mining industry, and has consulted, and continues to consult, to many mining companies within the sector, both in South Africa and internationally. Alastair is a visiting senior lecturer at the University of the Witwatersrand; is chairman of the South African Mineral Asset Valuation Committee (SAMVAL) and chairs the international Mineral Asset Valuation Committee (IMVAL).

ALMORIE MAULE 67

MSc (Mathematics and statistics)

Experience

Almorie was appointed to the board in November 2011 as an independent non-executive director. Her career has spanned more than 20 years in the energy and minerals sector and she was previously chief executive officer of Engen Limited. Almorie served on the boards of Old Mutual Life Assurance Company (South Africa) and Mutual and Federal Insurance Company for many years. She is currently the deputy chairperson of the Nelson Mandela Metropolitan University Trust; serves as an independent member of the Investment Monitoring Committee of Citadel Wealth Management and is a trustee of the World Wide Fund for Nature.

THABO MOKGATLHA 39

BCompt (Hons), CA(SA)

Experience

Thabo was previously a financial director of Royal Bafokeng Management Services (Pty) Limited and a non-executive director of Royal Bafokeng Holdings (Pty) Limited. He joined the board in June 2003 as a nominee of the Royal Bafokeng Nation and since August 2013 has served as an independent non-executive director. He also holds directorships in Astrapak Limited, York Timber Holdings Limited and Hyprop Investments Limited.

BABALWA NGONYAMA 39

BCompt (Hons), CA(SA), MBA

Experience

Babalwa joined the board in 2010 as an independent non-executive director. She is currently the chief executive officer of the Black Business Council and the chief financial officer of Safika Holdings (Pty) Limited. Babalwa was the founding chairman of the African Women Chartered Accountants (AWCA), an organisation focusing on accelerating the development and advancement of women Chartered Accountants, and is currently a member of its Advisory Board. She also serves as a non-executive director on the boards of other JSE-listed companies.

Independent non-executive directors continued

THANDI ORLEYN 58

BJuris, BProc, LLB

Experience

Thandi was previously National Director of the Commission for Conciliation, Mediation and Arbitration. She joined the Implats board in April 2004 as an independent non-executive director and is currently a non-executive director of Reunert Limited, Lafarge South Africa and chairman of BP Southern Africa.

Non-executive directors

ALBERTINAH KEKANA 41

BCom, Higher Diploma in accounting, CA(SA)

Experience

Albertinah was appointed in August 2013 as a non-executive director representing Royal Bafokeng Holdings (Pty) Limited (RBH) after she was appointed in June 2013 as alternate director to Mr OM Pooe, a former non-executive director. She is currently chief executive officer of RBH and serves as a non-executive director of RMB Holdings Limited and an alternate director of Rand Merchant Insurance Holdings Limited.

BRETT NAGLE 37

BCom (Summa Cum Laude), Diploma in accounting (Distinction), CA(SA)

Experience

Brett was appointed to the board in August 2013 as a non-executive director representing Royal Bafokeng Holdings (Pty) Limited. He has extensive experience in resources finance and has worked for Rand Merchant Bank.

Executive directors

TERENCE GOODLACE 55

NHD in metalliferous mining, BCom, MBA

Experience

Terence was appointed to the Implats board in August 2010 as an independent non-executive director. He has extensive mining experience and is currently the chief executive officer. He held the position of group chief operating officer at Gold Fields Limited where he worked for 27 years in various capacities and served as a director until October 2008. He then held the position of chief executive officer at Metorex Limited for three years until 2012. He is a non-executive director of Zimplats Holdings Limited and also serves as a council member of the Chamber of Mines of South Africa.

BRENDA BERLIN 50

BCom, BAcc, CA(SA)

Experience

Brenda was appointed to the board in 2011 as executive director: finance. Prior to her appointment she was the group executive: commercial. Brenda is a member of the executive committee and is also a non-executive director of Zimplats Holdings Limited.

Day-to-day management of Group operations

PERMANENT MEMBERS

TERENCE GOODLACE *(Chairman)*
Chief executive officer

BRENDA BERLIN
Chief financial officer

JON ANDREWS
Group executive: health and safety

PAUL FINNEY
Group executive: refining and marketing

TEBOGO LLALE
Company secretary

ALEX MHEMBERE
Chief executive officer: Zimplats

Implats' management and board are of one mind that the health and safety of our employees is an absolute imperative

NELSON NDLALA
Executive head: Rustenburg operations

GERHARD POTGIETER
Group executive: growth projects and consulting mining engineer

ANDILE SANGQU
Group executive: sustainability and risk

MATHIAS SITHOLE
Group executive: people

JOHAN THERON
Group executive: investor relations

The average price for platinum in 2013 was US$1 487 per ounce

Note: *Periods referred to in this section are mostly calendar years, except if stated otherwise.*

Our markets

The global economy continued to experience growth at levels above 3% in 2013, with developing countries recording 4.8% and developed countries 1.3%. Chinese growth led the pack with 7.7% and is again expected to be above 7% in 2014. In the developed countries, the US economy managed 1.9% and might achieve better than this in 2014, while the European economy continued to struggle after reporting a 0.4% contraction in 2013 following 2012's 0.6% contraction. Japan grew at 1.5%, slightly above the 1.4% in 2012. However, this economy is expected to grow by only 1.3% in 2014.

Recovery signs are emerging from developed countries and can be expected to influence further growth from developing countries. However, this impact will be limited as many developing countries have already recovered significantly from the 2008 financial crisis.

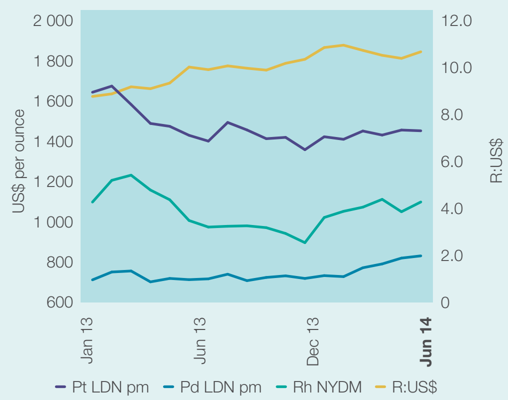
Against this backdrop and with several of the South African primary suppliers experiencing difficulty primarily due to rising costs (especially labour) and depressed profitability, it may well lead to stagnant, or even reduced, supply in the short to medium term.

Market performance

The platinum and palladium markets were in deficit for 2013 as demand growth in automotive, jewellery and investment outpaced supply as South Africa again failed to increase supply. It should, however, be noted that above ground stocks have been plentiful as witnessed by a lack of price movement after the five-month strike in early 2014.

The average price for platinum in 2013 was US$1 487 per ounce, while the average during the first six months of 2014 was US$50 per ounce lower, at US$1 437 per ounce. Palladium averaged US$725 per ounce in 2013, with the first six months of 2014 averaging US$55 per ounce higher at US$780 per ounce – indicative of a healthier demand. Rhodium averaged US$1 045 per ounce in 2013, and recorded an average increase of US$24 per ounce for the first six months of 2014 at US$1 069 per ounce – reflecting a market in fundamental balance. The rand dollar exchange rate averaged R9.64 to the dollar in 2013 and R10.69 to the dollar, in the first half of 2014, a depreciation of 11%, which supported rand prices for PGMs.

PLATINUM, PALLADIUM, RHODIUM AND R:US$ PRICE



Overall 2013 was a relatively positive year for the global automotive industry achieving 3% growth for light-duty vehicle sales and exceeding 83 million vehicle sales for the first time. The first six months of 2014 has seen car sales continue to increase in the US and China. The European market is showing signs of recovery due to, among others, governmental subsidy schemes and some manufacturer incentive-driven sales. 2014 light-duty sales is estimated to grow by a further four million vehicles, to 87 million, primarily driven by China and continued recovery in North America.

Light-duty vehicle sales

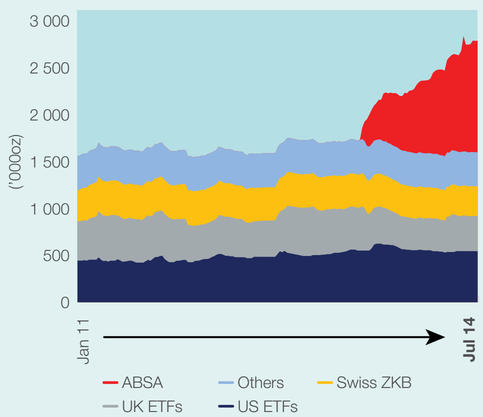
Units: Millions	2012	2013	Forecast 2014
North America	15.4	15.6	**16.3**
Western Europe	12.7	11.6	**11.7**
China	18.2	17.9	**19.2**
Japan	9.5	5.3	**5.2**
Rest of the world	25.7	33.5	**34.8**
	81.5	83.9	**87.2**

The platinum jewellery market represented 32% of overall demand in 2013

Jewellery
The platinum jewellery market remains a significant part of the overall platinum demand picture, representing 32% of overall demand in 2013. The market recorded a 6% increase in 2013 and is expected to achieve a further 5.3% this year. Chinese jewellery sales appear mixed at the moment with 24 carat gold still dominating the jewellery space given lower gold prices. This may be linked to purchases for investment purposes rather than for jewellery manufacture. Although India is a small platinum jewellery market, it is showing significant growth with 2013 growth of some 41%.

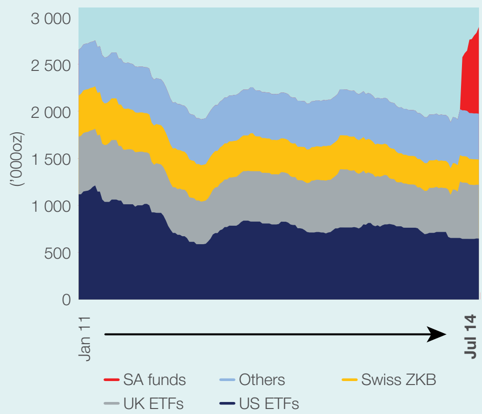
Investment
Perhaps the most obvious investment growth is the South African platinum exchange traded fund (ETF), which exceeded 900 000 ounces by calendar year end 2013, and is now the largest fund in the world by some margin at more than 1.1 million ounces. This seemingly good news does, however, highlight the extent of above-ground inventory where over 1 million ounces can be removed from the market without any significant impact on the platinum price.

PLATINUM ETF INVESTMENT



Similarly, the launch of South African palladium ETFs has resulted in one of the highest holdings of palladium in the world at above 850 000 ounces. We believe that this, together with the uncertainty surrounding the Russian/Ukraine situation, has been positive for palladium prices during the first half of 2014.

PALLADIUM ETF INVESTMENT



Outlook
There is continued uncertainty regarding the remaining above-ground inventories of our metals. However, the impacts of the five-month strike and the process of bringing the South African mines back into production will constrain supply further in the short to medium term.

Demand fundamentals remain strong for platinum, palladium and rhodium against the backdrop of both increased automotive sales and tightening emissions legislation. This, combined with constrained supply, should be positive for prices in the future. In general, platinum, palladium and rhodium markets are expected to be in deficit for the next three to five years.

At higher prices the automotive industry should outbid price-elastic demand like jewellery

Platinum

Healthy demand and sluggish supply should be positive for prices in the future. At higher prices the automotive industry should outbid price-elastic demand like jewellery. However, we do not expect this effect to be significant during 2014 and hence the growth in demand will likely be primarily in the jewellery and industrial sectors for this year.

('000oz) Calendar year	2012	2013	Forecast 2014
Platinum supply/demand outlook			
Demand			
Automotive	3 470	3 150	**3 215**
Jewellery	2 525	2 675	**2 865**
Industrial	1 700	1 780	**1 900**
Investment	200	750	**305**
Total demand	7 895	8 355	**8 285**
Supply			
South Africa	4 025	4 080	**2 950**
Zimbabwe	350	390	**390**
North America	380	385	**395**
Recycle – auto	1 040	1 125	**1 470**
Recycle – other	900	890	**870**
Russia	800	850	**750**
Total supply	7 495	7 720	**6 825**
Balance	(400)	(635)	**(1 460)**

Palladium

Again, strong demand and constrained supply should continue to be positive for prices in the short to medium term. In a higher price environment the automotive industry could be expected to pay higher prices than other industrial users for palladium and some substitution of palladium for platinum and rhodium in automotive petrol engines could occur. There is also evidence of increasing palladium penetration into the traditional platinum diesel catalysts. We expect these trends to amplify palladium demand on the back of increased automotive sales in both China and the United States.

('000oz) Calendar year	2012	2013	Forecast 2014
Palladium supply/demand outlook			
Demand			
Automotive	6 000	6 500	**7 150**
Industrial	3 110	3 125	**2 750**
Investment	300	250	**870**
Total demand	9 410	9 875	**10 770**
Supply			
South Africa	2 245	2 220	**1 890**
Zimbabwe	240	290	**290**
North America	930	960	**980**
Other	840	665	**640**
Recycle	1 850	2 250	**2 645**
Russia	2 700	2 700	**2 700**
Total supply	8 805	9 085	**9 145**
Balance	(605)	(790)	**(1 625)**

Introduction of Euro 6 in late 2014 should lift rhodium demand

Rhodium

Even though we expect deficits in the short to medium term for rhodium, successive previous years of surplus in this market are likely to keep prices muted for some time. The introduction of Euro 6 (light-duty diesel) legislation in the latter part of the year, with its more stringent restrictions on NO_x emissions, signals further increases in rhodium demand for this sector.

('000oz) **Calendar year**	2012	2013	**Forecast** **2014**
Rhodium supply/demand outlook			
Demand			
Automotive	790	800	**825**
Industrial	190	190	**160**
Total demand	980	990	**985**
Supply			
South Africa	580	580	**500**
Zimbabwe	25	30	**30**
North America	20	20	**25**
Other	5	5	**10**
Recycle	260	300	**320**
Russia	65	65	**65**
Total supply	955	1 000	**950**
Balance	(25)	10	**(35)**

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 platinum and rhodium 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 capacitators 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
Glass	Production of LCD glass Bushings for producing glass fibre Speciality glasses Glass for TVs, monitor and cathode ray tubes Glass substrates for hard disks	–	Alloyed with platinum in producing LCD glass Alloyed with platinum in bushings	–	–

	Platinum	Palladium	Rhodium	Ruthenium	Iridium
Investment	Small/large bars, coins ETFs	Coins ETFs	–	–	–
Jewellery	Fabrication	Fabrication Alloying agent in 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	–

Implats aims to achieve a balance between minimising the risk and maximising the reward

The business identifies its strategic objectives, and material sustainability focus areas, through a structured internal risk management process, and with consideration to the views and interests of key stakeholders.

Business risk assessment and management process

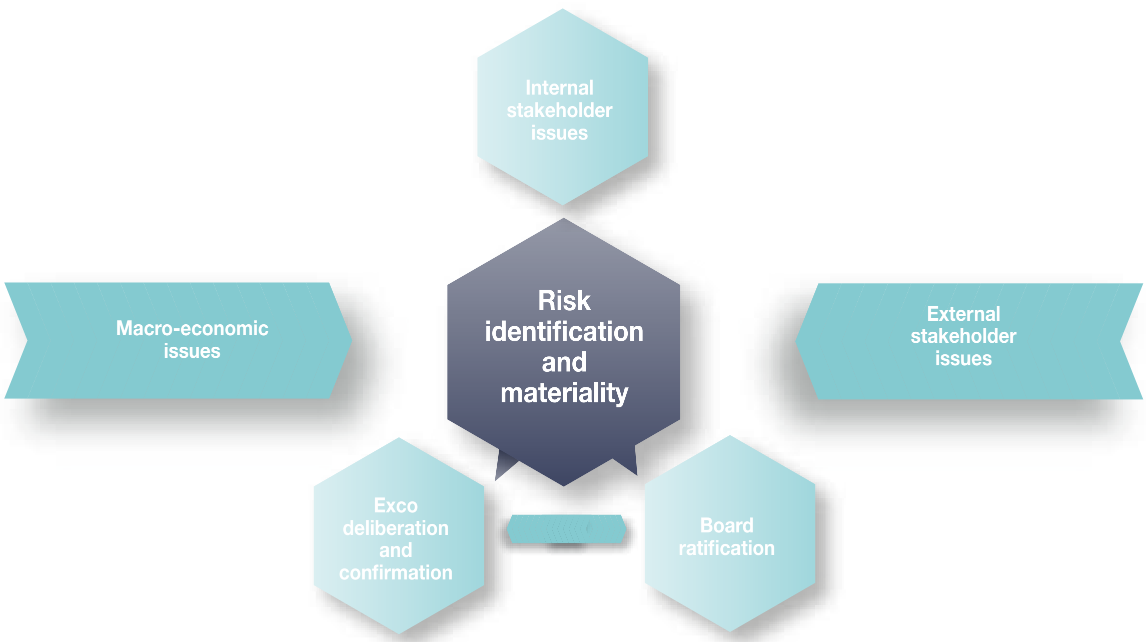
Implats' risk management process sets out to achieve an appropriate balance between minimising the risks associated with any business activity and maximising the potential reward. This process enables the board and senior managers to take decisions regarding the possible trade-off between risk and reward, and assists them to identify and pursue appropriate strategic growth opportunities informed by the Group's risk appetite and risk tolerance levels.

The structured risk management process comprises the following steps:

- Establishing the context: Consider the nature of the external operating context, and the views and interests of stakeholders
- Identifying the risk: Establish both the source and cause of the risk, and evaluate all possible consequences
- Analysing the risk: Identify and assess what this means for the achievement of our objectives
- Evaluating the risk: Determine the risk rating (by severity, exposure and frequency), identify the controls (both existing or new), and prioritise the risks
- Treating the risk: Consider all options to establish the most appropriate response for each identified risk.

Arising from this process is the identification of a set of objective-based risk assessments (ORAs) that cover approximately 80 of the most important aspects of the Implats business. Each identified risk, as well as its associated controls, has a clearly defined line management owner. This process is repeated and reviewed regularly, ensuring that the information remains relevant. All information is captured into the Group risk repository system that informs the Group risk profile. The Group risk profile is presented on a monthly basis to the Exco and quarterly to the board risk committee, which has been separated from the audit committee.

This process culminates in the identification of a prioritised set of Group strategic risks. Collectively, these risks, along with the outcomes of our internal and external stakeholder engagement activities, and our assessment of market fundamentals, are used to identify our material sustainability-related issues and business strategic objectives. These issues are prioritised in terms of their impact both on the organisation and on our key stakeholders. They inform the nature of our strategic objectives, as well as the performance issues for monitoring and reporting.



Classification of Group strategic risks – June 2014

The Group risk profile includes key risks, the 10 most critical of which are set out below (see page 30 of the sustainable development report):

Group strategic risk	Context	Our response measure
Non-delivery of production and productivity targets at Impala Rustenburg	Short-term challenges include: safe resumption of the Impala Rustenburg operation post-strike; ramping up to full production as per the start up plan, maintaining our ability to achieve completion of the mining cycle; speeding up the establishment of face length in new mining areas; ensuring increased productivity.	Ensuring the safe return to work for all employees by implementing the detailed start-up plan for the operations. Implement initiatives relating to: mining quality; training; visible felt leadership; mine planning protocols and work procedures.
Employee relations climate	On 23 January 2014, around 80 000 members of the Association of Mineworkers and Construction Union (AMCU) commenced strike action at the Rustenburg mines of Impala, Lonmin and Anglo American Platinum (Amplats). The strike lasted until the end of June 2014, resulting in estimated production losses for Impala of 312 000ozs Pt.	Striving to provide an enabling work environment that fosters open, honest and effective relations between management, employees and elected union representatives. Engaging with various government departments directly, working with the Chamber of Mines and labour representatives to find sustainable solutions to industrial relations challenges in the country.
Platinum group metal (PGM) price fluctuations	Despite the protracted strike, the platinum price did not move significantly over this period, which is an indication of significant above-ground metal stocks.	Understanding the future demand for our products, and the corresponding industry supply-side profile. Scanning the environment for technological advances that may affect the demand for Implats' products (substitution), and instituting appropriate responses where possible.
Volatility of the rand/US$ exchange rate	The volatility of the Rand:US$ exchange rate primarily impacts revenues for the basket of PGMs and base metals produced. Fluctuations in the exchange rate have a marked influence on cash flows.	Closely monitoring the rand/dollar exchange rate as a source of significant volatility for our business and where prudent try to mitigate its impact.
Shear induced ground instability at Zimplats (Mutambara shear)	The behaviour of the Mutambara Shear has been erratic and unpredictable. As a result, prediction of the operability and hence production levels in the short to medium term may not be accurate.	Close monitoring and review of the affected areas by industry experts and using the best available technology. Ensuring that the worst affected areas are quarantined. Establishment of a detailed action plan is in progress.
Pressure to provide metal at low prices, for local beneficiation in South Africa	The issue of further minerals beneficiation has been on the agenda of the South African Government since 1995, in the belief that beneficiation will help re-industrialise the economy and create hundreds of thousands more jobs in manufacturing. The DMR is pursuing the specific agenda of developmental pricing and forced local sales.	Maintaining regular high-level contact with the DMR as part of the platinum industry group. Engaging in national technological research for further opportunities.
Uncertainty regarding indigenisation policy	The Zimbabwean Government has advised that the Zimplats Indigenisation plan signed in January 2013 needs to be revised.	Maintaining regular contact with government officials. Ensuring full legal and regulatory compliance in a continuously changing environment. Investing in community and social development initiatives
Weak balance sheet and cash flows	The financial impact of the protracted strike has been far reaching. Implats is currently operating in a cash constrained mode.	Proactive and rigorous review of the short and long-term business planning process and parameters, together with ensuring appropriate funding is available or in place.
Excessive taxation at Zimplats	There are multiple and sometimes conflicting interpretations of the unique special mining lease tax law that is applicable to Zimplats.	Maintaining regular contact with government officials. Conducting training and awareness campaigns to internal stakeholders, as well as tax compliance audits.
The security and supply of electricity in South Africa	In South Africa, the electricity supply industry is dominated by Eskom, which owns and operates the transmission grid. Eskom has a net installed generation capacity of 42 000MW. Given planned and unplanned outages it is able to bring a maximum of 36 000MW on line at present.	Maintaining regular contact with Eskom to ensure we are aware of any situation that may affect us. Ensuring we minimise our consumption of energy and water by promoting efficient processes, and adopting appropriate technologies

Our four strategic pillars underpin the Group strategy

Our ability to deliver on our four strategic objectives is impacted on an ongoing basis by the risk environment in which we find ourselves as a business.

Our strategic journey ... becoming the BEST

Behaviour supported by:

Safety strategy
- Cultural values
- Work environment
- Leadership and supervision

Health strategy
- Employee wellness
- Prevention and education
- Treatment and support

People strategy
- Effective employee management model
- Promoting diversity
- Attracting, retaining and developing talent
- Effective people

Operational excellence supported by:
- Effective planning and mineral resource management
- Intensive cost and productivity focus
- Operational delivery and performance management
- Innovation and new technology

Social licence to operate supported by:
- Meaningful and sustainable social investment in our communities
- Respecting human rights and the interests of all stakeholders
- Abiding by the laws of the countries in which we operate
- Effective and transparent governance and reporting

Sustainability supported by:
- Compliance with all relevant legislation
- Continuous improvement in air resource stewardship
- Optimisation of energy efficiencies and reduction of carbon footprint
- Preservation of natural water resources and water quality
- Development of alternative energy sources linked to our metals

People management is headed by a dedicated Group executive reporting to the CEO

Safe and effective people who respect and care for each other

We will achieve this by

- Improving safety and health through implementing safety and health strategies
- Implementing an effective people strategy
- Attracting, retaining and developing talent and skills.

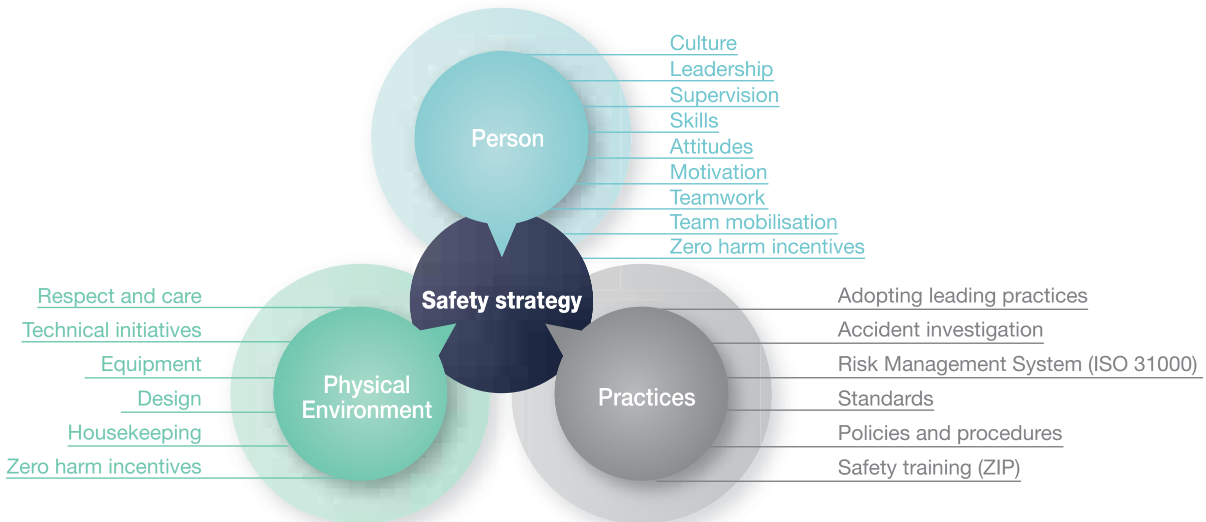
Why this is important

- Ensuring the safety and health of our employees, contractors and suppliers is essential if we are to respect their most fundamental human rights; without a meaningful commitment to respecting the rights of those with whom we interact, we will have no social or political licence to operate
- If we are to create sustainable value for shareholders and society we need our people to be healthy, safe, motivated and equipped with the requisite skills and abilities; this requires a work environment informed by mutual trust, respect and care.

How we manage this objective

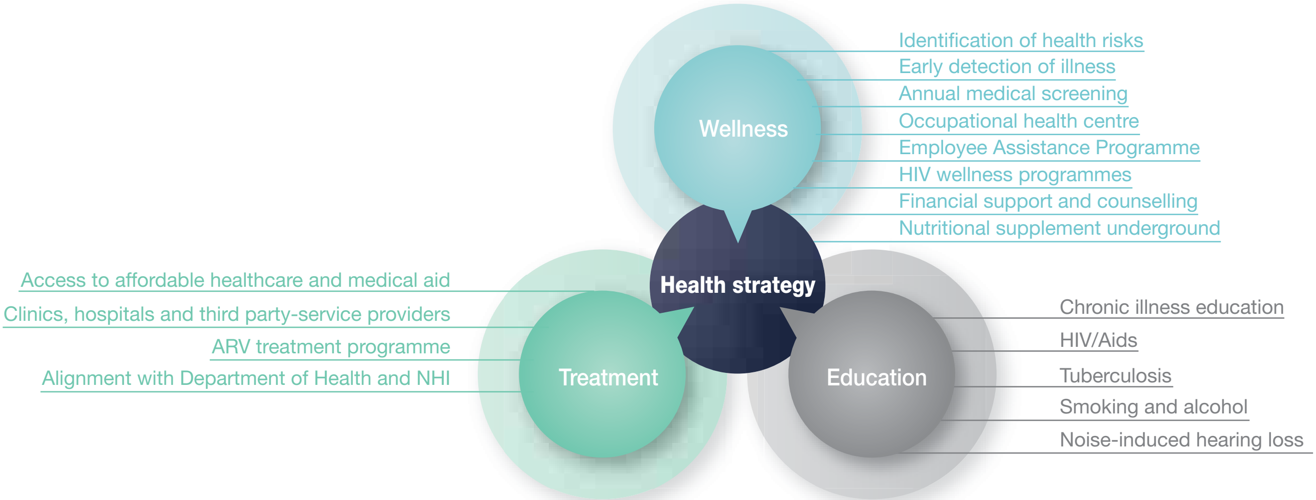
- People management is headed by a dedicated Group executive reporting to the CEO; his scope of work includes remuneration, human resource development, talent management and employment equity. The Group health and safety (H&S) executive is a member of the executive committee (Exco) and is responsible for guiding the Group strategy on H&S issues
- Policies and procedures on people management issues are established at corporate level and apply at our operations. These seek to ensure the continuous development of our employees, in line with business demands, while at the same time offering career progression opportunities with particular emphasis on historically disadvantaged South Africans (HDSAs) within our South African operations
- Each operation has a transformation committee made up of representatives drawn from management, trade unions, women and people with disabilities, as well as other stakeholder groupings that we engage with to advance transformation at each operation
- Group and site-specific H&S policies, procedures and standards have been set, with the aim of ensuring that our activities comply with legislative requirements. Responsibility for implementing Group-wide H&S policies and procedures rests at an operational level with line management. The operations submit quarterly performance reports to the board appointed HSE (health, safety and environment) committee. HSE specialists, at a Group and operational level, support line management in implementing their strategy, and in monitoring and managing performance.

The diagrams below depict our Group-wide safety strategy.



OUR BUSINESS STRATEGY

The following diagrams depict our health and people strategies.



Lost-time injury frequency rate (LTIFR) improved by 7%

Our 2014 performance

SAFETY

- Four work-related fatalities (2013: nine)
- Fatal injury frequency rate (FIFR) improved by 34% to 0.043 (2013: 0.065)
- Lost-time injury frequency rate (LTIFR) improved by 7% to 3.92 (2013: 4.21)
- The Group completed a total of 810 138 breathalyser tests, an increase of 22%, 52 527 road behaviour checks, an increase of 24.2%, and 73 444 STOP® visible felt leadership observations, an increase of 2.6%
- A notable achievement was the full implementation of nets and bolts on both the Impala Merensky Reef and UG2 Reef horizon stopes
- All development ends are also using safety nets
- Nets and bolts are fully implemented at the Marula operation
- The South African operations have now equipped the whole of the trackless vehicle fleet with Proximity Detection Systems and we plan to initiate a programme to equip underground locomotives with this technology commencing in 2015
- All underground employees have been equipped with self-contained self-rescuers
- A decision was made to replace the entire centralised blasting system at Implats to improve safety and reliability. The South African operations have chosen the Sasol SafeBlast® system used in conjunction with the SafeStart® detonators. The system has also now been installed at Marula, Mimosa and at the Impala 20, 16, 6, E&F, 7A and 4 Shaft complexes
- Zimplats has fully installed a similar system called Electronic Centralised Blasting system supplied by AEL
- All conveyor belts will eventually be replaced with fire retardant conveyor belts
- A fully revised methane management plan and associated initiatives were further developed to cater for increased flammable gas intersections being encountered on some of the deeper shafts at Impala (No 11, 11c, 14, 16 and 20 Shafts).

HEALTH

- Employee health has received renewed focus and attention during 2014, with 59 322 employees and contractors (2013: 90 000 employees and contractors) undergoing occupational screening examinations during the year across the Group. This was lower than last year due to the prolonged strike at Rustenburg, which by year end had resulted in a backlog of occupational examinations
- No employee is allowed to work underground without a valid certificate of fitness and the backlog has been addressed post year end as part of the start-up of operations in Rustenburg
- For non-occupational healthcare, medical aid membership of the Impala Medical Plan increased by 7.8% and there are now 21 994 people (2013: 20 386 people) on the scheme
- The antiretroviral uptake increased by 6% (2013: 13.5%) in 2014 and there are now 4 276 people (2013: 4 039 people) on the programme
- Initiatives to mitigate against noise-induced hearing loss include the silencing of machines, the provision of custom fitted hearing protection devices, audiometric screening of all employees and the reporting and counselling of all early 2.5% to 5% and 5% to 9.9% noise-induced hearing loss cases
- Compliance to the wearing of the customised, fitted hearing protection received attention but is still not at the required 100% level and additional programmes are in place to improve in this area
- Alignment with the Department of Health and National Health Insurance continued. Following renovations to the Job Thabane Hospital Neonatal Unit and the Freedom Park Clinic, Impala has now entered into agreements with the Department of Health and the Impala Bafokeng Trust to extend and renovate the primary care clinic situated in Luka village
- In Zimbabwe, Mimosa mine has assisted with renovations to the Zvishivane district hospital and Zimplats assisted with the renovations to the Selous community clinic.

We aim to address potential skills shortages through in-house technical trainee programmes

Our objectives

- Retain strong focus on cultural transformation framework, increasing supervision and leadership skills and introducing best practice technical initiatives
- Zero fatalities and zero harm
- Further develop leading indicators and the safety weighting have been increased in short-term incentive schemes and in so doing improve performance
- Intensify efforts on ensuring further mitigation of risks relating to occupational chronic illnesses, HIV/Aids, as well as noise-induced hearing loss (NIHL)
- Access to effective, affordable healthcare
- Ensure alignment with the SA Government's national health strategy, including providing healthcare facilities around our mining areas
- Implement the employee engagement model and develop values through the "Exchange for Change" programme based upon the Respect, Care and Delivery initiative
- Address potential skills shortages through in-house technical trainee programmes, capacity-building at supervisory and managerial level, and enhanced people-leadership initiatives
- Allocate an additional 1.5% salary adjustment to middle and senior management who possess critical skills
- Focus strongly on local employment.

Deliver operational excellence and continuous improvement

We will achieve this by

- Implementing the operational excellence model, which includes a new mineral resource management initiative
- Maintaining an intense cost and productivity focus.

Why this is important

- Delivering consistent returns through optimised operations, with a focus on mining quality is essential to rewarding those who invest their capital in our business and to secure their continued support. Superior returns ensure that we have access to capital and to borrowings with which we finance new operations
- Profits enable us to invest in our human resources, to motivate our staff and to keep contributing to the development of well-functioning sustainable communities and to the economic growth of South Africa and Zimbabwe.

How we manage this objective

- A robust annual budgeting process is undertaken with a strong focus on cost containment and safe production levels
- Performance against this budget is monitored continually and reported in detail on a monthly basis to Exco and on a quarterly basis to the board
- Planning and executing on optimal mine designs
- Increasing on-mine motivation and increasing the skills and knowledge of our teams.

Our 2014 performance

IMPALA

- The five-month strike interrupted a good start to the financial year and all initiatives to ramp-up production at the mine over the next five years were affected
- Ore milled decreased by 43.3% to 6.2 (2013: 10.9) million tonnes while platinum refined decreased by 42.0% to 411 000 (2013: 709 200) ounces
- Milled head grades (6E) were marginally higher at 4.34 (2013: 4.32) grams per tonne
- The Merensky: UG2 split remained at 44:56, and will not change significantly until 20 Shaft reaches full production
- Total development activity at 61.3 (2013: 97.4) kilometres decreased as did on-reef development, which decreased by 28.9% to 21.1 (2013: 29.7) kilometres
- The mine is currently still constrained at 20.5 kilometres of mineable face length and in the period before the strike commenced, 17.4 kilometres of face was mined at an average panel length of 24.1 metres and a face advance of 9.9 metres per month
- The key to reversing this situation and improving reserve flexibility is to optimise development, equipping, construction and ledging activities on existing shafts and at the newly commissioned 20 and 16 Shaft complexes
- Impala's unit costs were adversely affected by the strike and resulted in the R22 036 per refined platinum ounce reported, a 27.8% increase on 2013's R17 241. The strike, above inflation wage increases, lower productivities and above inflation power costs (in conjunction with lower volumes) all affected unit costs.

- **Ore milled at Impala decreased by 43.3% to 6.2 million tonnes**
- **At Zimplats, over US$64 million was spent on Phase 2 expansion project**

ZIMPLATS

- Ore milled increased by 26.8% to 5.9 (2013: 4.7) million tonnes while platinum in matte increased by 21.0% to 239 700 (2013: 198 100) ounces
- During the year, over US$64 million or R0.7 (2013: R1.1) billion was spent on the Phase 2 expansion project mainly on the establishment of underground infrastructure at the Mupfuti mine
- Platinum unit costs in matte decreased by 1.2% to US$1 291 (2013: US$1 307) per ounce mainly due to US$ inflation of 6.4% (2013: 6.2%) offset by the increase in platinum production
- The Base Metal Refinery (BMR) at Selous will be refurbished as part of a multi-phased plan for local beneficiation. The total project cost for the BMR refurbishment and sulphur dioxide abatement is estimated at U$190 million. The BMR refurbishment project was started in July 2014 and will take an estimated 24 months to complete
- Post year end, in July 2014, a collapse within a section of the underground working area of the Bimha mine was triggered by the accelerated deterioration of ground conditions associated with a major fault, the Mutambara Shear, which transgresses through the mining area. As a result of the proactive response from the Zimplats management team and the timely evacuation of all personnel, no injuries or damage of mobile equipment were reported
- By 20 August 2014, ground conditions had continued to deteriorate and as a consequence, it was decided to withdraw all employees across the rest of the mine. A team of Company and independent advisers have been appointed to conduct detailed investigations to re-engineer and/or arrest the current mine stability concerns. Consequently, there is a possible production impact of up to 70 000 platinum ounces in 2015
- A full back analysis is underway to better understand the continued failure and once completed a new set of mitigation measures will be communicated and implemented.

MARULA

- Ore milled increased by 10.2% to 1.8 (2013: 1.6) million tonnes while platinum in concentrate increased by 9.5% to 78 500 (2013: 71 700) ounces
- Marula's costs per platinum ounce in concentrate increased by 1.0% mainly due to mining inflation of 7.3%, increased belt and pump installations, maintenance and repairs
- Additional mining crews were also employed towards the end of the year in preparation for increased volumes planned for FY2015. No major capital projects are currently being advanced on the mine.

Our objectives

- The key focus for the next five years remains building Impala up to an annual production rate of 850 000 ounces of platinum per year. This plan is predicated on closing depleted shafts and ramping up production at the new 20 and 16 Shaft complexes as well as the brownfield projects at 11 and 14 Shafts
- This also depends on implementing the various aspects of quality mining in the Business Plan, for example increase sweepings, mineable face length and development, and reducing off-reef mining
- The Team Mobilisation initiative is critical and is to be enhanced through appropriate training of shift supervisors and production teams. The aim of this training is on developing a respectful and caring attitude amongst all Implats team members to deliver on safe production. Specific focus areas include safety, an understanding of the platinum business and its economics as well as the individual and team roles in this equation, and the reward structure for delivery on targets
- The Impala operation will transition the Merensky: UG2 ratio from 44:56 to 50:50 over the next five years. This change has positive yield benefits as the Merensky Reef has a higher platinum content and higher plant recovery than the UG2 Reef horizon
- The transition at Impala over the next five years will reduce shaft infrastructure and associated overheads and lead to improved mining efficiencies through concentrated mining activity. A new Zero Harm Production bonus has been implemented and will be modified as needed

The key focus for the next five years will be to build Impala up to an annual production rate of 850 000 ounces of platinum per year

- The Zimplats expansion (Mupfuti mine) to ramp-up to 2mtpa through the new concentrator and mining portal
- Marula is planned to increase output to 90 000 ounces of platinum per annum over the next five years
- Cost leadership will be achieved through improved productivity and better utilisation of infrastructure. Negotiations with suppliers of commodity inputs for improved rates is ongoing
- Cementing a new, more sustainable labour compact with our employees will be fundamental to achieving the growth in returns we are capable of achieving and that stakeholders expect of us. We will be focusing efforts on advancing the new employee engagement model where management at all operations will liaise more closely with employees.

Conserve natural resources and mitigate the impacts of our operations

We will achieve this by implementing our

- Carbon footprint reduction and energy efficiency initiatives
- Biodiversity management plans
- Air quality management plans
- Waste management plans
- Land management plans
- Water management plans.

Why this is important

- It is important that we demonstrate responsible stewardship of the resources we share with the societies in which we operate, particularly as our underground operations become deeper and consume greater amounts of energy and water. This involves taking measures not only to address security of supply (for example through efficiency, recycling and fuel-switching), but also to actively minimise our impacts on natural resources, as well as the communities situated around our operations. This has direct benefits in terms of reduced costs and liabilities, enhanced resource security and improved security of licence to operate
- The Group creates value primarily by extracting and refining PGMs. Without access to these minerals we have no business. To support our extraction and processing of these resources we require access to reliable supplies of water and energy (mainly in the form of electricity). We recognise that the supply of some of these resources is constrained and likely to become more so in future, leading to anticipated increases in costs as well as growing competition with other potential users including local communities.

How we manage this objective

- The Group sustainability executive is a member of the Exco and is responsible for guiding the Group environmental strategies. All material environmental matters are reported to the HSE committee of the board on a quarterly basis
- The Group has established environmental specialist teams that work closely with operations and are involved in due diligence exercises undertaken in connection with acquisitions, and the development of strategic resources
- The Group has implemented environmental management systems which are ISO 14001 compliant. These systems are audited by third parties.

Our 2014 performance

- This year our direct environmental impacts were significantly reduced as a result of the closure of the Rustenburg operations during the five-month strike. Monitoring of the Group environmental indicators at Rustenburg was also affected
- The decline in production translated into a decrease in the levels of water and energy consumed. Water consumption at a Group level decreased by 15% (2013: 40 711Mℓ), but there was an increase in the percentage of water recycled to 39% (2013: 38%). All operations contributed to our improved water management performance
- In implementing our carbon management strategy, our focus remains on energy-efficiency projects. Security of energy supply and rising prices are significant material risks for our operations in South Africa and Zimbabwe
- Electricity consumption accounted for around 70% of our total energy consumption in 2014, and almost 11% (2013: 11%) of our overall cash cost base. Total energy consumption declined by 18% (2013: 17 574), mainly as a consequence of the disruption in operations in Rustenburg as well as the implementation of energy conservation programmes. These programmes resulted in a 3.1% reduction in indirect energy usage

- **There was an increase in the percentage of water recycled to 39% (2013: 38%) at all operations**
- **Electricity consumption accounted for around 70% of our total energy consumption in 2014**

- Our projected expansion into deeper operations that are more energy intensive, coupled with the proposed introduction of a carbon tax in South Africa in January 2016, emphasise the business imperative to focus on reducing and optimising our energy use
- Work continues on our fuel cell project (the HySA strategy, partnering with the Department of Science and Technology), and this will continue in 2015
- Work is progressing well to complete the feasibility study for the Zimplats sulphur dioxide abatement plant in 2015 as planned.

Our objectives

- Appropriate engagement with non-governmental organisations and communities on environmental and sustainability matters, including aligning ourselves with the South African Government's Integrated Energy Plan
- Updating the Group carbon footprint and setting realistic reduction targets for each operation in line with our carbon management strategy
- Further understanding the impact of climate change on our operations and surrounding communities
- Continuing work with government and academic institutions on the development of fuel-cell technologies that will utilise PGMs as alternative energy sources. An amount of R2 million a year has been committed for this work with a total budget of R6 million allocated to the project
- Ensuring that we have the internal systems in place to meet the regulations in terms of the National Energy Act, 2008
- Further improving our data on our energy-efficiency initiatives
- Completing the feasibility study for the Zimplats sulphur dioxide abatement plant in 2015 for construction to begin in 2016.

Social capital investment and licence to operate

We will achieve this by

- Ensuring a meaningful and sustainable contribution to the societies in which we operate
- Implementing projects that impact positively on our communities
- Respecting the human rights and interests of all stakeholders
- Respecting and abiding by the laws of the countries within which we operate.

Why this is important

- Our strategic approach to investing in socio-economic development initiatives is informed by our belief that the long-term success of a business is closely linked to the success and well-being of the communities in which it operates and from which it draws its employees. Ensuring the trust and endorsement of these communities is essential to our licence to operate and to our ability to operate effectively and efficiently
- We believe that our commitment to specifically housing provides a clear opportunity for differentiation and to build a sustainable competitive advantage among current and prospective employees and other stakeholders. It presents a strong business/employee linkage and serves as a cornerstone of the other pillars of our broader transformation strategy: it supports skills retention, procurement and enterprise development initiatives, as well as making a meaningful contribution to community development.

How we manage this objective

- The Group sustainability executive, is a member of the Exco and is responsible for guiding the Group sustainability strategies. All material sustainability matters are reported to the SET (social, ethics and transformation) committee of the board on a quarterly basis
- Our sustainable development department based at our Rustenburg operations manages our socio-economic development initiatives in our South African operations. The stakeholder engagement department assists with community relations
- Similar functions exist in our Zimbabwean operations
- Community projects are identified at quarterly forums attended by community representatives, local government and employees. Mine operational committees approve projects and submit them to the executive-level Group sustainable development forum for final approval.

