

Strategic risks – a summary

Summary of Implats' strategic risk focus in 2009

The strategic risk issues that currently face the group and which inform Implats' business planning, risk management and resource allocation priorities are:

Safety, health and environment

Continuous improvement in safety, health and environmental performance towards the goal of 'zero harm'.

Production

Maintaining reliable and effective production processes and delivering product on time and to specification.

Project delivery

Maintaining effective project management processes and skills to ensure successful project implementation and delivery.

Supply and demand

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.

Related to the above, the prices achieved for our products have been subjected to unprecedented volatility, and metal price fluctuation remains a significant risk for the business.

Rand/dollar exchange rate

Closely monitoring the rand/dollar exchange rate as a source of significant volatility for our business.

Cash preservation

Focus on cash management as a key to preserving the financial value of the business.

Country risk

Zimbabwe

Managing the uncertainties that affect the Zimbabwe operations.

Social

Addressing relevant issues regarding sustainability, corporate responsibility, and being recognised as a good corporate citizen in the countries and communities where the company operates, and maintaining sound and mutually beneficial relationships with them and the general public.

Retaining permission to operate, and full legal and regulatory compliance in a continuously changing environment.

Strategic risks – a summary (continued)

Effective people

Attracting, developing, retaining and motivating the requisite management, operational, technical and business skills and pool of talent.

Achieving organisational diversity and improved employee engagement and participation in all business activities.

Growth

Retaining a focused and sustainable growth portfolio of assets to ensure that the company remains in the top quartile of performers within its areas of core competence.

Unit costs

Sustaining unit production costs in the lowest quartile of the industry.

Mineral resource management

Ongoing identification, delineation, measurement and optimisation of mineral resources and reserves.

Details of Implats' specific risk factors are available on the corporate website at www.implats.co.za.