ZIMPLATS HOLDINGS LIMITED

ARBN : 083 463 058

Half year Directors' Report and Condensed Interim Financial Statements
31 December 2012

ZIMPLATS HOLDINGS LIMITED
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ZIMPLATS HOLDINGS LIMITED

DIRECTORS' REPORT

The directors present their report together with the consolidated financial statements for the half year ended 31 December 2012 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
Muchadeyi Ashton Masunda (Acting Chairman: non-executive)	Appointed 8 February 2007
Brenda Berlin (non-executive)	Appointed 1 March 2010
Stanley Earl Frost (Chief Technical Officer)	Resigned 31 December 2012
Terence Philip Goodlace (non-executive)	Appointed 10 August 2012
Michael John Houston (non-executive)	Appointed 1 April 2004
Patrick Maseva-Shayawabaya (Chief Financial Officer)	Appointed 1 April 2004
Alexander Mhembere (Chief Executive Officer)	Appointed 1 October 2007
Dr. Khotso Mokhele (non-executive)	Appointed 8 February 2007
Leslie John Paton (non-executive)	Appointed 4 February 2003
Robert George Still (non-executive)	Appointed 28 July 1998
Nyasha Puza Siyabora Zhou (non-executive)	Appointed 1 March 2010

The half year operating results to 31 December 2012 are presented together with the comparative figures for the half year to 31 December 2011, and for the full year to 30 June 2012. The financial and reporting currency of the group is US$.

Review of Performance

Safety Health and Environment
Safety performance was poor with ten lost time injuries being recorded. Various behaviour based initiatives have been introduced to reduce at risk behaviour. During the last quarter, the company achieved a commendable 9 million fatality free shifts.

Operations
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 2 181 000 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 plan but both production and sales are anticipated to be on target for the year to 30 June 2013.

Markets
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 for the same period last year.

Financial
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, a loss after tax amounting to $6 million was incurred compared to a profit of $68 million for the previous period.

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 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.

At the end of the period, the group had debt net of cash amounting to $96 million.

Expansion projects
Implementation of the Phase II project is progressing according to plan with a total of $76 million in capital expenditure having been spent during the half-year bringing the expenditure on the expansion to date to $299 million.

Indigenisation
As previously advised, an agreement has been signed with the 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.

Dated at Harare, Zimbabwe, this 1st day of February 2013 and signed in accordance with a resolution of Directors:

A Mhembere
Chief Executive Officer

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 6 to 15, 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 2012 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, subject to the continued support of the major shareholder should metal prices deteriorate significantly from current levels.

Signed in accordance with a resolution of the Directors.

A Mhembere
Chief Executive Officer
Harare
Zimbabwe
1 February 2013

P. Maseva-Shayawabaya
Chief Finance Officer

pwc

REPORT ON REVIEW OF INTERIM FINANCIAL INFORMATION

To the Shareholders of **Zimplats Holdings Limited**

Introduction

We have reviewed the accompanying condensed consolidated interim statement of financial position of Zimplats Holdings Limited and its subsidiaries (together "the group") as at 31 December 2012 and the related condensed consolidated interim statements of comprehensive income, changes in equity and cash flows for the six-month period then ended. The group's directors are responsible for the preparation and presentation of this consolidated condensed interim financial information in accordance with International Accounting Standard 34 "Interim Financial Reporting" and the requirements of the Zimbabwe Companies Act (Chapter 24:03) and the relevant Statutory Instruments ("SI") SI 33/99 and SI 62/96 and 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 consolidated condensed interim financial information is not prepared, in all material respects, in accordance with International Accounting Standard 34 "Interim Financial Reporting" and the requirements of the Zimbabwe Companies Act (Chapter 24:03) and the relevant Statutory Instruments SI 33/99 and SI 62/96 and the Companies (Guernsey) Law 2008.

PricewaterhouseCoopers

PricewaterhouseCoopers
Chartered Accountants (Zimbabwe)
Harare

12 February 2013

PricewaterhouseCoopers, Building No. 4, Arundel Office Park, Norfolk Road, Mount Pleasant
P O Box 453, Harare, Zimbabwe
T: +263 (4) 338362-8, F: +263 (4) 338395, www.pwc.com

T I Rwodzi – Senior Partner
The Partnership's principal place of business is at Arundel Office Park, Norfolk Road, Mount Pleasant, Harare, Zimbabwe where a list of the Partners' names is available for inspection.

