

**ZIMPLATS HOLDINGS LIMITED**

ARBN : 083 463 058

**Half year Directors' Report and Financial Statements**  
**31 December 2009**

**ZIMPLATS HOLDINGS LIMITED**  
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## ZIMPLATS HOLDINGS LIMITED

### DIRECTORS' REPORT

The directors present their report together with the consolidated financial report for the half year ended 31 December 2009 and the review report thereon.

#### Directors

The directors of the Company at any time during or since the end of the half year are:

Names	Period of directorship
Michael John Houston (Chairman: non-executive)	Appointed 1 April 2004
Alexander Mhembere (Chief Executive Officer)	Appointed 1 October 2007
Patrick Maseva - Shayawabaya (Chief Financial Officer)	Appointed 1 April 2004
David Hugh Brown (non - executive)	Appointed 30 March 2001
Muchadeyi Ashton Masunda (non - executive)	Appointed 8 February 2007
Dr. Khotso Mokhele (non-executive)	Appointed 8 February 2007
Leslie John Paton (non - executive)	Appointed 4 February 2003
Dr. Frederick Johannes Paul Roux (non-executive)	Appointed 8 February 2007 Resigned 6 December 2009
Gregory Sebborn (non - executive)	Appointed 5 April 2001 Resigned 10 February 2010
Robert George Still (non - executive)	Appointed 28 July 1998

#### Review of performance

The half year operating results to 31 December 2009 are presented together with the comparative figures for the half year to 31 December 2008, and for the full year to 30 June 2009.

Two lost time injuries were recorded compared to six in the same period last year.

The company retained its certifications for ISO14001, ISO9001:2008 and OHSAS18001:2007.

Both mining and processing operations performed well in the half year, with 4E metal production of 163,490 ounces, an increase of 75% on the prior period.

The new Ngezi concentrator was commissioned in late July 2009 and is operating well. Whilst Portal 4 production is ramping up, previously stockpiled ore will be processed through the new concentrator, with sufficient stockpile in place until the mine reaches full production in May 2011.

Metal prices improved during the period spurred by moderate levels of economic recovery recorded in most developed economies as well as renewed appetite for PGM investment products.

The combination of higher production volumes and improved metal prices resulted in revenue for the period of \$172 million, compared to \$41 million in the prior period.

Operating costs for the period amounted to \$102 million, an increase of 45% on the previous year. In the main this reflects the higher production base following the commissioning of the Ngezi plant. With a significant portion of input costs denominated in South African Rand, the continued strength of that currency relative to the United States dollar had an adverse impact on costs.

The combination of the above factors resulted in an operating profit of \$59 million compared to the previous period's loss of \$28 million. Following the dismissal of the company's objection to the Additional Profits Tax (APT) assessment by the Zimbabwe Revenue Authority (Zimra), the full principal liability of \$23.5 million has been provided for even though discussions with the relevant government authorities are on-going. Thus the tax charge for the period amounted to \$31 million with after tax profit of \$28 million compared to a loss of \$26 million for the comparative period.

Repayment of the \$75 million loan commenced in December 2009 and \$6.5 million was paid. Repayment of the ZAR442 million loan is due to commence in December 2010. Both loans were secured from Standard Bank of South Africa with Impala Platinum Holdings Limited guarantees, and were used to fund the Ngezi Phase 1 Expansion project. Evaluation work on the second phase of the expansion programme is underway and is scheduled to be completed in February 2010.

Shareholders are advised to exercise caution in their share dealings due to the uncertain conditions prevailing in Zimbabwe.

Dated at Harare, Zimbabwe, this 10th day of February 2010.

Signed in accordance with a resolution of Directors:



A Mhembere  
CEO and Director

**ZIMPLATS HOLDINGS LIMITED**  
**DIRECTORS' DECLARATION**

In the opinion of the Directors of Zimplats Holdings Limited:

1. the financial statements and notes, set out on pages 5 to 13, have been prepared in accordance with The Companies (Guernsey) Law 2008, including:
  - giving a true and fair view of the financial position of the Company and Group as at 31 December 2009 and of their performance, as represented by the results of their operations and their cash flows, for the half year ended on that date; and
  - complying with International Financial Reporting Standards; and
2. there are reasonable grounds to believe that the Company and its subsidiaries will be able to meet any obligations or liabilities to which they are or may become subject.

