



NEWS RELEASE

Implats to implement employee consultative process at its Impala Rustenburg operation

Johannesburg, 18 September 2017: Impala Platinum Holdings Limited (Implats) has issued a notice to relevant employee representative groups, government authorities and other stakeholders at its Impala Rustenburg (Impala) operation, indicating that it has initiated a Section 189 consultation process, in terms of the Labour Relations Act, 66 of 1995 (LRA), that may lead to staff reductions.

The consultation process is specifically aimed at ensuring the sustainability of the Impala operations, which currently employ some 31 000 people.

The Company is currently experiencing severe financial pressures at Impala, largely as a result of persistently low metal (Rand) prices and continued production cost increases. Labour productivity rates have also declined over the last few years and production levels at Impala Rustenburg have reduced from a historical base of some 1 000 000 platinum ounces per annum, to the 680 000 to 720 000 ounces forecast for the 2018 financial year.

Nico Muller, Implats' Chief Executive Officer, commented, "The financial sustainability of Impala has deteriorated significantly over recent years. We have implemented ongoing cost saving and optimisation initiatives in an attempt to restore profitability and secure continued employment as far as possible. Unfortunately, we are now left with no further option in the prevailing operating environment, but to consider further restructuring processes that may lead to a reduction in the number of employees."

It is expected that some 2 500 people could be affected near term, but this does not preclude further optimisation processes that may be required in future to ensure the continued sustainability of the operation.

Nico Muller added, "It must be emphasised that no final decision has been taken as regards the proposed restructuring, and no final decision will be taken prior to full and proper consultation with affected employees, and their representatives, in compliance with the LRA."

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