

Zimplats Holdings Limited



REPORT FOR THE QUARTER ENDED 31 MARCH 2012

KEY FEATURES

- One lost time injury recorded in the quarter.
- Good operational and financial performance.
- Ngezi Phase II Expansion project implementation on schedule.
- Operating subsidiary Indigenisation Plan has been agreed in principle.

SAFETY

One lost time injury was incurred to bring the year to date total to three. Safety performance remains of a high standard.

PRODUCTION – Zimbabwe Platinum Mines (Private) Limited

		March Quarter 2012	December Quarter 2011	% Change	March Quarter 2011	% Change
Mining						
Ore mined	Tonnes (000's)	1,125	1,134	-1%	1,062	6%
Head grade	4E g/t	3.33	3.30	1%	3.34	0%
Processing						
Ore milled	Tonnes (000's)	1,069	1,110	-4%	1,007	6%
Recovery	4E%	82.3	82.5	0%	82.6	0%
Metal in concentrate	4E oz	94,321	97,174	-3%	89,260	6%
Metal in converter matte	4E oz	90,557	92,613	-2%	84,007	8%
Nickel	Tonnes	941	942	0%	810	16%
Copper	Tonnes	681	685	-1%	593	15%
Metal sales						
4E	Oz	89,979	93,001	-3%	85,069	6%
Nickel	Tonnes	935	933	0%	803	16%
Copper	Tonnes	677	672	1%	586	15%

Mining production for the quarter was adversely affected by an illegal industrial action by a section of the workforce which resulted in two and half production shifts being lost. As a result, tonnes mined were 1% below the previous quarter. Head grade was satisfactory at 1% above prior quarter.

Tonnes ore milled were 4% lower than prior quarter owing to scheduled major plant maintenance shutdowns. In addition, the operations were put under power load shedding from 9 March to 23 March 2012 resulting in the furnace operating at less than half its capacity. 4E metal production was 2% below previous quarter reflecting the net effect of 4% lower milled tonnage and 1% better head grade.

FINANCIAL – Zimbabwe Platinum Mines (Private) Limited

Operating Income Statement	March Quarter 2012 US\$ 000's	December Quarter 2011 US\$ 000's	% Change	March Quarter 2011 US\$ 000's	% Change
Revenue	128,211	97,376	32%	130,539	-2%
Operating Costs*	-76,356	-78,154	2%	-64,959	-18%
Operating Profit	51,855	19,222	170%	65,580	-21%

**Excluding share based payments, fair value adjustments and foreign exchange differences*

An improved financial performance was recorded for the quarter despite a 3% decrease in volume of metals sold. The lower sales volume was more than compensated for by improved metal prices as well as the resultant pipeline revenue adjustments. Consequently, revenue at \$128 million was 32% up on the previous quarter.

Cost performance was good with operating costs 2% lower than previous quarter. Royalties continue to be accounted for at the higher rates set in terms of the Finance Act while the company awaits resolution of the dispute which is currently before the courts.

Operating profit for the quarter amounted to \$52 million, in line with the higher revenue.

Cash and total cost of production	March Quarter 2012 US\$	December Quarter 2011 US\$	% Change	March Quarter 2011 US\$	% Change
Cash cost of production per 4E ounce	785	777	-1%	702	-12%
Net cash cost per 4E ounce	561	605	7%	433	-30%
Amortisation and depreciation	102	102	0%	98	-4%
Total cost per 4E ounce *	663	707	6%	531	-25%
Total revenue per 4E ounce	1,425	1,047	36%	1,535	-7%
Surplus per 4E ounce**	538	168	220%	735	-27%

Cash cost of production per 4E ounce was 1% higher than previous quarter driven mainly by lower 4E production. Cost performance for the quarter was worse than same period last year due to significant increases in electricity and employment costs.

**Net of by-product revenue.*

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

The company's local spend (including payments to government and related institutions) increased by 6 percentage points to 69% of total payments in the quarter. Zimplats' contribution to the fiscus, in direct and indirect taxes, at \$30.3 million was 40% higher than the previous quarter.

Zimbabwe Platinum Mines (Private) Limited received a total of \$151.6 million in the quarter from metal sales and loan drawdowns of which 36% was spent on operations, 37% on on-going capital expenditure projects, 20% was paid to government and 7% was utilised to service debts.

PGM PRICES

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

	March Quarter 2012	December Quarter 2011	% Change	March Quarter 2011	% Change
Platinum (USD per oz)	1,607	1,533	5%	1,794	-10%
Palladium (USD per oz)	682	629	9%	792	-13%
Rhodium (USD per oz)	1,376	1,511	-9%	2,353	-41%
Gold (USD per oz)	1,691	1,686	0%	1,385	22%
Nickel (USD per tonne)	19,662	18,304	8%	26,900	-26%

Whilst metal prices steadily increased during the quarter, the trend has since reversed with prevailing metal prices being much lower than prices realised for the March quarter.

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

The 51% Indigenisation Plan for the operating subsidiary, Zimbabwe Platinum Mines (Private) Limited, was agreed in principle with the Government of Zimbabwe. Discussions are now on-going regarding finalisation of an implementation plan.

SHAREHOLDER INFORMATION

Share price

The average share price for the quarter was A\$10.61 (previous quarter: A\$12.08).

Capital Structure

Major shareholders as at 30 June 2011:

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

Shareholder enquiries

Matters relating to the shareholdings should be directed to the share registry at: Computershare Registry Services

INFORMATION ON ZIMPLATS

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