Signed in accordance with a resolution of the Directors:



A Mhembere  
Chief Executive Officer



P Maseva - Shayawabaya  
Chief Financial Officer

Harare  
Zimbabwe  
10 February 2010

**REPORT ON REVIEW OF INTERIM FINANCIAL INFORMATION  
TO THE MEMBERS OF ZIMPLATS HOLDINGS LIMITED**

**Introduction**

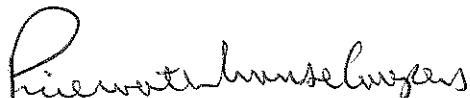
We have reviewed the accompanying condensed consolidated Statement of financial position of Zimplats Holdings Limited as of 31 December 2009 and the related condensed consolidated statements of comprehensive income, changes in equity and cash flows for the six-month period then ended and a summary of significant accounting policies and other explanatory notes. The company's directors are responsible for the preparation and presentation of this interim financial information in accordance with International Accounting Standard 34 "Interim Financial Reporting" and in the manner required by the Companies (Guernsey) Law 2008. Our responsibility is to express a conclusion on this interim financial information based on our review.

**Scope of Review**

We conducted our review in accordance with International Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity." A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

**Conclusion**

Based on our review, nothing has come to our attention that causes us to believe that the accompanying interim financial information does not give a true and fair view of the financial position of the entity as at 31 December 2009, and of its financial performance and its cash flows for the six month period then ended, in accordance with International Accounting Standard 34 "Interim Financial Reporting" and in the manner required by the Companies (Guernsey) Law 2008.



CHARTERED ACCOUNTANTS (ZIMBABWE)

15 February 2010

**ZIMPLATS HOLDINGS LIMITED**  
**STATEMENTS OF FINANCIAL POSITION**  
as at 31 December 2009

		<b>Group</b>		
	<b>Notes</b>	<b>6 mths to 31-Dec-09 (reviewed) US\$ 000</b>	<b>6 mths to 31-Dec-08 (reviewed) US\$ 000</b>	<b>Year to 30-Jun-09 (audited) US\$ 000</b>
<b>ASSETS</b>				
<b>Non-current assets</b>				
Property, plant and equipment		538 562	423 060	495 081
Available-for-sale financial assets		54	695	657
Other receivables	1	31 514	-	34 130
<b>Total non-current assets</b>		570 130	423 755	529 868
<b>Current assets</b>				
Inventories		44 370	42 920	48 821
Trade and other receivables		83 735	59 188	55 184
Cash and cash equivalents		14 122	66 675	16 406
<b>Total current assets</b>		142 227	168 783	120 411
<b>Total assets</b>		712 357	592 538	650 279
<b>EQUITY AND LIABILITIES</b>				
<b>Capital and reserves</b>				
Share capital and share premium	2	99 929	99 929	99 929
Reserves	3	344 430	314 132	315 238
		444 359	414 061	415 167
<b>Non-current liabilities</b>				
Deferred taxation		49 840	41 423	42 459
Mine rehabilitation provision		13 100	3 157	12 781
Borrowings	4	102 086	82 628	95 405
<b>Total non-current liabilities</b>		165 026	127 208	150 645
<b>Current liabilities</b>				
Borrowings	4	32 661	-	20 265
Trade and other payables		60 208	51 269	64 202
Taxation		10 103	-	-
<b>Total current liabilities</b>		102 972	51 269	84 467
<b>Total equity and liabilities</b>		712 357	592 538	650 279