Sunrise View High School was completed and now has 398 learners

Our 2014 performance

TRANSFORMATION

- In South Africa the Group has continued to ensure that it meets its commitment in terms of the Mining Charter targets set out for 2014. As such the Group remains well positioned with regard to performance against these targets. A detailed account of our performance can be found in the sustainable development report (refer to the scorecard on pages 18 to 21 of the sustainable development report)
- The Exco has made considerable progress with respect to transformation and has achieved 50% HDSA representation in 2014
- The second generation five-year Social and Labour Plans (SLPs) for both Impala and Marula were completed and submitted to the Department of Mineral Resources (DMR) during calendar year 2013
- The Marula SLP was approved at a regional level and implementation is underway
- At Impala, a full assessment of the first generation SLP was conducted by the DMR regional office in July 2014. Based upon this assessment certain new recommendations were made with regard to the new SLP. The availability of funds for the SLP will be constrained due to the five-month industrial action and the four-month start-up during the first half of financial year 2015
- As part of the transformation agenda we continue to advance previously Historically Disadvantaged South Africans (HDSAs) and women into key positions. HDSAs represent 50% (2013: 48%) of management and women 19% (2013: 19%) of management
- Procurement with HDSA suppliers was up at 65% from 55% in the previous year. The strike action that ensued in Rustenburg resulted in approximately R1.7 billion reduction of BEE expenditure
- At present we continue to engage with the Government of Zimbabwe on the subject of indigenisation and how it can be implemented.

SOCIAL INVESTMENTS

- The total socio-economic expenditure decreased to R71 million (2013: R102 million) for the South African operations inclusive of social and labour plan commitments. This was mainly impacted by the strike and the declaration of the force majeure at the Rustenburg operations
- Due to this, project implementation and verification was delayed and covered less than half of the plan. This did reduce our ability to comprehensively assess the number of beneficiaries from our social initiatives. Current indications are that 12 000 people benefited from 14 projects assessed (2013: 100 000 people)
- Despite the impact of the strike, we advanced a number of social initiatives in our communities during the year. In South Africa a key initiative that was advanced during the year, was the construction of Phase 1 (R210 million) of the project to build 557 out of a planned 2 420 new houses at "Platinum Village" located near the Impala 10 Shaft complex
- During the strike-affected year a total of 283 houses were completed and 181 handed over to employees in the Platinum Village. The strategy of providing quality bonded houses to employees is key to normalising the living and working environment of our employees. The houses are all sold at cost to employees with Impala providing interest-free loans of up to one-third of the value of the house, effectively providing the initial deposit whilst reducing the risk to banks and increasing their appetite to grant bonds
- Another highlight for the year was the completion of the Sunrise View High School alongside the primary school which was completed and opened in 2013. The secondary school now has a total of 398 learners and 15 educators, which serves the Boitekong Township including the Sunrise View housing development comprising 1 717 houses, built by Impala and now owned by employees
- At the Refineries the Tswelopele home ownership development comprising 108 housing units has been completed, to the value of R36 million. A total of 104 units have been sold to employees
- Further afield, Implats also signed a contract to build 122 houses at Marula of which 58 units have been completed and project completion is on schedule for December 2014. The contract value is R72 million

- **Implats also signed a contract to build 122 houses at Marula of which 58 units have been completed**
- **Zimplats has a target of directing 60% of annual supplier spend towards local suppliers**

- At Zimplats, social development projects included the refurbishment of a local clinic at a total cost of US$60 000 and a further US$15 (2013: US$8) million was spent on employee housing
- Zimplats has a target of directing 60% of annual supplier spend towards local suppliers to assist in the broader economic recovery of the country. During the year local suppliers accounted for 66% (2013: 64%) of the company's annual expenditure on goods and services
- At Mimosa, indigenous procurement as a percentage of total discretionary expenditure was 92% (2013: 92%).

INDUSTRY INITIATIVES

- Implats has continued to work through the Chamber of Mines in finding common solutions to some of the challenges faced by the industry and to seek strategic alignment to the relevant national imperatives outlined in the National Development Plan
- We have also continued to advance initiatives under the Deputy President's Framework Agreement for Peace and Stability in the Mining Industry signed by stakeholders in February 2013. Progress on these can be found on pages 15 and 16 of the sustainable development report
- These initiatives are reflective of our commitment to growth and stability of the industry. These initiatives speak to legislative issues, taxation, social and labour challenges (namely employee indebtedness, health and safety, the migrant labour system, housing and living condition) as well as economic imperatives (beneficiation, infrastructure constraints, energy and water supply).

In the forthcoming year we shall continue to play an active role in advancing a transformed and sustainable mining environment through these initiatives.

Our objectives

- Manage the challenges associated with the negative impact of the strike on social investment projects, including competing priorities and budget constraints
- Reflect on the findings of our Social Impact Assessment (SIA) and formulate the necessary strategic responses. The field baseline survey underway will be used to complement these findings and will inform future decision making on socio-economic development
- Undertake an SIA in communities neighbouring our Marula operations
- Identify collaborative enterprise development initiatives that bolster economic activity in our areas of operation
- Promoting home ownership by developing further integrated residential suburbs, in addition to providing quality single-person and family accommodation
- Enhancing home ownership opportunities, particularly for miners and artisans
- Finding mechanisms to further optimise accommodation cost per employee.

We have set ourselves the following commitments for our South African operations in 2015:

- Undertake Phase 2 of the construction at Platinum Village, with our goal of completing 2 420 units within this development at a total cost of R1 billion
- Commence construction of the primary school at the Platinum Village
- Finalise construction of 94 units at our Marula operation
- Exploit opportunities of securing strategically located additional land and services for further housing projects, and further expand our accommodation options and improving value and affordability as far as possible

We will continue to partner with government to ensure that our housing projects contribute to fully functional communities with all the required amenities, and that they are constructed within a broader integrated spatial development framework. We will also partner with government and the Bafokeng Nation to provide bulk infrastructure and services to mine communities in line with our own developmental needs.

A challenging year lies ahead as we restart operations in Rustenburg after the five-month strike

Dear Shareholders

My second year as chief executive officer of Implats has been even more challenging and eventful than the first. The platinum industry faced depressed PGM metal prices and cost pressures and was severely impacted by industrial relations disruptions. The year ended with an unprecedented five-month platinum industry strike affecting our Impala Rustenburg operation, which was resolved with a negotiated wage settlement on 24 June 2014.

During the first half of the year the Impala Rustenburg team delivered on their safety, health and production plans, but performance was negatively affected by the protracted wage strike. The strike did not affect the operational and safety performances at Zimplats, Marula, Mimosa and Two Rivers.

Overview of 2014

SAFETY

Considerable progress has been made in improving our safety performance. The Group's fatal injury frequency rate improved by 33.8% to 0.043 per million man-hours worked, which is a significant achievement considering it is off the back of a 25.3% improvement reported in 2013. The lost-time injury frequency rate improved by 6.9% to 3.92 per million man-hours worked.

However, during the year, four colleagues distressingly lost their lives on duty and on behalf of the Group I extend my sincere condolences to the families and friends of the deceased. We remember Osika Chidhakwa, Lebogang Abednego Moiteri, Khalepile Joseph Matama and Shaun Pelser.

Our safety strategy involves a number of initiatives, which include active participation in the industry CEO Elimination of Fatalities task team as well as the Mine Occupational Safety and Health (MOSH) task teams. These task teams are focused on falls of ground, mobile machinery and dust in the workplace. We continue to build on changing the culture of the organisation (as included in the industry cultural transformation framework), improving our supervision and adopting and implementing various technical initiatives, which aim to improve workplace safety.

There were some notable safety achievements at our operations during the year, as highlighted below:

Operation	Achievement
Impala 4 Shaft	1 million fatality-free shifts
Impala 11 Shaft	1 million fatality-free shifts
Impala 14 Shaft	2 million fatality-free shifts
Marula	2 million fatality-free shifts
Zimplats	A 41.4% improvement in their LTIFR to 0.41 per million man-hours worked
Afplats shaft sinking operation	A 89.8% improvement in their LTIFR to 1.79 per million man-hours worked
Springs Refinery	A 38.1% improvement in their LTIFR to 0.26 per million man-hours worked

While there continues to be an increased focus on delivering against leading indicators, the absolute numbers were affected by the Impala Rustenburg strike. Activities included a 22% increase in the number of breathalyser tests, a 24% increase in road behaviour checks and 73 444 STOP® visible felt leadership observations. In addition, there were 2 562 internal work stoppages, a notable decrease of 27%.

Chief executive officer, **Terence Goodlace** (55)
NHD in metalliferous mining, BCom, MBA

Experience
Terence was appointed to the Implats board in August 2010 as an independent non-executive director. He has extensive mining experience and is currently the chief executive officer. He held the position of group chief operating officer at Gold Fields Limited where he worked for 27 years in various capacities and served as a director until October 2008. He then held the position of chief executive officer at Metorex Limited for three years until 2012. He is a non-executive director of Zimplats Holdings Limited and also serves as a council member of the Chamber of Mines of South Africa.

TERENCE GOODLACE

A total of 52 stoppage instructions (excluding Section 55s) were issued by the DMR in 2014 (2013: 65), resulting in the relevant shaft being closed for a period. All shafts collectively lost approximately 205 days of production at our Rustenburg operations, and 29 days at Marula (compared with 261 and 21 days respectively in 2013). We continue to engage actively with the authorities on these stoppage instructions, including challenging them legally where we feel this to be justified. While we support all safety work stoppages where its condition or behaviour has been identified that poses a direct danger to safety, extending these stoppages beyond the scope of the risk is problematic and in certain instances may have a negative impact on safety performance. Notwithstanding this, we remain committed to safety and some of our initiatives are summarised below.

An important achievement was the full implementation of nets and bolts on both the Impala Merensky and UG2 Reef horizons as well as at the Marula operation. Impala has also successfully installed safety nets in all development ends. The South African operations have now equipped the entire trackless vehicle fleet with Proximity Detection Systems and we plan to initiate a programme to install this technology in underground locomotives, which will commence in 2015. All people on shafts who are operating trackless machines have also been equipped with Proximity Detection Systems. In addition, all underground employees are now equipped with self-contained self-rescuers. We continued the process of replacing the entire centralised blasting system at Implats with the Sasol SafeBlast® system used in conjunction with the SafeStart® detonators, which offer significantly improved levels of safety and reliability over our blasting legacy systems. The system has now been installed at Marula, Mimosa and at the Impala 20, 16, 6, E&F, 7A and 4 Shaft complexes. Zimplats has installed a similar system called the Electronic Centralised Blasting system supplied by AEL and this was fully implemented during the year under review. Furthermore, the Group is also in the process of replacing all of its conveyor belts with fire retardant conveyor belts. As part of a fire prevention programme the Group has made a decision that in future only fire retardant conveyor belts will be used. This applies to current and new conveyor installations and as at year end 11.4% of all conveyor belts were now of the fire retardant type. As part of a continued drive to improve our management of flammable gas, various initiatives were implemented this year. These include: reviewing and updating an initial risk assessment; undertaking gas sampling at Rustenburg and Marula to determine the flammable gas emissions at each shaft; and holding a very successful methane awareness campaign in August 2013.

HEALTH

Employee health has received continued attention during 2014, with 59 000 (2013: 90 000) employees and contractors undergoing occupational screening examinations across the operations. This was lower than last year due to the prolonged strike at Rustenburg, which has resulted in a backlog of occupational examinations. For non-occupational healthcare, medical aid membership of the Impala Medical Plan increased by 9%, with 21 994 people now on the scheme and the antiretroviral uptake increased by 6%, with 4 276 people on the programme.

In 2014, 36 employees with potential NIHL were diagnosed and submitted for assessment for compensation, as compared to 50 in 2013. While the decrease is partly due to reduced levels of medical and audiometric screening examinations during the strike period, encouraging improvements across all parameters of our NIHL performance were achieved in the months before the strike. We continue to introduce equipment with improved sound suppression and exposed individuals are trained in the use of custom-made hearing protection devices. However, ensuring adherence to relevant requirements remains a challenge. All patients diagnosed with early signs of NIHL (5% to 9.9%) on screening audiograms were investigated, counselled and monitored.

Gross auto-catalyst demand was at an all-time high at 6.5 million ounces for 2013 and reflects the growth in gasoline car production

Alignment with the Department of Health and National Health Insurance continued and last year we reported on the renovations to the Job Thabane Hospital Neonatal Unit and the Freedom Park Clinic. Impala has now entered into agreements with the Department of Health and the Impala Bafokeng Trust to extend and renovate the primary care clinic situated in Luka village. In Zimbabwe, Mimosa has also assisted with renovations to the Zvishivane district hospital.

ENVIRONMENT

Over the past year the Group's direct environmental impact was significantly reduced as a result of the closure of the Rustenburg operations for a five-month period. Monitoring of the Group environmental indicators at Rustenburg was also affected. The decline in production translated into a decrease in the levels of water and energy consumed. Water consumption at a Group level decreased by 15% (2013: 40 711Mℓ), while an increase in the percentage of water recycled by 1% (2013: 38%) at all operations contributed to our improved water management performance.

In implementing our carbon management strategy, our focus remains on energy-efficiency projects. Security of energy supply and rising prices are material risks for our operations in South Africa and Zimbabwe. Electricity consumption accounted for around 70% of our total energy consumption in 2014 and almost 11% (2013: 11%) of our overall cash cost base. Total energy consumption declined by 18% (2013: 17 574GJ), mainly as a consequence of the disruption in operations in Rustenburg as well as the implementation of energy conservation programmes.

Our projected expansion into deeper operations that are more energy intensive, coupled with the proposed introduction of a carbon tax in South Africa in January 2016, emphasise the business imperative to focus on reducing and optimising our energy use.

During the last year, many of the pending regulations in South Africa were finalised and published by the South African Department of Environmental Affairs. The most significant implications for Implats are associated with the National Environmental Management: Waste Amendment Act, and the National Environmental Management Laws Amendment Act. This will place additional administrative demands on mining companies and entail potentially significant costs. Clarifying and understanding the discrepancies between the newly imposed requirements under the National Environmental Management: Waste Amendment Act, and the current regulations under the Mineral and Petroleum Resources Development Act will remain a focus for Implats in the coming year.

PGM MARKET CONDITIONS

Global economic conditions and excess above-ground stocks have weighed heavily on PGM prices and US$ prices for all major metals were lower than the prior year. For the second year in a row, both the platinum and palladium markets were in deficit. The platinum market deficit for calendar year 2013 was more than 600 000 ounces and this is being driven by reduced primary supplies from the South African producers. For calendar 2013, gross auto-catalyst demand for platinum reduced marginally to 3.1 million ounces and this was offset by increases in jewellery, investment and industrial demand. There was record jewellery demand from China (1.7 million ounces) and the introduction of the ABSA platinum exchange traded fund absorbed almost a half a million ounces in 2013. Auto-catalyst recycling amounted to 1.1 million ounces of platinum, which was marginally up on 2012 levels.

For the same period, palladium moved into a deficit of nearly 800 000 ounces as a result of lower primary production and increased demand. Gross auto-catalyst demand was at an all-time high at 6.5 million ounces for 2013 and reflects the growth in gasoline car production. Industrial, dental, jewellery and investment demand during the year was static. Auto-catalyst recycling increased to 2.2 million ounces of palladium.

Primary PGM supply in 2014 will no doubt be adversely affected by the five-month strike and as a result there will likely be significant market deficits for all PGMs. For the foreseeable future there will be an increase in auto-catalyst demand for both platinum and palladium and total PGM auto-catalyst demand is expected to increase at a rate of approximately 3.8% per annum. This is being driven by increased motor vehicle production, especially in the United States and Asia, as well as new emissions standards being implemented in various parts of the world. Platinum use in auto-catalysts will rebound as a result of the introduction of Euro VI emission standards for light-duty diesel vehicles and Euro VI emission standards for heavy-duty diesel vehicles in 2014.

EMPLOYEE RELATIONS

Our commitment to advancing our employee relations was severely challenged this year by the ongoing trade union rivalry, the failure of the wage negotiations with AMCU late in 2013, and the subsequent five-month strike at the platinum mines across the Rustenburg area. The strike, the longest in the history of industrial relations in South Africa, has revealed significant shortcomings in the manner in which we, as a mining sector, have traditionally been conducting our business and is having a profound impact on the nature of the industrial relations landscape in the country.

Following the conclusion of the crippling strike, our immediate priority is for the resumption of production at our operations in a safe and sustainable manner

In the first half of the financial year, we made some progress in delivering on our employee relations commitments that were made last year, with various initiatives aimed at improving communication with employees, building the people leadership skills of our supervisors and mine managers, and delivering the change management initiatives aimed at developing a culture of shared corporate values. Unfortunately, many of these initiatives were placed on hold during the second half of 2014, which was dominated by efforts to manage the union rivalry and resolve the strike.

Prior to the strike, we devoted considerable effort to ensuring a smooth transition from a work environment dominated by NUM, to one dominated by AMCU. In June 2013 we signed a recognition agreement with AMCU in respect of the Rustenburg operations that led to the wage negotiation process. At this time we also resumed negotiations with the NUM for Marula and for the Refineries, which ran smoothly and were settled timeously and within mandate.

The Rustenburg strike that resulted from the breakdown of the wage negotiations with AMCU has come at a profound social, economic and financial cost to all parties concerned. In seeking to mitigate the safety and health impact of the strike, we consulted with AMCU and concluded a Health and Safety agreement regarding the Rustenburg operations. The signing of this agreement has paved the way in advancing an employee relations strategy that will foster a more collaborative environment.

Following the conclusion of the crippling strike, which ended with a three-year settlement agreement signed on 24 June 2014, our immediate priority is for the resumption of production at our operations in a safe and sustainable manner. Ensuring that our mines are financially viable in the context of low metal prices and increasing costs is a prerequisite for delivering on our wage agreement. In terms of successfully delivering our employee relations strategy, we have identified a range of activities that we will be implementing over the short and medium term aimed at building better relationships across the organisation.

As part of the agreement that ended the strike, we have committed with all other parties to continue talks on various outstanding issues including (but not limited to): the provision of micro-loans and garnishee orders; the retrenchment agreement/severance policy; retirement benefits and funeral cover; sub-contracting, labour hire and employment agencies and the nature of the job grading review. In terms of the agreement, we are obliged to run three separate processes of negotiations in respect of the Refineries, Marula and the Rustenburg operations. Recent developments at Marula point to the possibility of an AMCU majority at the mine and formal meeting structures have been established for the necessary continued engagement.

In our drive to build better relations, we will be implementing a new employee engagement model, presenting an attractive value proposition to employees and developing new values through the Respect, Care and Delivery initiative. To achieve the necessary shift in culture throughout the organisation, we will be implementing a robust process of coaching and training to assist line managers to deal with difficult labour situations in a collaborative way. We will also be working to further develop the direct two-way communication process through SMSs that we put to use for the first time during the industrial action. In addition, we are continuing our participation in relevant employee relations forums at the Chamber of Mines.

As a part of the change management initiative that I lead, we conducted a Barrett Survey among Implats employees to assess their perceptions of the current Implats culture, and to offer an opportunity for employees to provide input into the culture they desire. The results of the survey, which represented approximately 10% of employees across all geographies and demographics, indicated that there are issues requiring further cultural or structural transformation and leadership development. Most of these issues relate to health, the viability of the business, and the nature of the interpersonal connections experienced at work. This initiative will be progressed in the coming year; with focus groups planned at all operations to better understand these issues and develop appropriate response programmes.

Operational performance

IMPALA

Unfortunately the five-month strike interrupted a good start to the financial year and all initiatives to ramp-up production at the mine over the next five years were curtailed. During the year, there were 312 (2013: 505) lost-time injuries at a lost-time injury rate of 5.04 (2013: 4.91) per million man-hours worked. Ore milled decreased by 43.3% to 6.2 (2013: 10.9) million tonnes while refined platinum decreased by 42.0% to 411 000 (2013: 709 200) ounces. Milled head grades (6E) were marginally higher at 4.34 (2013: 4.32) grams per tonne. Recoveries improved to 87.4% (2013: 85.3%) as a result of better efficiencies and lower opencast volumes milled.

Total development activity at 61.3 (2013: 97.4) kilometres decreased as well as on-reef development, which declined by 28.9% to 21.1 (2013: 29.7) kilometres. In the period before the strike commenced, 17.4 kilometres of face was mined at an

Mimosa delivered a good safety performance despite a deterioration in the lost-time injury frequency rate

average panel length of 24.1 metres and a face advance of 9.9 metres per month. Currently, there is 20.5 kilometres of mineable face length, which remains a constraint. The key to reversing this situation and improving reserve flexibility is to optimise development, equipping, construction and ledging activities on existing shafts and at the newly commissioned 20 and 16 Shaft complexes.

Impala's unit costs increased 27.8% to R22 036 (2013: R17 241) per refined platinum ounce for the year. The impact of the strike, above inflation wage increases, lower productivities and above inflation power costs (in conjunction with lower volumes) all affected unit costs.

The protracted industrial action had a material impact on operations in 2014, particularly in terms of lost revenues. Moreover, consequential delays in project and development build-up profiles and the four-month start-up process in itself was affected by, amongst other things, significant copper theft during the strike, all of which will result in reduced projected volumes for 2015. Current indications are that production at Impala will be approximately 575 000 ounces of platinum in 2015. These factors, together with tempered metal prices, will result in profit margins at Impala being under pressure in the short to medium term. A strategic planning exercise has therefore been initiated to assess the full impact of low PGM prices and the strike consequences on the profitability at Impala. This is due for completion by December 2014.

ZIMPLATS

Zimplats' safety performance improved to six (2013: 12) lost-time injuries in the year and a lost-time injury rate of 0.41 (2013: 0.70) per million man-hours worked. Ore milled increased by 26.8% to 5.9 (2013: 4.7) million tonnes while platinum in matte increased by 21.0% to 239 700 (2013: 198 100) ounces. During the year, capital of US$118 million (2013: US$164 million) was spent mainly on the Phase 2 expansion project on the underground infrastructure at the Mupfuti mine. Platinum unit costs in matte decreased by 1.2% to US$1 291 (2013: US$1 307) per ounce mainly due to US$ inflation of 6.4% (2013: 6.2%) offset by the 21.0% increase in platinum production. A strategic decision was taken to refurbish the Base Metal Refinery (BMR) at Selous as an important first step in a multi-phased plan for local beneficiation. A pre-feasibility study was initiated in February 2014 to establish cost estimates and time frames for this work. As part of the study outcomes a recommendation has been made to pursue a truncated process flow sheet which will enhance plant capacity and simplify future process updates. The total project cost for the BMR refurbishment is estimated at approximately US$100 million, and project implementation started in July 2014 and with an estimated 24 months completion period.

Post year end, in July 2014, a collapse within a section of the underground working area of the Bimha mine was triggered by the accelerated deterioration of ground conditions associated with a major fault, the Mutambara Shear, which transgresses through the mining area. As a result of the proactive response from the Zimplats management team and the timely evacuation of all personnel, no injuries or damage of mobile equipment were reported.

By 20 August 2014, ground conditions had continued to deteriorate and as a consequence, it was decided to withdraw all employees across the rest of the portal. A team of Company and independent advisers have been appointed to conduct detailed investigations to re-engineer and/or arrest the current mine stability concerns. Consequently, there is a possible production impact of up to 70 000 platinum ounces in 2015.

MARULA

Marula's safety performance rates improved slightly. However, there were 47 (2013: 45) lost-time injuries during the year and the lost-time injury rate was 5.29 (2013: 5.42) per million man-hours worked. Ore milled increased by 10.2% to 1.8 (2013: 1.6) million tonnes while platinum in concentrate increased by 9.5% to 78 500 (2013: 71 700) ounces. Marula's costs per platinum ounce in concentrate increased by 1% mainly due to mining inflation of 7.3%, offset by increased production. Additional mining crews were employed towards the end of the year in preparation for increased volumes planned for 2015. No major capital projects are currently being advanced on the mine.

MIMOSA

Mimosa delivered a good safety performance despite a deterioration in the lost-time injury frequency rate from 0.26 per million man-hours worked in 2013 to 0.38 in 2014. Tonnes milled at 2.45 (2013: 2.38) million for the year increased by 3% and platinum in concentrate increased by 9.9% to 110 200 ounces. Mimosa's unit costs decreased by 3.9% from US$1 782 per platinum ounce in concentrate to US$1 713 per platinum ounce in concentrate mainly due to the increased PGM production levels and cost reduction initiatives. Power interruptions affected production and discussions to minimise the impact continue with the power authority. During the year, US$34 (2013: US$30) million was spent on capital projects mainly incurred on stay in business projects.

- **Gross platinum refined at 1 178 000 (2013: 1 581 500) ounces was 25.5% lower**
- **Management's swift action to protect employees during the strike reduced costs to 30% of normal operating levels**

TWO RIVERS

Two Rivers improved its safety performance with 10 (2013: 13) lost-time injuries for the year. The lost-time injury rate was 1.4 (2013: 1.78) per million man-hours worked. Tonnes milled were 3.4% higher at 3.3 (2013: 3.2) million for the year and platinum in concentrate increased by 8% to 175 100 (2013: 162 200) ounces. Costs per platinum ounce in concentrate decreased by 2.1% to R11 433 per ounce. Capital expenditure amounted to R319 (2013: R489) million, which included R171 million spent on underground extensions and fleet replacement and R97 million on a new plant, commissioned during the first quarter of 2014, to recover chrome and additional PGMs from the tailings stream.

REFINING

Gross platinum refined at 1 178 000 (2013: 1 581 500) ounces was 25.5% lower than that refined in 2013 largely as a result of the Impala Rustenburg strike. Mine-to-market operations decreased by 18.8% to 985 700 (2013: 1 214 400) ounces while third-party refining volumes reduced by 48% on the back of 174 800 ounces lost due to the termination of the auto-catalyst recycling contract and the suspension of deliveries from Everest South, Crocodile River and Smokey Hills operations, which were placed on care and maintenance due to the prevailing market conditions. A total of 157 100 (2013: 116 200) ounces of platinum were refined for Northam and Platmin during the year. Costs at the refineries were well contained at a 6.5% decrease year-on-year. However, unit costs increased to R747 (2013: R595) per platinum ounce due to the 403 500 ounce decline in throughput. Mineral processing pipelines were drawn down to minimum levels during the strike and will be replenished during 2015. The refineries' pipelines at the end of June 2014 were slightly higher than the previous year due to treatment of stockpiled IRS material at year end.

The construction of a final metals processing facility to replace the existing final metals section is on schedule with all of the necessary upfront detailed engineering, permitting and zoning having been completed. This is a R2.2 billion project that is estimated to take six years to complete. Also, to ensure ongoing legal compliance and environmental performance improvement, a new boiler emissions abatement plant was advanced during the year and this R250 million project is still planned for completion by the end of calendar 2015.

Capital expenditure and progress on major capital projects

One of the less-discussed consequences of the strike was the reduction of capital expenditure for the year, which was significantly reduced to R4.4 billion (2013: R6.3 billion). This will have an effect on the timing of the completion of the projects and the extent that Impala will be able to transfer employees from the mature sections to the new shafts.

Project capital expenditure was primarily focused on the Impala 20 Shaft (R0.6 billion) and 16 Shaft build-up projects (R0.8 billion), the Impala 17 Shaft sinking project (R0.6 billion) and the Phase 2 mine and concentrator plant expansion at Zimplats (R0.7 billion). The new shafts (at Impala) and portal complex (at Zimplats) are essential to ensuring that Implats regains its competitive position and benefits from the long-term PGM market fundamentals. In an industry where the supply side continues to be constrained by low PGM prices and a lack of investment.

The 20 Shaft "1.7 million tonnes per annum" and "125 000 ounces of platinum per annum" project, achieved 262 000 (2013: 352 000) ore tonnes in the seven-month period before the strike (17 000 platinum ounces) and build-up to full production has now been delayed by the strike from 2018 to 2019. A total of 3 170 people (including contractors) are now employed at the complex.

The 16 Shaft project was successfully and safely commissioned during June 2013 with development and stoping commencing in the period ahead of the strike. The new 16 Shaft is a "2.7 million tonnes per annum" and "185 000 ounces of platinum per annum" project, which achieved 89 000 (2013: zero) ore tonnes in the seven-month period before the strike and resulted in platinum production of 3 000 ounces. As a result of the strike slower development to reef, bad ground conditions and difficulties in reef access development due to the Hex River fault, full production is only expected to be reached in 2020 as opposed to 2018.

The 17 Shaft "2.7 million tonnes per annum" and "180 000 ounces of platinum per annum" project, was affected by contractor performance challenges and was further slowed during the year as a result of cash preservation measures relating to the strike. First production from this shaft is now only expected in financial year 2020 and full production by 2024, which is two years later than previously expected.

At Zimplats, the concentrator plant was successfully commissioned in April 2013 and mining rates improved throughout the year at the new Mupfuti portal (portal 3). The project achieved 963 000 tonnes and 38 000 ounces of platinum for the year and is still expected to achieve full production at 2.0 million tonnes per annum and 90 000 ounces of platinum per annum in 2015.

At the Refineries, the Tswelopele home ownership development comprising 108 housing units has been completed to the value of R36 million

Financial performance

Revenue per platinum ounce was 8.2% lower than the previous year at US$2 299 (2013: US$2 505) per ounce, but was 7.9% higher in rand terms at R23 818 (2013: R22 069) per platinum ounce due to the weaker rand/dollar exchange rate. The average exchange rate weakened by 17.6% to R10.36 (2013: R8.81) per US dollar.

The financial performance for the year was negatively affected by the strike at Impala Rustenburg. Sales for the year decreased by 2.7% to R29.0 (2013: R29.8) billion while cost of sales increased by 2.6% to R25.8 (2013: R25.1) billion. The gross margin for the year declined to 11.2% (2013: 15.8%). Group unit costs increased by 17.6% to R19 430 (2013: R16 526) per platinum ounce mainly due to mining inflation of 10.8% and significantly reduced production from Impala. The main contributors to the inflation were wage increases of 10.7% at the South African operations and power increases of 9%. During the strike, costs at Impala Rustenburg were reduced to approximately 30% of the normal operating expenditures and capital expenditure was contained at R2.8 (2013: R4.4) billion in line with the need to reduce cash outflows.

At year end the Group had largely unchanged cash reserves of R4.3 billion mainly as a result of the convertible bond launched on 14 February 2013 and a net debt position of R3.5 billion (2013: R3.4 billion). Headline earnings per share decreased by 73.9% to 86 (2013: 329) cents per share.

Social licence to operate

TRANSFORMATION

In South Africa, the Group has continued to meet its commitment in terms of the Mining Charter targets set for 2014. A detailed account of our performance can be found in the sustainable development report (refer to the scorecard on pages 18 to 21 of the sustainable development report).

As part of the transformation agenda, we continue to advance previously Historically Disadvantaged South African's (HDSAs) and women into key positions. HDSAs represent 50% (2013: 48%) of management and women now comprise 19% (2013: 19%) of management. Procurement with HDSA suppliers was up at 65% from 55% in the previous year. Overall there was acceptable performance in the key Charter elements of capital goods, consumables and services against the 2014 targets. We remain committed to the national transformational agenda, and during the year, we participated in the DMR's compliance assessment process. We look forward to the outcomes of this process and to provide input into the review of the Mining Charter through the Chamber of Mines in the year ahead.

The amended MPRDA was passed in April 2014 by the National Assembly, following considerable engagements between the DMR and the Chamber of Mines. However, the signing has now been delayed with the announcement by the new Minister of Mineral Resources that there is a need for further consultation. The potential impact of these deliberations remains a concern and the Group will continue to engage on this matter through the Chamber of Mines.

We continue our discussions with the Government of Zimbabwe on the subject of indigenisation and how it can be implemented. We have been advised by the government to factor in certain Corporate Social Responsibility projects with a view to accruing credits towards the 51% indigenous shareholding target. The Company is engaged in discussions with the Minister of Youth Development, Indigenisation and Economic Empowerment with regard to the indigenisation implementation plan.

On 1 March 2013, a *Zimbabwe Government Gazette* was published indicating the President's intention to compulsorily acquire about 50% of the mining claims owned by Zimplats' operating subsidiary company. Zimplats formally objected to this acquisition and lodged a claim for compensation under Zimbabwean law. There has been no response to the objection raised.

SOCIAL INVESTMENTS

The total socio-economic expenditure decreased to R71 million (2013: R102 million) for the South African operations inclusive of social and labour plan commitments. The decrease was due to the strike and the subsequent declaration of force majeure at the Rustenburg operations. Due to this, project implementation and verification was delayed and covered less than half of the plan. This considerably reduced our ability to assess the number of beneficiaries from our social initiatives. Current indications are that 12 000 people benefited from 14 projects assessed (2013: 100 000 people).

Despite the impact of the strike, we advanced a number of social initiatives within our communities during the year. In South Africa a key initiative that was advanced during the year, was the construction of Phase 1 (R210 million) of the project to build 557 out of a planned 2 420 new houses at "Platinum Village" located near the Impala 10 Shaft complex.

During the strike-affected year a total of 283 houses were completed and 181 handed over to employees in the Platinum Village. The strategy of providing the opportunity to employees to purchase quality houses is key to normalising the living and working environment of our employees. Another highlight for the year was the completion of the Sunrise View High School alongside the primary school that opened in 2013.

- **At Zimplats, social development projects spend totalled US$5.3 million and US$15 (2013: US$8) million was spent on employee housing**
- **We firmly believe in PGMs and their importance for society at large**

At the Refineries, the Tswelopele home ownership development comprising 108 housing units has been completed to the value of R36 million. A total of 104 units have been sold to employees. Further afield, Implats also signed a contract to build 122 houses at Marula, of which 58 units have been completed and project completion is on schedule for December 2014. The project cost is estimated at R144 million.

We have now also conducted evidence-based research to better understand some of the social challenges that impact our communities and to further inform our social strategic interventions. In collaboration with our social partners, two studies were initiated at the Rustenburg operations in the year under review, to ensure that our:

- interventions are informed by empirical evidence on key social indicators identified in communities;
- approach to stakeholder engagement is robust and inclusive, having been conducted in collaboration with key stakeholders; and
- medium and long-term social interventions address Implats' own long-term strategic outlook.

The first study covered approximately 36 000 households as at the time of reporting. While preliminary findings from the survey highlight the depth of the social challenges brought about by in-migration and the increased competition for limited resources, it has equally brought into sharp focus the need for an integrated and collaborative approach to addressing social challenges that exist in our local communities. Over the coming year the details of these findings will inform our strategies for community sustainability during and after the life of mine. A similar study is planned for the Marula operations in Limpopo and will commence in the new financial year.

The second study will assist in understanding the social challenges being faced by mining-specific households, the impact of Social and Labour plans, and the migrant labour system.

At Zimplats, social development projects spend totalled US$5.3 million and US$15 (2013: US$8) million was spent on employee housing. Zimplats has a target of directing 60% of annual spend towards local suppliers to assist in the broader economic recovery of the country and during the year local suppliers accounted for 66% (2013: 64%) of the annual expenditure on goods and services.

At Mimosa, spend on community development decreased by some 20% to US$3.7 (2013: US$4.6) million and a further US$146 000 (2013: US$2.1 million) was spent on employee housing. Indigenous procurement as a percentage of total discretionary expenditure was 92% (2013: 92%).

Industry initiatives

In South Africa, Implats has continued to work through the Chamber of Mines in finding common solutions to some of the challenges faced by the industry and to seek strategic alignment to the relevant national imperatives outlined in the National Development Plan. We have also continued to advance initiatives under the Deputy President's Framework Agreement for Peace and Stability in the Mining Industry signed by stakeholders in February 2013. Progress on these can be found on pages 15 and 16 of the sustainable development report. These initiatives are reflective of our commitment to the future growth and stability of the industry and include legislative issues, taxation and social and labour challenges.

In the year under review, the International Platinum Association, to which Implats is affiliated, completed a life cycle assessment on the impacts and benefits of PGMs. This study is important in highlighting the wide benefits of PGMs, both for the environment and the social contributions of mining while taking into account the high impacts on land, water and energy consumption. We hope to communicate more broadly on these findings in the near future.

Conclusion

Implats' management and the board are of one mind that the health and safety of our employees is an absolute imperative and I will continue to drive all of the associated initiatives with vigour. We firmly believe in PGMs and their importance for society at large and it is with this in mind that we work hard to succeed, despite the current industry crisis, by re-energising and rebuilding Impala post the five-month strike, increasing volumes at Marula, as well as successfully mitigating the effect of the Mutambara shear at Zimplats. In the short term, there is a need to complete a strategic review of the Rustenburg operations and projects and determine a new way forward.

I once again sincerely thank the board for their leadership and the entire Implats team for their commitment and support as we protect the Group in these turbulent times and position it for a more secure and sustainable future.

Terence Goodlace
Chief executive officer

Group production deteriorated from 1.582 million ounces of platinum to 1.178 million ounces due to industrial action at the Impala Rustenburg operations

The financial review is intended to assist the reader in understanding Implats' financial performance and the significant variances compared to the prior year. The review should be read in conjunction with the audited consolidated financial statements for the year ended 30 June 2014 as available on the website and the non-GAAP financial performance measures on pages 138 to 141 of this report.

Production

REFINED PLATINUM PRODUCTION

('000oz)	2014	2013
Impala	411	709
Zimplats	226	180
Marula	77	71
Mimosa (100%)	103	97
Two Rivers (100%)	168	157
Offtake contracts	32	138
Other:		
Autocatalyst recycling	4	114
Once-off toll treatment	157	116
Total production	1 178	1 582

Commentary

The individual operation reviews, set out on pages 76 to 93, should be read for a full appreciation of the changes in production. Set out below are the salient features of the managed operations.

IMPALA

Ore milled decreased by 43.3% to 6.2 million tonnes while refined platinum decreased by 42.0% to 411 000 ounces on the back of the five-month industrial action which resulted in a loss of approximately 312 000 platinum ounces.

ZIMPLATS

Ore milled increased by 26.8% to 5.9 million tonnes and platinum in matte increased by 21.0% to 239 700 ounces due to the ramp-up of the Phase 2 expansion.

MARULA

Ore milled increased by 10.2% to 1.8 million tonnes due to additional production teams and platinum in concentrate increased by 9.5% to 78 500 ounces largely in line with the increase in milled tonnage.

Statement of comprehensive income

The abridged statement of comprehensive income is presented below with an analysis of material variances thereafter. The adoption of IFRS10 and IFRS11 resulted in the restatement of the consolidated financial statements for the prior year with the impact of the changes being available in the annual financial statements.

	2014 Rm	2013 Rm
Revenue	29 028	29 844
Cost of sales	(25 786)	(25 132)
Gross profit	3 242	4 712
Impairment	(1 071)	(2 279)
Net finance (expense)/income	(178)	(224)
Other net (expense)/income	(1 978)	251
Profit before tax	15	2 460
Income tax expense	(144)	(1 392)
Profit/(loss) for the year	(129)	1 068
Headline earning per share (cents)	86	329
Dividends per share (cents)	–	95

REVENUE

The reduction in revenue of R816 million is attributable to the following:

A negative volume variance of R3.34 billion mainly due to the industrial action at Impala

Lower sales volumes of platinum (R1.86 billion), palladium (R549 million), rhodium (R293 million) and nickel (R360 million) as a result of lower production volumes partially offset by a drawdown of refined stocks at Impala.

Financial director, **Brenda Berlin** (50)
BCom, BAcc, CA(SA)

Experience
Brenda was appointed to the board in 2011 as executive director: finance. Prior to her appointment she was the group executive: commercial. Brenda is a member of the executive committee and is also a non-executive director of Zimplats Holdings Limited.

BRENDA BERLIN

Lower dollar metal prices gave rise to a negative variance of R1.76 billion
The average dollar revenue per platinum ounce sold of US$2 299 was US$206 or 8.2% lower than 2013. The average prices achieved for platinum, rhodium and nickel were 8.3% (R1.35 billion), 12.5% (R184 million), and 11.5% (R179 million) lower, respectively. The price of palladium was up by 9.0% (R415 million).

A weaker rand/dollar exchange rate contributed a positive variance of R4.28 billion
The average rand/dollar exchange rate achieved of R10.36 to the dollar, was 17.6% weaker than the R8.81 per dollar achieved during the prior year. Consequently, although the dollar revenue per platinum ounce decreased by 8.2%, the rand revenue per platinum ounce increased by 7.9%.

Of the total platinum, palladium and rhodium refined by the Group, 744 000 ounces (or 35%) were sold to customers who use the metals to manufacture autocatalysts. Twenty-two percent of platinum, palladium and rhodium sales were sold to South African customers for further beneficiation.

COST OF SALES

Cost of sales rose by R654 million to R25.79 billion and the material variances on the prior year are set out below.

Decreases

- Cash costs which include on-mine, processing, refining and selling and administration expenses decreased by R3.3 billion.
  - Stringent cash preservation initiatives were implemented as a result of the strike action at Impala Rustenburg. There was a strict application of the 'no-work-no-pay' principle and operating costs during this period only included security, essential services and maintenance costs. As a result cash costs were curtailed by R3.80 billion
  - Furthermore, an amount of R1.26 billion was transferred from cash costs to other operating expenses for non-production costs incurred during the strike
  - Group inflation increased cash costs by 10.8%. South African inflation amounted to 8.7% (10.7% on labour, 5.5% for consumables and 9.0% on utilities), while Zimbabwean dollar inflation amounted to 6.4% but was affected by the 17.6% weakening in the rand/dollar exchange rate.

Increases

- Share-based payment compensation increased by R329 million due to a small recovery in the Implats' share price from R93 to R107 per share at year end as well as the first full year costing of the new long-term incentive plan (approved by shareholders in October 2013)
- Depreciation increased by R27 million mainly due to Zimplats depreciation increasing by R212 million given the ramp-up at Mupfuti mine, higher asset base and the weaker rand/dollar exchange rate. This was largely offset by lower depreciation at Impala operations of R208 million affected by the lower units of production
- An increase in rand metal prices and third-party off-take contract volumes resulted in the metals purchased increasing by R1.01 billion
- A negative variance of R2.60 billion in the 'change in metal inventories', was largely due to a drawdown of refined inventory levels at Impala as well as a decrease of inventories in the pipeline due to a change in engineering estimates of metal in the pipeline.

Implats has a procurement policy based on granting preferential status to suppliers identified and accredited as being BEE suppliers (>25% black shareholding). Included in the cost of sales is a total discretionary spend of R5.5 billion of which 72% was spent with accredited BEE suppliers (2013: R6.4 billion or 64%).

Revenues reduced by only R816 million to R29.03 billion mainly assisted by destocking and higher rand metal prices

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

	Mining Charter target 2014 %	Actual 2014 %	Actual 2013 %
Consumables	**50**	**72**	64
Services	**70**	**72**	60

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

COST PER PLATINUM OUNCE

The cash cost per platinum ounce produced by the Group increased by 17.6% from R16 526 to R19 430 per platinum ounce. The increase was mainly attributable to the inflationary increases and 'change in metal inventories' variances (as referred to above in the 'cost of sales' analysis) and the lower production volumes from Impala. On a normalised basis, adjusting for the savings in operational costs and the 312 000 ounces of lost platinum production, unit costs would have been R17 308, an increase of 5% on the prior year.

GROSS PROFIT

Gross profit was down by R1.47 billion to R3.24 billion and the gross profit margin declined from 15.8% to 11.2%. The table below sets out the contribution of each business segment to the gross profit and the associated gross profit percentage.

	Gross profit Rm		Gross profit margin %	
	2014	2013	**2014**	2013
Impala	**(1 902)**	2 097	**(18.4)**	14.4
Zimplats	**2 039**	1 451	**34.1**	34.9
Marula	**(12)**	(216)	**(0.7)**	(15.4)
Afplats	**(5)**	(2)	**–**	–
IRS	**1 813**	1 397	**9.2**	9.6
Chrome processing	**41**	38	**22.9**	21.0
Intersegment adjustment	**1 268**	(53)		
Implats Group	**3 242**	4 712	**11.2**	15.8

IMPAIRMENT

The impairment charge of R1 071 million relates in the main to:

- an impairment of R935 million to the carrying value of the Afplats assets, which includes the Leeuwkop project, and the Imbasa and Inkosi prospecting rights; and
- the impairment of R65 million to the carrying value of core housing at Zimplats.

NET FINANCE EXPENSE

Net interest expense was R46 million lower at R178 (2013: R224) million as a result of:

- interest on cash increasing by R147 million due to higher average cash balances during the year; plus
- an additional R91 million of borrowing costs being capitalised; less
- an increase in the finance cost on borrowings largely due to the interest on the convertible bond being incurred for a full year compared to only four months in 2013.

Group unit costs per platinum ounce, excluding share-based compensation, rose by 17.6% to R19 430 per platinum ounce

PROFIT BEFORE TAX

Profit before tax declined from R2.5 billion to R15 million. All other material items (not already covered) affecting the profit before tax are:

- R1.26 billion was transferred from cash costs to other operating expenses for costs incurred during the strike at the Impala operations
- A R246 million charge due to commodity price movements for IRS' creditors compared to R331 million credit in the prior year
- Royalties of R693 million, R19 million higher than the prior period mainly due to higher Zimplats royalties of R120 million resulting from increased revenue. These were partially offset by lower royalties at Impala
- Foreign currency exchange loss of R101 million compared to a gain of R208 million in 2013 mainly due to the impact of the weaker rand on revaluation of foreign currency balances
- Partially offset by share of profits of associates and joint venture of R365 (2013: R233) million mainly from Two Rivers and Mimosa.