ZIMPLATS HOLDINGS LIMITED
STATEMENTS OF FINANCIAL POSITION
AS AT 31 DECEMBER 2012

		Group		
	Notes	**6 mths to 31-Dec-12 (reviewed)** US$ 000	**6 mths to 31-Dec-11 (reviewed)** US$ 000	**Year to 30-Jun-12 (audited)** US$ 000
ASSETS				
Non-current assets				
Property, plant and equipment	1	957 926	748 260	881 165
Long term receivables	2	17 065	23 891	20 478
Prepayments	3	9 722	-	15 278
Total non-current assets		984 713	772 151	916 921
Current assets				
Inventories		84 099	58 639	57 399
Trade and other receivables	4	93 902	154 053	133 376
Prepayments	3	19 367	-	30 697
Cash and cash equivalents		5 502	60 888	16 493
Total current assets		202 870	273 580	237 965
Total assets		1 187 583	1 045 731	1 154 886
EQUITY AND LIABILITIES				
Capital and reserves				
Share capital and share premium	5	99 929	99 929	99 929
Other reserves	6	755 424	707 850	761 810
Total capital and reserves		855 353	807 779	861 739
Non-current liabilities				
Deferred taxation		93 203	98 882	115 344
Mine rehabilitation provision		14 637	14 988	14 354
Other long term payables		6 540	2 601	4 317
Borrowings	7	78 059	51 100	78 118
Total non-current liabilities		192 439	167 571	212 133
Current liabilities				
Other short term payables		7 830	3 059	5 148
Borrowings	7	24 808	4 285	6 732
Trade and other payables		77 513	63 037	69 134
Tax payable		29 640	-	-
Total current liabilities		139 791	70 381	81 014
Total equity and liabilities		1 187 583	1 045 731	1 154 886

A Mhembere
Chief Executive Officer

P Maseva - Shayawabaya
Chief Financial Officer

1 February 2013

ZIMPLATS HOLDINGS LIMITED
STATEMENTS OF COMPREHENSIVE INCOME
FOR THE SIX MONTHS ENDED 31 DECEMBER 2012

		Group		
	Notes	**6 mths to 31-Dec-12 (reviewed)** US$ 000	**6 mths to 31-Dec-11 (reviewed)** US$ 000	**Year to 30-Jun-12 (audited)** US$ 000
Revenue		176 489	230 641	473 280
Cost of sales		(94 960)	(109 597)	(219 854)
Gross profit		81 529	121 044	253 426
Other net (expenses)/income		(4 664)	2 267	(7 349)
Administrative expenses		(45 502)	(42 211)	(91 098)
Profit from operations		31 363	81 100	154 979
Net finance expenses		(15 584)	(1 325)	(3 458)
Interest expense and penalties	8	(16 571)	(1 408)	(3 987)
Interest income		987	83	529
Profit before taxation		15 779	79 775	151 521
Income tax expense	9	(22 165)	(11 376)	(29 162)
(Loss)/profit for the period		(6 386)	68 399	122 359
Other comprehensive income:				
Available-for-sale-financial assets:				
Gains arising during the year		-	-	-
Reclassification of adjustments for (gains)/losses included in profit/loss		-	-	-
Income tax relating to components of other comprehensive income		-	-	-
Other comprehensive income, net of tax		-	-	-
Total comprehensive (loss)/profit for the period		(6 386)	68 399	122 359
Basic and diluted (loss)/earnings per share (cents)	10	(5.93)	63.55	113.68

ZIMPLATS HOLDINGS LIMITED
STATEMENTS OF CHANGES IN EQUITY
FOR THE SIX MONTHS ENDED 31 DECEMBER 2012

	Share capital US$ 000	**Share premium** US$ 000	**Foreign currency translation reserve** US$ 000	**Acquisition equity reserve** US$ 000	**Revaluation reserve** US$ 000	**Accumulated profit** US$ 000	**Total** US$ 000
GROUP							
Balances at 30 June 2011 (audited)	10 763	89 166	(18 219)	(10 045)	22 692	645 023	739 380
Capital reserve release	-	-	-	-	(1 810)	1 810	-
Total comprehensive income for the year	-	-	-	-	-	122 359	122 359
Profit for the year	-	-	-	-	-	122 359	122 359
Other comprehensive income	-	-	-	-	-	-	-
Balances at 30 June 2012 (audited)	10 763	89 166	(18 219)	(10 045)	20 882	769 192	861 739
Capital reserve release	-	-	-	-	(993)	993	-
Total comprehensive loss for the period	-	-	-	-	-	(6 386)	(6 386)
Loss for the period	-	-	-	-	-	(6 386)	(6 386)
Other comprehensive income	-	-	-	-	-	-	-
Balances at 31 December 2012 (reviewed)	10 763	89 166	(18 219)	(10 045)	19 889	763 799	855 353