**ZIMPLATS HOLDINGS LIMITED**  
**INCOME STATEMENTS**  
for the half year ended 31 December 2009

		<b>Group</b>		
	<b>Notes</b>	<b>6 mths to 31-Dec-09 (reviewed) US\$ 000</b>	<b>6 mths to 31-Dec-08 (reviewed) US\$ 000</b>	<b>Year to 30-Jun-09 (audited) US\$ 000</b>
Revenue		172 027	41 102	120 311
Cost of sales		(83 196)	(59 655)	(105 433)
<b>Gross profit/(loss)</b>		88 831	(18 553)	14 878
Other net (expenses)/income		(8 330)	1 459	(7 256)
Operating expenses		(19 183)	(10 651)	(32 522)
<b>Profit/(loss) from operations</b>		61 318	(27 745)	(24 900)
Net finance (expenses)/income		(2 793)	( 655)	(1 133)
Interest expense		(2 903)	( 742)	(1 545)
Interest income		110	87	412
<b>Profit/(loss) before taxation</b>		58 525	(28 400)	(26 033)
Taxation	5	(30 596)	2 397	1 009
<b>Net profit/(loss) for the period</b>		27 929	(26 003)	(25 024)
Basic earnings/(loss) per share (cents)	7	25.95	(24.16)	(23.25)

**ZIMPLATS HOLDINGS LIMITED**  
**STATEMENTS OF COMPREHENSIVE INCOME**  
as at 31 December 2009

	<b>Group</b>		
	<b>6 mths to 31-Dec-09 (reviewed) US\$ 000</b>	<b>6 mths to 31-Dec-08 (reviewed) US\$ 000</b>	<b>Year to 30-Jun-09 (audited) US\$ 000</b>
<b>Profit/(loss) for the period</b>	27 929	(26 003)	(25 024)
<b>Other comprehensive income:</b>			
Exchange differences on translating foreign operations	-	-	( 250)
Available-for-sale financial assets	1 363	(2 591)	(2 567)
Income tax relating to components of other comprehensive income	( 100)	-	353
Other comprehensive income net of tax	<u>1 263</u>	<u>(2 591)</u>	<u>(2 464)</u>
<b>Total comprehensive income/(loss) for the period</b>	<u><u>29 192</u></u>	<u><u>(28 594)</u></u>	<u><u>(27 488)</u></u>



**ZIMPLATS HOLDINGS LIMITED**  
**STATEMENTS OF CHANGES IN EQUITY**  
for the half year ended 31 December 2009

	Share capital US\$ 000	Share premium US\$ 000	Foreign currency translation reserve US\$ 000	Acquisition equity reserve US\$ 000	Revaluation reserve US\$ 000	Available-for- sale investments reserve US\$ 000	Accumulated profit US\$ 000	Total US\$ 000
<b>GROUP</b>								
<b>Balances at 30 June 2008 (audited)</b>	10 763	89 166	(17 960)	(10 045)	23 711	483	346 537	442 655
Capital reserve release through depreciation	-	-	-	-	2 315	-	(2 315)	-
Total comprehensive loss for the year	-	-	( 250)	-	-	(2 214)	(25 024)	(27 488)
<b>Balances at 30 June 2009 (audited)</b>	10 763	89 166	(18 210)	(10 045)	26 026	(1 731)	319 198	415 167
Capital reserve release through depreciation	-	-	-	-	( 712)	-	712	-
Total comprehensive income for the period	-	-	-	-	-	1 263	27 929	29 192
<b>Balances at 31 December 2009 (reviewed)</b>	10 763	89 166	(18 210)	(10 045)	25 314	( 468)	347 839	444 359

