

Zimplats Holdings Limited



REPORT FOR THE QUARTER ENDED 30 SEPTEMBER 2011

KEY FEATURES

- Two lost time injuries recorded.
- Good operational and financial performance.
- Ngezi Phase II Expansion project implementation on schedule.
- Revision of Indigenisation Implementation Plan in progress.
- Zimplats Community Share Ownership Trust launched in October 2011.

SAFETY

Safety performance was below expectation with two lost time injuries recorded. The company however remains focussed on achieving zero harm.

PRODUCTION – Zimbabwe Platinum Mines (Private) Limited

		September Quarter 2011	June Quarter 2011	% Change	September Quarter 2010	% Change
Mining						
Ore mined	Tonnes (000's)	1,155	1,138	2%	1,016	14%
Head grade	4E g/t	3.36	3.35	0%	3.35	0%
Processing						
Ore milled	Tonnes (000's)	1,060	1,137	-7%	1,043	2%
Recovery	4E%	83.0	82.7	0%	81.9	1%
Metal in concentrate	4E oz	94,952	101,200	-6%	91,934	3%
Metal in converter matte	4E oz	90,822	*103,874	-13%	89,284	2%
Nickel	Tonnes	874	*998	-12%	861	2%
Copper	Tonnes	640	*735	-13%	621	3%
Metal sales						
4E	Oz	90,878	*103,757	-12%	89,440	2%
Nickel	Tonnes	865	*980	-12%	857	1%
Copper	Tonnes	633	*717	-12%	613	3%

**Metal production for the quarter to June 2011 was boosted by the smelting of concentrates stockpiled in the quarter to March 2011 during a periodic smelter maintenance shutdown.*

Mining operations were ahead of plan and previous quarter's performance. Grade control was good with average head grade marginally above the previous quarter.

Milling operations performance was 7% below the previous quarter as a result of reduced operating hours due to planned maintenance shutdowns. The furnace was down for 5 days for scheduled maintenance. 4E metal production was thus 13% below previous quarter in line with the lower mill and furnace throughput.

FINANCIAL – Zimbabwe Platinum Mines (Private) Limited

Operating Income Statement	September Quarter 2011 US\$ 000's	June Quarter 2011 US\$ 000's	% Change	September Quarter 2010 US\$ 000's	% Change
Revenue	133,265	146,849	-9%	110,098	21%
Operating Costs	(72,305)	(77,253)	6%	(61,102)	-18%
Operating Profit	60,960	69,596	-12%	48,996	24%

Revenue at \$133 million was 9% below the previous quarter owing largely to lower sales volumes.

Operating costs were 6% lower than previous quarter in line with lower production and sales volumes. Operating profit declined by 12% to \$61 million, mainly due to the lower revenue.

Cash and total cost of production	September Quarter 2011 US\$	June Quarter 2011 US\$	% Change	September Quarter 2010 US\$	% Change
Cash cost of production per 4E ounce	735	642	-15%	599	-23%
Net cash cost per 4E ounce	525	422	-24%	387	-36%
Amortisation and depreciation	98	92	-7%	92	-7%
Total cost per 4E ounce *	623	514	-21%	479	-30%
Total revenue per 4E ounce	1,466	1,415	4%	1,231	19%
Surplus per 4E ounce**	633	681	-7%	540	17%

*Net of byproduct revenue.

** Total Revenue, less total cost/Total 4E ounces.

Cash cost of production per 4E ounce was 15% above the previous quarter driven mainly by lower production volumes. The power tariff was increased by 60% with effect from 1 September 2011. The tariff adjustment is much higher than was expected and will negatively affect future cost performance. Negotiations with the power utility on this issue are on-going.

The company's local spend (excluding payments to government and related institutions) increased from 48% of total expenditure in the year ended June 2011 to 52% in the quarter to September 2011. This is testimony to the company's commitment towards support for local industry.

Zimplats has continued to make a meaningful contribution to the fiscus. \$16 million in direct and indirect taxes was paid to the fiscus, 19% higher than the previous quarter.

The company received a total of \$163 million in the quarter of which \$151 million was from metal sales and \$12 million an off-shore loan draw down. 63% of the available cash was spent on operations, 28% on on-going capital expenditure projects and 9% was paid to the Government.

PGM PRICES

The average pgm , gold and nickel prices for the past quarter are as follows:

	September Quarter 2011	June Quarter 2011	% Change	September Quarter 2011	% Change
Platinum (USD per oz)	1,661	1,783	-1%	1,560	14%
Palladium (USD per oz)	704	759	-1%	497	52%
Rhodium (USD per oz)	1,769	2,095	-13%	2,289	-20%
Gold (USD per oz)	1,597	1,505	13%	1,212	40%
Nickel (USD per tonne)	21,188	24,294	-9%	21,187	4%

Metal prices have continued to weaken reflecting market concerns over economic stability of some Euro-zone countries.

EXPANSION

Implementation of Ngezi Phase II Project is progressing well and according to plan.

RESOLUTION OF OUTSTANDING ISSUES WITH GOVERNMENT

RBZ Debt

There have been no further developments on this issue.

Indigenisation and Economic Empowerment

Work on a revised Indigenisation Implementation Plan is in progress. As previously advised, the revised plan is schedule to be submitted to the relevant authorities in November 2011.

Post quarter, the Zimplats Community Share Ownership Trust, which will acquire 10% of the operating subsidiary's issued share capital was officially launched by the President of the Republic of Zimbabwe. The Trust will benefit the people of the Mhondoro-Ngezi, Chegutu and Zvimba Districts these being the districts in which the company's operations are located. The share acquisition by the Trust is a key component of the operating subsidiary's indigenisation plan. Work on the Deed of Trust is in progress. To enable the trust to commence operations prior to receiving dividend income from its shareholding, the operating subsidiary will fund the operations of the trust with a total commitment of \$10 million as seed capital.

SHAREHOLDER INFORMATION

Share price

The average share price for the quarter was A\$11.32 (previous quarter: A\$12.08).

Capital Structure

Major shareholders as at 30 September 2011:

Impala Platinum Holdings Limited	87.00%
HSBC Custody Nominees (Australia) Ltd	4.87%
Merrill Lynch (Australia) Nominees Pty Ltd	2.53%

Caution

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

Shareholder enquiries

Matters relating to the shareholdings should be directed to the share registry at: Computershare Registry Services Pty Ltd, GPO Box 7054, Sydney NSW 1115, Australia. Tel: +61 3 9415 4000, Fax: +61 3 9473 2500.

INFORMATION ON ZIMPLATS

Contact - Guernsey

Ms. Ceris Graham
Tel: +44 1481 737 217
Fax: +44 1481 738 917
Email: carey.graham@careygroup.gg

Contact - Australia

Ms. Kathrine Brown
Tel: +61 2 9252 7880
Fax: +61 2 9252 7882
Email: kathrine.brown@zimplats.com

Contact – Zimbabwe

Mr. Patrick Maseva-Shayawabaya
Tel: +263 4 332 590
Fax: +263 4 332 496
Email: pshayawabaya@zimplats.com

Website: www.zimplats.com