INCOME TAX EXPENSE

The tax charge decreased by R1.25 billion mainly due to lower taxable profits in the Group. Disallowable expenditure for tax purposes increased the tax payable by R175 million, which given the absolute size of the amounts contributes significantly to the effective tax rate of 960% (2013: 56.6%). In 2013, the high effective rate was due primarily to the non-deductibility of the impairments in that year.

HEADLINE EARNINGS

Headline earnings decreased by 73.9% from 329 cents per share to 86 cents per share. The table below sets out each company's contribution to headline earnings.

Contribution to headline earnings by company

	2014		2013	
	Rm	**%**	Rm	%
Impala	**(1 374)**	**(231.3)**	1 650	50.0
Zimplats	**785**	**132.1**	533	16.2
Marula	**(185)**	**(31.1)**	(297)	(9.0)
Mimosa	**82**	**13.8**	120	3.6
Two Rivers	**273**	**46.0**	156	4.7
IRS	**1 138**	**191.6**	1 031	31.2
Impala Chrome	**25**	**4.2**	19	0.6
Investment and other	**(150)**	**(25.3)**	88	2.7
Normalised earnings	**594**	**100.0**	3 300	100.0
Impairments	**(71)**		(1 306)	
Headline earnings	**523**		1 994	
Headline earnings (cents per share)	**86**		329	

Gross profit was down by R1.47 billion to R3.24 billion and the gross profit margin declined from 15.8% to 11.2%

Dividends

Given the length of the industrial action at Impala and as part of its continued cash preservation strategy, the board has resolved not to declare a final dividend for the year to 30 June 2014.

Capital expenditure

During the first half of the year under review, the Group continued to invest in maintaining and expanding its operations to secure its production profile in the future. A total of R1.92 billion was spent on 20, 16 and 17 Shafts, which are critical to grow and then maintain production. All of the Impala capital projects were affected by the five-month industrial action, which halted all activities at 20 and 16 Shafts. At 17 Shaft, execution of sinking and station development by the contractors continued during the strike period. However, ore reserve development activities did not commence in an effort to preserve cash.

At Zimplats, R668 million was spent on the Phase 2 expansion project, which will grow production to 270 000 ounces of platinum from this company.

CAPITAL EXPENDITURE BY ENTITY

	2014 Rm	2013 Rm
Impala	2 823	4 390
Zimplats	1 225	1 449
Marula	159	125
Afplats	175	215
Impala Chrome	2	79
Implats Group	4 384	6 258

The total spend of R4.4 billion is below the estimate for 2014 as reported in the 2013 integrated annual report mainly due to the industrial action and the cash preservation strategies that were followed. In line with the focus on cash conservation in the short to medium term, the revised estimate for 2015 of R5.3 billion has been reduced substantially from the previous estimate for 2014. The spend over the next period will, in the main, be funded from the cash raised from the convertible bond.

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

% SOUTH AFRICAN CAPITAL SPEND PROCURED FROM HDSA/BEE SUPPLIERS

%	Mining Charter target 2014	Actual 2014	Actual 2013
Capital	40	48	42

The Group also promotes procuring capital equipment, consumables and services from vendors surrounding the areas of operations (local procurement). In 2014, total local procurement amounts to R2.0 billion or 26% of total spend (2013: 24%)

Cash flow statement

An abridged cash flow statement and commentary on material items is set out below:

	2014 Rm	2013 Rm
Cash generated from operating activities	4 096	5 582
Cash flows from investing activities	(3 537)	(5 772)
Cash flow from financing activities	(379)	3 962
Net cash generated	180	3 772
Opening balance	4 113	329
Exchange rate adjustment – cash translation	12	12
Closing balance	4 305	4 113
Debt	(6 405)	(6 082)
Sub-total	(2 100)	(1 969)
Finance leases	(1 382)	(1 397)
Debt net of cash	(3 482)	(3 366)

Headline earnings per share was 74% lower at 86 cents

OPERATING ACTIVITIES

Profit before tax was R15 million and income taxes of R714 million were paid. A positive adjustment was made to profit before tax for non-cash items of R3.59 billion. The two largest items were an add-back of depreciation (R2.34 billion) and impairments (R1.07 billion). Cash released due to decreased working capital amounted to R1.65 billion in 2014. Working capital will have to be restored to normal levels once the Impala operation is back at steady state production.

INVESTING ACTIVITIES

Net cash used in investing activities was R3.54 billion, which was mainly as a result of the capital spend of R4.5 billion offset by dividends received (R467 million), finance income (R319 million) and proceeds from sale of property, plant and equipment (R64 million).

FINANCING ACTIVITIES

Net cash used in financing activities was mainly the R371 million payment of the final dividend for 2013.

NET CASH GENERATED

Of the total revenue realised of R29.0 billion, R8.6 billion was used to fund metals purchases and R21.0 billion was deployed as illustrated in the chart below. Monies generated mainly from movements in working capital left the overall cash generated for the period at R180 million.

DEBT

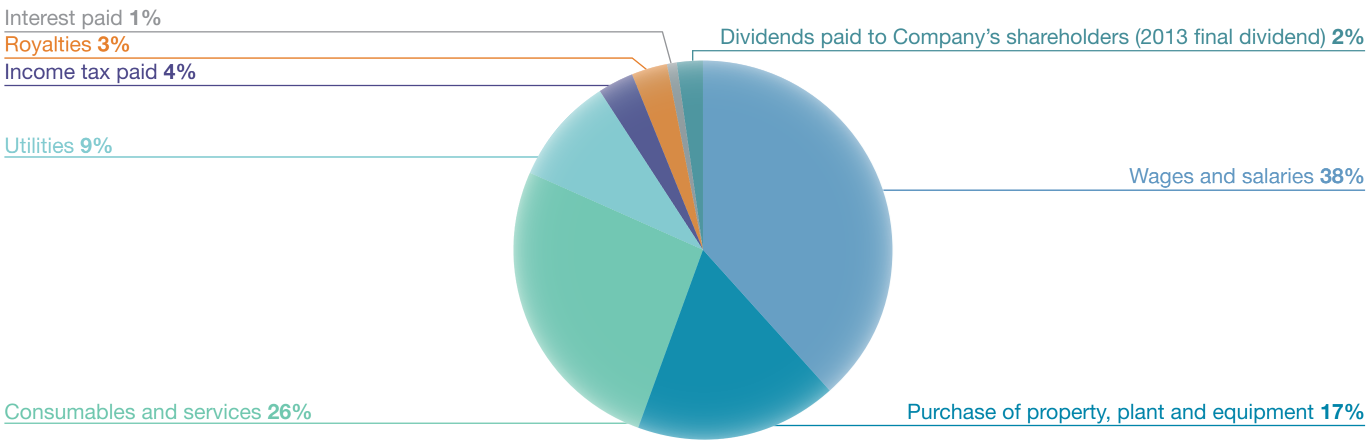
Total debt of R6.4 (2013: R6.1) billion comprised:

- The R4.4 billion rand and dollar convertible bonds due in 2018
- The Marula BEE debt of R878 million which is guaranteed by Implats and is due for repayment in 2020
- Zimplats' borrowings of R1.1 billion. These borrowings are also guaranteed by Implats and repayments commence in January 2015.

The net results of Implats' operating, investing and financing activities, combined with the opening cash and debt positions, was to end the year with cash of R4.31 billion and net debt (excluding finance leases) of R2.10 billion. In addition to the cash on hand, the Group had committed undrawn facilities of R3.0 billion at year end.

Brenda Berlin
Financial director

ALLOCATION OF THE R21.0 BILLION CASH SPEND



FIVE-YEAR PERFORMANCE – for the year ended 30 June 2014

Statement of comprehensive income

(Rand million)	2014	2013	2012	2011	2010
Revenue	**29 028**	29 844	27 393	32 872	25 254
Platinum	**17 621**	18 215	16 962	19 710	15 547
Palladium	**5 865**	5 125	3 990	4 715	2 679
Rhodium	**1 529**	1 766	2 236	3 523	3 683
Nickel	**1 628**	1 923	1 886	2 345	1 645
Other	**2 385**	2 815	2 319	2 579	1 700
Cost of sales	**(25 786)**	(25 132)	(21 613)	(22 519)	(18 075)
On-mine operations	**(9 090)**	(12 013)	(9 806)	(9 589)	(8 162)
Processing operations	**(2 733)**	(3 044)	(2 656)	(2 503)	(2 166)
Refining operations	**(880)**	(941)	(883)	(825)	(731)
Selling and administration	**(655)**	(656)	(665)	(567)	(515)
Share-based payments	**(231)**	98	373	51	(371)
Chrome operations	**(117)**	(137)	–	–	–
Depreciation	**(2 341)**	(2 314)	(1 629)	(1 315)	(1 043)
Metals purchased	**(8 601)**	(7 588)	(7 789)	(7 798)	(6 304)
Change in inventories	**(1 138)**	1 463	1 442	27	1 217
Gross profit	**3 242**	4 712	5 780	10 353	7 179
Other operating (expenses)/income	**(2 570)**	(1 824)	155	(147)	17
Royalty expense	**(693)**	(674)	(598)	(760)	(512)
Finance income	**318**	222	314	315	313
Finance cost	**(496)**	(446)	(305)	(528)	(274)
Net foreign exchange transaction (losses)/gains	**(101)**	208	520	(444)	63
Other (expense)/income	**(50)**	29	(118)	(49)	26
Share of profit of equity accounted entities	**365**	233	339	638	275
Profit before tax	**15**	2 460	6 087	9 378	7 087
Income tax expense	**(144)**	(1 392)	(1 808)	(2 559)	(2 297)
Profit/(loss) for the year	**(129)**	1 068	4 279	6 819	4 790
Attributable to non-controlling interest	**137**	(53)	(119)	(172)	(79)
Profit attributable to owners of the Company	**8**	1 015	4 160	6 647	4 711
Headline earnings	**523**	1 994	4 131	6 648	4 714
Earnings per share (cents)					
– Basic	**1**	167	686	1 106	785
– Headline (basic)	**86**	329	681	1 107	785
Dividend per share (cents)					
– Interim and proposed	**–**	95	195	570	390

FIVE-YEAR PERFORMANCE – for the year ended 30 June 2014

Statement of financial position

(Rand million)	2014	2013	2012	2011	2010
Assets					
Non-current assets	**64 692**	62 990	59 052	53 084	49 962
Property, plant, equipment and exploration assets	**50 276**	48 704	44 189	37 501	34 042
Deferred tax asset	**238**	118	–	–	–
Investments and other	**14 178**	14 168	14 863	15 583	15 920
Current assets	**15 175**	17 312	13 194	14 316	12 444
Total assets	**79 867**	80 302	72 246	67 400	62 406
Equity and liabilities					
Equity attributable to owners of the Company	**52 367**	52 037	50 168	47 563	43 792
Non-controlling interest	**2 550**	2 579	2 307	2 047	1 941
Non-current liabilities	**18 718**	19 171	13 649	11 139	10 747
Deferred tax liabilities	**10 179**	10 442	9 223	8 016	7 442
Borrowings	**7 169**	7 259	2 882	1 698	1 827
Long-term provisions and liabilities	**1 370**	1 470	1 544	1 425	1 478
Current liabilities	**6 232**	6 515	6 122	6 651	5 926
Total equity and liabilities	**79 867**	80 302	72 246	67 400	62 406

Financial ratios

Cash, net of debt	(Rm)	**(3 482)**	(3 366)	(2 320)	2 454	1 509
Current liquidity	(Rm)	**1 731**	2 341	238	2 374	1 323
Gross profit margin	%	**11.2**	15.8	21.1	31.5	28.4
Return on equity	%	**1.0**	4.0	8.7	15.2	11.5
Return on non-current assets	%	**0.8**	3.2	7.0	12.5	9.4
Return on total assets	%	**(0.2)**	1.3	5.9	10.1	7.7
Debt to equity	%	**14.2**	13.7	5.6	3.7	4.7
Current ratio		**2.4:1**	2.7:1	2.2:1	2.2:1	2.1:1

Implats share statistics

Number of shares in issue at year end	(m)	**607.1**	606.9	606.6	601.0	600.4
Average number of issued shares	(m)	**606.9**	606.8	606.2	600.8	600.2
Number of shares traded	(m)	**497.6**	485.7	396.0	571.0	672.6
Highest price traded	(Rps)	**136.63**	176.00	189.50	243.65	228.70
Lowest price traded	(Rps)	**87.55**	83.25	128.98	170.05	155.50
Year-end closing price	(Rps)	**106.88**	93.00	135.25	182.19	180.00

FIVE-YEAR PERFORMANCE – for the year ended 30 June 2014

US$ information (unaudited)

(US$ million)	2014	2013	2012	2011	2010
Revenue	**2 803**	3 389	3 555	4 677	3 318
Platinum	**1 703**	2 069	2 207	2 816	2 056
Palladium	**566**	581	525	677	355
Rhodium	**147**	202	293	502	489
Nickel	**157**	219	246	336	217
Other	**230**	318	284	347	201
Cost of sales	**(2 487)**	(2 850)	(2 790)	(3 203)	(2 391)
On-mine operations	**(877)**	(1 362)	(1 265)	(1 364)	(1 079)
Processing operations	**(264)**	(363)	(359)	(370)	(299)
Refining operations	**(85)**	(107)	(114)	(117)	(97)
Selling and administration	**(63)**	(83)	(95)	(87)	(71)
Share-based payments	**(22)**	11	48	7	(51)
Chrome operations	**(11)**	(16)	–	–	–
Depreciation	**(226)**	(275)	(221)	(195)	(143)
Metals purchased	**(829)**	(745)	(885)	(972)	(731)
Change in inventories	**(110)**	169	189	2	149
Gross profit	**316**	539	765	1 474	927
Royalty expense	**(67)**	(76)	(77)	(108)	(68)
Finance income/(expense) – net	**(17)**	(25)	1	(30)	5
Net foreign exchange transaction (losses)/gains	**(10)**	24	67	(63)	8
Other (expense)/income	**(253)**	(204)	5	(28)	6
Share of profit of equity accounted entities	**35**	26	44	91	36
Profit before tax	**4**	284	805	1 336	914
Income tax expense	**(14)**	(158)	(233)	(364)	(304)
Profit for the year	**(10)**	126	572	972	610
Attributable to non-controlling interest	**13**	(6)	(15)	(24)	(10)
Profit attributable to owners of the Company	**3**	120	557	948	600
Headline earnings	**53**	231	553	948	601
Earnings per share (cents)					
– Basic	**–**	20	92	158	103
– Headline (basic)	**8**	78	91	158	103
Dividend per share (cents)					
– Interim and proposed	**–**	11	25	81	52

Operating statistics (unaudited)

		2014	2013	2012	2011	2010
Gross refined production						
Platinum	('000oz)	**1 178**	1 582	1 448	1 836	1 741
Palladium	('000oz)	**710**	1 020	950	1 192	1 238
Rhodium	('000oz)	**157**	220	210	262	252
Nickel	('000t)	**13.9**	16.0	15.4	16.3	15.2
Impala refined production						
Platinum	('000oz)	**411**	709	750	941	871
Palladium	('000oz)	**197**	351	409	511	459
Rhodium	('000oz)	**50**	101	99	127	121
Nickel	('000t)	**2.0**	4.0	4.8	5.5	4.9
IRS refined production						
Platinum	('000oz)	**767**	873	698	895	870
Palladium	('000oz)	**513**	669	541	681	779
Rhodium	('000oz)	**107**	119	111	135	131
Nickel	('000t)	**11.9**	12.0	10.6	10.8	10.3
IRS returned metal						
Platinum	('000oz)	**94**	189	121	220	233
Palladium	('000oz)	**28**	190	148	210	259
Rhodium	('000oz)	**9**	36	25	42	49
Nickel	('000t)	**3.2**	3.2	3.1	3.4	2.8
Consolidated statistics						
Tonnes milled ex mine	('000t)	**13 916**	17 209	16 626	19 819	19 171
PGM refined production	('000oz)	**2 370**	3 233	3 016	3 772	3 689
Capital expenditure	(Rm)	**4 384**	6 258	7 894	5 354	4 427
	(US$m)	**423**	710	1 019	761	586
Group unit cost per platinum ounce	(R/oz)	**19 430**	16 526	13 466	10 858	10 078
	(US$/oz)	**1 874**	1 874	1 739	1 544	1 334
Exchange rate:						
– Closing rate on 30 June	(R/US$)	**10.64**	9.88	8.17	6.77	7.67
– Average spot rate	(R/US$)	**10.37**	8.82	7.74	7.03	7.56
– Average rate achieved	(R/US$)	**10.36**	8.81	7.70	7.03	7.58
Free market revenue per platinum ounce sold	(US$/oz)	**2 307**	2 473	2 545	2 797	2 337
Revenue per platinum ounce sold	(US$/oz)	**2 299**	2 505	2 576	2 772	2 293
	(R/oz)	**23 818**	22 069	19 844	19 480	17 375
Prices achieved						
Platinum	(US$/oz)	**1 423**	1 551	1 614	1 691	1 433
Palladium	(US$/oz)	**737**	676	687	670	376
Rhodium	(US$/oz)	**1 000**	1 143	1 601	2 275	2 149
Nickel	(US$/t)	**14 644**	16 541	19 603	23 851	18 884
Sales volumes						
Platinum	('000oz)	**1 197**	1 333	1 368	1 665	1 434
Palladium	('000oz)	**767**	859	765	1 011	945
Rhodium	('000oz)	**147**	176	183	221	228
Nickel	('000t)	**10.7**	13.2	12.5	14.1	11.5

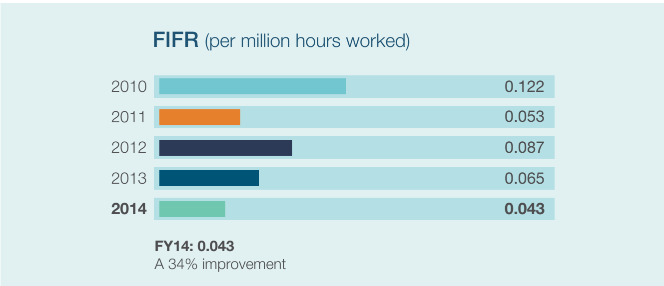
The Group performance on non-financial indicators for 2014 is outlined below

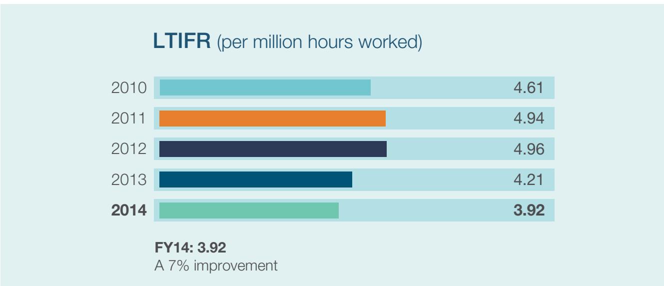
A detailed account per operation can be obtained in the sustainable development report.

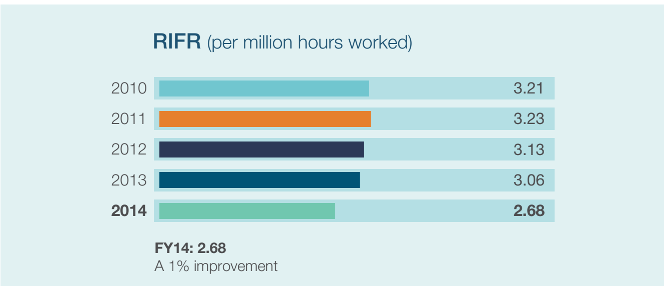
Our 2014 safety performance

It is with deepest sympathy that we report that four of our employees died at our operations during 2014. Two fatalities were caused by falls of ground, one involved a locomotive and another involved a fatal electrocution. We have undertaken investigations into the root causes of these fatal incidents and have implemented remedial actions.

This decrease in fatalities from nine last year (and 12 in 2012), coupled with the continuing reductions in our fatality rate, reflects some of the steady improvements in performance that we have achieved as a result of our strong focus on safety. Despite this progress, our performance tracked against a set of lagging and leading indicators, has been variable and we acknowledge that there is still much work to be done.







- The Group fatality rate improved to 0.043 per million man-hours worked, from 0.065 in 2013
- The lost-time injury frequency rate per million man-hours (LTIFR) decreased to 3.92 from 4.21 in 2013
- The total injury frequency rate (TIFR) – a measure of all recorded injuries, including fatalities, lost-time injuries, restricted work cases and medical treatment cases – was 11.90, up from 10.91 in 2013
- The serious injury frequency rate improved to 2.69 per million man-hours from 3.06 in 2013.

OUR SAFETY FOCUS FOR 2015 AND BEYOND

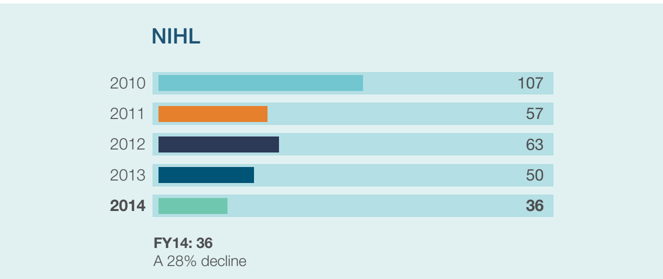
We have prioritised the following strategic objectives and focus areas for safety in the year ahead:

- **Culture shift:** Shifting the safety culture through leadership, using the Chamber of Mines Five Pillar Cultural Transformation Framework (CTF), remains an ongoing priority. This will include using opportunities presented through the revised health and safety agreement with all employee representative groups, to engage more effectively with employees in promoting the right safety culture
- **Normalise the industrial relations environment:** From a safety perspective, we will ensure that senior management engage with supervisors to contextualise the recent and ongoing challenges and provide support for effective supervision. We will continue to pursue interactions with senior union leadership to gain commitment for safety initiatives
- **Supervision and technology:** In seeking to mitigate safety risks in the workplace, an ongoing focus is to increase supervision and leadership skills and implement best practice technical initiatives
- **Safety performance measures:** We will further develop leading indicators and have increased the safety weighting in short-term incentive schemes
- **Targets:** In striving for zero fatalities and zero harm, we will continue to focus on ensuring that all operations have behaviour-based safety programmes in place. Each operation is expected to achieve at least a 20% improvement in their LTIFR performance. In addition, we will strive to achieve: 100% compliance with road behaviour; 100% compliance with platinum rules or 100% disciplinary action for non-compliance to these rules.

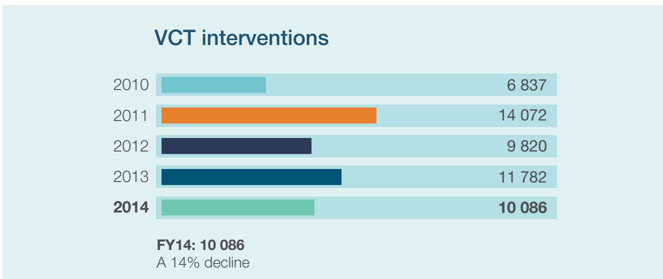
- **The number of occupational medical examinations conducted this year was 59 322**
- **During the year, we undertook 10 086 HIV tests on employees (2013: 11 782)**

Our 2014 health performance

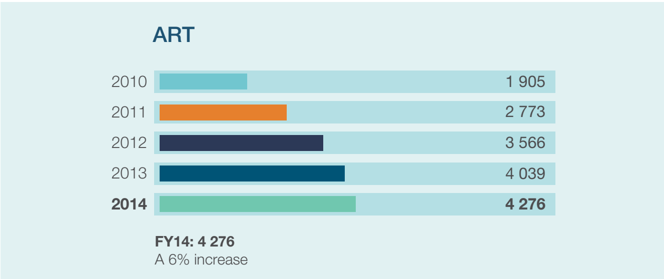
- **General health indicators:** The number of occupational medical examinations conducted this year was 59 322, as compared to 90 440 last year. The significant drop is primarily due to the closure of the Rustenburg Occupational Health Centre during the five-month strike, during which only exit examinations and examinations of essential services personnel and certain supervisors were conducted. No previously unknown occupational illnesses were detected in the Group this year
- **Noise-induced hearing loss (NIHL):** In 2014, 36 cases of NIHL were diagnosed and submitted for assessment for compensation, as compared to 50 in 2013. While the decrease is partly due to reduced levels of medical and audiometric screening examinations during the strike period, encouraging improvements across all parameters of our NIHL performance were achieved in the months before the strike. Introduction of equipment with improved sound suppression continues and exposed individuals are trained in the use of custom-made hearing-protection devices. All patients diagnosed with early signs of NIHL (5 to 9.9%) on screening audiograms were investigated, counselled and monitored.

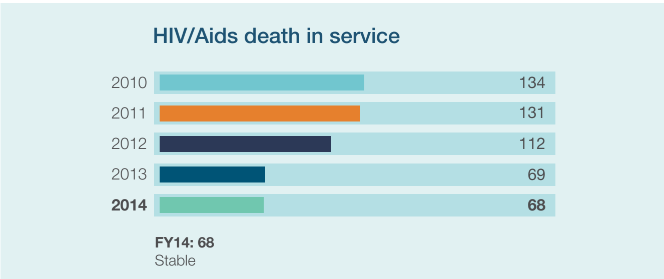


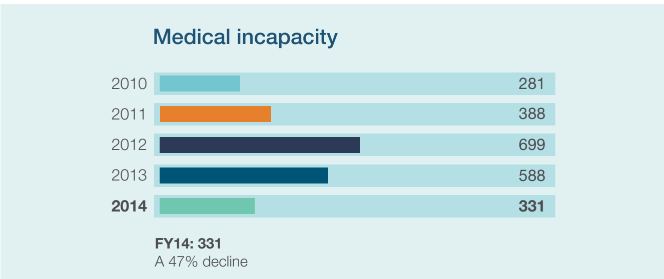
- **HIV/Aids:** We have an HIV/Aids policy that covers activities across all our operations. The policy ensures patient confidentiality, non-discrimination and highlights our commitment to ARV treatment programmes. We proactively managed challenges faced during the strike period and have made good progress this year in managing HIV/Aids and TB in the Group. In particular, ARV uptake exceeded our business plan target of 5% growth. During the strike, a major focus at our Rustenburg operations was to strive to ensure that HIV patients on wellness and ARVs remained compliant to treatment. Impala clinics and the hospital continued to operate normally throughout the difficult period, albeit with reduced staff and patient numbers. IT systems were used to track when a patient had missed a script collection and these patients promptly contacted to ensure compliance with treatment. Those patients on ARVs that were deemed to be non-compliant and classified as unfit will receive necessary treatment and care before being permitted to return to work. During the year, we undertook 10 086 HIV tests on employees (2013: 11 782). Over the year a total of 6 286 employees benefited from Company funded and managed HIV wellness programmes (2013: 6 014), of whom 4 276 (2013: 4 039) received antiretroviral therapy (ART). Altogether, 982 of those on ART joined the ART programme during the year. The number of employees receiving ART through external medical aids or government health facilities is not known and so these figures may be underestimated. Regrettably 68 employees passed away due to HIV-related illness during the year (compared with 69 in 2013), while an additional 331 patients applied for medical incapacity and left the Group (2013: 588)
- **Pulmonary tuberculosis (TB):** In managing TB in our workforce we adhere to the national guidelines and made good progress this year, achieving all our targets. A new diagnostic protocol for TB diagnosis using Polymer Chain Reaction (PCR) testing is in place and is assisting in more rapid and accurate diagnosis and in determining primary treatment sensitivity. We have negotiated price reductions for the tests but these remain high compared to state tender price and we are in discussions with the Department of Health (DoH) in this regard. During the year, 268 new cases of pulmonary TB were detected (2013: 334), of whom 70% are HIV-positive. Our incidence rate of 841 per 100 000 employees at Rustenburg is below the South African population rate of 1 003/100 000. Multiple drug-resistant TB in southern Africa remains a concern; this year we had 11 cases on treatment at Rustenburg. PCR testing has improved controls and this is being closely monitored.

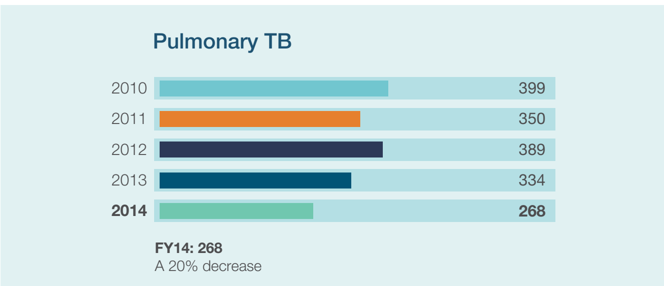


This year the Impala Medical Plan (IMP) received 1 037 new applications









- **Malaria:** In 2014, 33 cases of malaria were diagnosed at Impala Rustenburg and 11 at Zimplats. All of these patients had recently travelled to malaria endemic areas and were successfully treated. The malaria vector surveys we conducted at the Ngezi operations in November 2013 indicate that it not a malaria endemic area
- **National Health Insurance (NHI):** Impala and Marula continue to work closely with the SA Department of Health (DoH) in support of the NHI plan. This year a Memorandum of Understanding (MoU) was signed with the DoH, which allows appointed Impala medical personnel and forensic medical experts to attend post-mortem examinations. This will greatly assist in determining the medical causes of death where the cause is not obvious. Through the Impala Bafokeng Trust (IBT) we have committed to renovate and expand the Luka Clinic on the Impala lease area; an MoU has been signed and building will start in the 2015 financial year
- **Medical aid and non-occupational medical care:** This year the Impala Medical Plan (IMP) received 1 037 new applications and membership increased by more than our targeted 5%. Currently, membership levels are 21 994. The cost of external medical schemes is becoming prohibitive for many employees and we strive to ensure that the IMP delivers cost-effective and affordable private healthcare to employees and dependants.

OUR HEALTH FOCUS FOR 2015 AND BEYOND

We have prioritised the following key focus areas for health in the year ahead:

- **Delivering on our strategic priorities:**
  - Striving for zero harm
  - Ensuring further mitigation of risks relating to tuberculosis, HIV/Aids, as well as noise-induced hearing loss (NIHL)
  - Promoting access to effective, affordable healthcare
  - Ensuring that our health strategy is aligned with the South African Government’s national health strategy, including assisting with the provision of healthcare facilities around our lease areas
- **Noise-induced hearing loss:** We will continue to have annual audiometric screening examinations to detect deterioration of hearing early and before permanent NIHL develops. Any employee who shows signs of early hearing loss of between 5% and 10% will undergo a formal evaluation and safety investigation. We will continue to track and investigate all cases of early NIHL. Employees showing an early hearing loss shift of between 2.5 and 5% will undergo formal counselling on the risks of noise, the importance of wearing Hearing Protection Devices (HPD) and the implications of NIHL. Action will be taken against employees who have been counselled and are found without HPD in the designated areas.

Our principal focus during the reporting period has been on addressing the issues associated with the intense rivalry between AMCU and the NUM, and dealing with the outcome of the wage negotiations with AMCU

We will continue with our programme of silencing machines across the Group and with our buy quiet policy of only purchasing machines and equipment that emit noise below 110dB.

- **Diesel Particulate Matter (DPM):** The monitoring of personal exposures to DPM will continue. The risk of exposure to DPM is mitigated by adequate ventilation, low sulphur diesel replacement and exhaust filters in underground diesel combustion engines
- **Pulmonary tuberculosis (TB):** TB in mining continues to receive a high level of political focus in southern Africa and we will support initiatives aimed at achieving an effective regional response. Our current focus areas for improvement in our own TB programmes are assessing the TB risks in contractors, contact tracing in communities, and mitigating the risk of exporting active TB into our employees' communities. The TB programme will keep our TB prevalence below the national average
- **HIV/Aids:** We will strive to ensure a further uptake of at least 10% of known HIV-infected employees onto our wellness and ART programmes, as well as carefully monitoring and driving compliance of the existing 4 286 patients on ART treatment.

Our 2014 performance on people management

OUR 2014 PERFORMANCE ON EMPLOYEE RELATIONS

Our principal focus during the reporting period has been on addressing the issues associated with the intense rivalry between AMCU and the NUM, and dealing with the outcome of the wage negotiations with AMCU and the subsequent five-month strike in Rustenburg. While we made some initial progress early in the reporting period in delivering on our employee relations commitments made last year – relating in particular to improving employee communications and delivering on our shared corporate values initiative – these initiatives were significantly impacted by the strike.

Prior to the strike, we devoted considerable time and resources to ensuring a smooth transition from a work environment dominated by NUM, to one dominated by AMCU. The de-recognition of NUM and the associated litigation processes lasted approximately five months, at the end of which we began the lengthy process of negotiating a recognition agreement with AMCU. The signing of this agreement in June 2013 paved the way for the beginning of the first wage negotiations with AMCU in respect of the Rustenburg operations. Unfortunately we were not able to deliver on our efforts at establishing a multi-union dispensation with a lower threshold and the avoidance of a 'winner takes all' majoritarian system. Through our engagements with government and other stakeholders we will be continuing to pursue the implementation of a democratic labour dispensation.

While the strike in Rustenburg had an obvious profound impact on the achievement of our strategic objectives relating to employee relations, some progress was made in certain areas.

- **Completion of wage negotiations and conclusion of an HSE agreement:** Except for Rustenburg, all other negotiations were completed within the mandate and without industrial action. In addition, AMCU was consulted and an HSE agreement was concluded with them in respect of the Rustenburg operations. During the strike, the decision to encourage employees to take leave and to suspend the operations was widely applauded for the contribution it made towards maintaining the safety of the employees. In terms of the recent agreement, we are obliged to run three separate processes of negotiations in respect of the Refineries, Marula and the Rustenburg operations
- **Seeking union compliance with protocols and procedure:** Formal meetings were established to ensure the necessary structures of engagements. These meetings are monitored and reports are produced on a monthly basis. The content of these reports is discussed at the strategic ER meetings that take place on a regular basis. Despite our best efforts, during the strike and subsequent to it there have been incidents of intimidation and a lack of discipline
- **Promoting our Respect and Care initiative:** During the year we undertook a cultural values survey of approximately 10% of the South African workforce (see sustainable development report page 47). The findings of the survey have been discussed with the executive and feedback has been given to the board. We have commenced an engagement process to communicate the results more broadly to the workforce. In parallel with the survey, we undertook an interactive puzzle board initiative aimed at engaging employees to assess their views on the Company and our values. Good participation was recorded in most, but not all, areas. Diagnostics have been conducted on the puzzle boards to determine the nature and type of messaging displayed thus far. The majority of the input has been positive, with mixed messaging in some areas. We will be analysing the results and agreeing on the nature of the change management interventions to be instituted

We will continue to drive various initiatives aimed at building better relationships across the organisation

- **Building the capacity of frontline managers to manage quality relations:** The HR function has identified and compiled a list of training and development programmes that are currently provided to frontline managers. We are assessing the suitability and adequacy of these programmes in terms of building the capacity of these managers to deal effectively and appropriately with the challenging labour context. The programme is still not complete due to the disruptions caused by the strike and remains work in progress
- **Encouraging high level of employee engagement:** Across the Group we are communicating more directly with employees. In addition to the survey of employee opinions mentioned earlier, other initiatives include videos, briefings, CEO addresses, general manager feedback and daily, weekly and monthly meetings at shafts across all different forums within operations. These interactions are in addition to the numerous engagements between Implats and the unions. A direct two-way communication process between management and employees has been developed and put to use for the first time during the industrial action. This process is being developed further to enable optimum usage
- **Participating in Chamber forums:** Throughout the year we participated in various forums at the Chamber of Mines on a number of initiatives, including on the centralised bargaining forum established by the Minister of Labour. Regrettably our efforts on this particular forum did not succeed due to AMCU's reluctance to negotiate at an industry level
- **Maintaining sound labour relations at Zimplats:** We have continued to enjoy generally cordial relations at our Zimbabwe operations, with no industrial action experienced throughout the year from either of the two main unions, the Associated Mine Workers Union of Zimbabwe (AMWUZ) and the National Mine Workers Union of Zimbabwe (NMWUZ). Collective bargaining for the Zimbabwean mining industry went smoothly and was concluded without incident in February 2014.

OUR FOCUS ON EMPLOYEE RELATIONS FOR 2015 AND BEYOND

Our immediate priority in the months ahead is to resume production at our operations, in a safe and sustainable manner. Ensuring that our mines are financially viable, in the context of low metal prices and increasing costs, is a prerequisite for delivering on our wage agreement.

In terms of delivering on our ER strategy, we recognise the need to operate at both an informal and formal level. Implementing our strategy will encompass a range of activities over the short and medium term.

- **Continuing discussions on key issues:** As part of the agreement that ended the strike, we have committed with all other parties to continue talks on various outstanding issues including: the management of microloans and garnishee orders; the nature of the medical separation agreement; the retrenchment agreement/severance policy; retirement benefits and funeral cover; sub-contracting, labour hire and employment agencies; a job grading review; employee shareholding; medical aid; and the establishment of a life skills centre. We have established internal teams to represent the Company with responsibility for driving these issues, both at a plenary negotiation level and within specific task teams. Through our representation on these teams we will be seeking to add to an attractive value proposition for our employees that management, employees and unions perceive as fair and that, collectively, we can be proud of
- **Enhancing relationships:** We will continue to drive various initiatives aimed at building better relationships across the organisation. As part of our drive to win over the hearts and minds of employees, we will be implementing a new employee engagement model, presenting an attractive value proposition to employees, and developing new values through the Respect, Care and Delivery initiative that we commenced throughout the Group in August 2013. This was disrupted at the Rustenburg operation during the strike. The aim of this initiative is to work with our employees towards establishing a shared value system. In addition we will be working to entrench a spirit of partnership with our recognised unions, by seeking to extend the common values shared with our employees to the institution of the union. By working together we will be seeking to develop a shared agenda with the union, especially in terms of employee wellness and the upliftment of employee living and social conditions. We recognise that this will require effective communication and active engagement with union representatives

- **Total workforce turnover for 2014 was 4.5%, as compared with 5.7% in 2013**
- **At the Zimplats operations turnover remained stable at 3.4% (3.9%: 2013)**

- **Building capacity:** To achieve the necessary shift in culture throughout the organisation we will be working to enhance the knowledge, skills and attributes of managers, employees and their representatives. A crucial initial focus will be the development and empowerment of our first line managers. We will seek to implement a robust process of training, particularly in the areas of people management, coaching, developing subordinates and handling employee grievances. Our aim is to develop a new breed of managers who pride themselves in being 'leaders of men' rather than 'masters that have to be served'. At the same time we will be working with our employee representatives and leaders to provide them with further training and awareness-raising on relevant legislation and Group policies and procedures
- **Changing the boundaries and shifting the paradigms:** Recognising the need for a structural change in our approach to employee relations in South Africa, we shall continue to participate actively in relevant forums at the Chamber of Mines, including those relating to: the migratory labour system; the nature of majoritarian system; labour hire and employment agencies; the secondment of shop stewards to the regional and national institutions of the union; the establishment of life skills centres; and mining housing initiatives
- **Maintaining solid industrial relations in our Zimbabwe operations:** In Zimbabwe our focus will continue to be on striving to resolve IR issues swiftly in-house, strengthening internal communication structures to enhance the effectiveness of the Company's work councils, and building trust at all levels of the organisation.

Looking to the future, an important lesson that we have taken from the strike is that the current industrial relations landscape and mining model cannot continue. Addressing the challenges raised by the strike will require more than changes to our employee relations strategy alone. It will require us to revisit our approach to the migratory labour system, to work on transforming the low skill, low paying, labour-dependent mines, and to continue with our significant social investments in housing and education. We recognise that we cannot deliver these issues on our own, and that we need to work actively with our industry partners, government, union leaders and other stakeholders.

OUR 2014 PERFORMANCE ON PEOPLE MANAGEMENT

Our investment in employee development this year was curtailed during the strike, which has impacted several of our performance indicators. A summary of our performance on key issues over the year is presented below; additional detail at an operational level over the past four years is presented in the performance table on page 96 to 97 of the sustainable development report.

- **Skills turnover:** Total workforce turnover for 2014 was 4.5%, as compared with 5.7% in 2013. The five-month strike had an impact on the turnover of miners at our South African operations; this was 5.3% for the year, down 3.4% from the 8.8% of last year. Turnover of rock drill operators was 3.9%, as compared with 4.4% last year. At the Zimplats operations turnover remained stable at 3.4% (3.9%: 2013)
- **Skills development interventions:** Several key initiatives were introduced during 2014:
  - *Team mobilisation:* This initiative advances the development of a respectful and caring attitude amongst all Implats team members with the aim of ensuring safe production. Specific focus areas include safety, the nature and economics of the platinum business, the role played by the individual and team, and the reward structure for delivery on targets. During 2014, we trained 21 teams and commenced the selection and recruitment of in-house trainers
  - *Zero Incident Process for Leaders (ZIP):* This best practice Australian initiative is a three-day training session. All E level management attended the ZIP programme in 2014. To embed the ZIP concepts throughout the Group, ZIP training will be cascaded downwards to supervisor level
  - *Mining Academy:* We are establishing an in-house Mining Academy for our South African operations to provide training interventions that will evolve in line with changing technology, legislative requirements and training needs. R15 million has been budgeted and basic infrastructure requirements will be completed in 2015 with the goal of accommodating 1 000 trainees (young people with grade 12 qualifications) per year. The second phase, in 2016, will involve the building of training venues

The level of basic literacy (ABET III) at our mining operations continues to improve, reaching 82% in 2014

  - *School adoption programme:* Implats works closely with the South African Department of Education to formally 'adopt' a selection of community schools that we have either built or that are in our mining lease area but that do not benefit from existing support programmes. We currently have seven schools in the scheme, which we aim to develop into schools of excellence
- **Skills development expenditure:** This year our South African operations invested R331 million in skills development. This 20% decrease on 2013 expenditure (R428 million) was as a result of many initiatives being suspended during the strike. Expenditure was 5% of payroll. For the Zimplats operations, US$2.5 million was expended on skills development, unchanged from the previous two years. Over the year we provided an average of 79 hours of training per employee for all our employees, while our contractors received an average of 28 hours each of training at our South African operations
- **Bursaries and learnership programmes:** During 2014, our South African operations had 91 full-time bursary holders (84% are HDSA) at university studying primarily in the engineering and mining-related disciplines, while we had 10 full-time bursaries from our Zimbabwe operations. In addition, a total of 544 individuals benefited from our apprenticeship and learnership programmes (80% are HDSA) across the South African operations
- **Adult basic education and training (ABET) and Foundational Learning Competence (FLC):** The level of basic literacy (ABET III) at our mining operations continues to improve, reaching 82% in 2014. In 2014, 707 employees were enrolled for ABET, in both full-time and part-time classes, representing a 12% decrease on 2013 (805 students). ABET was suspended during the strike. On average 30% of those who wrote exams successfully completed their programmes, while 70% dropped out or were unsuccessful in their examinations. Implats will implement the anticipated national senior certificate for adults (NASCA) qualification, developed as an equivalent to the South African school-leaving qualification, for implementation by 2016
- **Leadership development:** Altogether 104 members of our management team and 10 board members at the South African operations participated in the *Zero Incident Process for Leaders (ZIP)*
- **Performance management:** This year we implemented our amended performance management system through various communication methods involving all stakeholders. In support of this we aim to optimise our reward philosophy, specifically looking at market position, job evaluation, critical jobs and wage/benefit differentiation. A revised incentive scheme was implemented during the year, with equal weighting given to safety and production. Under the agreement signed with AMCU, supervisors (C5 level) have been removed from the bargaining unit and will now be included in our formal performance management programmes
- **Promoting local employment:** Open days were held around shopping malls in neighbouring communities, to present the opportunities available at Implats operations. Despite efforts to hire more local people, migrant workers with mining skills continue to play an important role in the industry, particularly for rock drill operators and winch operators, who come principally from the Eastern Cape, Northern Cape and Lesotho. These two job categories constitute more than 38% of our South African workforce. As outlined above, we continue to invest in various skills development initiatives in our local communities, as well as seek to promote local employment through our local procurement practices (see page 80 of the sustainable development report).

OUR FOCUS ON PEOPLE MANAGEMENT FOR 2015 AND BEYOND

In striving to implement an effective people strategy, our principal objectives for 2015 are to:

- Retain key talent (mine overseers, shift supervisors, miners, mining operators, engineers, foremen and artisans); this is vital to maintain continuity and improve safety and productivity
- Increase supervision and leadership skills and introduce best practice technical initiatives
- Address potential skills shortages through in-house technical trainee programmes, capacity-building at supervisory and managerial level, and enhanced people-leadership initiatives
- Allocate an additional 1.5% salary adjustment to middle and senior management who possess critical skills
- Promote our employee value proposition internally first and develop a pipeline of talent in schools, to support our efforts to recruit from communities around our operations.

The nine projects in South Africa benefited almost 8 500 people, while over 3 700 people benefited from the five projects in Zimbabwe. Of these, almost 5 000 were community members that benefited from new and improved infrastructure

OUR 2014 PERFORMANCE AND ACHIEVEMENTS FOR SOCIAL INVESTMENT

The total investment in socio-economic development projects for the South Africa operations this year amounted to R71 million, inclusive of social and labour plan (SLP) commitments. The 30% decrease on the R102 million we invested last year is mainly attributable to the strike and the declaration of the force majeure at the Rustenburg operations. An additional R261 million was spent on improving accommodation and living conditions of our employees (see pages 76 to 78 of the sustainable development report). The Zimbabwe operations' social investment decreased by 33% from US$9 million in 2013 to US$6 million in 2014. A detailed breakdown of our community investments is presented in the tables on pages 74 and 75 of the sustainable development report.