**ZIMPLATS HOLDINGS LIMITED**  
**CASH FLOW STATEMENTS**  
for the half year ended 31 December 2009

	Notes	Group		
		6 mths to 31-Dec-09 (reviewed) US\$ 000	6 mths to 31-Dec-08 (reviewed) US\$ 000	Year to 30-Jun-09 (audited) US\$ 000
<b>Operating activities</b>				
Cash generated from operations	6	42 847	42 167	69 379
Interest received		110	87	412
Exchange losses realised		(4 909)	-	(11 080)
Interest paid		(2 903)	( 742)	(1 545)
Income tax and withholding taxation paid		-	( 893)	( 893)
<b>Cash in flows from operating activities</b>		<u>35 145</u>	<u>40 619</u>	<u>56 273</u>
<b>Investing activities</b>				
Proceeds from disposal of assets		33	16	151
Acquisition of property, plant and equipment excluding movement in the rehabilitation asset		(54 127)	(75 736)	(140 665)
Purchase of available-for-sale financial assets		-	( 562)	( 604)
Proceeds from disposal of available-for-sale financial assets		1 337	-	-
<b>Cash out flows from investing activities</b>		<u>(52 757)</u>	<u>(76 282)</u>	<u>(141 118)</u>
<b>Financing activities</b>				
Finance lease liability repayments		(665)	(603)	(1 159)
Increase in long term receivables		-	-	(34 130)
Repayments of interest bearing loans and borrowings		(6 316)	-	-
Proceeds of interest bearing loans and borrowings		22 309	24 900	58 499
<b>Cash in flows from financing activities</b>		<u>15 328</u>	<u>24 297</u>	<u>23 210</u>
<b>Decrease in cash and cash equivalents</b>		<u>(2 284)</u>	<u>(11 366)</u>	<u>(61 635)</u>
<b>Movement in cash and cash equivalents</b>				
Cash and cash equivalents at beginning of the year		16 406	78 041	78 041
Decrease in cash and cash equivalents		(2 284)	(11 366)	(61 635)
<b>Cash and cash equivalents at end of the period</b>		<u>14 122</u>	<u>66 675</u>	<u>16 406</u>

**ZIMPLATS HOLDINGS LIMITED**  
**ACCOUNTING POLICIES**  
for the half year ended 31 December 2009

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Zimplats Holdings Limited is a company domiciled in Guernsey, Channel Islands. The consolidated financial statements of the group for the half year ended 31 December 2009 comprise the company and its subsidiaries (together referred to as the group).

**a) Basis of preparation**

The half year consolidated financial statements have been prepared in accordance with International Accounting Standard 34 "Interim Financial Reporting", interpretations issued by the International Financial Reporting Interpretations Council of the IASB and the reporting requirements of the Australian Stock Exchange.

The half year financial statements do not include all the notes of the type normally included in the Annual Financial Statements. Accordingly, these financial statements should be read in conjunction with the 30 June 2009 Annual Financial Statements and any public announcements made by the company during the half year in accordance with the disclosure obligations arising under the ASX Listing Rules.

The financial statements are presented in United States dollars. They are prepared on the historical cost basis with the exception of certain fixed property which is shown at valuation. Financial assets and financial liabilities are shown at available-for-sale value through other comprehensive income. The accounting policies have been consistently applied by the group and are consistent with those of the previous year, unless otherwise stated.

**b) Segment reporting**

The group operates within the mining industry. The activities of the group are entirely related to the development and mining of platinum group metals in Zimbabwe. The risks and rewards associated with the individual operations are not sufficiently dissimilar to warrant identification of separate geographical segments.

**ZIMPLATS HOLDINGS LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
for the half year ended 31 December 2009

	<b>Group</b>		
	<b>6 mths to 31-Dec-09 (reviewed) US\$ 000</b>	<b>6 mths to 31-Dec-08 (reviewed) US\$ 000</b>	<b>Year to 30-Jun-09 (audited) US\$ 000</b>
<b>1 Other receivables</b>			
<b>Non-current</b>			
Other receivables	<u>31 514</u>	<u>-</u>	<u>34 130</u>

Prior to the "dollarisation of" the Zimbabwe economy in February 2009, the operating subsidiary, Zimbabwe Platinum Mines (Private) Limited brought funds into the country to fund Zimbabwe dollar expenses, ahead of time. The funds were placed with the Reserve Bank of Zimbabwe until such time that they were required and drawings were then made in Zimbabwe dollars. In February 2009, the Zimbabwe dollar ceased to be a functional currency and at that time the outstanding balance of funds placed with the Reserve Bank of Zimbabwe amounted to \$34 130 000 (2008: \$45 700 000). The Reserve Bank of Zimbabwe has acknowledged the indebtedness and recommended to the Government of Zimbabwe that it assumes the debt. The assumption of the debt and the terms thereof have not yet been agreed with the Government of Zimbabwe. In view of this uncertainty the debt has been discounted to net present value.

