

RESULTS FOR ANNOUNCEMENT TO THE MARKET

Appendix 4D

HALF YEAR REPORT

Zimplats Holdings Limited
ARBN: 463 058
Australian Stock Exchange code: **ZIM**

Half year ended 31 December 2012

			2012	2011
			US\$ 000	US\$ 000
1.	Revenue from ordinary activities	Down 23%	176 489	230 641
2.	(Loss)/profit from ordinary activities after tax	Down 109%	(6 386)	68 399
3.	Net (Loss)/profit attributed to equity holders	Down 109%	(6 386)	68 399

- The unaudited directors' and finance reports for the half year to December 2012 have been released and are available on the Zimplats website.
- Safety performance was poor with ten lost time injuries being recorded. Various behavior based initiatives have been introduced to reduce at risk behavior. During the last quarter the company achieved a commendable 9 million fatality free shifts.
- Mining production was satisfactory although negatively affected by low equipment availabilities and poor ground conditions. Grade control was good.
- Ore mined totalled 2 370 000 tonnes, up 4% on the comparative period last year.
- Ore milled at 2 182 000 tonnes was 1% above the tonnage for the same period last year owing mainly to higher running time achieved at both concentrators. Mill grade was in line with expectations whilst concentrator recovery at 82.5% was good and in line with the prior year
- 4E metal production in converter matte totalled 81 522 ounces, a decrease of 56% on the previous year's production. Production was lower than the prior period mainly because of the scheduled 42 day smelter shutdown from August to September. During the shutdown, a total of 11,259 tonnes of concentrate was exported. Subsequent to the scheduled shutdown, a furnace fire in November resulted in the furnace being down for 21 days for repairs during which the concentrates generated were stockpiled for processing during the 2nd half of the year. This was followed by a furnace run-out in December which resulted in a further 3 days lost time. As a result, 4E metal in converter matte sales were significantly lower than expected but both production and sales are anticipated to be on target for the year to 30 June 2013.
- Metal prices have remained depressed although there has been some recent improvement in response to the problems experienced by the major PGM producers in South Africa. Prices realised were therefore marginally better than the same period last year.
- As a result of the lower volume of metal sales, turnover for the six months amounted to \$176 million, down 23% on \$231 million for the comparative period.
- Cost management during the period was good which, when combined with the lower production caused by the unplanned furnace downtime, resulted in total costs being 1% lower than the same period last year. The effect of a 1 January 2012 increase in royalty rates was offset by the reduced sales revenue. This increased rate remains disputed by the company and is still before the courts.

- The combination of the above factors resulted in a profit before tax of \$16 million, an 80% decrease on the prior period's \$80 million. After bringing to account tax charges from prior years, the loss after tax amounted to \$6 million compared to a profit of \$68 million for the previous period.
- At the end of the period, the group had debt net of cash amounting to \$96 million.
- Implementation of the Phase II project is proceeding according to plan with a total of \$76 million in capital expenditure having been spent during the half-year.
- The tax authorities have responded to the objection lodged by the company in September 2012 against the levying of penalty and interest on the prior years' tax liability. A reduction in the penalty from 8% to 5% of principal tax has been granted, but the objection against the payment of interest has been rejected. An appeal has been lodged with the Special Court for Income Tax Appeals against the Commissioner-General's determination on the penalty, whilst an application will be made to the High Court to review the Commissioner-General's determination on the interest.
- As previously advised, an agreement has been signed with Government of Zimbabwe on an indigenisation implementation plan for the subsidiary, Zimbabwe Platinum Mines (Private) Limited, in terms of which 51% of the company's equity will be sold to three indigenous entities for \$971 million. Payment thereof will be from future dividends.