The strike at Rustenburg this year regrettably impacted project implementation, with many of our social projects halted. This in turn limited the scope and effectiveness of the annual independent review and assessment of the socio-economic impacts of most of our investments. The external consultants visited only nine projects in South Africa (including five projects funded by the Impala Bafokeng Trust [IBT]) and five in Zimbabwe during 2014, representing only a small portion of our total social investment. This reduced our ability to comprehensively assess the number of beneficiaries from our social initiatives, and to identify project improvements and opportunities. The previous review covered 55 socio-economic development projects – broadly categorised as infrastructure, enterprise development or social development – and determined that our socio-economic development expenditure for 2013 benefited more than 100 000 people in South Africa and over 12 000 in Zimbabwe.

Following is a brief summary of the identified contribution associated with the 14 investments reviewed in 2014:

- The nine projects in South Africa benefited almost 8 500 people, while over 3 700 people benefited from the five projects in Zimbabwe. Of these, almost 5 000 were community members that benefited from new and improved infrastructure, including a hospital upgrade in Zimbabwe, and the new primary and secondary schools in Sunrise View
- The construction of the schools created 287 temporary jobs, of which 232 went to members of the local community. The completed schools are benefiting 1 372 children and have created 49 permanent jobs (teachers and support staff)
- Once again, we contributed R10 million to the IBT, which was established in 2007 by the Royal Bafokeng Nation and ourselves to augment the corporate social investment (CSI) commitments of both organisations. The five reviewed IBT projects benefited over 6 700 people and included health and education interventions. IBT-funded projects provided much-needed support during the strike
- Our projects in Zimbabwe included: the refurbishment of a clinic benefiting nearly 3 500 community members; the construction of classroom blocks, boarding hostels, a library and related facilities at Marshall Hartley boarding school benefiting 97 learners and four educators; the construction of a chicken run and assisting the beneficiaries to access a market for poultry; and the launch of two community gardening projects in Ngarava and Ngezi, to supply Zimplats' catering suppliers with vegetables
- Over 99% of the beneficiaries of the 14 reviewed socio-economic development projects were black. Just over 60% of these were youth (35 years of age and under), making them the greatest pool of beneficiaries
- The research concluded that 46% of the stated project objectives were fully achieved, and 62% partially achieved. The highest scoring projects included use of funds, project design and implementation. Those projects with weaker scores included sustainability of projects and dependency risks. Overall, 87% of the 14 reviewed projects were rated good, 13% rated adequate and none were found to be poor or defective.

OUR FOCUS ON SOCIAL INVESTMENT FOR 2015 AND BEYOND

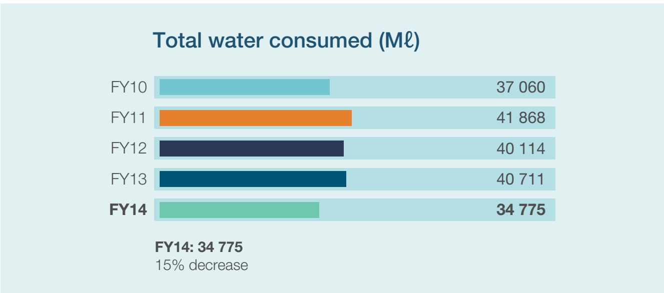
- Manage the challenges associated with the negative impact of the strike on social investment projects, including competing priorities and budget constraints
- Reflect on the findings of our social impact assessment (SIA) and formulate the necessary strategic responses. The field baseline survey underway will be used to complement these findings and will inform future decision making on socio-economic development
- Undertake a social impact study in communities neighbouring our Marula operations
- Identify collaborative enterprise development initiatives that bolster economic activity in our areas of operation.

A total of 13 409 megalitres of water was recycled for the Group, which equates to 39% of all the water consumed

Our 2014 performance on preserving natural resources and mitigating impacts

Water management has improved at all our operations this year. Total water consumption for the Group was 34 775 megalitres, including both water withdrawn and water recycled. This represents a decrease of 15% on water consumption in 2013 (40 711 megalitres) and is predominantly attributed to the closure of the Rustenburg operations throughout the five-month strike.

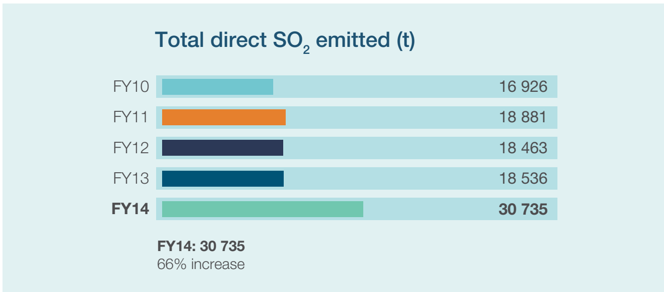
On a more positive note, a total of 13 409 megalitres of water was recycled for the Group, which equates to 39% of all the water consumed, improving from 38% in 2013. The amount of potable water consumed decreased by 15% on 2013 levels. The Refineries operation is a zero effluent site; some of the process water streams are treated to boiler quality and are reused, with no effluent released into natural water courses.



Total CO_2 emissions for 2014 amounted to 3.0 million tonnes, as compared with 3.0 million tonnes in 2013. The decrease is largely attributable to reduced production as a result of the strike action in 2014 at our Rustenburg operations, which typically account for about 75% of the Group total CO_2 emissions.

At Impala Rustenburg and Zimplats, average daily SO_2 emissions are calculated through a mass balance, while at the Refineries operation isokinetic sampling reports enable monthly calculation. An increase in the emissions levels recorded this year is due to a change in the calculation used. The boilers used are now classified as combustion installations, resulting in an increase in levels of SO_2, NO_x and particulates, due to an oxygen correction required in the calculation. Rustenburg's SO_2 emissions dramatically decreased throughout the second half of the year as a result of the annual shutdown for a week in December 2013, a Section 54 stoppage from 11 January in response to a fatality incurred at the Concentrator, followed by prolonged industrial action. No smelting took place since the furnaces were on holding power. Operations resumed in April.

This year, total direct Group emissions of SO_2 were 30 735 tonnes, up from our emissions of 18 536 tonnes in 2013. Our Zimplats operations contributed 84% of total direct SO_2 emissions, as a consequence of increased sulphur content in concentrate, better laboratory assays and the Phase II expansion. Rustenburg and Refineries operations contributed 12.1% and 3.3% respectively. Indirect SO_x amounted to 24 665 tonnes and indirect NO_x amounted to 12 107 tonnes. Further details on the SO_2 emissions at each of our operations over the past five years are provided in the performance table in the sustainable development report page 105.



OUR FOCUS ON PRESERVING NATURAL RESOURCES AND MITIGATING IMPACTS FOR 2015 AND BEYOND

We commit to the following initiatives:

Water

- Increasing the percentage of water that we recycle to 40%, and reducing our water withdrawn including potable water
- Continuing to engage with authorities on water-related issues to ensure we meet regulatory commitments
- Reviewing and updating our water conservation strategy and driving its implementation at operational level
- Investigating the feasibility of water treatment alternatives.

- **We aim to complete a feasibility study for the Zimplats SO_2 abatement plant in 2015**
- **Implats seeks to comply with or exceed all elements of the Mining Charter**

Climate change

- Further understanding the impact of climate change on our operations
- Improving our energy data management systems, to ensure that we report accurate and comprehensive information. This is vital for defining an effective strategy, complying with anticipated mandatory regulations, and setting and achieving realistic targets on energy consumption, efficiency and emissions reductions
- Updating the Group carbon footprint and setting realistic reduction targets for each operation in line with our carbon management strategy
- Aligning our South African operations with the government's Integrated Energy Plan
- Continuing to work with government and academic institutions on the development of fuel-cell technologies that will utilise PGMs as alternative energy sources. An amount of R2 million a year has been committed for this work with a total budget of R6 million allocated to the project.

Air quality

We aim to complete a feasibility study for the Zimplats SO_2 abatement plant in 2015 for construction to begin in 2016. The estimated cost of the SO_2 abatement scrubber is US$100 million.

Implementing the Mining Charter

Implats seeks to comply with or exceed all elements of the Mining Charter. Our transformation strategy is informed by the seven elements of the Mining Charter with housing and living conditions playing a pivotal role in five of these elements. We leverage each element of the Mining Charter in terms of our business performance and therefore increase our value creation potential. Refer to pages 18 to 21 of the sustainable development report for a summary of our performance in terms of the Mining Charter requirements.

Responding to our responsibilities

Responding to the National Development Plan

Implats recognises the important role it plays in advancing the objectives and vision of the National Development Plan of South Africa (NDP), and has sought to align these objectives to the organisation's own long-term goals. This has been done in some instances through collaboration with industry players, government departments and local stakeholders in our areas of operation. We consider this an integral part of transforming the industry, society and the economy of our country.

The NDP was adopted by government in 2012 as an economic and social development plan to eliminate the triple challenge of poverty, inequality and unemployment, and to increase investments. The NDP seeks to create 11 million jobs, halve unemployment, and substantially reduce poverty and improve living standards by 2030. To achieve these objectives, the NDP recommends:

1. Creating an environment for sustainable employment and inclusive economic growth
2. Raising levels of exports and competitiveness
3. Strengthening government's capacity to provide leadership in promoting economic development
4. Mobilising all sectors of society around a national vision

The NDP provides a breakdown of how its objectives can be achieved, for various sectors of the economy. For the mining industry, the objectives can be realised through:

- Employment and growth
- Labour market proposals
- Beneficiation
- Infrastructure
- A low-carbon economy and the environment
- Education and training
- Healthcare
- Social protection

In the sustainable development report we have outlined our contribution towards these imperatives, as well as our planned interventions.

Responding to the Deputy President's Framework Agreement on a Sustainable Mining Industry (DPFA)

Following the global financial crisis of 2008 and the ensuing platinum mining strikes of 2012 which culminated in Marikana where 45 people lost their lives in 2012, it became imperative for business, labour and government to work together in stabilising the industry. This commitment was made through the DPFA signed in February 2013 by all stakeholders with the exception of the Association of Mineworkers and Construction Union (AMCU). In broad terms stakeholders have committed to:

- Ensuring the rule of law, peace and stability
- Strengthening labour relations
- Improving living conditions of mineworkers
- Transforming the mining industry
- Compliance to legislation
- Supporting long-term growth of the industry

As an organisation, we recognise the importance of these commitments in giving impetus to our own long-term sustainability objectives.

Responding to the World Business Council for Sustainable Development Vision 2050

Implats, while not a member of the World Business Council of Sustainable Development (WBCSD), recognises the important role that business has to play in creating a sustainable world, underpinned by fundamental changes in governance, economic frameworks and human behaviour.

We thus support the nine key pillars of action that will lead to the 2050 vision in which the basic needs of nine billion people are met. The nine pillars speak to:

- People values – living well within the limits of the planet
- Human development – basic needs of all are met
- The economy – true value, true cost and profit are linked
- Agriculture – enough food, water and biofuels through a new green economy
- Forestry – recover and regenerate
- Energy and power – secure and sufficient supply of low carbon energy
- Buildings – close to zero-net energy building/infrastructure
- Mobility – universal access to safe and low impact mobility
- Materials – not a particle of waste

Our support for these elements is demonstrated through our community development initiatives, our environmental programmes, the beneficiation of our metals, and industry initiatives that drive economic transformation of the sector. These are referenced more broadly on pages 12 to 16 of the sustainable development report.

This section serves as the annual update of Implats' mineral resources and mineral reserves and informs shareholders and potential investors of the status of the mineral assets

The details are presented as an abridged summary and a detailed version is available at **www.implats.co.za**.

Main features

The main features relating to Implats' mineral resources and mineral reserves as at 30 June 2014 relative to 30 June 2013 are:

- Estimated total attributable mineral resources decreased by 7% to 212Moz Pt
- Total attributable mineral reserves decreased by 15% to 28Moz Pt
- The decrease in mineral resources is mainly due to the exclusion of some deeper mineral resources at Impala and Afplats
- The reduction in the mineral reserves is mainly due to the alignment of the conversion of ore reserves at Zimplats to the Implats code of practice.

Implats and its associated companies continue to exploit platiniferous horizons within the largest known deposit of platinum group minerals in the world, namely the Bushveld Complex in South Africa and also the world-class deposit in Zimbabwe, namely the Great Dyke. Mining mostly takes place at underground operations, focusing on relatively narrow mineralised horizons with the specific mining methods adapted to suit the local geology and morphology of these mineralised horizons. The mineral resources and mineral reserves are geographically spread but are dominated by Impala and Zimplats.

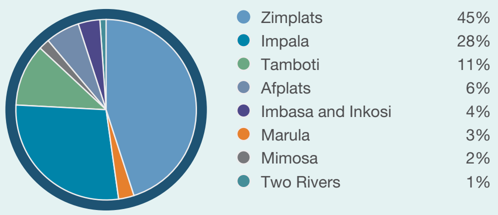
The protracted industrial action at Impala during 2014 had a material impact, particularly in terms of lost revenues, delays in project and development build-up profiles, start-up processes and the resultant reduced volumes projected for 2015. Together with tempered metal prices it is expected that profit margins at Impala will be under pressure in the medium term. The mineral reserve statement is based on the life-of-mine production plans compiled in December 2013, with some adjustment for the impact of the industrial action. This will be adjusted should the outlook change.

The Zimbabwean Government has been pursuing greater participation in the mining sector by indigenous Zimbabweans. Implats is continuing to engage with the Government of Zimbabwe (through the Ministry of Youth Development, Indigenisation and Empowerment) with respect to agreeing plans for the indigenisation of Zimplats and Mimosa. The current position with regards to the implementation of the Government of Zimbabwe indigenisation plans is not clear and depending on what position is ultimately taken by the Government of Zimbabwe Implats' attributable mineral resources and mineral reserves may be significantly reduced.

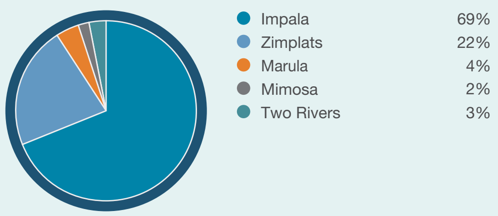
During 2013, the Government of Zimbabwe gazetted its intention to compulsorily acquire a large tract of ground in the northern portion of the Zimplats mineral lease containing 54.62Moz Pt; Zimplats subsequently submitted an objection to this notice and lodged a claim for compensation under the Zimbabwean law. As at 30 June 2014, there have been no further developments.

At Zimplats a low angle shear in the deeper sections of the Bimha mine has had a deleterious effect on pillar strength and has resulted in the inclusion of large barrier and regional pillars and a reduction in extraction percentages. Subsequent to 30 June 2014, the pillars in a significant part of Bimha have failed. A decision was made to temporarily close the Bimha mine to ensure the safety of our employees. Work is underway to assess the full impact and to re-engineer and/or arrest the current mine stability concerns at the Bimha mine.

Attributable mineral resources of 212Moz Pt
as at 30 June 2014

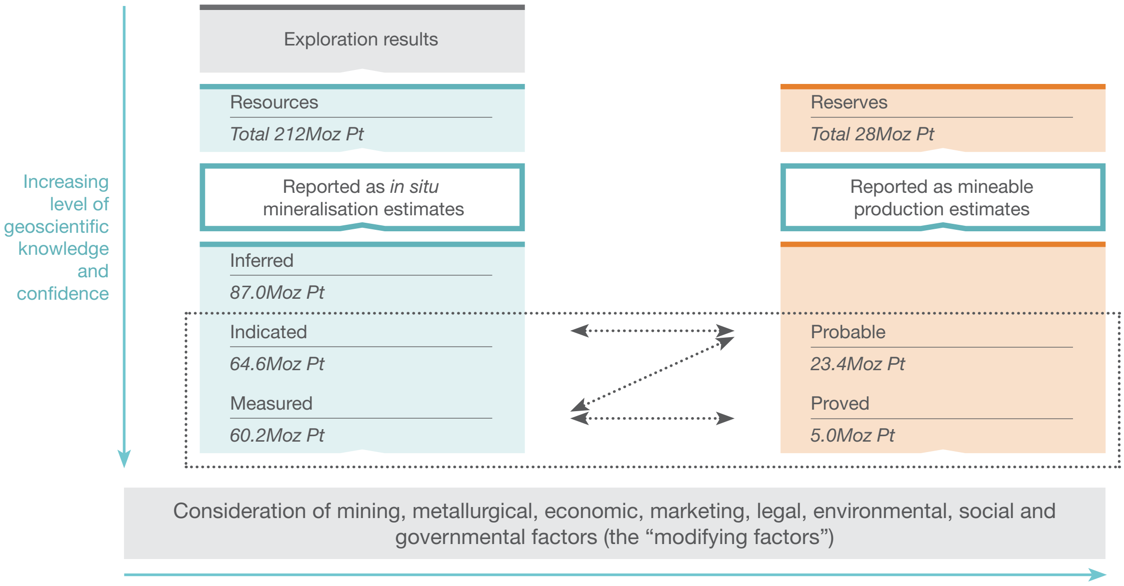


Attributable mineral reserves of 28Moz Pt
as at 30 June 2014



- **Estimated total attributable mineral resources decreased by 7% to 212Moz Pt**
- **Total attributable mineral reserves decreased by 15% to 28Moz Pt**

Relationship between exploration results, mineral resources and mineral reserves showing Implats' attributable mineral resources and mineral reserves as at 30 June 2014



Attributable mineral resources inclusive of mineral reserves
as at 30 June 2014

		Category	Tonnes Mt	6E grade g/t	Pt	Moz 4E	6E
Impala (100% attributable)	Merensky	Measured	150.1	7.11	19.4	30.7	34.3
		Indicated	68.5	7.02	8.8	13.8	15.5
		Inferred	23.6	6.70	2.9	4.6	5.1
	UG2	Measured	132.1	8.74	18.0	31.0	37.1
		Indicated	47.5	8.86	6.5	11.3	13.5
		Inferred	14.7	8.61	2.0	3.4	4.1
	Total Impala		436.7	7.81	57.6	94.8	109.6
Impala/RBRJV (49% attributable)	Merensky	Measured	2.6	7.33	0.3	0.6	0.6
		Indicated	2.6	7.92	0.4	0.6	0.7
		Inferred	2.4	7.42	0.3	0.5	0.6
	UG2	Measured	0.7	8.98	0.1	0.2	0.2
		Indicated	1.2	9.54	0.2	0.3	0.4
		Inferred	1.0	8.71	0.1	0.2	0.3
	Total JV		10.6	7.99	1.5	2.4	2.7
	Total		447.2	7.81	59.0	97.2	112.3

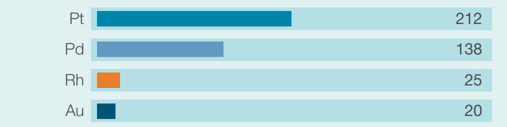
ABRIDGED MINERAL RESOURCE AND MINERAL RESERVE STATEMENT

The estimate as at 30 June 2014 reflects an increase in indicated and measured mineral resources from 57% to 59%

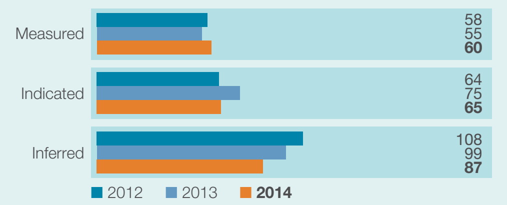
		Category	Tonnes Mt	6E grade g/t	Pt	Moz 4E	6E
Marula (73% attributable)	Merensky	Measured	25.0	4.55	2.0	3.4	3.7
		Indicated	5.6	4.54	0.4	0.8	0.8
		Inferred	7.2	4.46	0.6	1.0	1.0
	UG2	Measured	21.9	10.16	2.7	6.1	7.2
		Indicated	9.1	10.33	1.1	2.6	3.0
		Inferred	4.4	10.57	0.6	1.3	1.5
	Total Marula		73.3	7.30	7.4	15.2	17.2
Afplats (74% attributable)	UG2	Measured	69.8	6.43	7.1	11.6	14.4
		Indicated	7.9	6.31	0.8	1.3	1.6
		Inferred	40.9	6.30	4.1	6.7	8.3
	Total Afplats		118.6	6.37	11.9	19.5	24.3
Imbasa (60% attributable)	Merensky	Indicated	16.8	5.75	1.5	2.5	3.1
		Inferred	24.1	5.69	2.2	3.5	4.4
Inkosi (49% attributable)	UG2	Indicated	32.2	6.12	3.1	5.1	6.3
		Inferred	19.2	5.84	1.8	2.9	3.6
	Total Imbasa and Inkosi		92.4	5.88	8.5	14.0	17.5
Two Rivers (45% attributable)	Merensky	Indicated	19.4	3.04	1.0	1.7	1.9
		Inferred	5.0	2.65	0.2	0.4	0.4
	UG2	Measured	7.0	5.44	0.6	1.0	1.2
		Indicated	15.7	4.52	1.1	1.9	2.3
		Inferred	0.3	4.91	0.0	0.0	0.1
	Total Two Rivers		47.4	3.86	2.9	5.1	5.9
Tamboti (100% attributable)	Merensky	Indicated	38.9	3.07	2.2	3.5	3.8
		Inferred	121.9	3.47	7.8	12.4	13.6
	UG2	Indicated	48.3	5.29	3.7	6.9	8.2
		Inferred	128.3	5.22	9.6	18.1	21.5
	Total Tamboti		337.4	4.35	23.2	41.0	47.2
Zimplats (87% attributable)	MSZ	Measured	150.5	3.75	8.5	17.2	18.1
		Indicated	580.5	3.76	32.6	66.3	70.1
		Inferred	1 066.8	3.54	54.0	112.2	121.4
	Total Zimplats		1 797.8	3.63	95.1	195.7	209.6
Mimosa (50% attributable)	MSZ	Measured	26.7	3.97	1.6	3.2	3.4
		Indicated	21.7	3.83	1.2	2.5	2.7
		Inferred	16.2	3.83	0.9	1.9	2.0
	Total Mimosa		64.6	3.89	3.7	7.6	8.1
	Total All		2 978.7	4.62	211.8	395.3	442.0

The grouping of the platinum ounces per reef shows that some 48% of the attributable Implats mineral resources are hosted by the Great Dyke

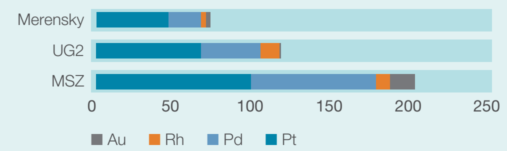
Attributable mineral resources (Moz)



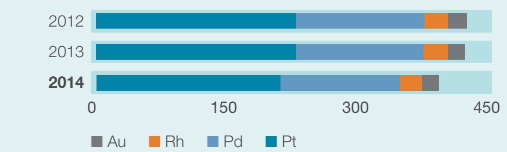
Attributable mineral resources (Moz Pt)



Attributable mineral resources per reef inclusive of mineral reserves (Moz)



Attributable mineral resources inclusive of mineral reserves (Moz)



Reporting codes and compliance

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 the Reporting of Exploration Results, Mineral Resources and Mineral Reserves (SAMREC Code). Zimplats, as an Australian Securities Exchange (ASX) listed company, reports its mineral resources and ore reserves in accordance with the JORC Code. Mimosa Investments Limited, a Mauritius-based company, does not fall under any regulatory reporting code but has adopted the SAMREC Code for its reporting.

Various Competent Persons, as defined by the SAMREC and JORC codes, have contributed to the estimation and summary of the mineral resource and mineral reserve 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. Gerhard Potgieter, Group executive: growth projects, and consulting mining engineer, PrEng, ECSA Registration No 20030236, a full-time employee of Implats, takes full responsibility for the mineral reserve estimates for the Group. The Competent Person has 29 years' relevant mining experience. The Group executive: mineral resource management, Seef Vermaak, PrSciNat SACNASP Registration No 400015/88, a full-time employee of Implats, assumes responsibility for the mineral resource estimates for the Implats Group. He also assumes responsibility for the collation of the combined mineral resource and mineral reserve statement for the Group. The Competent Person has 28 years' experience in the exploitation of PGM-bearing deposits.

In comparison with the previous annual mineral resource statement there is a decrease of 18Moz Pt in the attributable mineral resource estimate of 212Moz. The variation is mainly ascribed to the exclusion of some deeper inferred mineral resources at Impala and Afplats during the past year as the eventual economic extraction is in doubt. Further variations at the individual operations and projects are discussed in the detailed report. Such changes in these estimates can be attributed to additional information and updated estimates.

The grouping of the platinum ounces per reef shows that some 48% of the attributable Implats mineral resources are hosted by the Great Dyke. The Zimplats mineral resources make up the bulk of these (45% of the total Implats inventory). The detailed sections indicate various movements due to additional work, newly acquired data and updated estimations. There has been some steady improvement in the conversion of inferred mineral resources; the estimate as at 30 June 2014 reflects an increase in indicated and measured mineral resources from 57% to 59%. The graph comparing the attributable 4E for the last few years reflects a stable situation.

Subsequent to 30 June 2014, the pillars in a significant part of Bimha have failed

Attributable mineral reserve estimates
as at 30 June 2014

		Category	Tonnes Mt	6E grade g/t	Moz Pt	Moz 4E	Moz 6E
Impala (100% attributable)	Merensky	Proved	9.5	4.21	0.7	1.2	1.3
		Probable	110.4	4.78	9.6	15.2	17.0
	UG2	Proved	15.6	4.47	1.1	1.9	2.2
		Probable	121.6	4.42	8.4	14.4	17.3
	Total		257.1	4.57	19.8	32.6	37.8
Marula (73% attributable)	UG2	Proved	2.3	4.69	0.1	0.3	0.3
		Probable	16.0	4.81	0.9	2.1	2.5
	Total		18.3	4.80	1.1	2.4	2.8
Two Rivers (45% attributable)	UG2	Proved	4.9	3.88	0.3	0.5	0.6
		Probable	8.9	3.59	0.5	0.8	1.0
	Total		13.7	3.69	0.8	1.4	1.6
Zimplats (87% attributable)	MSZ	Proved	47.8	3.54	2.5	5.1	5.4
		Probable	67.8	3.58	3.7	7.4	7.8
	Total		115.5	3.56	6.2	12.5	13.3
Mimosa (50% attributable)	MSZ	Proved	5.3	3.72	0.3	0.6	0.6
		Probable	6.0	3.50	0.3	0.6	0.7
	Total		11.3	3.60	0.6	1.2	1.3
All	**Total**		416.0	4.25	28.4	50.1	56.8

Implats reported mineral reserves of some 33.3Moz Pt in 2013 compared to the estimated 28.4Moz Pt at 30 June 2014. The reports per section in the separate detailed report indicate various changes and updates. The year-on-year change in attributable mineral reserves is mainly due to the realignment of the conversion of the Zimplats ore reserves which now excludes the future shaft blocks of portals 5N, 6 and 7 from the reserve inventory until feasibility and subsequent board approval stages have been completed. This does not impact the outlook of these future portals. Also at Zimplats a low angle shear in the deeper sections of Bimha mine has had a deleterious effect on pillar strength. Subsequent to 30 June 2014, the pillars in a significant part of Bimha have failed. A decision was made to temporarily close the Bimha mine to ensure the safety of our employees. Work is underway to assess the full impact and to re-engineer and/or arrest the current mine stability concerns at the Bimha mine.

The Group's reported mineral reserves represent its estimate of quantities of PGMs that have the ability, and its reported mineral resources represent its estimate of quantities of PGMs that have the potential to be economically mined and refined

The attendant graphs compare the last three reporting periods and indicate an overall decrease in attributable mineral reserves in line with expected depletion. The quantum of proved Merensky Reef mineral reserves at Impala remains lower than the same for the UG2 reef.

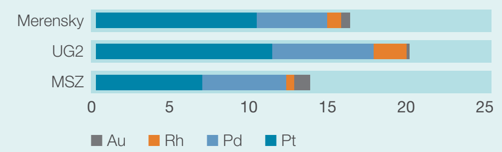
The reader must be aware of the potential material impacts on the attributable mineral reserves in Zimbabwe. Fifty-one percent of the ownership is targeted for indigenisation which affects both Zimplats and Mimosa. These transactions have not been completed by 30 June 2014, but the reader needs to be fully aware that they could have a significant impact on these figures.

The Group's reported mineral reserves represent its estimate of quantities of PGMs that have the ability, and its reported mineral resources represent its estimate of quantities of PGMs that have the potential, to be economically mined and refined under anticipated geological and economic conditions. There are numerous uncertainties inherent in estimating quantities of mineral resources and mineral reserves and in projecting potential future rates of mineral production, including many factors beyond the Group's control. The accuracy of any mineral resource and mineral reserve estimate is a function of a number of factors, including the quality of the methodologies employed, the quality and quantity of available data and geological interpretation and judgement, and is also dependent on market price of ores and metals, reduced recovery rates or increased production costs due to inflation or other factors which may render mineral resources and mineral reserves containing lower grades of mineralisation uneconomic to exploit and may ultimately result in a restatement of mineral resources and/or mineral reserves and may adversely impact future cash flows. Further, mineral estimates are based on limited sampling and, consequently, are uncertain as the samples may not be representative of the entire ore body and mineral resource. As a better understanding of the ore body is obtained, the estimates may change significantly. In addition, the reserves the Group ultimately exploits may not conform to geological, metallurgical or other expectations and the volume and grade of ore recovered may be below the estimated levels. Mineral resources and mineral reserves data is not indicative of future production. To mitigate this risk, the Group appoints independent third parties to review the Group mineral resources and reserves at least on a two-year cycle. Similarly all mining project feasibility studies are subject to independent reviews prior to applying for capital approval by the board.

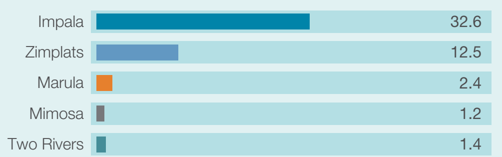
A detailed compilation of Implats' mineral resources and mineral reserves is captured in a separate report entitled, Mineral Resource and Mineral Reserve Statement 2014. The detailed report expands on aspects such as compliance, mineral rights status, exploration, reporting criteria, auditing, reconciliation and specific details per operation.

This 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.

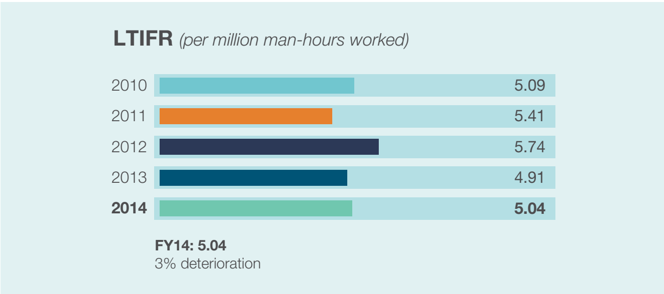
Attributable mineral reserves (Moz) per reef

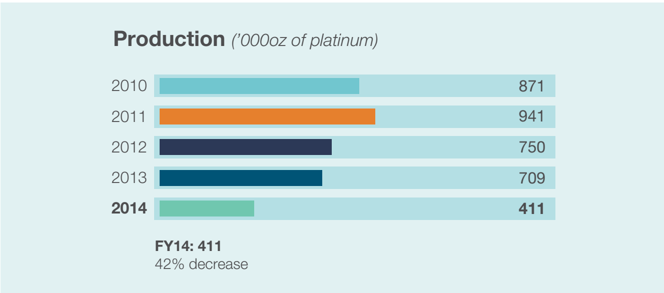


Implats attributable mineral reserves (Moz 4E) contribution by area



Impala's safety performance has again improved and we remain resolute in our commitment to continue the improving trend





Operational review

This past year has been one of mixed performance. Operationally Impala delivered solid results during the first half of the year, ended 31 December 2013, but as can be expected, performance in the second half was severely impacted by the protracted five-month wage strike at the operation.

Impala's safety performance has again improved and we remain resolute in our commitment to continue the improving trend. Our safety strategy includes: a focus on cultural transformation supported by effective leadership and supervision; the adoption of and compliance with leading practices; and ensuring a physical environment that supports safety by implementing various technical initiatives to improve workplace practices.

It is deeply regrettable that three Impala Rustenburg employees suffered fatal injuries at the operations during the period. We remember Lebogang Abednego Moiteri, Khalepile Joseph Matama and Shaun Pelser.

Over the last year, there were 312 (2013: 505) lost-time injuries at a lost-time injury rate of 5.04 (2013: 4.91) per million man-hours worked. The fatal injury frequency rate improved to 0.048 (2013: 0.087) per million man-hours worked.

Underground safety enhancements implemented this year – at an approximate cost of R81 million – included expenditure on the deployment of self-rescuers, proximity detection systems on trackless equipment as well as improved shaft bank and station safety devices. Trackless, track-bound and explosives-related accidents accounted for four fatalities in 2013 and following the considerable resources deployed to mitigate these tragedies, it is pleasing that it has thus far prevented the repetition of these accidents in much the same way that decisive actions over previous years has made employees and contractors safer from the threat of falls of ground.

Progress was also achieved this year on a number of key employee health indicators. Cases of noise-induced hearing loss reduced from 36 in the previous year to 16, while 7 686 voluntary counselling tests (for HIV) were undertaken, which is down from 10 325 in 2013 as a result of the industrial action.

Production at Impala was impacted by the AMCU-led wage strike, which started at Impala on 23 January 2014 following unresolved wage negotiations that took place over the previous seven months. A decision was made to halt mining and processing operations at Impala Rustenburg during the strike to ensure the safety of employees. As a consequence, Impala's Rustenburg mining operations lost approximately 312 000 ounces of platinum production, equivalent to revenue of R7.2 billion, while employees forfeited wages of approximately R1.9 billion.

On 24 June 2014, a three-year wage settlement agreement was signed, effective 1 July 2013. Implats acknowledges the contributions made by the various authorities and senior government officials for working together to enable this final settlement.

The agreement has ensured that employees receive an annual basic rate increase, as follows:

Year	Start date	A and B-level employees	C-level employees
Year 1	1 July 2013	R1 000	8.0%
Year 2	1 July 2014	R1 000	8.0%
Year 3	1 July 2015	R950	7.5%

As part of the agreement, all employees were entitled to back-pay from 1 July 2013 to the commencement of the strike on 23 January 2014. Living out allowances were also revised to the benefit of employees.

Total socio-economic spend decreased by some 30% to R58 million as some projects were halted during the strike action. Our key focus area to ensure the provision of housing benefited a further 181 people this year as the Phase 1 project at Platinum Village saw the construction of 283 additional units. This initial phase entails the construction of 557 houses at a cost of R210 million and is part of a plan to develop 2 420 houses

Impala – key statistics

		2014	2013	2012	2011	2010
Safety leading indicators						
Hazards for which internal STOP Notes have been issued	(no)	**1 677**	2 680	1 363	1 212	818
Stoppage/Instructions issued by State or DMR	(no)	**69**	90	108	59	47
Leadership STOP Observations	(no)	**19 758**	30 803	20 518	–	–
Safety representative training	(no)	**2 712**	1 958	1 254	1 666	1 301
Safety lagging indicators						
Fatal injury frequency rate	(pmmhw)	**0.048**	0.087	0.110	0.058	0.158
Lost-time injury frequency rate	(pmmhw)	**5.04**	4.91	5.74	5.41	5.09
Total injury frequency rate	(pmmhw)	**13.03**	11.38	11.56	13.24	13.98
Lost days rate	(pmmhw)	**388**	329	376	380	328
Health						
Noise-induced hearing loss cases submitted	(no)	**16**	36	53	52	92
On wellness programme	(no)	**5 780**	5 542	4 693	4 451	3 593
On antiretroviral therapy	(no)	**3 849**	3 667	3 248	2 507	1 723
Environmental						
Total water consumed	(Mℓ)	**17 502**	25 979	27 263	29 288	23 984
Total water recycled	(%)	**36**	41	39	36	24
Total CO_2 emissions	('000tpa)	**2 344**	3 024	2 939	3 255	3 019
Total direct SO_2 emitted	(tpa)	**4 735**	6 519	4 993	6 781	4 477
People						
Own employees	(no)	**32 900**	33 356	33 062	32 909	31 870
Contractors	(no)	**11 708**	13 315	15 245	13 744	13 717
Training spend (% relative to wage bill)	(%)	**5**	6	6	6	5
Literacy (ABET level (III) and above)	(%)	**82**	81	75	57	56
Labour turnover	(%)	**4**	7	8	7	6
HDSA in management	(%)	**49**	47	48	48	46
Social						
Community spend	(Rm)	**58**	79	65	81	70
BEE procurement	(%)	**63**	54	51	55	49
One person per room – hostel units	(no)	**5 375**	5 375	5 482	4 092	1 212
Mining sales	(Rm)	**10 327**	14 588	13 009	18 441	14 025
Platinum		**7 161**	9 624	8 666	11 618	8 833
Palladium		**1 786**	2 399	1 461	2 483	1 410
Rhodium		**541**	940	1 093	2 132	2 386
Nickel		**268**	600	704	989	609
Other		**571**	1 025	1 085	1 219	787
Mining cost of sales	(Rm)	**(12 229)**	(12 491)	(10 120)	(11 322)	(9 181)
On-mine operations		**(6 914)**	(9 329)	(7 733)	(7 679)	(6 506)
Processing operations		**(1 308)**	(1 959)	(1 782)	(1 673)	(1 457)
Refining operations		**(430)**	(542)	(505)	(459)	(413)
Selling and administration		**(405)**	(397)	(416)	(355)	(341)
Share-based payments		**(200)**	93	333	65	(345)
Depreciation		**(1 458)**	(1 666)	(1 141)	(923)	(742)
Change in metal inventories		**(1 514)**	1 309	1 124	(298)	623
Mining gross profit	(Rm)	**(1 902)**	2 097	2 889	7 119	4 844
Royalty expense	(Rm)	**(209)**	(326)	(299)	(606)	(420)
Profit from metal purchased transactions	(Rm)	**129**	218	5	25	146
Sales of metals purchased		**17 981**	14 522	14 020	13 589	10 516
Cost of metals purchased		**(17 879)**	(14 304)	(14 011)	(13 568)	(10 370)
Change in metal inventories		**27**	–	(4)	4	
Gross margin ex mine	(%)	**(18.4)**	14.4	22.2	38.6	34.5
Sales volumes ex mine						
Platinum	('000oz)	**489.9**	703.6	700.7	980.5	819.1
Palladium	('000oz)	**240.2**	398.8	285.7	527.3	501.9
Rhodium	('000oz)	**52.8**	94.0	89.0	133.5	147.9
Nickel	(t)	**1 976**	4 159	4 633	5 929	4 386
Prices achieved ex mine						
Platinum	(US$/oz)	**1 423**	1 553	1 599	1 693	1 427
Palladium	(US$/oz)	**721**	681	682	678	373
Rhodium	(US$/oz)	**991**	1 146	1 611	2 272	2 144
Nickel	(US$/t)	**13 495**	16 926	19 844	23 951	18 286
Exchange rate achieved ex mine	(R/US$)	**10.27**	8.79	7.69	6.99	7.56

OPERATIONAL REVIEW – IMPALA

		2014	2013	2012	2011	2010
Production ex mine						
Tonnes milled ex-mine*	('000t)	**6 183**	10 897	10 654	14 054	13 531
% Merensky milled*	(%)	**43.8**	43.9	43.4	42.5	39.8
Total development metres	(metres)	**61 337**	97 378	96 841	132 342	122 573
Headgrade (6E)*	(g/t)	**4.34**	4.32	4.38	4.60	4.60
Platinum refined	('000oz)	**411.0**	709.2	750.1	941.2	871.4
Palladium refined	('000oz)	**197.4**	350.5	408.6	510.5	459.3
Rhodium refined	('000oz)	**50.2**	101.3	98.9	126.8	121.7
Nickel refined	(t)	**1 976**	4 035	4 757	5 455	4 852
PGM refined production	('000oz)	**765.9**	1 377.9	1 487.8	1 854.2	1 714.7
Cost						
Total cost	(Rm)	**9 057**	12 227	10 436	10 166	8 717
	(US$m)	**873**	1 387	1 348	1 446	1 154
Cost per tonne milled	(R/t)	**1 465**	1 122	980	723	644
	(US$/t)	**141**	127	127	103	85
Cost per PGM ounce refined	(R/oz)	**11 825**	8 874	7 014	5 483	5 084
	(US$/t)	**1 140**	1 006	906	780	673
Cost per platinum ounce refined	(R/oz)	**22 036**	17 241	13 913	10 801	10 003
	(US$/t)	**2 125**	1 955	1 797	1 536	1 324
Cost net of revenue received for other metals	(R/oz)	**14 333**	10 241	8 123	3 552	4 045
	(US$/t)	**1 382**	1 161	1 049	505	535
Capital expenditure	(Rm)	**2 823**	4 390	5 269	4 240	3 435
	(US$m)	**272**	498	680	603	455
Labour efficiency						
Centares per employee costed**	(m^2/man/annum)	**26**	47	48	64	70
Tonnes milled per employee costed**	(t/man/annum)	**144**	255	265	339	341

* *The ex mine tonnage and grade statistics tabulated above excludes the low grade material from surface sources.*
** *Total employees excluding capital project employees.*

in total at this site. At our refining operations in Springs the 108 unit Tswelopele housing project has been completed at a cost of R36 million. We also remain steadfast in our view that the provision of housing is not restricted to Impala employees, but should also be available to people living in the surrounding communities.

Apart from housing, many thousands of people are also benefiting directly from our education, health, sports and community welfare projects that were executed at a cost of R40 million.

Environmental indicators, including energy, water consumption and SO_2 emissions declined by 26%, 33% and 27% respectively as a consequence of the strike. At the Springs refineries, and as part of our continued environmental compliance and improvement programme, work has progressed on a project to address boiler airborne emissions, scheduled for completion in 2015. In addition, detailed design work, area rezoning and other initial upfront activities have progressed according to plan with the new ignitions plant, which will accommodate enhanced ignitions processes as well as upgraded packaging and despatch facilities.

The focus at the Rustenburg mining operations in the first half of the financial year remained on ensuring increased mineable face to address ore reserve flexibility issues through development optimisation, equipping, construction and ledging activities. Some improvements were realised for the first six months, primary on-reef development increased by 33.3% while stoping productivities per team rose by 1.9%, the latter still constrained by insufficient mineable face. For the full year, total development decreased to 61.3 (2013: 97.4) kilometres, while primary on-reef development declined to 21.0 (2013: 29.7) kilometres. Currently there is 20.5 kilometres of mineable face length, which is, as stated, a constraint.

The closures of the opencast section and 2 and 5 Shafts, as well as the underground fire at 12 North Shaft also impacted on output.

Mining operations ceased prior to the commencement of the strike, and while the mineral processing operations were also halted, these were restarted in April 2014 to process the stockpiled concentrate from Marula, Two Rivers, Mimosa and other toll treatment customers.

As a consequence of the strike and the underground fire at 12 North Shaft in the first half of the year, tonnes milled decreased by 43% to 6.2 million for the year (2013: 10.9 million). Headgrade was maintained at 4.34g/t (6E) (2013: 4.32g/t (6E)) and concentrator recoveries improved by 2.5% to 87.4% (2013: 85.3%), largely due to better efficiencies and the lower relative volumes of opencast material treated.

The refineries, which are not part of the AMCU bargaining unit, continued operations, albeit at reduced throughput levels, throughout the strike period. Consequently, refined platinum production decreased by 42% from the previous year to 411 000 (2013: 709 200) ounces.

Stringent cash preservation initiatives were implemented and included force majeure notices to suppliers of all non-essential goods and services. Operating costs were significantly curtailed by the strict application of the 'no-work-no-pay' principle for striking workers. The only expenses incurred during this period included security and essential services as well as maintenance costs. Capital costs were also significantly reduced and decreased by 36% from the previous year to R2.8 billion. As a result approximately R4.9 billion or 69% was removed from normal operating costs and capital expenditure during the strike. Unit costs per refined platinum ounce were impacted by the lower production volumes and above inflation wage increases and power costs and increased by 28% to R22 036 (2013: R17 241).

Capital

Before the strike, the focus at 20 Shaft, which is currently in ramp-up phase, was primarily on reef access development and stoping. The strike halted these activities and the timeline to achieve steady-state production at this shaft has been extended due to the time lost during the strike and is now forecast for 2019.

At 16 Shaft, first stoping on the four upper levels was initiated during the second quarter of the year while infrastructure development of the four bottom levels continued. As a result of the strike, slower development to reef, bad ground conditions and difficulties in reef access development due to the Hex River fault, full production is only expected to be reached in 2020 as opposed to 2018.