**2 Share capital and share premium**

a) Authorised 500 000 000 ordinary shares of 10 cents each	<u>50 000</u>	<u>50 000</u>	<u>50 000</u>
b) Issued and fully paid 107 637 649 ordinary shares of 10 cents each	10 763	10 763	10 763
c) Share premium	<u>89 166</u>	<u>89 166</u>	<u>89 166</u>
	<u>99 929</u>	<u>99 929</u>	<u>99 929</u>

86 594 482 shares were issued at premium of 52 cents per share on 27/28 July 1998, giving rise to a share premium of \$45 029 131. On 28 July 1998, a bonus issue of 1 767 236 shares was effected utilising \$176 724 of the share premium reserve. The premium on shares issued to 30 June 2003 was \$228 565. The premium on share options sold as a result of the Impala Platinum Holdings Limited (Impala) offer was \$2 062 991. On 18 March 2005, a further 14 873 160 shares were issued to Impala at a premium of \$2.83 per share resulting in a share premium of \$42 022 254.

- d) The unissued shares are under the control of the directors. The holders of ordinary shares are entitled to receive dividends as declared from time to time and are entitled to one vote per share at meetings of the company.

**3 Reserves**

Foreign currency translation reserve	a)	(18 210)	(17 960)	(18 210)
Revaluation reserve	b)	25 314	20 247	26 026
Acquisition equity reserve	c)	(10 045)	(10 045)	(10 045)
Available-for-sale investments reserve	d)	( 468)	(2 108)	( 1 731)
Accumulated profits	e)	<u>347 839</u>	<u>323 998</u>	<u>319 198</u>
		<u>344 430</u>	<u>314 132</u>	<u>315 238</u>

- a) This comprises all foreign exchange differences arising from the translation of the financial statements of foreign operations that are not integral to the operations of the group.
- b) This reserve arises from the revaluation of property, plant and equipment. In 2008 the Base Metal Refinery, part of the Selous Metallurgical Complex surface plant, was impaired to a recoverable value of nil with the net book value of \$11 605 509 being written off against the original revaluation reserve. Management has assessed that the asset technology in the plant is obsolete.
- c) On 5 November 2004, shareholders approved the acquisition of Implats' 30% interest in Zimbabwe Platinum Mines (Private) Limited in exchange for 14 873 160 shares in Zimplats Holdings Limited at an issue price of AU\$3.75 each. The effective premium on the share purchase amounted to \$10 044 750.
- d) This reserve arises from the fair value gain of financial assets held.
- e) Represents accumulated profits to 31 December 2009.

**ZIMPLATS HOLDINGS LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
for the half year ended 31 December 2009

		<b>Group</b>		
		<b>6 mths to</b>	<b>6 mths to</b>	<b>Year to</b>
		<b>31-Dec-09</b>	<b>31-Dec-08</b>	<b>30-Jun-09</b>
		<b>(reviewed)</b>	<b>(reviewed)</b>	<b>(audited)</b>
		US\$ 000	US\$ 000	US\$ 000
<b>4</b>	<b>Borrowings</b>			
	<b>Non-current</b>			
	Bank loan	a) 97 865	75 787	90 439
	Finance lease liability	b) 4 221	6 841	4 966
		<u>102 086</u>	<u>82 628</u>	<u>95 405</u>
	<b>Current</b>			
	Bank loan	a) 31 263	-	18 947
	Finance lease liability	b) 1 398	-	1 318
		<u>32 661</u>	<u>-</u>	<u>20 265</u>
	<b>Total borrowings</b>	<u><u>134 747</u></u>	<u><u>82 628</u></u>	<u><u>115 670</u></u>

- a) Zimbabwe Platinum Mines (Private) Limited has secured two loan facilities from the Standard Bank of South Africa Limited to finance the completion of the Ngezi Phase 1 Expansion Project. Loan # 1 is denominated in US\$ for \$80 million and bears interest at LIBOR plus 700 basis points. The loan is repayable in twelve equal quarterly instalments commencing in December 2009 and will be fully repaid by December 2012.

Loan # 2 is denominated in ZAR for ZAR500 million and bears interest at JIBAR plus 700 basis points. This loan is repayable in ten equal half yearly instalments commencing in December 2010 and will be fully repaid by April 2014.

Both loans are secured by cessions over cash, receivables and revenues. Impala Platinum Holdings Limited has provided political and commercial guarantees in favour of the Standard Bank of South Africa for both loan facilities.

