

# 2007 ANNUAL REPORT

## Economic performance

Implats recognises that, as a leading global producer of PGMs and as a significant employer, the economic dimension of sustainability, that is, the group's impacts on the economic conditions of its stakeholders and on economic systems, is an important one.

Information relating to the financial performance of the group, at both an operational level and as an investment, is detailed in the main body of the annual report. The group's value-added statement reflects the significant value generated by the company during the year, partially as a result of a rise in production but mostly on the back of increased metals prices. It also indicates the value disbursed by the company, to employees, to shareholders and providers of capital, to suppliers, to the state (in the form of taxes) and to communities by way of corporate social investment.

In FY2007, R2.9 billion was allocated towards capital expenditure both to sustain and to grow its operations (FY2006: R2.2 billion). Over the next five years (FY2008 to FY2012), the group will spend some R25 billion on growth projects, new shafts, infrastructure and technological developments, making it one of the most significant investors in the mining industry in southern Africa.

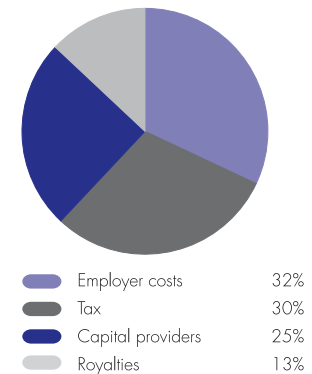
Implats is also cognisant of the fact that, through its employment practices and procurement activities, the company can effect change and, in so doing, benefit those who were previously disadvantaged and members of the communities in which it operates.

### BEE

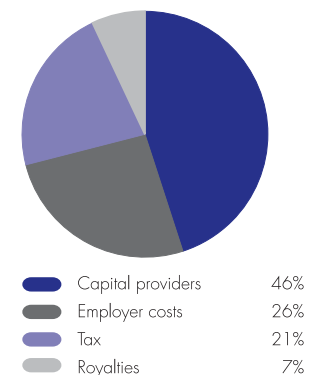
In terms of BEE ownership of the group, Implats has established its credentials in four ways:

- a holding of 13.4% of Implats' equity by Royal Bafokeng Holdings (RBH), on behalf of the Royal Bafokeng Nation (RBN);
- a holding of 2.6% by South African lower level employees in the group through the ESOP;
- a holding of 22.5% in Marula (by the Marula Community Trust – 7.5%; Mmakau Mining – 7.5% and Tubatse Platinum – 7.5%); and
- a holding of 26% in the Leeuwkop Project by the Bakwena Ba-Mogopa traditional community.

Total value distribution  
– FY2007



Total value distribution  
– FY2006



### Group value-added statement

For the year ending 30 June (Rm)

	FY2007	FY2006	% change
Sales	31,481.5	17,500.2	79.9
Net cost of products and services	14,569.7	2,511.3	480.2
Value added by operations	16,911.8	15,030.4	12.5
Income from investments and interest	1,030.9	310.7	231.8
<b>Total value added</b>	<b>17,942.7</b>	<b>15,341.1</b>	<b>17.0</b>
<b>Applied as follows to:</b>			
Employees as salaries, wages and fringe benefits	4,093.8	3,163.3	29.4
The state as direct taxes	3,894.7	2,614.5	49.0
Royalty recipients	1,703.4	851.8	100.0
Providers of capital	3,264.6	5,568.5	41.4
Financing costs	59.8	60.9	1.8
Minorities	93.1	39.7	134.5
Dividends	3,111.7	5,467.9	43.1
<b>Total value distributed</b>	<b>12,956.5</b>	<b>12,198.1</b>	<b>6.2</b>
(Distributed from)/re-invested in the group	4,986.2	3,143.0	58.6
Amortisation	865.7	644.9	34.2
Reserves (distributed)/retained	4,120.5	2,498.1	64.9
	<b>17,942.7</b>	<b>15,341.1</b>	<b>17.0</b>