17 Shaft is expected to produce 2.7 million tonnes per annum, equating to 180 000 ounces of platinum at full capacity. The project was affected by contractor performance challenges and was further slowed down during the year as a result of cash preservation measures relating to the strike. As a consequence, ore reserve development did not commence. First production from this shaft is now only expected in financial year 2020, which is one year later than previously planned. Ramp-up to full production is expected to take five years.

The key features of the projects are set out below. However, all three projects are currently undergoing a stringent review process which is expected to be completed by December 2014.

Major capital projects	20 Shaft	16 Shaft	17 Shaft
Full production date	2019	2020	2024/5
Steady-state throughput	1.7mtpa	2.7mtpa	2.7mtpa
Steady-state platinum production	125kozpa	185kozpa	180kozpa
Remaining activities	Complete decline spines to access final three levels	During the ramping-up of production from the upper levels, develop the lower levels to reef	Main shaft critical path activities planned for 2015. Development to reef activities postponed

Outlook

Following employees' return to work, Impala has been focused on restoring a safe and productive working environment at the Rustenburg operation. This has included assessing and improving, where needed, the health and wellness of employees; undertaking the necessary safety and operational training; ensuring underground mining areas and associated infrastructure and equipment are safe as conditions may have deteriorated over the duration of the strike; and reassessing and, if deemed necessary, re-equipping parts of the mine that have been vandalised or had copper cable stolen.

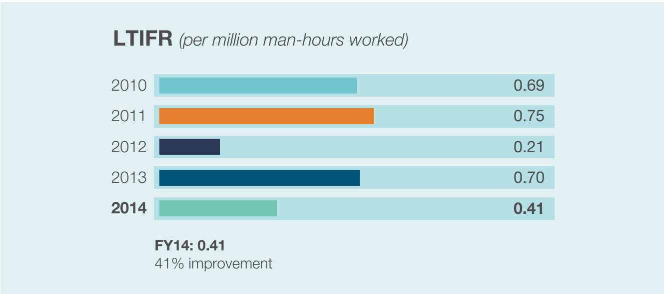
Current indications are that the ramp-up to normal production run rates at Impala Rustenburg will take approximately four months from the restart of the operation on 25 June 2014 to achieve. As a consequence, platinum production at Impala is estimated to be approximately 575 000 ounces in 2015.

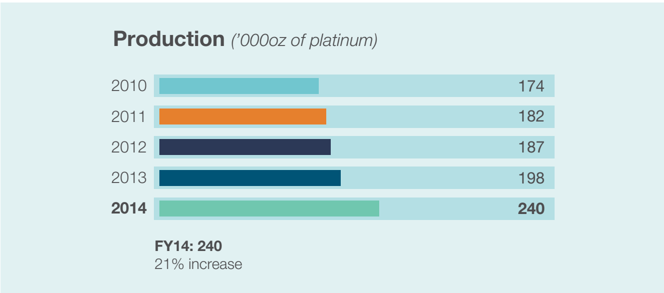
A five-point action plan has been developed to optimise the operations. These are:

- Safe start-up
  - Safety
  - Labour relations
- Development focus
  - Ore reserve creation
  - On-reef development
  - Construction, equipping and logistics management
- People strategy
  - Training (technical, supervisory and team mobilisation)
  - Motivation
  - Recognition and reward
- Productivity strategy
  - Quality, volume initiatives
  - Reducing unnecessary cost
- Improved mine design and optimisation
  - Mechanised mining
  - Effective closure plan for old men
  - Build-up of 14, 20 and 16 shafts

A strategic review of the entire Rustenburg operation (including the projects) is being undertaken to determine a new way forward and is scheduled for completion by December 2014.

Zimplats delivered another solid operational performance





Operational review

Zimplats delivered another solid operational performance with the new Mupfuti continuing to ramp-up successfully. As a result, tonnes milled increased by 27% over the previous year. The increase in production contributed to the cost containment of unit costs, which reduced by 1% in dollar terms.

It is deeply regrettable that a Zimplats employee suffered a fatal injury at the mining operations during the period. Despite this setback, there is a resolute commitment to creating a safe working environment and the implementation of a range of safety initiatives continues to be prioritised.

There was an improvement in other safety parameters compared to last year with six (2013: 12) lost-time injuries in the year and a lost-time injury rate of 0.41 (2013: 0.70) per million man-hours worked. The all injury frequency rate was 1.37 per million shifts worked compared to 2.20 per million shifts worked last year.

Skills development again received focused attention at Zimplats. An amount of US$2.5 million (2013: US$2.6 million) was spent on training over the year with 527 employees undergoing a total of 2 105 (2013: 2 661) days of leadership development while apprenticeships and learnerships benefited 39 (2013: 53) employees.

A total of US$1.1 million (2013: US$2.6 million) was invested in communities in the year under review. Zimplats is also focused on various development projects that include the construction of primary and secondary schools, as well as a community clinic where rehabilitation and re-equipping continued over the year.

Housing remains a critical issue for employees at Zimplats and as at year end, Zimplats had 680 core houses and 387 company houses at Turf Village in Ngezi.

Zimplats has achieved its target of directing approximately 60% of annual supplier spend towards local suppliers, which the company believes will support the broader economic recovery of the country. During the year local suppliers accounted for 66% of the company's annual expenditure on goods and services, up from 64% in 2013.

The Community Share Ownership Trust, which forms part of the envisaged indigenisation plan, received US$4.2 million (2013: US$2.5 million) this year. Projects initiated by the trust include the rehabilitation and extension of schools, the drilling of boreholes, purchase of road maintenance equipment and the development of infrastructure to support sustainable income-generating projects.

The programme initiated last year to engage sex workers in the informal settlements surrounding the mine, as part of the HIV/Aids and sexually transmitted disease programmes, continued this year. It has resulted in a 3.7% reduction in the visible incidence of sexually transmitted infections. In addition, the company is continuing to supply employees with antiretroviral medication with 136 (2013: 120) employees receiving treatment.

Large investments continue to be made to mitigate Zimplats' environmental impact. This year US$1 million (2013: US$8 million) was allocated to rehabilitation work. Work continued on preparations for the implementation of an SO_2 abatement scrubber which will cost in the region of US$80 million. This year Zimplats accounted for 84% (2013: 65%) of group SO_2 emissions due to the ramp-up of the Phase 2 expansion project.

Tonnes milled increased by 27% from the previous year to 5.9 million (2013: 4.7 million) as the Mupfuti mine (Portal 3) started to ramp-up production during the year and due to the planned increase in the mining cut. This resulted in platinum in matte increasing by 21% to 239 700 (2013: 198 100) ounces in line with the ramp-up of the Phase 2 expansion.

Zimplats – key statistics

		2014	2013	2012	2011	2010
Safety leading indicators						
Hazards for which internal STOP Notes have been issued	(no)	**1**	8	353	1 140	–
Stoppage/instructions issued by State or DMR	(no)	**–**	1	15	–	–
Leadership STOP Observations	(no)	**30 452**	22 027	18 942	–	–
Safety representative training	(no)	**194**	74	183	30	–
Safety lagging indicators						
Fatal injury frequency rate	(pmmhw)	**0.068**	0.000	0.000	0.000	0.000
Lost-time injury frequency rate	(pmmhw)	**0.41**	0.70	0.21	0.75	0.69
Total injury frequency rate	(pmmhw)	**1.37**	2.20	2.22	3.39	3.61
Lost days rate	(pmmhw)	**30**	28	11	28	20
Health						
Noise-induced hearing loss cases submitted	(no)	**6**	2	–	–	–
On wellness programme	(no)	**145**	135	129	106	68
On anti-retroviral therapy	(no)	**137**	120	114	92	63
Environmental						
Total water consumed	(Mℓ)	**10 386**	7 852	6 003	5 528	6 172
Total water recycled	(%)	**38**	26	27	28	23
Total CO_2 emissions	('000tpa)	**364**	410	428	417	398
Total direct SO_2 emissions	(tpa)	**26 000**	12 017	13 470	12 100	12 449
People						
Own employees	(no)	**3 325**	2 929	2 791	2 757	2 418
Contractors	(no)	**2 749**	2 775	6 412	2 610	1 262
Literacy (ABET level (III))	(%)	**99**	99	99	99	99
Labour turnover	(%)	**4**	4	4	4	5
Social						
Community spend	(Rm)	**10**	37	41	9	2
Sales	(Rm)	**5 973**	4 159	3 665	3 709	3 052
Platinum		**3 180**	2 321	2 026	2 004	1 767
Palladium		**1 429**	854	674	692	405
Rhodium		**208**	133	145	211	252
Nickel		**614**	411	410	465	366
Other		**542**	440	410	337	262
Cost of sales	(Rm)	**(3 934)**	(2 708)	(2 076)	(1 779)	(1 626)
On-mine operations		**(1 942)**	(1 434)	(1 089)	(870)	(806)
Processing operations		**(1 047)**	(627)	(494)	(446)	(373)
Selling and administration		**(219)**	(222)	(212)	(183)	(145)
Share-based payments		**(19)**	4	17	(20)	
Depreciation		**(645)**	(433)	(329)	(239)	(184)
Change in metal inventories		**(62)**	4	31	(21)	(118)
Gross profit/(loss)	(Rm)	**2 039**	1 451	1 589	1 930	1 426
Intercompany adjustment*	(Rm)	**(116)**	(33)	43	(81)	(412)
Adjusted gross profit	(Rm)	**1 923**	1 418	1 632	1 849	1 014
Royalty expense	(Rm)	**(423)**	(303)	(262)	(113)	(69)
Gross margin	(%)	**34.1**	34.9	43.4	52.0	46.7
Sales volumes in matte						
Platinum	('000oz)	**234.4**	195.4	187.2	182.2	171.5
Palladium	('000oz)	**195.0**	156.2	150.5	148.9	139.8
Rhodium	('000oz)	**21.6**	17.8	16.7	16.3	15.1
Nickel	(t)	**4 748**	3 908	3 769	3 481	3 131
Prices achieved in matte						
Platinum	(US$/oz)	**1 308**	1 347	1 398	1 564	1 364
Palladium	(US$/oz)	**706**	620	578	661	384
Rhodium	(US$/oz)	**928**	849	1 124	1 841	2 204
Nickel	(US$/t)	**12 472**	11 919	14 041	18 997	15 466
Exchange rate achieved	(R/US$)	**10.37**	8.82	7.74	7.03	7.56

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

OPERATIONAL REVIEW – ZIMPLATS

		2014	2013	2012	2011	2010
Production						
Tonnes milled ex-mine	('000t)	**5 939**	4 683	4 393	4 223	4 095
Headgrade (6E)	(g/t)	**3.47**	3.53	3.53	3.56	3.56
Platinum in matte	('000oz)	**239.7**	198.1	187.1	182.1	173.9
Palladium in matte	('000oz)	**197.6**	157.1	149.2	148.1	140.2
Rhodium in matte	('000oz)	**22.3**	17.0	16.9	16.8	15.5
Nickel in matte	(t)	**4 830**	3 909	3 787	3 519	3 105
PGM in matte	('000oz)	**515.8**	416.2	396.4	388.8	368.9
Cost						
Total cost	(Rm)	**3 208**	2 283	1 795	1 499	1 324
	(US$m)	**309**	259	232	213	175
Cost per tonne milled	(R/t)	**540**	487	409	355	323
	(US$/t)	**52**	55	53	50	43
Cost per PGM ounce in matte	(R/oz)	**6 219**	5 485	4 528	3 855	3 589
	(US$/t)	**600**	622	585	548	475
Cost per platinum ounce in matte	(R/oz)	**13 383**	11 524	9 594	8 232	7 614
	(US$/t)	**1 291**	1 307	1 239	1 171	1 008
Cost net of revenue received for other metals	(R/oz)	**1 731**	2 246	834	(1 131)	224
	(US$/t)	**167**	255	108	(161)	30
Capital expenditure	(Rm)	**1 225**	1 449	2 137	840	698
	(US$m)	**118**	164	276	119	92
Labour efficiency						
Tonnes milled per employee costed**	(t/man/annum)	**1 339**	1 159	1 128	1 166	1 317

*** Total employees excluding capital project employees.*

Mining operations at Bimha Mine (Portal 4) were impacted by a shear/fault zone (the Mutambara Shear). To mitigate effects of the Shear, grout pack installation commenced in February 2014 at the expected slow commissioning pace and the installation rate ramped up to full capacity in March 2014. However, post year end there was an acceleration of the deterioration of ground conditions associated with the Shear. Pillar scaling, fracturing and footwall heave were then noted on a regular basis and a full intervention programme was put in place.

Investigations concluded that the conditions over a wide area were no longer safe and a decision was made to barricade and withdraw people and machinery from back areas and mining areas. As a result of the safe withdrawal, there were no injuries or damage to employees or mobile equipment. A team of Company and independent advisers have been appointed to conduct detailed investigations to re-engineer and/or arrest the current mine stability concerns. Consequently, there is a possible production impact of up to 70 000 platinum ounces in 2015.

Overall, the head grade declined by 2% to 3.47g/t (2013: 3.53g/t) due to the planned increase in mining height and bad ground conditions at some of the mines and over-breaks as a consequence of the Mutambara Shear. As a result, concentrator recoveries decreased to 81.7% (2013: 82.7%).

Platinum unit costs benefited from the increased volumes, but were partly offset by inflation of 6.4% (2013: 6.2%), which was driven by increases in power of 58.2% and labour costs of 4.5%. The effective power tariff for Zimplats increased in June 2013 as prepaid power units were exhausted in May 2013. As a result unit costs improved by 1% to US$1 291 (2013: US$1 307) per platinum ounce in matte. The weaker exchange rate impacted rand unit costs, which increased by 16% to R13 383 (2013: R11 524) per platinum ounce in matte.

Capital expenditure for the year declined by 28% to US$118 million (2013: US$164 million) from the previous year as the Phase 2 expansion project nears completion.

Major capital projects	Phase 2
Capital spend 2014	US$64 million
Remaining capital spend	US$73 million
Estimated total capital spend	US$492 million
Full production date	2015
Steady-state throughput	2.0mtpa
Steady-state platinum production	90kozpa
Remaining activities	Development of Mupfuti mine to reach design capacity

The company committed to a first stage refurbishment of the existing Selous-based base metals refinery (BMR) to partially treat Zimplats' material during the year. The total project cost for the BMR refurbishment is estimated at approximately U$100 million, and project implementation is scheduled to start in July 2014 with an estimated 24 months completion period.

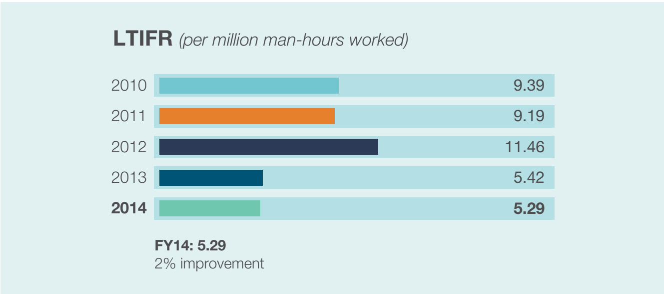
Outlook

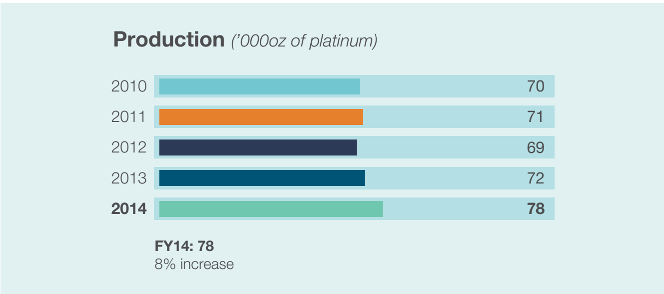
A full rock engineering back-analysis process is underway to better understand the impact of the Mutambara Shear at Bimha mine and once completed a new set of mitigation measures will be communicated and implemented.

Development of the Mupfuti Mine (Portal 3) remains on schedule to reach design capacity in early calendar year 2015. This will conclude the Phase 2 Expansion Project.

Management continues to engage actively with the Government of Zimbabwe in respect of the indigenisation implementation plan, corporate taxation, royalty dispensation and the company's commitment to primary beneficiation within Zimbabwe.

Platinum production increased in line with higher mine throughput as a result of additional mining teams





Operational review

Marula's safety performance rates improved slightly. However, there were 47 (2013: 45) lost-time injuries during the year and the lost-time injury rate was 5.29 (2013: 5.42) per million man-hours worked.

During the year the number of TB cases rose from the 15 reported in 2013 to 41 due to increased levels of surveillance and testing.

It is pleasing that the number of employees enrolling for voluntary HIV/Aids counselling and treatment increased again to 566 people, after having almost doubled to 540 last year. This is an indication of the success of the occupational and non-occupational health clinic that opened in 2012 and which is growing from strength to strength and that is seen as a major benefit to the community surrounding the mine.

Good progress was again achieved in the area of human resource development with the number of employees undergoing training (including basic adult education and training) increasing by 350%. Literacy levels improved to 91% (2013: 90%).

In an area where housing availability is demanding, Marula continues with its programme for the provision of suitable employee housing. Last year 58 houses were built in Burgersfort. A further 122 are planned of which 58 houses were constructed in 2014 at a company cost of R32 million. The total estimated project cost is R144 million.

Overall procurement from local HDSA businesses has increased from 22% to 26%. The overall BEE procurement initiative rose by 19% to R538 million (2013: R451 million), which is approximately 71% of total spend. This achievement reinforces Marula's status as the Group leader in preferential procurement.

Marula has retained its ISO 14001 environmental certification and the mine continues to ensure that a significant number of employees complete training modules, while key initiatives with regard to health, preferential procurement and local socio-economic impact are also being made.

The annual plans in terms of the implementation of Marula's environmental management programme, as defined by the Mining Charter, were successfully implemented. This included the execution of the initial stages of a biodiversity study, which includes creating conservation areas. Work is also continuing in obtaining the operation's waste licence certificate.

Marula – key statistics

		2014	2013	2012	2011	2010
Safety leading indicators						
Hazards for which internal STOP Notes have been issued	(no)	**87**	96	72	65	–
Stoppage/Instructions issued by State or DMR	(no)	**12**	13	8	6	3
Leadership STOP Observations	(no)	**2 743**	2 429	767	–	–
Safety representative training	(no)	**84**	82	362	99	–
Safety lagging indicators						
Fatal injury frequency rate	(pmmhw)	**0.000**	0.000	0.130	0.000	0.000
Lost-time injury frequency rate	(pmmhw)	**5.29**	5.42	11.46	9.19	9.39
Total injury frequency rate	(pmmhw)	**28.59**	24.81	36.08	34.15	41.25
Lost days rate	(pmmhw)	**250**	310	453	462	652
Health						
Noise-induced hearing loss cases submitted	(no)	**14**	12	10	4	14
On wellness programme	(no)	**213**	192	434	393	359
On anti-retroviral therapy	(no)	**138**	101	65	51	29
Environmental						
Total water consumed	(Mℓ)	**3 573**	3 544	3 585	3 355	2 841
Total water recycled	(%)	**52**	44	45	46	47
Total CO_2 emissions	('000tpa)	**214**	182	177	176	171
People						
Own employees	(no)	**3 411**	3 175	2 982	3 272	3 241
Contractors	(no)	**893**	843	726	937	727
Training spend (% relative to wage bill)	(%)	**5**	4	3	4	3
Literacy (ABET level (III))	(%)	**91**	90	92	88	88
Labour turnover	(%)	**6**	4	11	22	5
HDSA in management	(%)	**60**	62	50	41	40
Social						
Community spend	(Rm)	**5**	16	17	41	10
BEE procurement	(%)	**71**	64	59	48	52
Sales	(Rm)	**1 791**	1 404	1 197	1 300	1 130
Platinum		**1 003**	825	702	728	655
Palladium		**554**	384	298	316	188
Rhodium		**151**	115	122	183	225
Nickel		**33**	24	24	28	22
Other		**50**	56	51	45	40
Cost of sales	(Rm)	**(1 803)**	(1 620)	(1 277)	(1 341)	(1 141)
On-mine operations		**(1 371)**	(1 249)	(984)	(1 040)	(850)
Processing operations		**(188)**	(161)	(155)	(152)	(146)
Share-based payments		**(12)**	1	23	6	(26)
Treatment charges		**(5)**	(4)	(3)	(3)	(2)
Depreciation		**(227)**	(207)	(158)	(152)	(117)
Gross (loss)/profit	(Rm)	**(12)**	(216)	(80)	(41)	(11)
Intercompany adjustment*	(Rm)	**–**	–	–	10	27
Adjusted gross profit	(Rm)	**(12)**	(216)	(80)	(31)	16
Royalty expense	(Rm)	**(60)**	(44)	(37)	(41)	(23)
Gross margin	(%)	**(0.7)**	(15.4)	(6.7)	(3.2)	(1.0)
Sales volumes in concentrate						
Platinum	('000oz)	**78.3**	72.3	69.0	70.6	70.1
Palladium	('000oz)	**80.3**	73.9	70.9	72.9	72.6
Rhodium	('000oz)	**16.6**	15.2	14.6	14.7	14.7
Nickel	(t)	**278**	246	237	222	217
Prices achieved in concentrate						
Platinum	(US$/oz)	**1 231**	1 304	1 318	1 481	1 244
Palladium	(US$/oz)	**663**	590	545	622	345
Rhodium	(US$/oz)	**874**	856	1 136	1 782	2 025
Nickel	(US$/t)	**11 496**	11 342	13 082	16 216	13 496
Exchange rate achieved	(R/US$)	**10.41**	8.78	7.66	6.91	7.51

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

OPERATIONAL REVIEW – MARULA

		2014	2013	2012	2011	2010
Production						
Tonnes milled ex-mine	('000t)	**1 794**	1 628	1 579	1 542	1 545
Headgrade (6E)	(g/t)	**4.19**	4.19	4.18	4.39	4.36
Platinum in concentrate	('000oz)	**78.5**	71.7	69.1	70.6	70.1
Palladium in concentrate	('000oz)	**80.5**	73.5	71.2	72.9	72.6
Rhodium in concentrate	('000oz)	**16.7**	15.2	14.8	14.7	14.7
Nickel in concentrate	(t)	**279**	245	238	223	217
PGM in concentrate	('000oz)	**206.4**	188.3	182.2	185.7	184.6
Cost						
Total cost	(Rm)	**1 559**	1 410	1 139	1 192	996
	(US$m)	**150**	160	147	170	132
Cost per tonne milled	(R/t)	**869**	866	721	773	645
	(US$/t)	**84**	98	93	110	85
Cost per PGM ounce in concentrate	(R/oz)	**7 553**	7 488	6 251	6 419	5 395
	(US$/oz)	**728**	849	807	913	714
Cost per platinum ounce in concentrate	(R/oz)	**19 860**	19 665	16 483	16 884	14 208
	(US$/oz)	**1 915**	2 230	2 129	2 401	1 880
Cost net of revenue received for other metals	(R/oz)	**9 822**	11 590	9 320	8 782	7 430
	(US$/oz)	**947**	1 314	1 204	1 249	989
Capital expenditure	(Rm)	**159**	125	223	242	281
	(US$m)	**15**	14	29	34	37
Labour efficiency						
Centares per employee costed**	(m^2/man/annum)	**54**	52	51	46	66
Tonnes milled per employee costed	(t/man/annum)	**440**	428	470	371	474

*** Total employees excluding capital project employees.*

Tonnes milled improved by 10% from the previous year to 1.79 million as additional mining teams were introduced. This is commendable, considering the increase in the number of safety stoppages in the latter part of the year. Head grade remained unchanged from the previous year at 4.19g/t, while concentrator recoveries decreased marginally to 85.4%. Platinum in concentrate production increased by 9.5% to 78 500 ounces in line with the increased milled tonnage

Platinum production increased in line with higher mine throughput as a result of additional mining teams.

Unit costs per platinum ounce in concentrate rose by 1% year-on-year to R19 860 supported by the increase in production volumes.

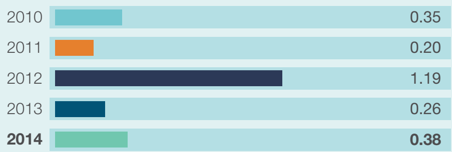
No major capital projects are currently being advanced on the mine. Capital expenditure focused primarily on optimisation projects and amounted to R159 (2013: R125) million for the year.

Outlook

The optimisation of Marula's existing infrastructure over the past few years has provided a solid foundation to reach 86 000 ounces of platinum by 2015. In the medium to long term, the development of Clapham level 5 and securing access to the UG2 Reef within the Modikwa Joint Venture are necessary to increase this level of output to 90 000 platinum ounces per annum.

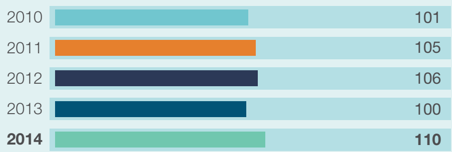
Mimosa had another good year as production remained consistent with steady-state throughput

LTIFR *(per million man-hours worked)*



FY14: 0.38
46% deterioration

Production *('000oz of platinum)*



FY14: 110
10% increase

Operational review

Mimosa had another good year as production remained consistent with steady-state throughput.

The lost-time injury frequency rate deteriorated from 0.26 million man-hours worked in 2013 to 0.38 in 2014. However, it remains a strong performance.

Tonnes milled improved by 3% compared to the previous year to 2.5 million mainly as a result of a 5% improvement in fleet productivities. Both head grade and concentrator recoveries were maintained at 3.92g/t and 77.3% respectively. The operation produced 110 200 ounces of platinum in concentrate, marginally higher than the previous year.

Unit costs decreased by 4% from US$1 782 per platinum ounce in concentrate to US$1 713. In rand terms unit costs increased by 13% to R17 768 as a result of the higher dollar cost and weaker rand/dollar exchange rate.

Discussions with the Government of Zimbabwe with respect to the proposed indigenisation implementation plan are ongoing.

Outlook

Production at Mimosa over the medium term will be determined by the exploitation of the South Hill ore resource through the Wedza Shaft and the existing plant. It is expected that steady-state platinum in concentrate production will be maintained at around 100 000 ounces per annum.

Mimosa – key statistics

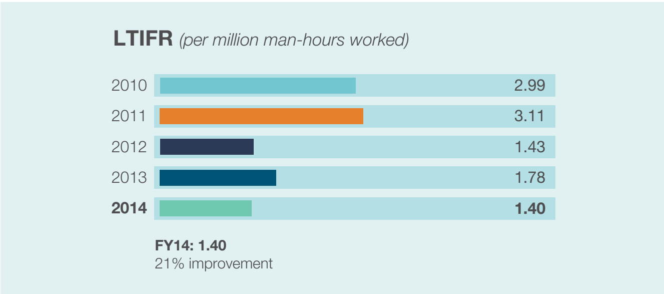
		2014	2013	2012	2011	2010
Safety leading indicators						
Hazards for which internal STOP Notes have been issued	(no)	**797**	742	550	282	–
Stoppage/Instructions issued by State or DMR	(no)	**0**	0	0	0	–
Leadership STOP Observations	(no)	**20 491**	16 282	9 705	–	–
Safety representative training	(no)	**63**	44	26	32	37
Safety lagging indicators						
Fatal injury frequency rate	(pmmhw)	**0.000**	0.000	0.000	0.000	0.100
Lost-time injury frequency rate	(pmmhw)	**0.38**	0.26	1.19	0.20	0.35
Total injury frequency rate	(pmmhw)	**1.62**	2.83	4.65	5.70	3.74
Lost days rate	(pmmhw)	**32**	3	10	3	6
Health						
Noise-induced hearing loss cases submitted	(no)	**0**	0	0	1	1
On wellness programme	(no)	**148**	166	197	171	131
On anti-retroviral therapy	(no)	**152**	151	139	123	90
Environmental						
Total water consumed	(Mℓ)	**3 313**	3 336	3 263	3 697	4 063
Total water recycled	(%)	**34**	30	35	37	35
Total CO_2 emissions	('000tpa)	**117**	171	162	174	166

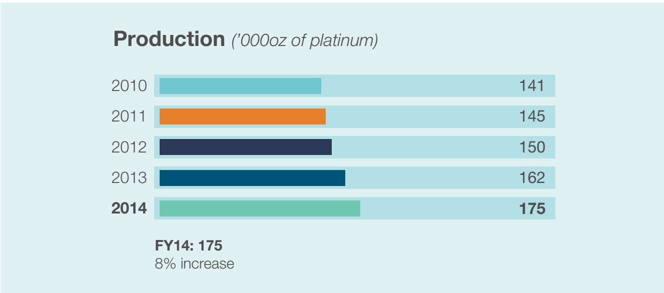
		2014	2013	2012	2011	2010
People						
Own employees	(no)	**1 422**	1 552	1 572	1 567	1 576
Contractors	(no)	**128**	130	199	229	226
Literacy (ABET level (III))	(%)	**99**	99	99	96	96
Labour turnover	(%)	**9**	4	4	3	6
Social						
Community spend	(Rm)	**50**	41	26	20	3
Sales	(Rm)	**2 970**	2 579	2 403	2 569	2 063
Platinum		**1 486**	1 323	1 207	1 277	1 109
Palladium		**602**	434	392	377	217
Rhodium		**78**	70	86	128	114
Nickel		**442**	399	403	495	390
Other		**362**	353	315	292	233
Cost of sales	(Rm)	**(2 398)**	(1 956)	(1 498)	(1 229)	(1 137)
On-mine operations		**(1 425)**	(1 110)	(813)	(730)	(665)
Processing operations		**(375)**	(311)	(242)	(196)	(183)
Selling and administration		**(158)**	(155)	(138)	(90)	(65)
Treatment charges		**(200)**	(167)	(134)	(118)	(114)
Depreciation		**(259)**	(220)	(155)	(114)	(80)
Change in metal inventories		**19**	7	(16)	19	(30)
Gross profit	(Rm)	**572**	623	905	1 340	926
Royalty expense	(Rm)	**(193)**	(180)	(131)	(87)	(47)
Gross margin	(%)	**19.3**	24.2	37.7	52.2	44.9
Profit/(loss) for the year	(Rm)	**96**	100	404	836	472
50% attributable to Implats	(Rm)	**48**	50	202	418	236
Intercompany adjustment*	(Rm)	**34**	20	20	(18)	(56)
Share of profit in Implats Group	(Rm)	**82**	70	222	400	180
Sales volumes in concentrate						
Platinum	('000oz)	**107.6**	99.2	105.2	105.4	98.4
Palladium	('000oz)	**85.1**	78.4	81.7	81.6	75.5
Rhodium	('000oz)	**9.1**	8.4	8.4	8.4	7.8
Nickel	(t)	**3 263**	3 164	3 012	3 037	2 819
Prices achieved in concentrate						
Platinum	(US$/oz)	**1 332**	1 513	1 481	1 722	1 491
Palladium	(US$/oz)	**683**	628	620	657	380
Rhodium	(US$/oz)	**824**	944	1 325	2 161	1 935
Nickel	(US$/t)	**13 073**	14 300	17 262	23 178	18 311
Exchange rate achieved	(R/US$)	**10.37**	8.82	7.74	7.03	7.56
Production						
Tonnes milled ex-mine	('000t)	**2 453**	2 381	2 324	2 311	2 277
Headgrade (6E)	(g/t)	**3.92**	3.95	3.93	3.91	3.86
Platinum in concentrate	('000oz)	**110.2**	100.3	106.0	104.9	101.2
Palladium in concentrate	('000oz)	**87.0**	79.5	82.3	80.4	76.6
Rhodium in concentrate	('000oz)	**9.3**	8.7	8.5	8.4	8.1
Nickel in concentrate	(t)	**3 329**	3 161	3 046	2 945	2 776
PGM in concentrate	('000oz)	**234.6**	214.8	222.8	219.7	210.3
Cost						
Total cost	(Rm)	**1 958**	1 576	1 193	1 016	913
	(US$m)	**189**	179	154	144	121
Cost per tonne milled	(R/t)	**798**	662	513	440	401
	(US$/t)	**77**	75	66	63	53
Cost per PGM ounce in concentrate	(R/oz)	**8 346**	7 337	5 355	4 624	4 341
	(US$/oz)	**805**	832	692	658	575
Cost per platinum ounce in concentrate	(R/oz)	**17 768**	15 713	11 255	9 685	9 018
	(US$/oz)	**1 713**	1 782	1 453	1 377	1 194
Cost net of revenue received for other metals	(R/oz)	**4 301**	3 190	(28)	(2 631)	(405)
	(US$/oz)	**415**	362	(4)	(374)	(54)
Capital expenditure	(Rm)	**298**	265	497	372	255
	(US$m)	**29**	30	64	53	34
Labour efficiency						
Tonnes milled per employee costed**	(t/man/annum)	**1 500**	1 372	1 381	1 319	1 287

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

** *Total employees excluding capital project employees.*

Two Rivers delivered an excellent safety and production performance for the year





Operational review

Two Rivers delivered an excellent safety and production performance for the year.

The lost-time injury frequency rate improved from 1.78 per million man-hours worked in 2013 to 1.40 in 2014.

Tonnes milled increased by 3% from the previous year to 3.3 million in 2014. Both head grade and concentrator recoveries remained steady at 4.01g/t and 85.4% respectively. The chrome plant tertiary mill was commissioned in September 2013 and chrome concentrate sales commenced in October 2013. Platinum in concentrate production increased by 8% to 175 100 ounces and unit costs decreased by 2.1% at R11 433 on the back of the higher production volumes.

Capital expenditure, which amounted to R319 million, down from R489 million in the previous year, was mainly on fleet replacement and the new chrome plant.

Outlook

Agreement in principle has been reached with Two Rivers for the transfer of the remaining portions of Kalkfontein and the farm Buffelshoek from Impala to Two Rivers in return for a royalty when mined. A section 11 approval has been received from the DMR for the aforesaid transfer, which section 11 also covers the transfer of portions 4, 5 and 6 of Kalkfontein and the farm Tweefontein. Once the section 11 is registered, Implats' shareholding in Two Rivers will increase from 45% to 49%. The securing by Two Rivers of these prospecting rights will enable production to be maintained above 150 000 ounces of platinum in concentrate in the medium term.

Two Rivers – key statistics

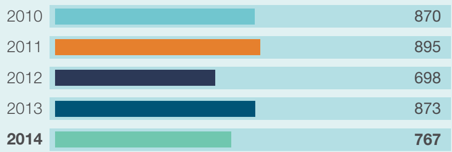
		2014	2013	2012	2011	2010
Sales	(Rm)	**3 669**	2 867	2 335	2 274	2 086
Platinum		**2 254**	1 931	1 557	1 477	1 370
Palladium		**713**	533	383	365	221
Rhodium		**286**	234	221	290	375
Nickel		**81**	69	75	64	57
Other		**335**	100	99	78	63
Cost of sales	(Rm)	**(2 587)**	(2 233)	(1 827)	(1 651)	(1 512)
Mining operations		**(1 657)**	(1 581)	(1 357)	(1 172)	(992)
Concentrating operations		**(345)**	(314)	(264)	(225)	(201)
Treatment charges		**(22)**	(18)	(18)	(15)	(14)
Chrome cost		**(188)**	–	–	–	–
Depreciation		**(416)**	(372)	(276)	(249)	(257)
(Decrease)/increase in metal inventories		**41**	52	88	10	(48)
Gross profit	(Rm)	**1 082**	634	508	623	574
Royalty expense	(Rm)	**(142)**	(92)	(43)	(11)	(2)
Gross margin	(%)	**29.5**	22.1	21.8	27.4	27.5
Profit/(loss) for the year	(Rm)	**681**	361	296	415	325
45% attributable to Implats	(Rm)	**306**	163	133	185	147
Intercompany adjustment*	(Rm)	**(33)**	(7)	(26)	46	(52)
Share of profit in Implats Group	(Rm)	**273**	156	107	231	95
Sales volumes in concentrate						
Platinum	('000oz)	**172.8**	161.8	148.6	145.5	140.9
Palladium	('000oz)	**101.5**	98.3	88.7	83.7	81.6
Rhodium	('000oz)	**30.6**	28.5	25.2	24.2	23.6
Nickel	(t)	**567**	548	596	442	443
Prices achieved in concentrate						
Platinum	(US$/oz)	**1 258**	1 358	1 361	1 461	1 271
Palladium	(US$/oz)	**678**	615	561	629	355
Rhodium	(US$/oz)	**899**	931	1 141	1 717	2 079
Nickel	(US$/t)	**13 830**	14 284	16 414	21 010	16 970
Exchange rate achieved	(R/US$)	**10.26**	8.79	7.70	6.95	7.64
Production						
Tonnes milled ex-mine	('000t)	**3 279**	3 172	3 103	2 950	2 918
Headgrade (6E)	(g/t)	**4.01**	4.02	3.86	3.94	3.95
Platinum in concentrate	('000oz)	**175.1**	162.2	149.9	145.3	140.9
Palladium in concentrate	('000oz)	**102.7**	98.6	89.5	84.1	81.6
Rhodium in concentrate	('000oz)	**31.0**	28.7	25.5	24.6	23.6
Nickel in concentrate	(t)	**566**	555	595	444	443
PGM in concentrate	('000oz)	**374.7**	350.4	320.1	307.2	296.8
Cost						
Total cost	(Rm)	**2 002**	1 895	1 621	1 397	1 193
Cost per tonne milled	(R/t)	**611**	597	522	474	409
	(US$/t)	**59**	68	67	67	53
Cost per PGM ounce in concentrate	(R/oz)	**5 343**	5 408	5 064	4 548	4 020
	(US$/oz)	**515**	613	654	647	526
Cost per platinum ounce in concentrate	(R/oz)	**11 433**	11 683	10 814	9 615	8 467
	(US$/oz)	**1 103**	1 325	1 396	1 367	1 108
Cost net of revenue received for other metals	(R/oz)	**3 352**	5 912	5 624	4 129	3 385
	(US$/oz)	**323**	670	726	587	443
Capital expenditure	(Rm)	**319**	489	467	280	116
	(US$m)	**31**	55	60	40	15
Labour including capital						
Own employees	(no)	**2 350**	2 410	779	756	702
Contractors	(no)	**1 066**	1 296	2 735	2 537	2 031
Labour efficiency						
Tonnes milled per employee costed**	(t/man/annum)	**988**	921	941	993	1 117

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

** *Total employees excluding capital project employees.*

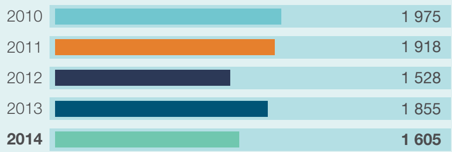
In the short term, mine-to-market production will continue to grow as the ramp-up of the Zimplats Phase 2 expansion

Production *('000oz of platinum)*



FY14: 767
12% decrease

Production *('000oz of PGMs)*



FY14: 1 605
13% decrease

Operational review

Platinum production from mine-to-market operations increased by 14% from the previous year to 575 000 (2013: 505 000) ounces, mainly due to the ramp-up of the Phase 2 expansion project at Zimplats.

Third-party purchases, recycling and toll volumes reduced by 48% to 192 000 ounces despite the increase in the treatment of material for Northam and Platmin. Performance was largely impacted by the termination of the autocatalyst recycling contract and the suspension of deliveries from Everest South, Crocodile River and Smokey Hills operations, which were placed on care and maintenance due to the prevailing market conditions.

('000oz)	**2014**	2013
Zimplats	**226.3**	180.2
Marula	**76.8**	70.6
Mimosa	**103.3**	97.2
Two Rivers	**168.3**	157.2
Mine-to-market operations	**574.7**	505.2
Third-party purchases, recycling and toll	**192.3**	367.1
Grand total	**767.0**	872.3

Gross platinum refined (including Impala production) was 25.5% lower at 1 178 000 (2013: 1 581 500) ounces. Costs at the refineries were well contained at a 6.5% decrease year-on-year. However, unit costs increased to R747 (2013: R595) per platinum ounce due to the 403 500 ounce decline in throughput.

Outlook

In the short term, mine-to-market production will decline mainly as the volumes from Zimplats is expected to reduce due to the temporary closure of Bimha mine. The resumption of non-managed, currently suspended operations will continue to be determined by market conditions and the economic circumstances of the respective operators. Despite this uncertainty, IRS continues to have access to spare smelting and refining capacity from Impala and remains well placed to process additional material from new customers. Opportunities in this regard are evaluated on an ongoing basis.

Impala Refining Services – key statistics

		2014	2013	2012	2011	2010
Sales	(Rm)	**18 495**	14 696	14 069	14 273	11 069
Platinum		**10 389**	8 481	7 982	8 104	6 661
Palladium		**4 035**	2 675	2 464	2 169	1 227
Rhodium		**959**	794	1 113	1 376	1 242
Nickel		**1 390**	1 164	1 236	1 305	1 024
Other		**1 722**	1 582	1 274	1 319	915
Cost of sales	(Rm)	**(16 794)**	(13 287)	(12 730)	(12 860)	(9 910)
Metals purchased		**(16 665)**	(12 926)	(12 147)	(12 649)	(10 470)
Smelting		**(308)**	(297)	(225)	(232)	(190)
Refining		**(450)**	(399)	(378)	(366)	(318)
Selling and administration		**(31)**	(37)	(37)	(30)	(29)
Increase/(decrease) in metal inventories		**660**	372	57	417	1 097
Gross profit IRS	(Rm)	**1 701**	1 409	1 339	1 413	1 159
Metals purchased – adjustment on metal prices and exchange rates*	(Rm)	**244**	177	(195)	(20)	–
Inventory – adjustment for metal prices and exchange rates	(Rm)	**(132)**	(189)	191	(4)	–
Gross profit in Implats Group	(Rm)	**1 813**	1 397	1 335	1 389	1 159
Gross margin	(%)	**9.2**	9.6	9.5	9.9	10.5
Revenue	(Rm)	**18 495**	14 696	14 069	14 273	11 069
Direct sales to customers		**34**	111	116	401	383
Sales to Impala		**17 935**	14 139	13 702	13 427	10 354
Treatment income – external		**521**	442	248	442	330
Treatment income – intercompany		**5**	4	3	3	2
Total sales volumes						
Platinum	('000oz)	**707.1**	629.8	638.2	684.2	615.4
Palladium	('000oz)	**527.1**	460.5	468.3	474.2	434.3
Rhodium	('000oz)	**94.4**	82.5	94.1	87.1	79.6
Nickel	(t)	**9 195**	8 095	8 209	7 863	7 117
Prices achieved						
Platinum	(US$/oz)	**1 427**	1 532	1 634	1 691	1 432
Palladium	(US$/oz)	**742**	659	689	655	374
Rhodium	(US$/oz)	**982**	1 099	1 549	2 254	2 065
Nickel	(US$/t)	**14 702**	16 314	19 723	23 757	19 031
Exchange rate achieved	(R/US$)	**10.30**	8.79	7.65	7.00	7.56
Refined production						
Platinum	('000oz)	**767.0**	872.3	697.5	895.1	870.1
Palladium	('000oz)	**513.0**	669.8	541.1	680.6	778.7
Rhodium	('000oz)	**107.3**	118.4	111.1	134.8	130.5
Nickel	(t)	**11 939**	11 983	10 582	10 829	10 314
PGM refined production	('000oz)	**1 604.5**	1 854.9	1 527.9	1 918.2	1 974.7
Metal returned						
Platinum	('000oz)	**94.5**	188.6	120.7	219.5	233.0
Palladium	('000oz)	**28.2**	190.0	147.5	210.0	259.3
Rhodium	('000oz)	**9.0**	35.5	24.8	41.7	49.3
Nickel	(t)	**3 186**	3 193	3 093	3 370	2 792

** Adjustments on metal prices and exchange rates have been reallocated to gross profit from other income and expense and foreign exchange profit or loss respectively in the statement of comprehensive income.*

The board of Implats remains cognisant of and committed to the highest level of corporate governance and compliance

Introduction

This commitment forms the basis of the board's intention to provide effective leadership to the Company, which leadership role includes guiding the strategic direction and development of the Implats Group.

The board fully embraces the principle of ethical leadership in setting and implementing the strategy of the Company, guided by the principles of the King III Code on Corporate Governance (King III), the Companies Act, 2008, the JSE Listings Requirements and all other applicable laws, standards and codes.

In addition, the board takes full responsibility for the management, direction and performance of the Company by exercising independent judgement on all issues reserved for its review and approval while taking cognisance of the needs of all stakeholders. The role and functions of the board are formally and comprehensively documented in a board charter which, among other things, defines the rights, obligations, responsibilities and powers of the board. The board functions as a unit and through its sub-committees and Exco. A formal delegation of authority (approval framework), which further defines the powers and authority of the board and those of its sub-committees, is in place.

King III

In order to ensure that the Company remains at the forefront of best corporate governance practices, compliance with King III and the Companies Act remains high on the board's agenda. The board has satisfied itself with the extent of the Company's compliance with King III and with the JSE Listings Requirements during the financial year ended 30 June 2014 and a table setting out how the Group has applied the principles of King III is contained on the Company's website, **www.implats.co.za**. The table also highlights any exceptions with the application of King III.