- b) This liability is secured by a finance lease agreement in respect of ore haulage vehicles. The effective interest rate is 12% per annum. Annual instalments of \$2 064 183 commenced on 1 November 2007 with the final payment on 30 June 2013. Contingent rent is payable based on the standby rate per hour per truck.

**5 Taxation**

Additional profits tax	23 485	-	-
Current income tax	-	893	893
Deferred income tax	7 111	(3 290)	(1 902)
<b>Total taxation charge/(credit)</b>	<u><u>30 596</u></u>	<u><u>(2 397)</u></u>	<u><u>(1 009)</u></u>

A disputed Additional Profits Tax (APT) liability for the year ended 30 June 2007 has been provided for in full. There is no APT liability in respect of the 2008 and 2009 financial years.

The dispute arose from undertakings given to Zimplats in 2001 that the company would not be liable for APT. However, despite this undertaking the legislative changes to give effect to the exemption were never promulgated. As a result, the Zimbabwe Revenue Authority (Zimra) has issued an assessment for APT and also dismissed Zimplats objection to the assessment.

Zimra has instituted recovery of the amount through withholding of Value Added Tax refunds due to the company. As at end December 2009, a total of US\$9.2 million of VAT refunds had been withheld.

**ZIMPLATS HOLDINGS LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
for the half year ended 31 December 2009

	<b>Group</b>		
	<b>6 mths to 31-Dec-09 (reviewed) US\$ 000</b>	<b>6 mths to 31-Dec-08 (reviewed) US\$ 000</b>	<b>Year to 30-Jun-09 (audited) US\$ 000</b>
<b>6 Cash generated from operations</b>			
Reconciliation of profit/(loss) before taxation to cash generated from operations:			
Profit/(loss) before taxation	58 525	(28 400)	(26 033)
Adjustments for:	16 086	18 847	32 656
Depreciation of property, plant and equipment	10 996	18 190	22 953
Net finance expense	2 793	655	1 133
Foreign exchange losses	4 909	-	11 080
Fair value loss of available-for-sale financial assets	(2 616)	-	(2 567)
Foreign currency translation reserve	-	-	(250)
Loss on disposal of property, plant & equipment	4	2	307
Changes in working capital:	(31 764)	51 720	62 756
Trade and other receivables	(23 319)	62 123	66 127
Inventories	(4 451)	(15 308)	(21 209)
Trade and other payables	(3 994)	4 905	17 838
Cash generated from operations	<u>42 847</u>	<u>42 167</u>	<u>69 379</u>

**7 Earnings per share**

**Basic earnings per share**

Basic earnings per share is calculated by dividing the net profit by the weighted average number of ordinary shares in issue during the year.

Profit/(loss) attributable to equity holders of the company	27 929	( 26 003)	( 25 024)
Weighted average number of ordinary shares in issue	107 638	107 638	107 638
Basic earnings/(loss) per share US (cents)	<u>25.95</u>	<u>(24.16)</u>	<u>(23.25)</u>

**8 Capital commitments**

The Group has entered into contracts for the following and is committed to incur capital expenditure in respect thereof:

General capital replacement	13 757	7 653	18 636
Ngezi expansion - Portal 2	-	599	-
Ngezi expansion Phase 1	8 287	44 016	64 425
	<u>22 044</u>	<u>52 268</u>	<u>83 061</u>

The board has authorised a total of \$340 million to be incurred on the Ngezi Phase 1 Expansion project over the period to 2010. Up to 31 December 2009, \$310 million had been spent on the project.

The capital commitments will be financed from internal resources and borrowings.

**9 Related party transactions and balances**

**Revenue**

Sales of matte to Impala Refining Services Limited	<u>172 027</u>	<u>41 102</u>	<u>120 311</u>
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The Group's only customer is Impala Refining Services Limited, which is a fellow wholly owned subsidiary of Impala Platinum Holdings Limited. Sales thereto are based on a long term agreement.

The Group had an outstanding trade receivable balance as at 31 December 2009 amounting to \$59 461 315 (30 June 2009: \$20 819 274) with Impala Refining Services Limited.