Board of directors

The board has 13 directors, comprising nine independent non-executive directors, two non-executive and two executive directors. Dr KDK Mokhele, an independent non-executive director, is chairman of the board. Mr TP Goodlace is the chief executive officer (CEO) and an executive director. The roles of the chairman and CEO are distinctly separate.

Changes to the board

Changes to the constitution of the board during the year under review were as follows.

Name	Position as director	Effective date
Appointments		
PW Davey	Independent non-executive director	1 July 2013
A Kekana*	Non-executive director	8 August 2013
BT Nagle*	Non-executive director	8 August 2013
OM Pooe*	Alternate director	8 August 2013
TV Mokgatlha#	Independent non-executive director	8 August 2013
Resignations		
TV Mokgatlha*	Non-executive director	8 August 2013
OM Pooe*	Non-executive director	8 August 2013
OM Pooe*	Alternate director	19 September 2013
PA Dunne	Executive director	18 October 2013

** Representative of Royal Bafokeng Holdings Proprietary Limited.*
 # Following his resignation as a non-executive director.

Induction programme

Upon appointment, the Company Secretary offers new directors an induction programme tailored to their specific requirements. During the year under review, meetings with operational executives were arranged to assist the new directors in gaining an intimate understanding of the business on specific points of interest.

Board education and training

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

A full-day session is also set aside in October of each year for formal board training. The nominations committee assists with the preparation of a board training agenda, taking cognisance of the specific needs of the board at a particular point in time. During the year under review, the board was provided "safety" training, facilitated by an external safety and health consultant. The board was also provided with training on understanding of the external industrial relations environment, also facilitated by an external specialist.

The board has delegated various duties to the appropriate sub-committees, as specified by relevant legislation, to ensure the fulfilment of their duties in the time available

Frequency of meetings

The board meets at least seven times a year. In addition to four quarterly board meetings, three full-day sessions are held annually. On two of these occasions the board meets with the senior executive team to consider and approve long-term strategy or any adjustments to the approved strategy when the need arises and also to approve the budget and business plans.

The third full-day session is dedicated to board education and training. The board meets on an *ad hoc* basis to consider specific issues as the need arises. The status of identified strategic issues is reported and monitored at the quarterly board meetings. Non-executive directors meet both officially and unofficially with management on a regular basis.

Meeting attendance

Directors	15/08/13	24/10/13*	15/11/13	03/12/13	20/02/14	07/04/14*	16/05/14	18/06/14
KDK Mokhele (Chair)	✓	✓	✓	A	✓	✓	✓	✓
TP Goodlace	✓	✓	✓	✓	✓	✓	✓	✓
B Berlin	✓	✓	✓	✓	✓	✓	✓	✓
HC Cameron	✓	✓	✓	✓	✓	✓	✓	✓
PW Davey	✓	✓	✓	✓	✓	✓	✓	✓
PA Dunne**	✓	–	–	–	–	–	–	–
MSV Gantsho	✓	✓	✓	✓	✓	✓	✓	✓
A Kekana	✓	A	✓	✓	A	✓	✓	✓
AA Maule	✓	✓	✓	✓	✓	✓	✓	A
AS Macfarlane	✓	✓	✓	✓	✓	✓	✓	✓
TV Mokgatlha	✓	✓	✓	✓	✓	✓	✓	✓
BT Nagle	✓	✓	✓	✓	✓	✓	✓	✓
B Ngonyama	✓	✓	✓	A	✓	✓	✓	✓
NDB Orleyn	✓	✓	✓	✓	✓	✓	✓	✓

A Apology.
– Meeting not applicable.
** Special meeting.*
*** Resigned on 18 October 2013.*

Board committees

The board has delegated various duties to the appropriate sub-committees, as specified by relevant legislation, to ensure the fulfilment of their duties in the time available. The board remains ultimately responsible for these duties and decisions. Board committees provide feedback to the main board through their chairmen. Each board committee is chaired by an independent non-executive director. The composition of board committees is fully compliant with the recommendations of King III.

AUDIT COMMITTEE

Members of the audit committee were appointed by shareholders at the annual general meeting in October 2013. The committee comprises independent non-executive directors, all of whom are suitably qualified to carry out the duties specified. In addition, the chief executive officer, the chief financial officer, group executive: financial control, head of group internal audit, the group executive: risk and the external auditors are permanent invitees to the committee's meetings.

The terms of reference of the committee were reviewed and approved by the board during the year under review. In summary, the main purposes of the committee are:

- Monitoring the integrity of the integrated annual report and other relevant external financial reports of Implats, and reviewing all significant inputs, judgements and outputs in order to present a balanced and understandable assessment of the position, performance and prospects of Implats, as appropriate
- Preparing a report to be included in the annual financial statements in terms of section 94(7)(f) of the Companies Act (on pages 102 and 103 of this report)
- Reviewing the annual financial statements, the interim, preliminary or provisional results announcements and financial information which is to be made public
- Reviewing the Company's internal financial control and financial risk management systems in order to safeguard Implats' assets

- Monitoring and reviewing the effectiveness of Implats' internal audit function
- 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 which governs the use of external auditors for non-audit services
- Receiving and dealing appropriately with any concerns or complaints about the Company's auditing function or financial reporting, whether from within or outside the Company, in terms of section 94(7)(g) of the Companies Act
- Assisting with the establishment and reviewing of statements or requirements on ethical standards
- Ensuring the application of a combined assurance model to provide a coordinated approach to all assurance activities.

The committee has unrestricted access to all Company information, may seek such information from any employee, and may consult external professional advisers in executing its duties. The internal and external auditors have unlimited access to the chairman of the committee and they meet at least once a year, individually, with the board chairman.

The audit committee has, in the past financial year, satisfied its responsibilities in compliance with the new Companies Act as amended, and its terms of reference.

Membership of the audit committee and attendance at its meetings during the year was as follows:

Directors	07/08/13	12/11/13	14/02/14	12/05/14
HC Cameron	✓	✓	✓	✓
AA Maule	✓	✓	✓	✓
B Ngonyama	✓	✓	✓	✓
TV Mokgatlha*	–	✓	✓	✓

** Appointed on 15 August 2013.*
– Meeting not applicable.

REMUNERATION COMMITTEE

The composition of the committee is in line with King III recommendations whereby the majority of members are independent non-executive directors and are all suitably qualified to carry out their duties. The chief executive officer and the human resources executive are invited to attend all meetings except when their own remuneration is under consideration.

The committee terms of reference were reviewed during the year under review and were approved by the board.

The main functions of the remuneration committee are:

- Determining fixed and variable remuneration for executive directors and senior executives
- Ensuring that the right calibre of executive and senior management is attracted, retained, motivated and rewarded for individual performance and contribution to the performance of the Group
- Ensuring the provision of fair, equitable and competitive conditions of employment across the Group
- Ensuring the effectiveness of a comprehensive talent management process encompassing employee development and succession planning
- Benchmarking remuneration practices against both local and international best practice
- Monitoring retirement benefits
- Reviewing and recommending to the board all aspects of remuneration including the incentive schemes, share option schemes and any other remuneration-related schemes of Group executives
- Discharging the obligations of the board to ensure objectivity regarding the remuneration of directors
- Recommending the Company's remuneration policy to the board for a non-binding approval by shareholders at the annual general meeting
- Making recommendations on the remuneration packages of non-executive directors, the chairman, members of sub-committees and committee chairmen to the board and to shareholders for approval.

The Company's remuneration policy, as determined by the remuneration committee, was presented to shareholders for endorsement at the last annual general meeting. The policy strives for competitive and fair reward, to recognise and reward individual and team achievement and to contribute to the attraction, retention and motivation of employees, organisational growth and prosperity.

Membership of the remuneration committee and attendance at its meetings during the year was as follows:

Directors	12/08/13	11/11/13	12/02/14
MSV Gantsho	✓	✓	✓
NBD Orleyn	✓	✓	✓
TV Mokgatlha*	✓	–	–
KDK Mokhele	✓	✓	✓
A Kekana#	–	✓	✓

** Resigned on 15 August 2013.*
 # Appointed on 15 August 2013.
– Meeting not applicable.

NOMINATIONS AND GOVERNANCE COMMITTEE

The committee is chaired by the chairman of the board, and the CEO is a permanent invitee. It comprises three members, all of whom are independent non-executive directors. When matters relating to the chairman or his succession are discussed, he is recused from the meeting and the committee appoints another member to assume the chairmanship. Likewise, when matters concerning other members of the committee are under discussion, they are also recused from the meeting.

During the year under review the board chairman, and the identified retiring directors had their performances evaluated. The results of the evaluation were tabled at a board meeting where all areas of concern were acted upon and corrective measures were taken. The annual evaluation of Dr KDK Mokhele formed the basis of his appointment as chairman.

The committee also oversaw the annual board evaluation of the chief executive officer.

The committee terms of reference were reviewed and approved by the board during the year under review. The key functions of the committee are:

- Ensuring that the board and its sub-committees are so structured and staffed as to enable them to carry out their mandates
- Responsibility for the performance appraisal of the board, sub-committees and individual directors
- Proposing the re-election of retiring directors following the achievement of a satisfactory performance review
- Establishing a formal process for the appointment of directors
- Developing a formal induction programme for new directors and an ongoing professional board development programme for directors
- Ensuring that directors receive regular briefings on changes in risks, laws and the environment in which the Company operates.

Membership of the nominations and governance committee and attendance at its meetings during the year was as follows:

Directors	12/08/13	11/11/13	12/02/14
KDK Mokhele	✓	✓	✓
MSV Gantsho	✓	✓	✓
NDB Orleyn	✓	✓	✓

RISK COMMITTEE

A vacancy on the committee existed and, when Mr PW Davey was appointed to the board, he was also appointed as a member of this committee. When Mr BT Nagle was appointed to the board he was also appointed as an additional member of this committee. The formal terms of reference were approved by the board to empower the committee to act within their scope. Through this committee the Company has implemented an effective policy and plan for risk management that will enhance the Company's ability to achieve its strategic objectives. Transparent and relevant disclosure regarding risk is made timeously to the committee and to the board.

The functions of the committee include:

- Overseeing and monitoring the development, implementation and annual review of a policy and plan for risk management to recommend for approval to the board
- Making recommendations to the board concerning the levels of risk tolerance and appetite, and reporting on monitoring so as to ensure that risks are managed within the levels of tolerance and appetite as approved by the board
- Ensuring that frameworks and methodologies are implemented to increase the likelihood of hard-to-predict risks being anticipated
- Ensuring that management undertakes continuous risk monitoring and that management considers and implements appropriate risk responses
- Liaising closely with the audit committee to exchange information relevant to risk and the audit committee chairman is required to be a member of the risk committee
- Relaying to the board the committee's views on the effectiveness of the system and process of risk management
- Reviewing reporting about risk management to be included in the integrated annual report.

Membership of the risk committee and attendance at its meetings during the year was as follows:

Directors	07/08/13	12/11/13	19/02/14	12/05/14
AA Maule	✓	✓	✓	✓
HC Cameron	✓	✓	✓	✓
PW Davey*	✓	✓	✓	✓
BT Nagle#	–	✓	✓	✓

** Appointed on 1 July 2013.*
 # Appointed on 15 August 2013.
– Meeting not applicable.

SOCIAL, ETHICS AND TRANSFORMATION COMMITTEE

The committee comprises four independent non-executive directors and one executive director. In light of challenges experienced during the past 18 months, the committee this year focused on socio-economic matters that have impacted on the Company. Transformation remained a high priority on the committee agenda.

In summary, the duties of the committee are:
- Ensuring that the Company remains a good corporate citizen
- Monitoring the social and economic development of the Company and its employees
- Reviewing and approving framework policies and guidelines for the management of transformation and sustainable development and ensuring their progressive implementation
- Reviewing the Group's progress on transformation and compliance with the Mining Charter and the Mineral and Petroleum Resources Development Act
- Reviewing empowerment measures including the level of procurement sourced from graded broad-based black empowerment enterprises; enterprise development through the provision of financial and/or operational assistance to such enterprises; and corporate social responsibility initiatives
- Receiving reports on the Company's performance and, where appropriate, the performance of empowerment partners and contractors, covering matters of material impact on transformation and social development risk and responsibilities facing the Company.

The committee's terms of reference were approved by the board and are subject to, *inter alia,* the Companies Act, the memorandum of incorporation and the Mining Charter.

Membership of the social, ethics and transformation committee and attendance at its meetings during the year was as follows:

Directors	12/08/13	11/11/13	12/02/14	09/05/14
NDB Orleyn	✓	✓	✓	✓
HC Cameron	✓	✓	✓	✓
TP Goodlace	✓	✓	✓	✓
TV Mokgatlha	✓	✓	✓	✓
KDK Mokhele	✓	✓	✓	A

A Apology.

HEALTH, SAFETY AND ENVIRONMENT COMMITTEE

The key strategic objective of the committee is to assist the board with oversight of health, safety and environmental (HSE) issues within the Company.

Through formal terms of reference, the board has mandated the committee to monitor and review the Group's health, safety and environmental performance. The committee comprised four members: three independent non-executive directors, and one executive director. The responsibilities of the committee as reflected by its terms of reference include:
- Reviewing the adequacy and appropriateness of the safety, health, environmental and quality systems, policies, standards, codes of practice and procedures of the Group
- Monitoring HSE performance in accordance with stated goals and objectives, including measurement against South African and international norms and benchmarks
- Monitoring the HSE management function and recommending improvements where considered necessary
- Reviewing the HSE element of the Company's business plan and approving the HSE section of the integrated annual report
- Having the right to institute investigations into matters where inadequacies have been identified, or as directed by the board.

Membership of the health, safety and environment committee and attendance at its meetings during the year was as follows:

Directors	08/08/13	13/11/13	18/02/14	13/05/14
AS Macfarlane	✓	✓	✓	✓
KDK Mokhele	✓	A	✓	✓
PW Davey*	–	✓	✓	✓
TP Goodlace	✓	✓	✓	✓
OM Pooe**	✓	–	–	–

** Appointed on 15 August 2013.*
*** Resigned on 8 August 2013.*
A Apology.
– Meeting not applicable.

Company secretary

The primary roles of the company secretary are to ensure that the board remains mindful of its duties and responsibilities and to equip the board to discharge such duties and responsibilities. In addition to guiding the board on discharging its responsibilities, the company secretary keeps the board abreast of relevant changes in legislation and governance best practice. The company secretary oversees the induction of new directors as well as the ongoing education of directors. The company secretary is also secretary to the board committees. All directors have access to the services of the company secretary.

Ms Avanthi Parboosing, who acted as company secretary during the year under review, resigned effective 21 July 2014. Mr Tebogo Llale has been appointed as company secretary with effect from 25 August 2014. Ms Parboosing places on record her appreciation to the Company for the consistent support provided to her by both management and the board in discharging her duties.

In compliance with JSE Listings Requirements, the board hereby confirms the following:

- The company secretary had the necessary experience, expertise and competence to carry out his duties
- The company secretary had an arm's-length relationship with the board and was not a director of the Company or any of its subsidiaries.

Other corporate governance issues

LISTINGS

The Company is listed on the JSE Securities Exchange and has a sponsored Level 1 American Depositary Receipt programme in New York.

RISK MANAGEMENT

The underlying rationale for any enterprise is to create value for its stakeholders in a responsible and sustainable manner.

Effective risk management provides the requisite mitigation of the threats, weaknesses and uncertainties that may cause the enterprise to fail in the achievement of its objectives. Risk management must also establish how much uncertainty the enterprise is willing to accept in its endeavours.

Uncertainty presents both threats and opportunities with the potential to erode or enhance value. This is often expressed in terms of the concept of "risk versus reward". Aversion to risk is incompatible with the creation of long-term value. Conversely, failure to conform to government, legal or social demands will result in severe and potentially damaging censure or even closure of the organisation.

In general, investors accept a measure of earnings volatility, particularly if such volatility reflects the nature of a company's industry. However, many stakeholders are not tolerant of what may be perceived as "risk taking" and may even punish uncertainty and unpredictability, which are interpreted as being indicative of an increase in risk.

Problems arise when a business' own view of its risk/reward status differs significantly from that of stakeholders. Effective and timely communication with stakeholders regarding relevant enterprise risk/reward issues is essential to mitigate stakeholder uncertainty and unpredictability.

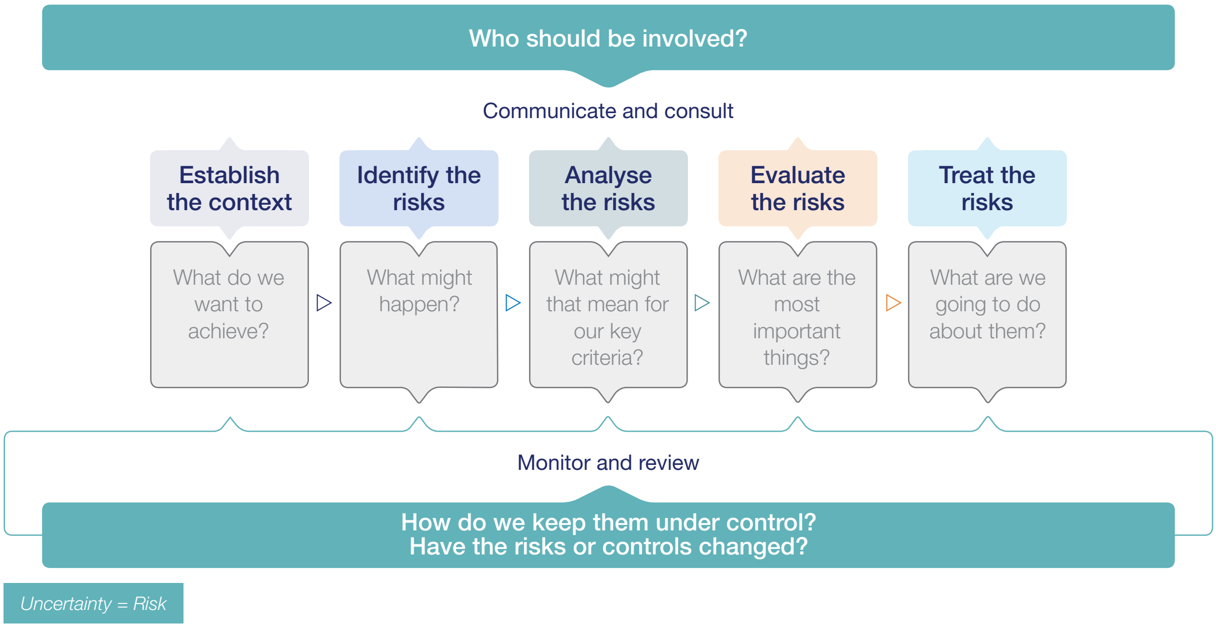
Effective risk management enables management to deal with uncertainty and associated threats and opportunities, thus enhancing the enterprise's capacity to build value. At Implats this is achieved through:

- Using an appropriate method to identify and assess the risks inherent in a decision or action before the decision or action is taken
- Once the risks have been assessed and the relevant controls and risk-mitigation tasks identified, recording a sufficient level of detail in an appropriate form and registry and making these available for independent scrutiny
- Making appropriate risk reports available as and when required, more specifically as part of the motivation for a particular decision. In addition, the state of risk-treatment controls is tracked to provide the requisite assurance that the risks are, in fact, under control as per the risk-assessment reports.

The most important purposes of enterprise risk management are to institutionalise an ongoing and rigorous identification of risks in all aspects of the business, to encourage open and honest dialogue about these risks and to bring about the implementation of the necessary controls and risk-treatment initiatives.

Effective enterprise risk management reduces uncertainty, engenders confidence and enables our organisation to be more decisive in pursuit of its vision, mission and goals. Group risk management policy and the ISO 31000 standard for risk management detail the systematic, consistent and professional approach that is required to ensure successful and effective risk management.

THE ISO 31 000 RISK MANAGEMENT PROCESS



Internal audit

Implats Group Internal Audit (IGIA), is an independent and objective assurance provider. It provides reasonable assurance over the effectiveness of the internal controls and risk management. The department has delivered on its mandate, with a risk-based approach forming the basis of its methodology. All its audit activities were performed in compliance with the International Standards for the Professional Practice of Internal Auditing (the Standards) as provided by the Institute of Internal Auditors (IIA). The primary services provided by the department are:

- General and technical audits
- Control self-assessment facilitation
- Fraud awareness, prevention and detection
- Forensic investigation
- Combined assurance.

The department continues to operate in accordance with its charter, which is updated annually and approved by the audit committee. The department is sufficiently skilled and supported by top management to deliver on its mandate. To remain an objective and independent assurance, the chief audit executive reports administratively to the CFO, holds quarterly meetings with the CEO and reports functionally to the chairman of the audit committee.

An effective quality assurance process is in place to ensure that Internal Audit provides its service in accordance with the standards and the internal audit code of ethics. The programme includes both internal and external evaluations, which assesses the effectiveness and efficiency of the internal audit activity, to identify opportunities for improvement, which are implemented and monitored by the department. The internal auditors in the department maintain membership with the Institute of Internal Auditors of South Africa, affiliated to the international body.

A Combined Assurance Model (CAM) as recommended by King III on corporate governance was established and it is coordinated by the chief audit executive (CAE). The CAM summarises the assurance activities in the organisation focusing on significant strategic and operational risks identified and listed in the group risk profile. It is therefore used as a foundation for both the annual written assessment on risk management and internal control prepared for the board as well as the statement on internal financial controls prepared for the audit committee.

Internal controls

The Implats board has overall responsibility to ensure that the internal control frameworks are adequately designed and effectively implemented throughout the Group. Effective internal controls are put in place to provide assurance that the Company's governance and risk managements are appropriately managed and that key business objectives are achieved. The board delegates the establishment and implementation of systems of internal control to members of executive management through a formal approval framework that is effected throughout Implats, revised, at least, on an annual basis.

Implats' internal controls are designed to mitigate strategic, operational and process risks to ensure that set strategic objectives are effectively and efficiently met. Accordingly, Implats management is responsible for the establishment, implementation, monitoring and enhancement of the internal control frameworks. The set key controls include, but are not limited to, financial and operational controls put in place to mitigate against the key risks as identified through processes facilitated by risk management. This is to ensure that Implats' assets are safeguarded and working capital is effectively managed and that set organisational policies, procedures, standards and guidelines are established, maintained and enhanced at appropriate times.

Implats maintained a CAM referred to above throughout the year. This model was established three years ago and has been improving year-on-year. This model continues to identify and exploit synergies amongst the three lines of defence (first line, management; second line, legal services, compliance, risk management and company secretariat; third line, internal audit, external audit and third-party assurance providers) in optimisation of the assurance provided in the Group. The CAM is presented to the CEO and CFO and discussed at the quarterly audit committee meetings. The first line of defence provides its input through the results of their Control Self-Assessments (CSAs).

Fraudulent irregular activity, corruption and theft reported Group-wide by internal audit in 2014

We maintain zero tolerance on fraud and corruption. We expect all our employees, business partners, contractors and associates to conduct themselves in accordance with the Implats code of ethics referred to in the paragraph below and our fraud policy. The code and fraud policy are both fully in line with the local laws and regulations.

A "whistleblowing" toll-free helpline is in place to facilitate the confidential reporting of alleged incidents that are reported to the chief audit executive and the board chairman. The executives and line management are responsible and accountable for the implementation of the fraud policy, code of ethics and the procedures that flow from these policies.

In the current year 90 cases were reported across the Group, 50% of which were from the South African operation, 44% were from the Zimplats operation and the remaining 6% were from the Mimosa operation. This reflects a 35% reduction from last year's figure. The founded cases also decreased from 47% of total cases last year to 38% of total cases this year.

All reported allegations are investigated in compliance with our fraud policy. Of the 90 cases reported and investigated this year, four were classified as BEE fronting; 14 were conflict of interest and corruption; 45 were fraud and theft and 27 related to misconduct and other irregularities.

NATURE OF CASES REPORTED GROUP-WIDE IN 2014

	Investigation pending	Allegations unfounded	Allegations founded	Total
Nature of allegation				
BEE fronting	1	1	2	**4**
Conflict of interest and corruption	7	5	2	**14**
Fraud and theft	9	15	21	**45**
Misconduct and other	7	11	9	**27**
Total	**24**	**32**	**34**	**90**

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 the protection of the Company's intellectual property and patent rights. This policy outlines the disciplinary action (including dismissal or prosecution) that will be taken in the event of any contravention. A "whistleblowing" toll-free helpline is in place to facilitate the confidential reporting of alleged incidents that are then relayed to the chief audit executive, and further to the chairman of the board as a courtesy. All reported allegations are investigated, each to its logical conclusion and formally reported to the appropriate levels in the organisation.

Dealings in securities

The Group observes closed trading periods from the end of the relevant accounting period to the announcement of the interim or year-end results and any period when the Company is trading under cautionary announcement, during which periods neither directors nor employees may deal, either directly or indirectly, in the shares of the Company or its listed subsidiaries.

Certain employees, by virtue of their positions or access to information, are also prohibited from trading during certain periods when they are in possession of unpublished price-sensitive information. The Morokotso Trust is only allowed to trade during closed periods in respect of shares vesting for good leavers. The Trust is not a share incentive scheme in terms of the JSE Listings Requirements and the provisions of Schedule 14.9(d) do not apply to the Trust.

All directors' dealings require the prior approval of the chairman while the Group secretary retains records of all such dealings and approvals. A formal policy in respect of the trading of the Company's shares and securities regulates the Company and its employees in this regard.

Sustainability reporting and the JSE Social Responsibility Index (SRI)

Implats' non-financial information and performance is guided by Group-wide definitions and reporting procedures informed by international reporting guidelines and transparency codes such as the Global Reporting Initiative (G3.1), the United Nations Global Compact, the Extractive Industries Transparency Index (EITI), the JSE Social Responsibility Index (SRI) as well as laws and regulations governing the country of operation. Material sustainability information is managed as a fundamental part of the business against set standards and objectives and reported to the relevant operational committee, and to the board via the sub-committees. Sustainability performance is reviewed on a regular basis and the necessary corrective actions and measures taken where required.

Political donations

Group policy prohibits political donations, either directly or indirectly.

Access to information

Implats has complied with the requirements of the Promotion of Access to Information Act, 2000. The corporate manuals are available on the website at www.implats.co.za and from the Group secretary who has been appointed the information officer of the Group.

Sponsor

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

The committee is pleased to present its report for the financial year ended 30 June 2014

Background

The committee's operation is guided by a formal detailed charter approved by the board.

The committee has discharged all its responsibilities as contained in the charter. The committee reviews accounting policies and financial information issued to stakeholders and the chairman of the audit committee reports to the board on the committee's deliberations and decisions. The internal and external auditors have unrestricted access to the committee. Further, the committee regularly reviews its corporate governance practices in relation to the Company's compliance with the requirements of the Companies Act (the Act) and the King III recommendations.

Objective and scope

The overall high-level objectives of the committee are:

- To assist the board in discharging its duties relating to safeguarding of the Company's assets
- To ensure the existence and operation of adequate systems and control processes
- To control reporting processes and the preparation of fairly presented financial statements in compliance with the applicable legal and regulatory requirements and accounting standards
- To oversee the activities of internal and external audit
- To perform duties that are attributed to it by the Act, JSE Limited (JSE) and King III.

The committee performed the following activities during the year under review:

- 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 interim results for the six months ended 31 December 2013
  - The annual results for the year ended 30 June 2014
- 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 adequately met during the year under review.

Membership

During the course of the year, the membership of the committee comprised solely of independent non-executive directors, as detailed below:

Mr HC Cameron – chairman
Ms AA Maule
Ms B Ngonyama
Mr TV Mokgatlha (appointed on 15 August 2013)

In addition, the chief executive officer, the chief financial officer, head of group internal audit, the group executive: risk and the external auditors are permanent invitees to the committee's meetings.

External audit

The committee has satisfied itself, through enquiry, that the auditor of the Company is independent, as defined by the Act. The committee, in consultation with executive management, agreed to an audit fee for the 2014 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 26 to the annual financial statements.

The independence of the external auditor is regularly reviewed. Further, the approval of all non-audit-related services are governed by an appropriate approval framework.

Meetings were held with the external auditor where management was not present and, where concerns were raised, these concerns were adequately dealt with by the audit committee.

The committee has reviewed and is satisfied with the performance of the external auditors and will nominate, for approval at the annual general meeting, PricewaterhouseCoopers Inc. as the external auditor for the 2015 financial year, with Mr A Rossouw as the designated auditor. Mr JP van Staden, the designated auditor for 2014, rotates off the audit in line with the rotational recommendations of King III. The committee confirms that the auditor and designated auditor are accredited by the JSE.

Chief financial officer review – Ms Brenda Berlin

The committee has reviewed the performance, qualifications and expertise of Ms Brenda Berlin through a formal evaluation process and confirms her suitability for appointment as chief financial officer in terms of the JSE Listings Requirements.

Annual financial statements

The annual financial statements were prepared using appropriate accounting policies, which conform to International Financial Reporting Standards (IFRS). The committee has therefore recommended the approval of the annual financial statements to the board. The board has subsequently approved the annual financial statements.

Internal financial control (statement on effectiveness of internal controls)

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

Integrated annual report

The committee has evaluated the integrated annual report in respect of its consistency with operational and other information known to the committee. The committee has also considered the sustainability information as disclosed in the integrated annual report, specifically in relation to the assurance provided by the external parties and is satisfied that the information is consistent and reliable. The committee has therefore recommended the approval of the integrated annual report by the board, which has been formally approved by all members of the board.

Mr HC Cameron
Chairman of the audit committee

25 September 2014

The committee has the primary role of ensuring continuous entrenchment of the Company's transformation initiatives

Dear stakeholder

I am pleased to present the report of the social, ethics and transformation committee for the year ended 30 June 2014.

Introduction

The committee was constituted by the board of directors of the Company in terms of section 72(4) of the Companies Act, 2008 (the Act), read with regulation 43 of the Companies Regulations.

Following its reconstitution and transition from the transformation committee to its current form, the work of the committee was broadened to take into account wider issues, stakeholder responsiveness, good corporate governance and seeks to address business sustainability over and above compliance to the regulatory framework. The committee regularly reviews management's actions in relation to appropriate legislation, King III best practice guidelines, and other industry standards.

In the year 2014, the work of the committee has taken into account the changing socio-political climate, particularly with the outcomes of the national elections in South Africa in May 2014, labour dynamics, the five-month strike in the platinum industry, as well as increased community activism and demands for better social investments and benefits to local communities from mining companies. The events of the past two years have drastically changed the operating environment, and call for radical means of addressing social issues. This is in the midst of a resource-constrained business climate, compounded by lower platinum prices, lower commodity demand, higher costs of production and widening socio-economic disparities, particularly in the African continent.

While the committee carries out its legislative obligations under the Act in relation to the Company and its subsidiaries towards compliance, it also endeavours to interrogate the organisation's policies, practices and responsiveness to these issues in the short, medium and long term taking into account the potential impacts these have on the business and affected stakeholders.

The committee guides, monitors and evaluates the progress by management in this regard and its mandate and responsibilities include oversight in:

- Reviewing the adequacy and effectiveness of the Company's engagement and interaction with its stakeholders
- Reviewing and approving the policy and strategy pertaining to the Company's programme of corporate social investment and sustainable development
- Approving a code of ethics, and ensuring that the Company has processes in place to promote a healthy and ethical working environment for all its stakeholders
- Monitoring changes in the application and interpretation of empowerment charters and codes (namely the Mining Charter and the Broad-Based Black Economic Empowerment Act and Zimbabwe's National Indigenisation and Economic Empowerment Plan)
- Ensuring that risks in these areas of focus have been identified and adequate measures are in place to mitigate such risks
- Ensuring that transformational and social programmes address business sustainability in the medium to long term
- Ensuring that strategic initiatives respond to maintaining the organisation's licence to operate.

The work plan for the committee is updated on a regular basis to ensure that the most pertinent matters affecting the Company and the industry are effectively and timeously addressed.

Composition

The committee consists of four independent non-executive directors, one of whom is the chairman. The CEO is also a member of the committee. A summary of the committee's membership, meetings held and attendance is set out on page 98 of the integrated annual report, under the corporate governance section.

Responsibilities

The committee has an independent role to play and carries out the following duties:

(a) To monitor the Company's activities, having regard to any relevant legislation, other legal requirements or prevailing codes of best practice, in respect of matters relating to:
  - social and economic development
  - good corporate citizenship
  - the environment, health and public safety, including the impact of the Company's activities and of its products or services
  - consumer relationships, including the Company's advertising, public relations and compliance with consumer protection laws
  - labour and employment
  - Transformation and empowerment as dictated by relevant legislation which cover:
    - Ownership
    - Employment equity
    - Skills development
    - Housing and living conditions
    - Preferential procurement
    - Enterprise development
    - Community development.

Some of the committee's formal duties have been sub-delegated to other committees of the board. For example, issues relating to labour and employment are discussed and deliberated upon by the remuneration committee, health, safety and environmental issues by the health, safety and environment committee and all matters pertaining to Company risk by the risk committee. However, the board, as a collective, coordinates the different perspectives to ensure effective and responsible leadership in all areas to be overseen by the committee.

These issues are all monitored and reported on a quarterly basis and in accordance to the work plan, and take into account strategy implementation, success and challenges, performance against set targets, risks identification and mitigation and action plans derived from this process.

(b) To report to the stakeholders of the Company at the annual general meeting on matters within its mandate.

Areas of focus
During the year under review, the committee has overseen and approved the following noteworthy initiatives by management:
- The Social Impact Assessment of the South African operations, which aims to understand and document the socio-economic status of the communities within our areas of operation, will inform the Company's strategic response towards social investment. It also provides a baseline for monitory impacts over a sustained period of time, and taking remedial action where risks become evident. This work was completed in the first half of 2014, for the Rustenburg operations and covered all 29 villages of the Royal Bafokeng Nation. The next phase will be to complete the Freedom Park informal settlement which was put on hold due to the strike. The information will also be used for scenario planning and the development of business strategies informed by the social environment. The details of this study can be found on page 72 of the sustainable development report.
- A revised "skills and talent development" plan, which is premised on a strategy to provide the Company with the most appropriate skills in a sustainable and structured manner, over time. Of significance was the implementation of the team mobilisation programmes, which aim to create team cohesion, education on the business of mining and its products, and a shared vision towards business sustainability. This programme was at its infancy when it was impacted by the strike and will be advanced in the coming year.
- A cultural "change management" programme premised on Respect and Care principles, which is underpinned by the Company's shared values and which focuses on respecting one another and caring for the Company, its people and the environment. In advancing this programme a detailed cultural survey was conducted on 10% of the workforce. The findings indicate the need for the organisation to embark on a robust programme that will support and advance a shared vision and value system underpinned by mutual respect, trust and care. Given the current labour issues evidenced by the recent strike, it is imperative for the organisation to redefine its employee value proposition in collaboration with employees, giving birth to a new way of work, communication and interaction. (Refer to page 47 of the sustainable development report for more detail.)
- An expanded "stakeholder engagement" strategy, which has been implemented to respond to the current volatility in the mining sector, especially after the events at Marikana, which have culminated in intense interactions between industry, labour, government and civil society. The strategy has taken into account industry initiatives through the Chamber of Mines as well as the compact signed in the Deputy President's Framework Agreement for a Sustainable Mining Industry. A review of all stakeholder groupings was also conducted in the year under review, and all material stakeholder engagement activities integrated into the reporting cycle of the committee.
- The Employment Equity and Women in Mining progress report was delivered in February 2014. Although there are no explicit targets for women representation in the Mining Charter and no legislation in Zimbabwe, the advancement of women within the mining sector remains a key business imperative. Good progress has been made in the advancement of HDSAs within management, but a critical area of concern remains at the senior level in South Africa and the representation of women across all levels within the organisation. This will remain an area of focus for the committee going forward. (Refer to page 66 of the sustainable development report for more detail.)
- A renewed focus on "enterprise development", with particular emphasis on the opportunity to introduce more transformed service providers into core business activities and further increase the pool of local service providers, in order to harmonise relations between the Company and local communities.
- The migrant labour system, housing and living conditions and understanding its history and social impact was identified as key in addressing some of the social challenges faced in mining towns. To this end the organisation is contributing to policy debate around migrant labour and is providing input through the Chamber of Mines.

Evaluation of committee performance
An evaluation of the performance of the committee was carried out in March 2012, as part of a rolling two-year cycle. The evaluation report recognised the encouraging progress made by the committee against its agreed work plan, and in compliance with the requirements of various pieces of legislation applicable to its functioning. The next review was due in March 2014 but was impacted by the protracted five-month strike and as such the next review will be conducted in March 2015.

Outlook for 2015
In the coming year the work of the committee will continue to focus on addressing the legislative requirements as stipulated in various Acts, but of significance will be to ensure that the organisation is better positioned to respond to the socio-political and economic challenges in the areas of operation. These will include:
- Advancing transformation in mining communities by leveraging initiatives relating to employment, skills development, local procurement and enterprise development
- Understanding the social fabric in our areas of operation by initiating a similar social impact study at the Marula operations in Limpopo
- Advancing the organisational change management programme for Respect and Care
- Advancing social programmes that accrue benefits to local communities and promote community sustainability
- Ensuring the stakeholder engagement processes are robust and responsive to stakeholder needs.

NDB Orleyn
Chairman of the committee

25 September 2014

Employees are fairly rewarded for their contribution to the Group's operating and financial performance in line with its corporate objectives and strategy

Introduction

The board of Implats, guided by the remuneration committee (Remcom), is ultimately responsible for the Group's remuneration philosophy and the application thereof. The board and Remcom appreciate and promote the importance of our people to the continued sustainability and growth of the Company. This establishes the founding principle of our remuneration policies that are designed to motivate and retain high-performing employees and to reward them for their individual contribution to the Group's overall performance.

Philosophy

The Company's overall remuneration philosophy is designed to ensure that employees are fairly rewarded for their contribution to the Group's operating and financial performance in line with the corporate objectives and strategy. This design ensures internal and external equity through the alignment of conditions of employment and remuneration for all employees across the Group in an evolving regulatory and statutory environment.

The remuneration philosophy, as approved by the Company shareholders, endeavours to match the market median in terms of the broad talent pool, but will lead the market in areas of critical appointments, talented individuals, equity candidates and top performers.

The Company's overall remuneration policy aims are to:

- Implement a remuneration philosophy that is clear and transparent and which reinforces the Group's strategic positioning
- Promote and ensure compliance with an evolving regulatory environment, with a specific emphasis on the long-term sustainability of the Group
- Ensure alignment of the interests of the employees and management with those of our stakeholders
- Attract and retain talent at all levels
- Encourage employee behaviour that is goal-orientated and consistent with the Group's vision and values
- Set reward levels that are consistent with emerging governance frameworks on executive and non-executive compensation, by conducting regular benchmarking exercises against internal and external comparatives.

Remuneration committee

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

The committee utilised the services of PricewaterhouseCoopers Inc. and Vasdex Associates (Pty) Limited in different capacities during the past financial year to benchmark guaranteed and variable remuneration against external comparatives and to advise on remuneration policy.

During the year under review, management proposed to forego management increases as a result of cost constraints and to further narrow the wage gap. Remcom approved this proposal and there were also no increases granted to non-executive directors for the third consecutive year.

The package structure of middle and senior management employees was reviewed to allow for some flexibility and choice at these levels.

Remuneration and benefits of lower level employees were closely monitored to advance alignment with our closest competitors in the platinum industry to ensure both internal and external equity. This principle served the Company well during the wage negotiation process involving the three largest platinum producers.

The Company concluded two-year wage agreements with the NUM at the Refineries Operations and Marula Platinum. After the debilitating five-month industrial action in the platinum sector, the Company concluded a three-year wage agreement with the majority union, AMCU. Details of this agreement are included in the sustainable development report.

The Remcom reviewed the wage gap progress of the Company from 2008 to date, as this phenomena is viewed as a long-term intervention monitored by the Company to track progress as opposed to a once-off measurement compared with other companies. The wage gap at Implats is defined as the ratio of the CEO guaranteed pay compared to that of the lowest level underground worker. The progression in reducing the wage gap since 2008 is depicted below:

	2008	2012	**2014**
Guaranteed pre-tax package	1:107	1:67	**1:54**
Guaranteed after-tax package*	1:88	1:52	**1:41**

** Assumes a marginal tax rate of 23% and 40% for the lowest paid underground workers and the CEO respectively.*

The chairman of the committee has been empowered to engage directly with stakeholders on all matters affecting remuneration, which will then be taken into account by the committee in the revision and development of the Company's remuneration policy and principles.

Components of remuneration

The following remuneration components for all senior employees have been adopted:

- Fixed remuneration (comprising basic salary, benefits and allowances)
- Variable remuneration (comprising short and long-term incentives).

The reward structure is regulated by the reward mix that prescribes the ratio of guaranteed pay, short-term incentives and long-term incentives to total remuneration at the various levels. In the case of executives the Remcom endeavours to secure that their reward mix secures an appropriate balance between fixed and variable forms of remuneration.

The policies approved in relation to this for the 2014 financial year were as follows:

Package structure	CEO %	Executive directors %	Senior executives %	Executives %	Managers %
Guaranteed package	35	45	50	55	60
Short-term incentives	35	25	25	25	25
Long-term incentives	30	30	25	20	15

Guaranteed package includes basic salary, non-pensionable salary, retirement savings, death, disability and healthcare insurance contributions. Short-term incentives describe the employee retention and bonus schemes, with long-term incentives being a combination of the Conditional Share Plan (CSP) and Share Appreciation Rights (SAR) Plan awards.

It is the intention to allow employees the option to phase out the retention component in the coming financial year and incorporate it into the guaranteed packages.

FIXED REMUNERATION

Fixed remuneration is defined in terms of a total guaranteed package, which is negotiated to include a basic salary, accommodation and travel allowance, retirement savings, death, disability and healthcare insurance contributions. Guaranteed packages are market-related and are based on the complexity of the role and the employee's personal performance and contribution to the Group's overall performance. Contributions towards travel, retirement, death, disability and healthcare benefits are included in the total guaranteed package and are applicable to all employees according to the rules of the relevant schemes and Company procedures.

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

The Company offers participation in several nominated medical aid schemes where the choice of scheme resides with the employee. Death benefit insurance is provided for all employees and personal accident insurance is provided for D-upper and E-level employees who are expected to travel regularly in line with their specific role and deployment in the Group. As a result of past practice, the Company has a limited liability in terms of post-retirement medical benefits. This practice was ceased from 2006 onwards and the employees entitled to this benefit were ring-fenced.

Salary increases for management employees (D-level and above) are effected on 1 October annually, and are determined by increases in general cost of living (inflation), individual performance, market conditions, Company performance and collective wage settlements. Salary increases for A-, B- and C-level employees are effected annually in line with collective agreements concluded with recognised trade unions.

VARIABLE REMUNERATION

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

Short-term incentives

Production bonus for operational A-, B-, C- and D-level employees vary based on their roles and positions, but generally constitute a combination of production, mining quality, cost and safety elements. This bonus was reviewed during the first part of the year to address specific performance and market-related issues. The frequency of these bonus payments range from monthly to quarterly.

The new executive short-term incentive scheme for 2014 included a drive towards safety, health, environment and communities (SHEC) performance, and the drive for delivery on volume, value, quality, cost, capital and cash flow (VVQ3C) targets set in the business plan. The new scheme implemented for 2014 addressed the need to implement leading safety indicators, reinforce the performance management culture and alignment with strategic plans and risk registers and improved governance and consistency of approach throughout the Group. The weighting of the key performance indicators applied per employee grouping are as follows:

Employee grouping	SHEC %	VVQ3C %	Individual %
Direct production	40	40	20
Operational services	35	35	30
Group support	30	30	40

In terms of the executive short-term incentive scheme, the bonus structure differs at different grade levels where measurement of each criteria weighted per table above will result in the following ranges of bonuses being payable per employee category (the target position is derived from the reward mix defined earlier):

Employee category	Minimum %	Target %	Maximum %
CEO	Nil	100.0	150.0
Executive directors	Nil	55.0	82.5
Senior executives	Nil	32.0	48.0
Junior executives	Nil	29.0	43.5

As indicated in the table above bonuses are capped at 150% on the on-target bonus for all individual elements.

The performance targets are derived from the business plan and set annually by the Remcom for all executive directors, who in turn will set the performance targets for their subordinates and ensure the cascading of target setting for performance to senior managers.

In order to support the business plan objectives through sustained and focused performance metrics, the time frame and thus the frequency of incentive payment for certain "core production" roles have been shortened to continually motivate some managers on specific targets. The assessment of all targets for all executives is done on a quarterly basis.

Long-term incentives

It is essential for the Group to retain critical skills over the longer term and to motivate and incentivise employees in a way that also aligns the interest of senior managers with those of shareholders. This is principally done through long-term incentive plans.

Implats Share Incentive Scheme (ISIS)

The final award made in 2004 in terms of ISIS lapses in 2014.

Implats Share Appreciation Bonus Plan (ISABP)

Adopted in 2005, the ISABP is a cash-settled share appreciation rights plan. Participants received once-off allocations under the ISABP, expressed as a multiple of their salary which was topped up as awards vest. The rights vest in equal tranches from year two through year five and lapse 10 years after the grant date. This scheme was discontinued in 2012 with the introduction of the new LTIP in November 2012.

Long-term Incentive Plan (LTIP)

The LTIP comprises both a Conditional Share Plan (CSP) and a Share Appreciation Rights Plan (SAR). In terms of the SAR, conditional rights are awarded to participants to receive shares in Implats calculated with reference to the increase in the share price from the award date until the date on which the SAR is exercised by the participants. A three-year vesting period applies, during which time the participants have no rights in respect of the underlying shares. Vesting is conditional on continued employment and a prescribed level of corporate performance. The participants are only entitled to exercise the SARs subsequent to and to the extent that vesting has taken place. Participants only become shareholders following the exercise of the SARs.

In terms of the CSP, full shares are awarded free of charge to the participants at the end of a three-year vesting period. On the date of award, participants are only granted conditional rights to acquire these shares at a future date, and only become shareholders with dividend and voting rights from vesting onwards. For the shares to vest participants must remain employed by a company in the Group and vesting of the shares is subject to the achievement of closely defined performance vesting conditions over the performance period.

Share plan	Performance vesting targets	Vesting period	Eligibility
CSP1	N/a	Three years	Managers
CSP2	TSR	Three years	Managers, junior and senior executives
SAR	TSR, EBITDA, FFR	Three years	Junior and senior executives

The plan is designed such that the number of awards in the 2014 financial year and those made annually thereafter are determined on the basis that the expected value thereof at the award date, using an approved share option pricing formula, will ensure an appropriate balance in accordance with the reward mix between the different components of the total remuneration package. The performance conditions and annual allocation are set by the Remcom in accordance with the rules of the scheme.

The expected value percentages approved by the committee for the 2014 financial year (and which were used to determine the final number of units issued) are as follows:

Employee category	CSP1 %	CSP2 %	SAR %
CEO	–	90	75
Executive director	–	90	75
Senior executives	–	90	75
Junior executives	–	90	75
Managers	100	90	–

To determine the number of conditional shares and share appreciation rights to be issued to each participant, the expected value of each conditional share and share appreciation right is calculated using a stochastic model approved by the audit committee, similarly, the actual rand value that the Company wishes to deliver to each participant in terms of SAR is then divided by such expected value to determine the number of share appreciation rights to be issued.

The Remcom has the discretion, at each grant date, to adjust the number of conditional shares and/or share appreciation rights determined in accordance with the above two paragraphs should it believe that the probability of achieving all the performance conditions is less than 100% thus affecting the number of awards that are likely to vest.

Performance vesting criteria
The performance conditions, applicable to CSP2 and SAR awards, are set by the Remcom in accordance with the rules of the scheme and remain fixed for the entire vesting period. No changes may be made to the conditions once they have been set, other than corporate action in the market affecting the definition of "the peer group".

Certain of the performance conditions are measures relative to a peer group of South Africa platinum producing companies, where "the peer group" is defined as follows for the 2014 financial year.

- Anglo American Platinum Limited
- Lonmin Plc
- Northam Platinum Limited
- Eastern Platinum Limited
- Aquarius Platinum Limited
- Royal Bafokeng Platinum Limited

The performance vesting condition applicable to CSP2 awards is based on total shareholder return (TSR) relative to a peer group of South African platinum producing companies (the peer group). The TSR is measured as the compounded annual growth rate (CAGR) in TSR for Implats and the peer group over the three-year performance period. The peer group companies and Implats are ranked based on their respective CAGR in TSR. This ranking determines the vesting percentage as follows:

Position of Implats relative to peer group	Percentage of CSP that vest
Lowest three	0%
Fourth	50%
Third	75%
Second	90%
First	100%

To determine the number of conditional shares to be issued to each participant, the expected value of each Implats share is calculated with reference to the listed market price on the date of granting the award less the fair value of expected dividends to be paid over the vesting period. The actual rand value that the Company wishes to deliver to each participant in terms of CSP will then be divided by such expected value to determine the number of conditional shares to be issued.

- Rights awarded in terms of the SAR vest based on the following three performance targets, all equal in weighting:

1. Absolute growth in TSR (one-third weighting)

Absolute TSR	% of CSP that vest
CPI	0
CPI +2%	100

2. EBITDA margin over revenue over three years relative to the peer group (one-third weighting)

Position of Implats relative to peer group	% of CSP that vest
Lowest three	0
Fourth	50
Third	75
Second	90
First	100

3. Fatality frequency rate over three years relative to the peer group (one-third weighting)

Position of Implats relative to peer group	% of CSP that vest
Lowest three	0
Fourth	50
Third	75
Second	90
First	100

The Morokotso Trust

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

Qualifying employees were each allocated 568 or 399 Implats shares depending on joining date, by the Morokotso Trust at an initial purchase price of R159.18 per share. The trust holds these shares on behalf of employees for a period of 10 years, with 40% having vested after five years (2011) and a 60% pay-out scheduled after 10 years (2016). Twenty-three thousand, four-hundred and forty-eight (23 448) beneficiaries benefited from the sale of 40% of their shares in July 2011, receiving an average amount of R3 500 per beneficiary. This release of shares when the Implats share price was relatively low had a demotivating effect at an operational level as employees had much higher expectations.

The shares were acquired by the trust funded by an interest-free loan from Impala and Marula. Dividends received on the shares during the holding period are paid to Impala and Marula in lieu of interest.

Retention plans

The Company operates a retention bonus scheme in terms of which 20% of basic salary is awarded but payment deferred. Eligibility to this scheme is confined to senior executives, line managers and senior professional staff. Middle and senior management employees' package structures were reviewed and they were afforded the opportunity to move one quarter (1/4) of their retention amount to their monthly salary. This option was provided as a result of the fact that no increases were granted to middle and senior management employees.

Impala also operates a Group hard currency procedure that applies to executive directors and senior executives (Level 24 and above) on a voluntary basis with the aim to attract and retain senior executive skills. This procedure was terminated on 31 December 2011 for all newly appointed employees and current beneficiaries were ring-fenced.

Executive remuneration for the past financial year

FIXED REMUNERATION

The following table summarises the fixed remuneration of the executive directors, prescribed officers and other senior executives of the Company for the year ended 30 June 2014:

Individual	Package (R'000)	Retirement funds (R'000)	Other benefits (R'000)	Total 2014 (R'000)	Total 2013 (R'000)
Executive directors					
TP Goodlace	**6 420**	**1 037**	**27**	**7 484**	7 549
PA Dunne (to 31 December 2013)	**1 956**	**142**	**91**	**2 189**	4 366
B Berlin	**3 811**	**400**	**100**	**4 311**	4 255
Prescribed officers					
PD Finney	**2 717**	**422**	**151**	**3 290**	3 162
GS Potgieter	**3 859**	**486**	**92**	**4 437**	4 406
A Mhembere*	**658***	**–**	**46***	**704***	633*
MN Ndlala	**2 637**	**340**	**50**	**3 027**	–
Company secretary					
A Parboosing	**1 350**	**142**	**91**	**1 583**	1 531
Senior executives	**13 486**	**1 422**	**605**	**15 513**	15 843

**(US$'000).*
MN Ndlala was appointed on 1 November 2013.

VARIABLE REMUNERATION

Individual	Bonus (R'000)	Retention (R'000)	Gains on LTIs# (R'000)	Total 2014 (R'000)	Total 2013 (R'000)
Executive directors					
TP Goodlace	–	–	–	–	–
PA Dunne (to 31 December 2013)**	9 810**	442	–	10 252	1 516
B Berlin	630	1 108	–	1 738	1 428
Prescribed officers					
PD Finney	1 223	901	–	2 124	2 546
GS Potgieter	671	1 346	–	2 017	1 695
A Mhembere*	235*	223*	–	458*	188*
MN Ndlala	–	317	–	317	–
Company secretary					
A Parboosing	234	264	–	498	427
Senior executives	1 705	3 512	–	5 217	4 502

– The senior executives account for six (2013: seven) employees.
– Retention includes employee retention scheme and hard currency payments.
– The bonus shown is not the bonus for the financial year in review, but the payment made during the financial year.
** (US$000).*
*** Includes severance payment.*
 # Long-term incentives.
MN Ndlala was appointed on 1 November 2013.

No bonus payments were made to executive directors in 2013.

The executive annual incentive scheme payment for financial year 2014 was approved by the Remcom at the following average percentages of guaranteed pay as per the approved reward mix.

Employee category	On target bonus %	2014 bonus %
CEO	100	57.4
Executive director	55	31.5
Senior executives	32	18.4
Junior executives	29	16.7

The CEO, TP Goodlace, has again chosen to forego this incentive payment and it has to be noted that since joining the Company in 2012, he has not taken an increase nor participated in any long or short-term incentive schemes of the Company. He remains resolute in his decisions based on low PGM basket prices and the financial crisis facing the platinum industry. The CEO's net pay after tax for 2014 was R3.6 (2013: R3.6) million.

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

(R'000)	Board	Audit committee	Remu-neration committee	HSE* committee	Nominations and governance committee	Social, ethics and trans-formation committee	Risk committee	Total
KDK Mokhele	1 820							**1 820**
HC Cameron	334	334				109	109	**886**
PW Davey	334			109			109	**552**
MSV Gantsho	334		243		109			**686**
A Kekana	299		98					**397**
AA Maule	334	158					243	**735**
AS Macfarlane	334			243				**577**
TV Mokgatlha	334	138	13			109		**594**
BT Nagle	299						98	**397**
B Ngonyama	334	158						**492**
NDB Orleyn	334		109		109	243		**795**
OM Pooe	34			11				**45**

** Health, safety and environment.*

The following table reflects the status of unexercised options held by executive directors and the gains made by them as a result of past awards during the year ended 30 June 2014:

Name	Balance at 30 June 2013	Allocated during the year	Date of allocation	Forfeited during the year	Exercised during the year	Date exercised	**Balance at 30 June 2014**	Allocation price (R)	First vesting date
Directors									
PA Dunne									
Share appreciation scheme	149 910	–		–	–		**149 910**		
							1 446	167.19	27-Nov-08
							9 316	233.74	24-May-09
							232	242.19	20-Nov-09
							5 353	116.76	18-Nov-10
							12 365	162.88	1-May-11
							20 490	171.39	4-Nov-09
							26 453	209.09	13-May-12
							36 549	193.83	1-Nov-12
							3 914	193.79	12-May-13
							20 839	171.76	10-Nov-13
							12 953	145.48	24-May-14
LTIP SAR	44 309	40 449	11-Nov-13	**84 758**	–		**–**	–	–
LTIP CSP	12 373	12 597	11-Nov-13	**24 970**	–		**–**	–	–
B Berlin									
Share appreciation scheme	167 985	–		–	–		**167 985**		
							2 648	56.87	13-May-07
							5 672	149.42	11-May-08
							20 180	167.19	27-Nov-08
							7 277	242.19	20-Nov-09
							3 031	333.90	30-May-10
							18 870	162.88	1-May-11
							15 251	171.39	4-Nov-11
							631	209.09	13-May-12
							11 749	193.83	1-Nov-12
							53 954	193.79	12-May-13
							21 502	171.76	10-Nov-13
							7 220	145.48	24-May-14
LTIP SAR	43 001	39 339	11-Nov-13	–	–		**82 340**		
							43 001	146.89	14-Nov-15
							39 339	134.91	11-Nov-16
LTIP CSP	12 008	12 252	11-Nov-13	–	–		**24 260**		
							12 008	–	14-Nov-15
							12 252	–	11-Nov-16

Name	Balance at 30 June 2013	Allocated during the year	Date of allocation	Forfeited during the year	Exercised during the year	Date exercised	**Balance at 30 June 2014**	Allocation price (R)	First vesting date
Secretary									
A Parboosing									
Share appreciation scheme	25 248	–		–	–		**25 248**		
							7 432	242.19	1-Nov-09
							711	333.90	30-May-10
							1 017	116.76	18-Nov-10
							4 537	162.88	1-May-11
							2 623	171.39	4-Nov-11
							2 775	209.09	13-May-12
							4 573	193.83	1-Nov-12
							1 580	193.79	12-May-13
LTIP SAR	4 168	3 943	11-Nov-13	–	–		**8 111**		
							4 168	146.89	14-Nov-15
							3 943	134.91	11-Nov-16
LTIP CSP	3 492	3 684	11-Nov-13	–	–		**7 176**		
							3 492	–	14-Nov-15
							3 684	–	11-Nov-16
Prescribed officers									
PD Finney									
Share appreciation scheme	97 228	–		–	10 000		**87 228**		
					10 000	8-Nov-13	**1 761**	167.19	27-Nov-08
							7 540	233.74	24-May-09
							2 977	333.9	30-May-10
							2 774	116.76	18-Nov-10
							2 898	162.88	1-May-11
							12 266	171.39	4-Nov-11
							7 696	209.09	13-May-12
							18 528	193.83	1-Nov-12
							5 376	193.79	12-May-13
							12 282	171.76	10-Nov-13
							13 130	145.48	24-May-14
LTIP SAR	18 889	17 302	11-Nov-13	–	–		**36 191**		
							18 889	146.89	14-Nov-15
							17 302	134.91	11-Nov-16
LTIP CSP	7 912	8 083	11-Nov-13	–	–		**15 995**		
							7 912	–	14-Nov-15
							8 083	–	11-Nov-16

Name	Balance at 30 June 2013	Allocated during the year	Date of allocation	Forfeited during the year	Exercised during the year	Date exercised	**Balance at 30 June 2014**	Allocation price (R)	First vesting date
A Mhembere									
Share options	16 620	–		–	–		**16 620**	53.79	25-Jun-06
LTIP SAR	34 633	35 398	11-Nov-13	–	–		**70 031**		
							34 633	146.89	14-Nov-15
							35 398	134.91	11-Nov-16
LTIP CSP	14 507	16 537	11-Nov-13	–	–		**31 044**		
							14 507	–	14-Nov-15
							16 537	–	11-Nov-16
GS Potgieter									
Share appreciation scheme	98 878	–		–	–		**98 878**		
							93 783	186.60	1-Jul-12
							5 095	171.76	10-Nov-13
LTIP SAR	26 194	23 912	11-Nov-13	–	–		**50 106**		
							26 194	146.89	14-Nov-15
							23 912	134.91	11-Nov-16
LTIP CSP	10 972	11 171	11-Nov-13	–	–		**22 143**		
							10 972	–	14-Nov-15
							11 171	–	11-Nov-16
MN Ndlala									
Share appreciation scheme	56 799	–		–	–		**56 799**		
							888	149.42	11-May-08
							1 110	167.19	27-Nov-08
							3 603	233.74	24-May-09
							7 139	116.76	18-Nov-10
							12 313	171.39	4-Nov-09
							13 750	193.83	1-Nov-12
							7 831	193.79	12-May-13
							10 165	171.76	10-Nov-13
LTIP SAR	14 674	24 536	11-Nov-13	–	–		**39 210**		
							14 674	146.89	14-Nov-15
							24 536	134.91	11-Nov-16
LTIP CSP	6 146	11 462	11-Nov-13	–	–		**17 608**		
							6 146	–	14-Nov-15
							11 462	–	11-Nov-16

Name	Balance at 30 June 2013	Allocated during the year	Date of allocation	Forfeited during the year	Exercised during the year	Date exercised	**Balance at 30 June 2014**	Allocation price (R)	First vesting date
Total – Senior executives									
Share options	10 744	–		–	10 744	Various	**–**		
Share appreciation scheme	432 211	–		–	–		**432 211**		
							21 560	56.87	13-May-07
							1 568	103.24	1-Dec-07
							23 152	149.42	11-May-08
							24 002	167.19	27-Nov-08
							15 675	233.74	24-May-09
							3 579	242.19	20-Nov-09
							10 355	333.90	30-May-10
							48 549	116.76	18-Nov-10
							31 583	162.88	1-May-11
							34 927	171.39	4-Nov-11
							4 944	209.09	13-May-12
							39 252	195.66	1-Mar-12
							80 819	193.83	1-Nov-12
							24 981	193.79	12-May-13
							45 155	171.76	10-Nov-13
							22 110	145.48	24-May-14
LTIP SAR	78 629	81 252	11-Nov-13	–	–		**159 881**		
							78 629	146.89	14-Nov-15
							81 252	134.91	11-Nov-16
LTIP CSP	32 935	38 288	11-Nov-13	–	–		**71 223**		
							32 935	–	14-Nov-15
							38 288	–	11-Nov-16
	554 519	119 540		–	10 744		663 315		

Special contractual arrangements

No fixed-term employment contracts are in place for executive directors.

The periods of notice applying to senior executives is six months on either side in the case of the CEO and three months on either side in the case of other executive directors.

The notice periods for senior management members appointed to the executive committee (Exco) is three months, six months for the CEO and one month for all other managers.

On 18 October 2013, Mr PA Dunne stepped down as an executive director of the Group, but remained in service until 31 December 2013, and the Company agreed to a mutual separation payment. The payment made to Mr Dunne reflected in the variable remuneration table under retention, included a separation payment and settlement of his retention scheme balance.

Non-executive directors' remuneration

No annual fee increase is proposed for 2015 and the board and the committees' fees will remain unchanged for the fourth consecutive year.

Fee structures for remuneration of board and sub-committee members are recommended to the board by the Remcom and are reviewed annually. The review addresses market comparisons of fees and Company performance.

Non-executive fee structure comprises an annual fee for attending and contributing at board meetings. In terms of the memorandum of incorporation of the Company, fees payable to non-executive directors for their services as directors are determined by the shareholders in a general meeting.

With effect from	1 July 2014 (R)	Indicative** net pay (R)	1 July 2013 (R)	Indicative** net pay (R)
Board of directors				
Chairperson	**1 820 000**	**1 092 000**	1 820 000	1 092 000
Member	**333 680**	**200 208**	333 680	200 208
Audit committee				
Chairperson	**333 680**	**200 208**	333 680	200 208
Member	**157 700**	**94 620**	157 700	94 620
Remuneration committee				
Chairperson	**242 630**	**145 578**	242 630	145 578
Member	**109 110**	**65 466**	109 110	65 466
Nominations and governance committee				
Chairperson*	**N/A**	**N/A**	N/A	N/A
Member	**109 110**	**65 466**	109 110	65 466
Health, safety and environment committee				
Chairperson	**242 630**	**145 578**	242 630	145 578
Member	**109 110**	**65 466**	109 110	65 466
Risk committee				
Chairperson	**242 630**	**145 578**	242 630	145 578
Member	**109 110**	**65 466**	109 110	65 466
Social, ethics and transformation committee				
Chairperson	**242 630**	**145 578**	242 630	145 578
Member	**109 110**	**65 466**	109 110	65 466

* *The chairperson of the nominations and governance committee is also the chairperson of the board and does not receive additional fees for this committee.*

** *Indicative net pay calculated using a 40% tax rate.*

DIRECTORS' RESPONSIBILITY STATEMENT

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

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

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

Based on the results of a formal documented review of the Company's system of internal controls and risk management, covering both the adequacy in design and effectiveness in implementation performed by the internal audit function during the year 2014, the board of directors has considered:

- the information and explanations provided by line management
- discussions held with the external auditors on the results of the year-end audit
- the assessment by the audit committee and the risk committee.

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

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

The summary consolidated financial statements as set out on pages 126 to 137 have been approved by the board of directors and are signed on its behalf by:

KDK Mokhele
Chairman

TP Goodlace
Chief executive officer

28 August 2014

CERTIFICATE BY COMPANY SECRETARY

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

TT Llale
Company secretary

28 August 2014

To the shareholders of Impala Platinum Holdings Limited

The summary consolidated financial statements of Impala Platinum Holdings Limited, as set out on pages 126 to 137 of the integrated annual report, which comprise the summary consolidated statement of financial position as at 30 June 2014, and the summary consolidated statements of comprehensive income, changes in equity and cash flows for the year then ended, and related notes, are derived from the audited consolidated financial statements of Impala Platinum Holdings Limited for the year ended 30 June 2014. We expressed an unmodified audit opinion on those consolidated financial statements in our report dated 28 August 2014. Our auditor's report on the audited consolidated financial statements contained an Other Matter paragraph: "Other reports required by the Companies Act" (refer below).

The summary consolidated financial statements do not contain all the disclosures required by International Financial Reporting Standards and the requirements of the Companies Act of South Africa as applicable to annual financial statements. Reading the summary consolidated financial statements, therefore, is not a substitute for reading the audited consolidated financial statements of Impala Platinum Holdings Limited.

Directors' responsibility for the summary consolidated financial statements

The directors are responsible for the preparation of a summary of the audited consolidated financial statements in accordance with the JSE Limited's (JSE) requirements for summary financial statements, set out in the notes to the summary consolidated financial statements, and the requirements of the Companies Act of South Africa as applicable to summary financial statements, and for such internal control as the directors determine is necessary to enable the preparation of summary consolidated financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' responsibility

Our responsibility is to express an opinion on the summary consolidated financial statements based on our procedures, which were conducted in accordance with International Standard on Auditing (ISA) 810, "*Engagements to Report on Summary Financial Statements*".

Opinion

In our opinion, the summary consolidated financial statements derived from the audited consolidated financial statements of Impala Platinum Holdings Limited for the year ended 30 June 2014 are consistent, in all material respects, with those consolidated financial statements, in accordance with the JSE's requirements for summary financial statements, set out in the notes to the summary consolidated financial statements, and the requirements of the Companies Act of South Africa as applicable to summary financial statements.

Other reports required by the Companies Act

The "Other reports required by the Companies Act" paragraph in our audit report dated 28 August 2014 states that as part of our audit of the consolidated financial statements for the year ended 30 June 2014, we have read the directors' report, the audit committee's report and the company secretary's certificate for the purpose of identifying whether there are material inconsistencies between these reports and the audited consolidated financial statements. These reports are the responsibility of the respective preparers. The paragraph also states that, based on reading these reports, we have not identified material inconsistencies between these reports and the audited consolidated financial statements. The paragraph furthermore states that we have not audited these reports and accordingly do not express an opinion on these reports. The paragraph does not have an effect on the summary consolidated financial statements or our opinion thereon.

PricewaterhouseCoopers Inc

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

2 Elgin Road, Sunninghill, 2157
Johannesburg

28 August 2014

Profile

Nature and business of the Company

Impala Platinum Holdings Limited (Implats/Company/Group) is one of the foremost producers and suppliers of platinum group metals (PGMs) to industrial economies. The Company's holdings in various mining and exploration activities as at 30 June 2014 (unchanged from 30 June 2013) are described below:

Company	Effective interest %	Activity
Impala Platinum Limited (Impala)	100	PGM mining processing and refining
Impala Refining Services Limited	100	Purchase of concentrate and/or smelter matte. Processing of concentrate and matte by the smelting, refining and sale of resultant PGMs and base metals, and toll refining
Afplats Proprietary Limited	74	PGM mining (project phase)
Marula Platinum Proprietary Limited	73	PGM mining
Zimplats Holdings Limited	86.9	PGM mining
Mimosa Investments Limited	50	PGM mining
Two Rivers Platinum Proprietary Limited	45	PGM mining
Makgomo Chrome Proprietary Limited	50	Purchase of chrome in tailings. Processing and sale of the product
Impala Chrome Proprietary Limited	70	Purchase of chrome in tailings. Processing and sale of the product

Share capital

	R
Authorised share capital	
844 008 000 ordinary shares of 2.5 cents each	21 100 200
Issued share capital	
632 214 276 ordinary shares of 2.5 cents each	15 805 357
Unissued share capital	
211 793 724 ordinary shares of 2.5 cents each	5 294 843

There were no changes to the authorised or issued share capital during the year.

American depositary receipts

At 30 June 2014, Implats had 6 812 256 (2013: 7 264 014) sponsored American depositary shares in issue through Deutsche Bank AG London and trading on the over-the-counter markets in the US. Each American depositary share is equal to one Implats ordinary share.

Treasury shares

The Group holds 16 233 994 ordinary shares of 2.5 cents each which were bought in terms of an approved share buy-back scheme in prior years. No additional shares were bought by the Company during the year under review. The shares are held as "treasury shares" by a wholly owned subsidiary of the Company.

Share-based compensation

Details of participation in the share option scheme are set out in note 39 of the consolidated financial statements.

The trustee of the Share Incentive Trust is Ms NDB Orleyn; however, the Group no longer offers employees any further options under the Implats Share Incentive Scheme. All eligible employees are now offered shares under a new long-term incentive plan (LTIP) which was approved by shareholders in 2012. The LTIP has effectively replaced the Implats Share Appreciation Bonus Plan (ISABP) and no further notional shares have been issued under the ISABP.

Shareholding in the Company

The issued capital of the Company held by public and non-public entities as at 30 June 2014 was as follows:

	Number of shareholders	Number of shares ('000)	%
Public	36 849	434 234	68.7
Non-public	6	197 980	31.3
Directors	1	1	–
Trustees of share scheme	2	8 967	1.4
Share Incentive Trust	1	102	–
Morokotso Trust	1	8 865	1.4
Royal Bafokeng Holdings Proprietary Limited*	1	83 115	13.2
Public Investment Corporation Limited	1	89 663	14.1
Treasury shares	1	16 234	2.6
Total	36 855	632 214	100.0

** Has the right to appoint two directors.*

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

Shareholders	Number of shares ('000)	%
Royal Bafokeng Holdings Proprietary Limited	83 115	13.2
Public Investment Corporation Limited	89 663	14.1

Black economic empowerment (BEE) ownership

The Group believes that it has fully met the equity ownership objectives of the Mineral and Petroleum Resources Development Act as it recognises that the transformation of the equity ownership of the Company is a key strategic goal. Our BEE partners are drawn from a wide range of groups from the significant stake held by the Royal Bafokeng Nation to smaller BEE companies and community groups. The Morokotso Trust, an Employee Share Ownership Plan established in 2006, has delivered value to some 24 000 employees in South Africa with 40% of the shares having vested in July 2011. The remaining 60% will continue to be held by the Trust on behalf of our employees until the termination date in 2016.

Investments

Indigenisation of Zimbabwean investments

Discussions continue with the Government of Zimbabwe on the subject of indigenisation and how it can be implemented. The Company has been advised by the government to factor in certain corporate social responsibility projects with a view to accruing credits towards the 51% indigenous shareholding target. Both Zimplats and Mimosa are engaged in discussions with the Minister of Youth Development, Indigenisation and Economic Empowerment with regard to the indigenisation implementation plan.

Zimplats Holdings Limited (Zimplats)

During the period under review, the Company owned 86.9% (2013: 86.9%) of Zimplats, which in turn holds 100% of Zimbabwe Platinum Mines (Pvt) Limited (Zimplats Pvt) – an operating company in Zimbabwe. Pending the finalisation of the indigenisation plans, Implats continued to consolidate its shareholding in Zimplats in 2014.

Mimosa Investments Limited (Mimosa)

The Company holds a 50% (2013: 50%) shareholding in Mimosa with the balance being held by Aquarius Platinum Limited (Aquarius). Mimosa Mining Company (Pvt) Limited (Mimosa Pvt), the operating company, is a wholly owned subsidiary of Mimosa. In 2014, Implats equity accounted its 50% interest in the joint venture in line with the new accounting standard requiring equity accounting of joint ventures.

Two Rivers Platinum Proprietary Limited (Two Rivers)

The Company owns a 45% (2013: 45%) interest in Two Rivers with the balance held by African Rainbow Minerals Limited. Upon receipt of all regulatory approvals Implats will acquire a further 4% interest in Two Rivers in exchange for vending into Two Rivers portions 4, 5 and 6 of the farm Kalkfontein, as well as the area covered by the Tweefontein prospecting rights.

Marula Platinum Proprietary Limited (Marula)
The Company owns a 73% (2013: 73%) interest in Marula.

The 27% non-controlling interest comprises a 9% equity stake in Marula held by each of the following BEE entities:
- Tubatse Platinum Proprietary Limited
- Mmakau Mining Proprietary Limited
- Marula Community Trust

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

Afplats Proprietary Limited (Afplats)
The Company owns a 74% (2013: 74%) interest in Afplats, which is continuing the main shaft sinking activities towards establishing a platinum mine – in the Brits district – being Phase 1 of the Leeuwkop project.

Makgomo Chrome Proprietary Limited (Makgomo Chrome)
The Company owns a 50% (2013: 50%) stake in Makgomo Chrome, a company established pursuant to Implats' Local Economic Development strategy for the Marula community. The balance of the issued shares is held by the communities in the Marula area of operations. Twenty percent of the Company's shareholding is held through Marula and all dividends received by Marula are used to fund community development projects.

Impala Chrome Proprietary Limited (Impala Chrome)
The Company holds 70% (2013: 70%) of the shares in issue and Chrome Traders Processing Proprietary Limited (Chrome Traders) holds the remaining 30% of the shares. The Implats board has approved that the Company's shareholding in Impala Chrome be reduced to 40% by earmarking 30% for sale in future to local BEE entities or communities.

Financial affairs

Results for the year

The results for the year were significantly impacted by the five-month industrial action at Impala Rustenburg's operations. The operations outside the Rustenburg area, specifically Zimplats, Mimosa and Two Rivers, all performed admirably and delivered good results.

Group production deteriorated from 1.582 million ounces of platinum to 1.178 million ounces due to industrial action at Impala. At Impala itself, refined production decreased by 42% to 411 000 platinum ounces on the back of the industrial action, which resulted in a loss of some 312 000 platinum ounces (compared to the plan for the second six months).

Revenues reduced by only R816 million to R29.03 billion mainly assisted by destocking and higher rand metal prices.

Cash costs which include on-mine, processing, refining and selling and administration expenses decreased by R3.4 billion. Stringent cash preservation initiatives were implemented as a result of the strike action at Impala Rustenburg. There was a strict application of the 'no-work-no-pay' principle and operating costs during this period only included security, essential services and maintenance costs. As a result cash costs were curtailed by R3.80 billion.

- Furthermore, an amount of R1.26 billion was transferred from cash costs to other operating expenses for non-production costs incurred during the strike
- Group inflation increased cash costs by 10.8%. South African inflation amounted to 8.7% (10.7% on labour, 5.5% for consumables and 9.0% on utilities), while Zimbabwean dollar inflation amounted to 6.4% but was affected by the 17.9% weakening in the rand/dollar exchange rate.

The net results of Implats' operating, investing and financing activities, combined with the opening cash and debt positions, was to end the year with cash of R4.31 billion and net debt (excluding finance leases) of R2.10 billion. In addition to the cash on hand, the Group had committed undrawn facilities of R3.0 billion at year end.

Dividends

No dividends were declared in respect of the 2014 financial year (2013: interim dividend – 35 cents per share and final dividend – 60 cents per share).

Convertible bonds interest payments

The Company paid interest in August 2013 and February 2014 to bond holders in line with the terms and conditions of the bonds.

Capital expenditure

Capital expenditure for the year amounted to R4.4 (2013: R6.3) billion.

Capital expenditure of approximately R5.3 billion is planned for the 2015 financial year, of which R1.5 billion relates to 20, 16 and 17 Shafts at Impala (the triple build-up). Approximately R800 million was planned for off-reef development and R1.8 billion on Zimplats. Impala's capital expenditure will principally be funded from the proceeds of the convertible bonds issued in 2013 and operating cash flows. Expenditure in Zimbabwe will be funded from operating cash flows and borrowings if necessary.

Post-balance sheet events

Post year end, in July 2014, a collapse within a section of the underground working area of the Bimha mine in Zimbabwe was triggered by the accelerated deterioration of ground conditions associated with a major fault, the Mutambara Shear, which transgresses through the mining area. As a result of the proactive response from the Zimplats management team and the timely evacuation of all personnel, no injuries or damage of mobile equipment were reported.

By 20 August 2014, ground conditions had continued to deteriorate and as a consequence, it was decided to withdraw all employees across the rest of the mine. A team of Company and independent advisers has been appointed to conduct detailed investigations to re-engineer and/or arrest the current mine stability concerns. Consequently, there is a possible production impact of up to 70 000 platinum ounces in 2015.

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

Going concern

The consolidated financial statements have been prepared on a going-concern basis using the appropriate accounting policies, supported by reasonable and prudent judgements and estimates. The directors believe that the Company and the Group will continue to be in operation in the foreseeable future.

Associated and subsidiary companies

Information regarding the Company's associated and subsidiary companies is given in note 17 of the separate annual financial statements of the Company.

Property

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

Directorate

Name	Position as director	Date appointed
KDK Mokhele	Independent non-executive chairman	1 June 2004
B Berlin	Chief financial officer	24 February 2011
HC Cameron	Independent non-executive director	1 November 2010
PW Davey	Independent non-executive director	1 July 2013
MSV Gantsho	Independent non-executive director	1 November 2010
TP Goodlace	Chief executive officer	1 June 2012 (5 August 2010 as independent non-executive)
A Kekana	Non-executive director	8 August 2013
AA Maule	Independent non-executive director	1 November 2011
AS Macfarlane	Independent non-executive director	1 December 2012
TV Mokgatlha	Independent non-executive director	20 June 2003 (8 July 2013 as independent non-executive)
BT Nagle	Non-executive director	8 August 2013
B Ngonyama	Independent non-executive director	1 November 2010
NDB Orleyn	Independent non-executive director	1 April 2004
PA Dunne*	Executive director	16 February 2010
OM Pooe**	Alternate director	8 August 2013

** Resigned as director – 18 October 2013.*
*** Resigned as non-executive director – 8 August 2013 and as alternate director – 19 September 2013.*

Composition of the board

The board comprises nine independent non-executive directors, two non-executive directors and two executive directors.

In compliance with the Company's memorandum of incorporation and Schedule 10 of the JSE Listings Requirements, the directors who will retire at the next annual general meeting (AGM) are Ms AA Maule, Ms B Ngonyama, Ms NDB Orleyn, Dr KDK Mokhele and Mr TV Mokgatlha. The average length of service of the 11 non-executive directors is 4.6 years, while that of the executive directors is 3.5 years.

In line with King III and international best practice, directors who have served on the board for longer than nine years are subject to an annual independence test and annual re-election by shareholders at the AGM. Currently, Ms NDB Orleyn, Dr KDK Mokhele and Mr TV Mokgatlha are retiring to satisfy this requirement.

Interests of directors

The interests of directors in the shares of the Company at 30 June 2014 were as follows and did not individually exceed 1% of the issued share capital or voting control of the Company:

	Direct		Indirect	
	2014	2013	**2014**	2013
Beneficial				
Directors	**1 800**	60 300	**–**	780
TP Goodlace	**1 800**	–	**–**	–
DH Brown (resigned 30 June 2012)	**–**	60 000	**–**	–
JM McMahon (retired 24 October 2012)	**–**	300	**–**	780
Senior management	**218 190**	246 559	**–**	–

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

Directors' remuneration and key management compensation

Details of the executive directors, non-executive directors and senior management remuneration paid during the 2014 financial year, and of directors' remuneration proposed for the 2015 financial year, are set out in the remuneration report on pages 110 to 117.

Directors' interests

No contracts of significance were entered into in which the directors of the Company were materially interested, during the financial year. No material change in the aforegoing interests has taken place between 30 June 2014 and the date of this report.

Special resolutions passed

During the year, the following special resolutions were passed by the shareholders:

Acquisition of the Company's shares by the Company or subsidiaries

A renewal of the general authority to acquire up to 5% of the Company's shares subject to the provisions of the JSE Listings Requirements and the Companies Act, provided that the authority does not extend beyond 15 months from the date of the granting of that authority.

Financial assistance

Shareholders approved the granting of financial assistance, subject to the provisions of sections 44 and 45 of the Companies Act, directly or indirectly, to present and future subsidiaries, present and future directors and prescribed officers, or any related or inter-related persons for a period of two years commencing from the date of the resolution.

Administration

Financial, administrative and technical advisers

In terms of a service agreement, Impala acted as financial, administrative and technical advisers to the Group during the year on a fee basis. Mr PA Dunne had an interest in this contract to the extent that he was a director of Impala and of the Company, but he did not beneficially own any shares in Impala. During the year under review, Mr Dunne resigned as a director of Impala.

Company secretary

Ms A Parboosing acted as secretary to Implats and Impala until she resigned on 21 July 2014. Mr T Llale was appointed as secretary to Implats and Impala on 25 August 2014. Impala acted as secretaries to other subsidiaries in the Group. The business and postal addresses of the company secretary are set out on page 152.

United Kingdom secretaries

The business and postal addresses of the United Kingdom secretaries are set out on page 152.

Public officer

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

CONSOLIDATED STATEMENT OF FINANCIAL POSITION – as at 30 June 2014

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	Notes	**30 June 2014 Rm**	30 June 2013 Restated* Rm	1 July 2012 Restated* Rm
Assets				
Non-current assets				
Property, plant and equipment	4	**46 916**	44 410	38 877
Exploration and evaluation assets		**3 360**	4 294	4 294
Intangible assets		**–**	–	1 018
Investment in equity accounted entities	5	**2 959**	2 922	2 524
Deferred tax		**238**	118	–
Available-for-sale financial assets		**54**	110	101
Held-to-maturity financial assets		**35**	32	49
Loans	6	**133**	174	1 087
Derivative financial instruments		**332**	90	–
Prepayments		**10 665**	10 840	11 102
		64 692	62 990	59 052
Current assets				
Inventories	7	**7 212**	8 456	6 834
Trade and other receivables		**3 078**	3 468	4 365
Loans	6	**12**	21	538
Prepayments		**568**	443	522
Cash and cash equivalents		**4 305**	4 924	935
		15 175	17 312	13 194
Total assets		**79 867**	80 302	72 246
Equity and liabilities				
Equity attributable to owners of the Company				
Share capital		**15 624**	15 493	15 187
Retained earnings		**34 936**	35 300	34 869
Other components of equity		**1 807**	1 244	112
		52 367	52 037	50 168
Non-controlling interest		**2 550**	2 579	2 307
Total equity		**54 917**	54 616	52 475
Liabilities				
Non-current liabilities				
Deferred tax		**10 179**	10 442	9 223
Borrowings	8	**7 169**	7 259	2 882
Derivative financial instruments		**18**	30	–
Liabilities		**676**	672	812
Provisions		**676**	768	732
		18 718	19 171	13 649
Current liabilities				
Trade and other payables		**4 713**	4 658	4 971
Current tax payable		**562**	508	172
Borrowings	8	**618**	220	58
Liabilities		**339**	318	315
Bank overdraft		**–**	811	606
		6 232	6 515	6 122
Total liabilities		**24 950**	25 686	19 771
Total equity and liabilities		**79 867**	80 302	72 246

* *The audited June 2013 and June 2012 results were restated as a result of IFRS 10* Consolidated Financial Statements *and IFRS 11* Joint Arrangements*, which has become effective. These standards require that the investment in Guardrisk (previously consolidated) be deconsolidated and Mimosa (previously proportionately consolidated), be equity accounted.*

The notes on pages 131 to 137 are an integral part of these summarised financial statements.

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME – for the year ended 30 June 2014

	Notes	30 June 2014 Rm	30 June 2013 Restated* Rm
Revenue		**29 028**	29 844
Cost of sales	9	**(25 786)**	(25 132)
Gross profit		**3 242**	4 712
Other operating income	10	**239**	470
Other operating expenses		**(2 809)**	(2 294)
Royalty expense		**(693)**	(674)
Profit/(loss) from operations		**(21)**	2 214
Finance income		**318**	222
Finance cost		**(496)**	(446)
Net foreign exchange transaction gains		**(101)**	208
Other income		**203**	250
Other expense		**(253)**	(221)
Share of profit of equity accounted entities		**365**	233
Profit before tax		**15**	2 460
Income tax expense		**(144)**	(1 392)
Profit/(loss) for the year		**(129)**	1 068
Other comprehensive income, comprising items that may subsequently be reclassified to profit or loss:			
Available-for-sale financial assets		**(56)**	9
Deferred tax thereon		**–**	–
Share of other comprehensive income of equity accounted entities	5	**120**	324
Deferred tax thereon	5	**(12)**	(88)
Exchange differences on translating foreign operations		**711**	1 504
Deferred tax thereon		**(93)**	(421)
Other comprehensive income, comprising items that will not be subsequently reclassified to profit or loss:			
Actuarial loss on post-employment medical benefit		**(1)**	(6)
Deferred tax thereon		**–**	2
Total comprehensive income		**540**	2 392
Profit/(loss) attributable to:			
Owners of the Company		**8**	1 015
Non-controlling interest		**(137)**	53
		(129)	1 068
Total comprehensive income/(loss) attributable to:			
Owners of the Company		**569**	2 143
Non-controlling interest		**(29)**	249
		540	2 392
Earnings per share (cents per share)			
Basic		**1**	167
Diluted		**1**	167

* *The audited June 2013 results were restated as a result of IFRS 10* Consolidated Financial Statements *and IFRS 11* Joint Arrangements*, which has become effective. These standards require that the investment in Guardrisk (previously consolidated) be deconsolidated and Mimosa (previously proportionately consolidated), be equity accounted.*
For headline earnings per share and dividend per share refer notes 11 and 12.

The notes on pages 131 to 137 are an integral part of these summarised financial statements.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY – for the year ended 30 June 2014

	Number of shares issued (million)*	Ordinary shares Rm	Share premium Rm	Share-based payments Rm
Balance at 30 June 2013	**606.91**	**16**	**13 363**	**2 114**
Shares issued				
– Implats Share Incentive Scheme	**0.14**	**–**	**8**	**–**
– Employee Share Ownership Programme	**–**	**–**	**–**	**–**
Share-based compensation				
– Long-term Incentive Plan	**–**	**–**	**–**	**123**
Profit/(loss) for the year	**–**	**–**	**–**	**–**
Other comprehensive income/(loss)	**–**	**–**	**–**	**–**
Dividends (note 12)	**–**	**–**	**–**	**–**
Balance at 30 June 2014	**607.05**	**16**	**13 371**	**2 237**
Balance at 30 June 2012	606.57	16	13 099	2 072
Shares issued				
– Implats Share Incentive Scheme	0.18	–	12	–
– Employee Share Ownership Programme	0.16	–	24	–
Convertible bonds	–	–	228	–
Share-based compensation				
– Long-term Incentive Plan	–	–	–	42
Profit for the year	–	–	–	–
Other comprehensive income	–	–	–	–
Transaction with non-controlling shareholders	–	–	–	–
Dividends (note 12)	–	–	–	–
Balance at 30 June 2013	606.91	16	13 363	2 114

** The table above excludes the treasury shares, Morokotso Trust (ESOP) and the Implats Share Incentive Scheme as these special structured entities are consolidated.*

The notes on pages 131 to 137 are an integral part of these summarised financial statements.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY – for the year ended 30 June 2014

			Attributable to:		
Total share capital Rm	**Retained earnings Rm**	**Total other components of equity Rm**	Owners of the Company Rm	Non-controlling interest Rm	**Total equity Rm**
15 493	**35 300**	**1 244**	**52 037**	**2 579**	**54 616**
8	**–**	**–**	**8**	**–**	**8**
–	**–**	**–**	**–**	**–**	**–**
123	**–**	**–**	**123**	**–**	**123**
–	**8**	**–**	**8**	**(137)**	**(129)**
–	**(1)**	**563**	**562**	**108**	**670**
–	**(371)**	**–**	**(371)**	**–**	**(371)**
15 624	**34 936**	**1 807**	**52 367**	**2 550**	**54 917**
15 187	34 869	112	50 168	2 307	52 475
12	–	–	12	–	12
24	–	–	24	–	24
228	–	–	228	–	228
42	–	–	42	–	42
–	1 008	–	1 008	53	1 061
–	3	1 132	1 135	196	1 331
–	–	–	–	23	23
–	(580)	–	(580)	–	(580)
15 493	35 300	1 244	52 037	2 579	54 616

CONSOLIDATED STATEMENT OF CASH FLOWS – for the year ended 30 June 2014

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	30 June 2014 Rm	30 June 2013 Restated* Rm
Cash flows from operating activities		
Cash generated from operations	**5 234**	6 794
Exploration costs	**(20)**	(47)
Finance cost	**(404)**	(149)
Income tax paid	**(714)**	(1 016)
Net cash from operating activities	**4 096**	5 582
Cash flows from investing activities		
Purchase of property, plant and equipment	**(4 500)**	(6 219)
Proceeds from sale of property, plant and equipment	**129**	97
Proceeds from insurance claim on asset scrapping	**112**	–
Purchase of investment in subsidiary	**–**	(57)
Payment received from associate on shareholders' loan	**–**	49
Proceeds from sale of held-to-maturity investment	**–**	21
Loans granted	**(10)**	(7)
Loan repayments received	**11**	30
Prepayments refunded	**–**	–
Finance income	**319**	217
Dividends received	**467**	97
Net cash used in investing activities	**(3 537)**	(5 772)
Cash flows from financing activities		
Issue of ordinary shares	**8**	36
Repayments of borrowings	**(16)**	(132)
Proceeds from borrowings	**–**	4 638
Dividends paid to Company's shareholders	**(371)**	(580)
Net cash used in financing activities	**(379)**	3 962
Net increase in cash and cash equivalents	**180**	3 772
Cash and cash equivalents at beginning of year	**4 113**	329
Effect of exchange rate changes on cash and cash equivalents held in foreign currencies	**12**	12
Cash and cash equivalents at end of year**	**4 305**	4 113

* *The audited June 2013 results were restated as a result of IFRS 10* Consolidated Financial Statements *and IFRS 11* Joint Arrangements, *which has become effective. These standards require that the investment in Guardrisk (previously consolidated) be deconsolidated and Mimosa (previously proportionately consolidated), be equity accounted.*

** *Net of bank overdraft.*

The notes on pages 131 to 137 are an integral part of these summarised financial statements.

1. Basis of preparation

The summarised consolidated financial statements for the year ended 30 June 2014 have been prepared in accordance with the JSE Limited Listings Requirements (Listings Requirements) and the requirements of the Companies Act, Act 71 of 2008 applicable to summarised financial statements. The Listings Requirements require financial statements to be prepared in accordance with the framework concepts and the measurement and recognition requirements of International Financial Reporting Standards (IFRS), the SAICA Financial Reporting Guides as issued by the Accounting Practices Committee and Financial Reporting Pronouncements as issued by the Financial Reporting Standards Council, and to also, as a minimum, contain the information required by IAS 34 *Interim Financial Reporting*.

The summarised consolidated financial information should be read in conjunction with the consolidated financial statements for the year ended 30 June 2014, which have been prepared in accordance with IFRS.

The summarised consolidated financial information has been prepared under the historical cost convention except for certain financial assets, financial liabilities and derivative financial instruments which are measured at fair value and liabilities for cash-settled share-based payment arrangements which are measured with a binomial option model.

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

2. Accounting policies

The principal accounting policies applied in the preparation of the consolidated financial statements, from which the summarised consolidated financial statements were derived, are in terms of IFRS. The following new standards, amendments to standards and interpretations have been adopted by the Group as from 1 July 2013:

- IAS 27 *Separate Financial Statements* (revised), IAS 28 *Investment in Associates and Joint Ventures* (revised), IFRS 10 *Consolidated Financial Statements*, IFRS 11 *Joint Arrangements* and IFRS 12 *Disclosure of interest in other entities* were issued dealing with consolidation, joint arrangements, associates and disclosure. IFRS 10, IFRS 11 and IFRS 12 were subsequently amended to clarify certain transitional guidance on the first-time application of these standards. The Group has adopted these standards, including the subsequent amendments during the year. The main impact is that Implats now equity accounts for its investment in the joint venture, Mimosa, which was previously proportionately consolidated (note 5). The accounting policy was applied retrospectively. The application of IFRS 12 results in more extensive disclosure in the consolidated financial statements.
- IAS 36 *Impairment of Assets* (effective 1 January 2014). The amendment requires additional disclosure on the recoverable amount of non-financial assets when an impairment loss was recognised. The amendment resulted in additional disclosure in the consolidated financial statements.
- IAS 39 *Financial Instruments: Recognition and Measurement* (effective 1 January 2014). This amendment, regarding novation of derivatives, allows for the continuation of hedge accounting. The amendment has no impact on the results of the Group.
- IFRIC 21 *Levies* (effective 1 January 2014). The new interpretation addresses concerns on how to account for levies based on financial data of a different period from that in which the activity resulting in the payment of the levy occurs. The new interpretation has no impact on the results of the Group.

3. Segment information

The Group differentiates its segments between mining operations, refining services (which include metals purchased and toll refined), chrome processing and other.

Management has determined the operating segments based on the business activities and management structure within the Group. Mimosa, previously included in the mining segment, will in future be reported internally as other mine-to-market operations and included in the other segment.

Capital expenditure comprises additions to property, plant and equipment (note 4), including additions resulting from acquisitions through business combinations.

Impala mining segment's two largest sales customers amounted to 12% and 11% of total sales (June 2013: 13% each).

The statement of comprehensive income shows the movement from gross profit to total profit before income tax.

	30 June 2014		30 June 2013	
	Revenue Rm	**Gross profit Rm**	Revenue Rm	Gross profit Rm
Mining				
– Impala	**28 308**	**(1 773)**	29 110	2 315
Mining	**10 327**	**(1 902)**	14 588	2 097
Metals purchased	**17 981**	**129**	14 522	218
– Zimplats	**5 973**	**2 039**	4 159	1 451
– Marula	**1 791**	**(12)**	1 404	(216)
– Afplats	**–**	**(5)**	–	(2)
Chrome processing	**179**	**41**	181	38
Inter-segment adjustment	**(7 778)**	**1 144**	(5 563)	(267)
External parties	**28 473**	**1 434**	29 291	3 319
Refining services	**18 495**	**1 813**	14 696	1 397
Inter-segment adjustment	**(17 940)**	**(5)**	(14 143)	(4)
External parties	**555**	**1 808**	553	1 393
Total external parties	**29 028**	**3 242**	29 844	4 712

	Capital expenditure Rm	**Total assets Rm**	Capital expenditure Rm	Total assets Rm
Mining				
– Impala	**2 823**	**49 946**	4 390	52 231
– Zimplats	**1 226**	**12 856**	1 449	10 971
– Marula	**159**	**3 048**	125	3 115
– Afplats	**175**	**5 912**	215	6 677
Total mining	**4 383**	**71 762**	6 179	72 994
Refining services	**–**	**4 580**	–	3 969
Chrome processing	**2**	**120**	79	159
Other	**–**	**3 405**	–	3 270
Total	**4 385**	**79 867**	6 258	80 392

	30 June 2014 Rm	30 June 2013 Rm
4. Property, plant and equipment		
Opening net book amount	**44 410**	38 876
Additions	**4 345**	6 135
Additions through business combination	**–**	79
Interest capitalised	**155**	64
Disposals	**(17)**	(44)
Depreciation (note 9)	**(2 341)**	(2 314)
Impairment	**(65)**	–
Scrapping	**(223)**	–
Rehabilitation adjustment	**(115)**	(20)
Exchange adjustment on translation	**767**	1 634
Closing net book amount	**46 916**	44 410

Capital commitment

Capital expenditure approved at 30 June 2014 amounted to R15.6 (June 2013: R19.1) billion, of which R1.9 (June 2013: R2.7) billion is already committed. This expenditure will be funded internally and, if necessary, from borrowings.

	30 June 2014 Rm	30 June 2013 Rm
5. Investment in equity accounted entities		
Summary – Balances		
Joint venture		
Mimosa	**1 756**	1 786
Associates		
Two Rivers	**1 134**	1 072
Makgomo Chrome	**69**	64
Friedshelf 1226 & 1169	**–**	–
Total investment in equity accounted entities	**2 959**	2 922
Summary – Movement		
Beginning of the year	**2 922**	2 524
Share of profit	**383**	220
Share of other comprehensive income	**120**	323
Interest accrued	**–**	2
Payments received	**–**	(51)
Dividends received	**(466)**	(96)
End of the year	**2 959**	2 922

The investment in Mimosa was previously proportionately consolidated on a line-for-line basis. The equity method of accounting was applied retrospectively and the balances previously proportionately consolidated, which now form part of the investment, are as follows:

	As at 30 June 2013 Rm	As at 1 July 2012 Rm
Non-current assets	**1 717**	1 474
Current assets	**704**	594
Total assets	**2 421**	2 068
Non-current liabilities	**514**	429
Current liabilities	**121**	136
Total liabilities	**635**	565
Net asset value (Investment in joint venture)	**1 786**	1 503

NOTES TO THE FINANCIAL INFORMATION – for the year ended 30 June 2014

	Year ended 30 June 2014 Rm	Year ended 30 June 2013 Rm
6. Loans		
Summary – Balances		
Employee housing	**55**	44
Reserve Bank of Zimbabwe	**73**	135
Contractors	**5**	16
Silplats	**12**	–
	145	195
Short-term portion	**(12)**	(21)
Long-term portion	**133**	174
Summary – Movement		
Beginning of the year	**195**	1 625
Loans granted during the year	**22**	7
Interest accrued	**7**	37
Impairment	**(71)**	(1 098)
Repayment received	**(17)**	(364)
Exchange adjustment	**9**	(12)
End of the year	**145**	195
7. Inventories		
Mining metal		
Refined metal	**1 300**	2 301
Main products – at cost	**941**	1 394
Main products – at net realisable value	**286**	814
By-products – at net realisable value	**73**	93
In-process metal	**1 728**	2 294
At cost	**1 270**	1 480
At net realisable value	**458**	814
Non-mining metal		
Refined metal	**1 160**	1 086
At cost	**1 134**	886
At net realisable value	**26**	200
In-process metal	**2 291**	2 154
At cost	**2 291**	1 526
At net realisable value	**–**	628
Metal inventories	**6 479**	7 835
Stores and materials inventories	**733**	621
	7 212	8 456

Refined metal

Refined main products at a cost of R361 (June 2013: R1 346) million were written down by R49 (June 2013: R332) million to net realisable value of R312 (June 2013: R1 014) million.

Included in refined metal is metal on lease to third parties of 36 000 (June 2013: 36 000) ounces ruthenium.

In-process metal

Changes in engineering estimates resulted in a reduction of R806 million.

After this adjustment, in-process metal of main products at a cost of R544 (June 2013: R1 888) million were written down by R86 (June 2013: R446) million to net realisable value amounting to R458 (June 2013: R1 442) million.

	30 June 2014 Rm	30 June 2013 Rm
8. Borrowings		
Summary – Balances		
Standard Bank Limited – BEE partners Marula	**878**	876
Standard Bank Limited – Zimplats	**1 117**	1 037
Convertible bonds – ZAR	**2 429**	2 365
Convertible bonds – US$	**1 981**	1 803
Finance leases	**1 382**	1 398
	7 787	7 479
Short-term portion	**(618)**	(220)
Long-term portion	**7 169**	7 259
Summary – Movement		
Beginning of the year	**7 479**	2 940
Proceeds	**–**	4 146
Leases capitalised	**–**	(20)
Interest accrued	**549**	344
Repayments	**(462)**	(273)
Exchange adjustment	**221**	342
End of the year	**7 787**	7 479
9. Cost of sales		
Included in cost of sales		
On-mine operations	**9 090**	12 013
Wages and salaries	**6 085**	7 074
Materials and consumables	**3 323**	4 148
Utilities	**819**	791
Minus: Cost incurred during strike period	**(1 137)**	–
Processing operations	**2 733**	3 044
Wages and salaries	**562**	624
Materials and consumables	**1 333**	1 530
Utilities	**956**	890
Minus: Cost incurred during strike period	**(118)**	–
Refining operations	**880**	941
Wages and salaries	**406**	413
Materials and consumables	**354**	414
Utilities	**120**	114
Other costs	**655**	656
Corporate costs, salaries and wages	**483**	321
Selling and promotional expenses	**172**	335
Share-based compensation	**231**	(98)
Chrome operation – cost of sales	**117**	137
Depreciation of operating assets	**2 341**	2 314
Metals purchased	**8 601**	7 588
Change in metal inventories	**1 138**	(1 463)
	25 786	25 132

	30 June 2014 Rm	30 June 2013 Rm
10. Other operating expenses/(income)		
Other operating expenses/(income) comprise the following principal categories:		
Non-production cost during strike	**1 255**	–
Profit on disposal of property, plant and equipment	**(76)**	(86)
Rehabilitation provision – change in estimate	**(44)**	(32)
Impairment	**1 071**	2 279
Trade payables – commodity price adjustment	**246**	(331)
Scrapping of assets	**223**	–
Insurance claim	**(112)**	–
Audit remuneration	**14**	15
Other	**(7)**	(21)
	2 570	1 824

Production ceased at Impala Rustenburg's operation during the five-month industrial action. Cost incurred during this period was reallocated from cost of sales to other operating expenses.

	30 June 2014 Rm	30 June 2013 Rm
11. Headline earnings		
Headline earnings attributable to equity holders of the Company arise from operations as follows:		
Profit/(loss) attributable to owners of the Company	**8**	1 015
Adjustments:		
Profit on disposal of property, plant and equipment	**(47)**	(54)
Impairment	**630**	1 018
Scrapping of property, plant and equipment	**223**	–
Insurance compensation relating to scrapping of property, plant and equipment	**(112)**	–
Total tax effects of adjustments	**(179)**	15
Headline earnings	**523**	1 994
Weighted average number of ordinary shares in issue for basic earnings per share	**606.94**	606.76
Weighted average number of ordinary shares for diluted earnings per share	**607.85**	607.06
Headline earnings per share (cents)		
Basic	**86**	329
Diluted	**86**	328
12. Dividends		
No dividends were declared in respect of the 2014 financial year.		
Dividends paid		
Final dividend No 91 for 2013 of 60 (2012: 60) cents per share	**371**	366
No interim dividend for 2014 (2013: interim dividend No 90 of 35 cents per share)	**–**	214
	371	580

13. Contingent liabilities and guarantees

As at the end of June 2014 the Group had bank and other guarantees of R1 370 (June 2013: R1 112) million from which it is anticipated that no material liabilities will arise.

The companies which are subject to water licences with the Department of Water Affairs are in the process of compiling a plan, including future cash flow, to ensure that adherence to the water management requirements, including treatment and rehabilitation requirements of the Department of Water Affairs, are met. This could result in a liability and a corresponding asset in the statement of financial position. Measurement of the liability is currently in progress.

14. Related party transactions

The Group entered into PGM purchase transactions of R3 409 (June 2013: R2 990) million with Two Rivers Platinum, an associate company, resulting in an amount payable of R936 (June 2013: R759) million. It also received refining fees to the value of R21 million (June 2013: refining fees and interest to the value of R20 million). The shareholders' loan was repaid during the previous year.

The Group previously entered into sale and leaseback transactions with Friedshelf, an associate company. At the end of the period, an amount of R1 221 (June 2013: R1 224) million was outstanding in terms of the lease liability. During the period, interest of R111 (June 2013: R123) million was charged and a R114 (June 2013: R100) million repayment was made. The finance leases have an effective interest rate of 10.2%.

The Group entered into PGM purchase transactions of R2 642 (June 2013: R2 034) million with Mimosa Investments, a joint venture, resulting in an amount payable of R778 (June 2013: R572) million. It also received refining fees and interest to the value of R223 (June 2013: R169) million.

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

Key management compensation is disclosed in the remuneration report (pages 110 to 117).

	30 June 2014 Rm	30 June 2013 Rm
15. Financial instruments		
Financial assets – carrying amount		
Loans and receivables	**6 145**	7 405
Financial instruments at fair value through profit and loss	**332[2]**	90[2]
Held-to-maturity financial assets	**35**	32
Available-for-sale financial assets	**54[1]**	110[1]
	6 566	7 637
Financial liabilities – carrying amount		
Financial liabilities at amortised cost	**11 626**	12 003
Financial instruments at fair value through profit and loss	**18[2]**	30[2]
	11 644	12 033

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

[1] *Level 1 of the fair value hierarchy – Quoted prices in active markets for the same instrument.*
[2] *Level 2 of the fair value hierarchy – Significant inputs are based on observable market data.*

NON-GAAP DISCLOSURE

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The Group utilises certain non-GAAP performance measures and ratios in managing the business and may provide users of this financial information with additional meaningful comparisons between current results and results in prior operating periods. Non-GAAP financial measures should be viewed in addition to, and not as an alternative for, the reported operating results or cash flow from operations or any other measure of performance prepared in accordance with IFRS. In addition, the presentation of these measures may not be comparable to similarly titled measures other companies use.

	(US$m)	Unaudited 2014	2013
1.	**Revenue per platinum ounce sold**		
	US$ sales	**2 803**	3 389
	US$ toll refining income	**(51)**	(48)
		2 752	3 341
	Sales volumes platinum (refer to operational statistics)	**1 197**	1 333
	Dollar sales revenue per platinum ounce sold	**2 299**	2 505
	Average rand exchange rate achieved	**10.36**	8.81
	Rand sales revenue per platinum ounce sold	**23 818**	22 069
2.	**Revenue per PGM ounce sold**		
	US$ sales	**2 803**	3 389
	US$ toll refining income	**(51)**	(48)
		2 752	3 341
	Sales volumes PGM	**2 445**	2 709
	Dollar sales revenue per PGM ounce sold	**1 126**	1 233
	Average rand exchange rate achieved	**10.36**	8.81
	Rand sales revenue per PGM ounce sold	**11 665**	10 863

	(Rm)	Unaudited 2014	2013
3.	**Cost per platinum ounce refined**		
	On-mine operations	**10 227**	12 013
	Concentrating and smelting operations	**2 851**	3 044
	Concentrating operations	**1 857**	1 978
	Smelting operations	**994**	1 066
	Refining operations	**880**	941
	Selling and administration	**655**	656
		14 613	16 654
	Cost per platinum ounce		
	On-mine operations[1]	**14 322**	12 514
	Concentrating operations[1]	**2 600**	2 060
	Smelting operations[2]	**844**	674
	Refining operations[2]	**747**	595
	Other operating expenses[1]	**917**	683
		19 430	16 526
	[1] Mine-to-market platinum ounces	***714.1***	*960.0*
	[2] Gross platinum ounces	***1 178.0***	*1 581.5*
4.	**Gross profit margin**		
	Gross profit	**3 242**	4 712
	Gross revenue	**29 028**	29 844
	Gross margin profit (%)	**11.2**	15.8
5.	**Headline earnings margin**		
	Headline earnings	**523**	1 994
	Gross revenue	**29 028**	29 844
	Headline earnings margin (%)	**1.8**	6.7

	(Rm)		Unaudited 2014	2013
6.	**EBITDA**			
	Profit before taxation		**15**	2 460
	Finance income		**(318)**	(222)
	Finance cost		**496**	446
	Depreciation and amortisation		**2 341**	2 314
	EBITDA (earnings before interest, tax and depreciation)		**2 534**	4 998
	Depreciation and amortisation		**(2 341)**	(2 314)
	EBIT (earnings before interest and tax)		**193**	2 684
	Non-recurring/unusual transactions			
	Adjustment to headline earnings		**694**	964
			887	3 648
7.	**Interest cover**			
	EBIT	Non-GAAP note 6	**887**	3 648
	Bank borrowings		**549**	344
	Interest capitalised		**(155)**	(64)
	Interest paid on finance leases		**146**	147
			540	427
	Interest cover – times		**1.6**	8.5
8.	**Dividend cover**			
	Headline earnings – cents per share		**86**	329
	Dividends – cents per share (interim and proposed)		**–**	95
	Dividend cover – times		**–**	3.5
	No dividend was declared for 2014, which is not in line with the stated dividend policy but was based on a need to conserve cash.			
9.	**Return on equity**			
	Headline earnings		**523**	1 994
	Shareholders' equity per statement of financial position – at the beginning of the year		**52 037**	50 168
	Return on equity (%)		**1.0**	4.0
10.	**Return on capital employed (normalised)**			
	Headline earnings		**523**	1 994
	Finance cost		**496**	446
			1 019	2 440
	Capital employed	Non-GAAP note 12	**73 635**	73 757
	Return on net capital (%)		**1.4**	3.3

NON-GAAP DISCLOSURE

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(Rm)		Unaudited 2014	2013
11. Return on assets			
Headline earnings		**523**	1 994
Total assets		**79 867**	80 302
Return on assets (%)		**0.7**	2.5
12. Capital employed			
Total assets per statement of financial position		**79 867**	80 302
Current liabilities per statement of financial position		**(6 232)**	(6 515)
		73 635	73 787
13. Total capital			
Total equity		**54 917**	54 616
Total borrowings		**7 787**	7 479
		62 704	62 095
14. Debt net of cash			
Long-term borrowings		**(7 169)**	(7 259)
Short-term borrowings		**(618**	(220)
Total borrowings		**(7 787)**	(7 479)
Cash and cash equivalents		**4 305**	4 113
Debt net of cash		**(3 482)**	(3 366)
15. Gearing ratio			
Total borrowings		**7 787**	7 479
Total capital	Non-GAAP note 13	**62 704**	62 095
Total gearing (%)		**12.4**	12.0
16. Debt to equity			
Total borrowings		**7 787**	7 479
Shareholders' equity per statement of financial position at the end of the year		**54 917**	54 616
Total debt to ordinary shareholders' equity (%)		**14.2**	13.7
Net debt to equity %		**6.3**	6.2
17. Debt to EBITDA			
Total borrowings		**7 787**	7 479
EBITDA	Non-GAAP note 6	**2 534**	4 998
Total debt to earnings before interest and tax cover		**31 months**	15 months
18. Current ratio			
Current assets		**15 175**	17 312
Current liabilities		**6 232**	6 515
Current assets to current liabilities		**2.4:1**	2.7:1

(Rm)		Unaudited 2014	2013
19. Acid ratio			
Current assets		**15 175**	17 312
Inventories		**(7 212)**	(8 456)
		7 963	8 856
Current liabilities		**6 232**	6 515
Current assets excluding inventories to current liabilities		**1.3:1**	1.4:1
20. Current liquidity			
Current assets		**15 175**	17 312
Current liabilities		**(6 232)**	(6 515)
Net current assets		**8 943**	10 797
Inventory		**(7 212)**	(8 456)
		1 731	2 341
21. Free cash flow			
Net cash inflow from operating activities per cash flow		**4 096**	5 582
Total capital expenditure		**(4 500)**	(6 219)
		(404)	(637)
22. Net asset value – cents per share			
Net asset value per statement of financial position		**52 367**	52 037
Number of shares (million) issued outside the group		**607.1**	606.9
Net asset value – cents per share		**8 626**	8 574
23. Market capitalisation			
Number of ordinary shares in issue at year end (millions)		**632.2**	632.2
Closing share price as quoted on the JSE (Rand)		**106.88**	93.00
Market capitalisation		**67 570**	58 795
24. Enterprise value			
Market capitalisation	Non-GAAP note 23	**67 570**	58 795
Debt net of cash	Non-GAAP note 14	**(3 482)**	(3 366)
		64 088	55 429
25. Return on enterprise value			
Enterprise value	Non-GAAP note 24	**64 088**	55 429
EBIT	Non-GAAP note 6	**887**	3 648
Total return on enterprise value (%)		**1.4**	6.6

SHAREHOLDER INFORMATION

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Shareholders' diary

Annual general meeting	Wednesday, 22 October 2014
Interim report release	February 2015
Interim dividend if declared February 2015	March 2015 (Payable)
Financial year end	30 June 2015
Financial results release	3 September 2015
Integrated report release	September 2015

Dividend payments 2014

No dividends were paid in respect of the 2014 financial year.

Analysis of shareholdings

	Number of shareholders	%	Number of shares	%
1 – 1 000	30 873	83.7	6 008 206	1.0
1 001 – 10 000	4 564	12.4	12 764 376	2.0
10 001 – 100 000	1 022	2.8	34 607 526	5.5
100 001 – 1 000 000	330	0.9	100 612 108	15.9
Over 1 000 000	79	0.2	478 222 060	75.6
	36 868	100.0	632 214 276	100.0

Analysis of shareholdings

	Number of shareholders	%	Number of shares	%
Other companies	1 217	3.3	111 567 641	17.6
Trust funds and investment companies	6 104	16.5	126 266 384	20.0
Insurance companies	145	0.4	35 298 312	5.6
Pension funds	539	1.5	144 022 749	22.8
Individuals	28 582	77.5	13 650 760	2.1
Banks	281	0.8	201 408 430	31.9
	36 868	100.0	632 214 276	100.0

The names of shareholders who beneficially hold 5% or more of the Company are set out in the directors' report on page 121.

Notice is hereby given as at the record date of 19 September 2014 that the fifty-eighth annual general meeting of shareholders of the Company will be held at the Company's head office in the boardroom, 2nd Floor, 2 Fricker Road, Illovo, Johannesburg, on 22 October 2014 at 11:00 for the following purposes:

Ordinary business of the annual general meeting

The purpose of the annual general meeting is for the following business to be transacted and to consider, and, if deemed fit, pass, the following ordinary resolutions with or without modification (in order to be adopted these resolutions require the support of a majority of votes cast by shareholders present or represented by proxy at the annual general meeting):

1. Presentation of annual financial statements

To present the annual financial statements of the Company and the Group for the year ended 30 June 2014 including the reports of the directors, the audit committee and the external auditors.

The annual financial statements are available on the Company's website, **www.implats.co.za**, or a printed copy can be obtained from the transfer secretaries.

2. Social, ethics and transformation committee report

To present the report of the social, ethics and transformation committee to the shareholders as required by the Companies Act, 2008. The report appears on pages 104 and 105 of the integrated annual report.

3. Ordinary resolution number 1: Appointment of external auditors

Resolved that PricewaterhouseCoopers Inc. be and are hereby reappointed as independent auditor of the Company from the conclusion of this annual general meeting until the conclusion of the next annual general meeting of the Company.

4. Ordinary resolution number 2: Appointment of members of audit committee

Resolved that each of the following independent non-executive directors, who are eligible and offer themselves for re-election, be and are hereby re-elected as members of the Implats audit committee:

4.1 Mr HC Cameron – chairman
4.2 Ms AA Maule*
4.3 Mr TV Mokgatlha**
4.4 Ms B Ngonyama***

Brief biographies of these independent directors appear on pages 16 to 18 of the integrated annual report.

Each of the appointments numbered 4.1 to 4.4 constitute separate ordinary resolutions and will be considered by separate votes.

* *Subject to the passing of resolution number 6.1.*
** *Subject to the passing of resolution number 6.2.*
*** *Subject to the passing of resolution number 6.4.*

5. Ordinary resolution number 3: Endorsement of the Company's remuneration policy

Resolved that the Company's remuneration policy for the 2014 financial year, appearing on pages 106 to 117 of the integrated annual report, be and is hereby endorsed by a non-binding advisory vote.

In terms of the King Code of Governance for South Africa 2009, an advisory vote should be obtained from shareholders on the Company's remuneration policy. This vote enables shareholders to express their views on the remuneration policies adopted and on their implementation, but will not be binding on the Company.

6. Ordinary resolution number 4: Re-election of directors

Resolved that each of the following persons, who retire from office at this meeting and who offer themselves for re-election, be and are hereby re-elected as a director of the Company:

6.1 Ms AA Maule
6.2 Mr TV Mokgatlha
6.3 Dr KDK Mokhele
6.4 Ms B Ngonyama
6.5 Ms NDB Orleyn

Brief biographies of these directors appear on pages 16 to 18 of the integrated annual report.

Each of the appointments numbered 6.1 to 6.5 constitute separate ordinary resolutions and will be considered by separate votes.

The nominations and governance committee, assisted by the company secretary, evaluated the performance of the retiring directors and the board of directors unanimously recommends their re-election.

Special business of the annual general meeting

To consider, and if deemed fit, pass the following special resolutions with or without modification (in order to be adopted these resolutions require the support of a majority of at least 75% of votes cast by shareholders present or represented by proxy at the meeting):

1. Special resolution number 1: Approval of directors' remuneration

Resolved that in terms of section 66 (9) of the Companies Act, 2008, the Company may continue to pay remuneration to its directors for their services.

With effect from	1 July 2014 Rand[1]	1 July 2013 Rand
Board of directors		
Chairperson	**1 820 000**	1 820 000
Member	**333 680**	333 680
Audit committee		
Chairperson	**333 680**	333 680
Member	**157 700**	157 700
Health, safety and environment committee		
Chairperson	**242 630**	242 630
Member	**109 110**	109 110
Nominations and governance committee		
Chairperson[2]	**242 630**	242 630
Member	**109 110**	109 110
Remuneration committee		
Chairperson	**242 630**	242 630
Member	**109 110**	109 110
Risk committee		
Chairperson	**242 630**	242 630
Member	**109 110**	109 110
Social, ethics and transformation committee		
Chairperson	**242 630**	242 630
Member	**109 110**	109 110

[1] *Remuneration unchanged since 1 July 2011.*
[2] *Currently the chairperson of the nominations and governance committee is also the chairperson of the board and does not receive additional fees for this committee.*

The reason for and the effect of this special resolution number 1 *is to grant the Company the authority to pay fees to non-executive directors for their services as directors.*

2. Special resolution number 2: Acquisition of Company's shares by Company or subsidiary

Resolved that the Company and/or a subsidiary of the Company be and is hereby authorised to repurchase or purchase, as the case may be, ordinary shares issued by the Company on such terms and conditions and in such amounts as the directors of the Company may decide, but subject always to the provisions of section 48 of the Companies Act, 2008 (the Act), JSE Limited (JSE) Listings Requirements (JSE Listings Requirements) and the following limitations:

- That this authority shall be valid until the Company's next annual general meeting provided that it shall not extend beyond 15 months from the date of this annual general meeting
- That any such repurchase be effected through the order book operated by the JSE trading system and done without any prior understanding or agreement between the Company and the counterparty
- That authorisation thereto is given by the Company's memorandum of incorporation
- That a paid announcement giving such details as may be required in terms of the JSE Listings Requirements be published when the Company or its subsidiaries have repurchased in aggregate three percent (3%) of the initial number of shares in issue, as at the time that the general authority was granted, and for each three percent (3%) in aggregate of the initial number of shares which are acquired thereafter
- That a general repurchase may not in the aggregate in any one financial year exceed five percent (5%) of the number of shares in the Company's issued share capital at the time this authority is given, provided that a subsidiary of the Company may not hold at any one time more than five percent (5%) of the number of issued shares of the Company
- That no repurchase will be effected during a prohibited period (as defined by the JSE Listings Requirements) unless a repurchase programme is in place, where dates and quantities of shares to be traded during the prohibited period are fixed and full details of the programme have been disclosed in an announcement on the Securities Exchange News Service of the JSE prior to the commencement of the prohibited period
- That at any one point in time, the Company may appoint only one agent to effect repurchases on the Company's behalf
- That, in determining the price at which shares may be repurchased in terms of this authority, the maximum premium permitted is ten percent (10%) above the weighted average traded price of the shares as determined over the five business days immediately preceding the date of repurchase (the maximum price)
- Prior to entering the market to proceed with the repurchase, the board of directors (board), by resolution authorising the repurchase, has applied the solvency and liquidity test as set out in section 4 of the Act and reasonably concluded that the Company will satisfy the solvency and liquidity test immediately after completing the proposed repurchase.

The board as at the date of this notice has stated its intention to examine methods of returning capital to shareholders in terms of the general authority granted at the last annual general meeting. The board believes it to be in the best interests of Implats that shareholders pass a special resolution granting the Company and/or its subsidiaries a further general authority to acquire Implats shares. Such general authority will provide Implats and its subsidiaries with the flexibility, subject to the requirements of the Act and the JSE Listings Requirements, to purchase shares should it be in the interest of Implats and/or its subsidiaries at any time while the general authority subsists.

After considering the effect of such maximum repurchase:

- The Company and the Group will be able, in the ordinary course of business, to pay its debts for a period of 12 months after the date of the notice of the annual general meeting
- The assets of the Company and the Group will be in excess of the liabilities of the Company and the Group for a period of 12 months after the date of the notice of the annual general meeting. For this purpose, the assets and liabilities should be recognised and measured in accordance with the accounting policies used in the latest audited Group annual financial statements
- The share capital and reserves of the Company and the Group will be adequate for ordinary business purposes for a period of 12 months after the date of the notice of the annual general meeting
- The working capital of the Company and the Group will be adequate for ordinary business purposes for a period of 12 months after the date of the notice of the annual general meeting
- A resolution being passed by the board that it has authorised the repurchase, that the Company and the Group have passed the solvency and liquidity test and that since the test was performed there have been no material changes to the financial position of the Group.

The reason for and the effect of this special resolution number 2 *is to grant the Company's directors a general authority, up to and including the date of the following annual general meeting of the Company, to approve the Company's purchase of shares in itself, or to permit a subsidiary of the Company to purchase shares in the Company.*

For purposes of considering the special resolution and in compliance with paragraph 11.26 of the JSE Listings Requirements, the information listed below has been disclosed in the indicated pages of the accompanying integrated annual report:

- *Directors and management – refer pages 16 to 21*
- *Major shareholders – refer page 121*
- *Directors' interest in securities – refer page 124*
- *Share capital of the Company – refer page 120*
- *The directors, whose names are set out on pages 16 to 19, collectively and individually accept full responsibility for the accuracy of the information contained in this special resolution and certify that to the best of their knowledge and belief there are no other facts, the omission of which would make any statement false or misleading, and that they have made all reasonable enquiries in this regard*
- *Litigation – there are no legal or arbitration proceedings (including any such proceedings that are pending or threatened of which the Company is aware) which may have or have had a material effect on the Group's financial position in the previous 12 months*
- *Material change – at the date of completing this notice, there have been no material changes in the financial or trading position of the Company and its subsidiaries that have occurred since 30 June 2014.*

Salient dates of the annual general meeting

The record date of the annual general meeting for shareholders to participate in and vote at the annual general meeting is Friday, 17 October 2014. Accordingly, the last day to trade in order to participate in, and vote at, the annual general meeting is Friday, 10 October 2014.

Persons intending to attend or participate in the annual general meeting will be required to present reasonably satisfactory identification.

By order of the board

TT Llale
Company secretary

Registered office
2 Fricker Road
Illovo
Johannesburg
2196

25 September 2014

Note
A shareholder entitled to attend and vote is entitled to appoint one or more proxies to attend and speak and vote in his stead. A proxy need not be a shareholder.

A form of proxy, for use by certificated registered shareholders on the South African and United Kingdom registers and dematerialised "own name" registered holders, accompanies this document.

Impala Platinum Holdings Limited

(Incorporated in the Republic of South Africa)
(Registration number: 1957/001979/06)
(Share code: IMP) (ISIN: ZAE000083648)
("Implats" or "the Company")

FOR USE BY:
– CERTIFICATED REGISTERED SHAREHOLDERS on the South African and United Kingdom register
– DEMATERIALISED "OWN NAME" REGISTERED HOLDERS

This form of proxy is not for use by shareholders who have already dematerialised their Implats shares through a CSDP other than "own name" dematerialised shareholders.

For use at the annual general meeting of the Company to be held on Wednesday, 22 October 2014 at 11:00 (the annual general meeting)

I/We ______________________________

of ______________________________ appoint (see note 3)

1. ______________________________ or failing him/her

2. ______________________________ or failing him/her

3. the chairman of the annual general meeting

as my/our proxy to act for me/us at the annual general meeting of the Company which will be held in the boardroom, 2nd Floor, 2 Fricker Road, Illovo, Johannesburg, at 11:00 on Wednesday, 22 October 2014, and at each adjournment or postponement thereof, and to vote for and/or against the resolutions and/or abstain from voting in respect of the shares in the issued capital of the Company registered in my/our name/s (see note 4).

	Number of ordinary shares		
Resolutions	For	Against	Abstain
Ordinary resolutions			
Ordinary resolution number 1 – Appointment of external auditors			
Ordinary resolution number 2 – Appointment of members of audit committee			
HC Cameron – chairman			
AA Maule			
TV Mokgatlha			
B Ngonyama			
Ordinary resolution number 3 – Endorsement of the Company's remuneration policy			
Ordinary resolution number 4 – Re-election of directors			
AA Maule			
TV Mokgatlha			
KDK Mokhele			
B Ngonyama			
NDB Orleyn			
Special resolutions			
Special resolution number 1 – Approval of directors' remuneration			
Special resolution number 2 – Acquisition of Company's shares by Company or subsidiary			

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

Signed at ______________________ on ______________________ 2014

Signature of shareholder(s) ______________________________

Assisted by (where applicable) ______________________________

Each ordinary shareholder is entitled to appoint one or more proxies (who need not be a shareholder/s of the Company) to attend, speak and vote in place of that shareholder at the annual general meeting.

NOTES TO THE FORM OF PROXY

1. A shareholder on the Implats share register who has dematerialised his/her/its ordinary shares through Strate, other than that whose shareholding is recorded in his/her/its "own name" in the sub-register maintained by his/her/its CSDP, and who wishes to attend the meeting in person, will need to request his/her/its CSDP or broker to provide him/her/it with the necessary authority to do so in terms of the custody agreement entered into between the dematerialised shareholder and his/her/its CSDP or broker.
2. A shareholder (including certificated shareholders and dematerialised shareholders who hold his/her/its shares with "own name" registration) entitled to attend and vote at the meeting may appoint one or more proxies to attend, participate and vote in his/her/its stead.
3. A shareholder may insert the name of a proxy or the names of two alternative proxies of the shareholder's choice in the space provided, with or without deleting 'the chairman of the annual general meeting'. Any such deletion must be initialled by the shareholder. The person present at the meeting whose name appears first on the form of proxy and has not been deleted will be entitled to act as proxy to the exclusion of those whose names follow.
4. A shareholder's instructions to the proxy must be indicated by the insertion of the relevant number of votes exercisable by that shareholder in the appropriate space provided. Failure to comply with the above will be deemed to authorise the proxy to vote or to abstain from voting at the annual general meeting as he deems fit in respect of the entire shareholder's votes exercisable thereat. A shareholder or his proxy is not obliged to use all the votes exercisable by the shareholder or by his proxy, but the total of the votes cast and in respect whereof abstention is recorded may not exceed the total of the votes exercisable by the shareholder or his proxy.
5. Any alteration or correction to this form of proxy must be initialled by the signatory/ies.
6. Documentary evidence establishing the authority of a person signing this form of proxy in a representative capacity must be attached to this form of proxy unless previously recorded by the transfer secretaries of the Company or waived by the chairman of the annual general meeting.
7. The completion and lodging of this form of proxy will not preclude the relevant shareholder from attending the annual general meeting and speaking and voting in person thereat to the exclusion of any proxy appointed in terms hereof, should such shareholder wish to do so.
8. Forms of proxy must be lodged with or posted to the Company's transfer secretaries to be received not later than 24 hours (excluding Saturdays, Sundays and public holidays) before the time of the meeting.
9. This form of proxy expires after the conclusion of the meeting stated herein except at an adjournment of that meeting or at a poll demanded at such meeting.

Transfer secretaries
Computershare Investor Services Proprietary Limited
70 Marshall Street
Johannesburg
2001

PO Box 62053
Marshalltown
2107

United Kingdom transfer secretaries
Computershare Investor Services plc
The Pavilions
Bridgwater Road
Bristol
BS13 8AE

IMPLATS
Distinctly Platinum

25 September 2014

Dear Shareholder

NOTICE IN TERMS OF SECTION 45(5)(a) OF THE COMPANIES ACT 71 OF 2008, AS AMENDED

Notice is hereby given, in terms of section 45(5) (a) of the Companies Act 71 of 2008, as amended, of a resolution adopted by the board of directors of the Company pursuant to special resolution number 2 passed at the annual general meeting of the Company held on 23 October 2013. Special resolution number 2 authorised the Company to provide financial assistance to, among others, its subsidiaries.

The board passed a resolution on 15 September 2014 in terms of which the Company subordinated all its claims against, and liabilities of, its wholly owned subsidiary, Impala Platinum Limited ("Impala"), in favour of all other creditors of Impala. As at 30 June 2014, the Company had advanced loans to Impala in the aggregate amount of R15.8 billion.

Authorised fully to sign on behalf of the Company and the board of directors

B Berlin (Ms)
Chief Financial Officer
Impala Platinum Holdings Limited

Impala Platinum Holdings Limited
Reg. No. 1957/001979/06
2 Fricker Road • Illovo • 2196 • Private Bag X18 • Northlands • 2116 • South Africa
Tel: +27 11 731 9000 • Fax: +27 11 731 9254 • www.implats.co.za

GLOSSARY OF TERMS AND ACRONYMS

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A, B, C, D or E levels	Paterson job grading levels
ABET	Adult Basic Education and Training
Aids	Acquired immune deficiency syndrome
AMCU	The Association of Mineworkers and Construction Union
ART	Antiretroviral therapy, provided for the treatment of HIV and Aids (excluding State and private medical aid)
BEE	Black economic empowerment
CCMA	Commission for Conciliation, Mediation and Arbitration
CO_2	Carbon dioxide
dB	Decibels. Unit of measurement for sound
DMR	Department of Mineral Resources, South Africa
EIA	Environmental Impact Assessment
EMP	Environmental Management Programme
ESOP	Employee Share Ownership Programme
Executive director	Is employed by the Company and is involved in the day-to-day running of the organisation
FIFR	A rate expressed per million man-hours of any Impala employee, contractor or contractor employee or visitor who is involved in an incident whilst performing his duties at work and who sustains terminal injuries shall constitute a fatal accident. Any road-related fatal incident where the Company is in full control of the vehicle, the driver and conditions related to the road injury of an employee shall constitute a fatal incident. A fatal injury may occur when an employee is incapacitated for a period of time prior to expiration, thus requiring a revision of injury status from lost-time injury to a fatality
GJ	Gigajoules. Unit of measure for energy
GRI	Global Reporting Initiative
HDSA	Historically disadvantaged South African
HIV	Human immuno-deficiency virus
HSE	Health, Safety and Environment
IBT	Impala Bafokeng Trust, socio-economic development vehicle jointly funded by Implats and RBH
Impala Platinum	Impala Platinum Limited, comprising the Rustenburg operations and the Refineries in Springs
Implats	Impala Platinum Holdings Limited
Independent directors	Directors who apart from receiving directors' remuneration do not have any other material pecuniary relationship or transactions with the Company, its management or its subsidiaries, which in the judgement of the board may affect their independence
IRS	Impala Refining Services
ISO	International Organisation for Standardisation
JORC Code	The 2004 Australasian Code for Reporting of Mineral Resources and Ore Reserves. This was updated and reissued as the JORC Code 2012
LED	Local Economic Development
Local community	Communities that are directly impacted on by our mining operations and are on or near the mine lease area
Lost-time	A work-related injury resulting in the employee being unable to attend work at his/her place of work, performing his/her assigned duties, on the next calendar day (whether a scheduled work day or not) after the day of the injury. If the appointed medical professional advises that the injured person is unable to attend work on the next calendar day after the injury, regardless of the injured person's next roster shift, a lost-time injury is deemed to have occurred
LTIFR	Number of lost-time injuries expressed as a rate per million man-hours worked
Marula	Marula Platinum Proprietary Limited
Materiality and material issues	Issues of materiality are those aspects that may have a significant impact on the organisation's reputation and may carry a financial and/or legal cost. These aspects are identified internally through the risk process and externally through ad hoc or routine engagements with a range of stakeholders
Mimosa	Mimosa Platinum (Private) Limited

Mining Charter	Broad-based Socio-Economic Empowerment Charter for the South African Mining Industry
MPRDA	Mineral and Petroleum Resources Development Act, 28 of 2002, which came into effect in South Africa on 11 May 2004
Medical Treatment Cases (MTCs)	A Medical Treatment Case is defined as a one-time treatment and subsequent observation of minor injuries by an appointed medical professional. Such minor injuries may include treatment by the application of bandages, antiseptic, ointment, irrigation of the eye to remove non-embedded foreign objects or the removal of foreign objects from the wound. MTCs never involve a loss of one or more calendar days after the injury, regardless of the injured person's next rostered shift or where the injured is unable to perform one or more of their routine functions normally connected with their work due to a restriction applied by an appointed medical professional
MW	Megawatt, a measure of electric power
NIHL	Noise-induced hearing loss
Non-executive director	A director who is not involved in the day-to-day running of the organisation but is a nominee director of a material shareholder
NO_x	Oxides of nitrogen
NUM	National Union of Mineworkers, South Africa
PGE	Platinum group elements
PGI	Platinum Guild International
PGMs	Platinum group metals being the metals derived from PGE
Platinum Rules	Set of key safety rules
PTA	Purified Terephthalic Acid
RBH	Royal Bafokeng Holdings Proprietary Limited
RBN	Royal Bafokeng Nation
RIFR	Reportable or serious injury frequency rate. A reportable injury is an injury which results in: (a) the death of the employee; (b) an injury, to any employee, likely to be fatal; (c) unconsciousness, incapacitation from heatstroke or heat exhaustion, oxygen deficiency, the inhalation of fumes or poisonous gas, or electric short or electric burning accidents of or by any employee and which is not reportable in terms of paragraph (d), or as required by the Occupational Health and Safety Act where applicable; (d) an injury which either incapacitates the injured employee from performing that employee's normal occupation for a period totalling 14 days or more, or which causes the injured employee to suffer the loss of a joint, or a part of a joint, or sustain a permanent disability
Restricted Work Injuries (RWI)	A Restricted Work Injury is a work-related injury which results in the employee being able to return to his or her permanently assigned workplace, to perform his or her permanently assigned work on the next calendar day, but where the injured is unable to perform one or more of their routine functions normally connected with their work due to a restriction applied by an appointed medical professional
SIFR	Number of serious injuries expressed as a rate per million man-hours worked
SLP	Social and Labour Plan
SMMEs	Small, medium and micro enterprises
SO_2	Sulphur dioxide
TB	Pulmonary tuberculosis, which in South Africa is considered an occupational illness when it is associated with the presence of dust in the workplace
Traditional council leadership	Elected/appointed members of a community according to customs and practices. The tenure of these leaders differ among communities. The chief King/Kgoshi/Kgosi or inKhosi is the head of the Traditional council leadership and the chairman of the council
VCT	Voluntary counselling and testing, in respect of HIV and Aids
WIM	Women in Mining, being all females including foreign nationals who are involved in core business activities of mining
4E	Platinum, palladium, rhodium and gold
6E	Platinum, palladium, rhodium, ruthenium, iridium and gold

CONTACT DETAILS AND ADMINISTRATION

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Corporate relations

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