ZIMPLATS HOLDINGS LIMITED
STATEMENTS OF CASH FLOWS
FOR THE SIX MONTHS ENDED 31 DECEMBER 2012

		Group		
	Notes	**6 mths to 31-Dec-12 (reviewed)** US$ 000	**6 mths to 31-Dec-11 (reviewed)** US$ 000	**Year to 30-Jun-12 (audited)** US$ 000
Operating activities				
Profit before tax		15 779	79 775	151 521
Adjustments to profit before tax	11	46 665	23 099	57 660
Cash from changes in working capital	11	30 274	31 819	37 711
Payments made for mine rehabilitation		(435)	-	(915)
Payments made for community share ownership trust liability		-	-	(3 300)
Payments made for share appreciation rights		(5)	(44)	(112)
Finance cost		(5 589)	(2 422)	(6 795)
Income tax and withholding tax paid		(13 732)	(8 359)	(9 586)
Cash in flows from operating activities		72 957	123 868	226 184
Investing activities				
Acquisition of property, plant and equipment		(99 987)	(117 753)	(269 571)
Proceeds from disposal of assets		28	167	503
Power supply prepayment		-	-	(25 000)
Finance income		734	83	389
Cash out flows from investing activities		(99 225)	(117 503)	(293 679)
Financing activities				
Finance lease liability repaid		(974)	(855)	(1 727)
Repayments of interest bearing loans and borrowings		-	(22 632)	(25 079)
Proceeds of interest bearing loans and borrowings		-	24 000	52 000
Cash (out)/in flows from financing activities		(974)	513	25 194
(Decrease)/increase in cash and cash equivalents		(27 242)	6 878	(42 301)
Movement in cash and cash equivalents				
Cash and cash equivalents at beginning of the year		11 709	54 010	54 010
(Decrease)/increase in cash and cash equivalents		(27 242)	6 878	(42 301)
Cash and cash equivalents at end of the period		(15 533)	60 888	11 709

ACCOUNTING POLICIES

Zimplats Holdings Limited is a company domiciled in Guernsey, Channel Islands and listed on the Australian Stock Exchange. The address of its registrered office is Elizabeth House, Les Ruettes Brayes, St Peter Port, Guernsey GY1 1EW, Channel Islands. The consolidated financial statements of the group for the half year ended 31 December 2012 comprise the company and its subsidiaries (together referred to as the group).

These condensed interim financial statements were approved for issue on 1 February 2013. The condensed interim financial statements have been reviewed, not audited.

a) Basis of preparation

The condensed interim consolidated financial statements have been prepared in accordance with International Accounting Standard 34 "Interim Financial Reporting".

The condensed interim 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 2012 Annual Financial Statements which have been prepared in accordance with International Financial Reporting Standards (IFRS) and any public announcements made by the company during the period under the ASX Listing Rules.

The financial statements are expressed in US$ and the condensed interim financial statements have been prepared under the historical cost convention except for the following:

· Certain financial assets and financial liabilities that are measured at fair value: and

· Liabilities for cash-settled share-based payment arrangements that are measured with a binomial option model

The preparation of financial statements in conformity with IFRS requires the use of certain critical accounting estimates. It also requires management and the board to exercise its judgement in the process of applying the group’s accounting policies.

The principal 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.

		Group		
		6 mths to 31-Dec-12 (reviewed)	**6 mths to 31-Dec-11 (reviewed)**	**Year to 30-Jun-12 (audited)**
		US$ 000	US$ 000	US$ 000
1	**Property, plant and equipment**			
	Opening net book amount	881 165	647 878	647 878
	Additions	98 709	119 419	276 067
	Disposals	(7)	(56)	(214)
	Depreciation	(21 941)	(18 981)	(42 566)
	Closing net book amount	957 926	748 260	881 165
2	**Long term receivables**			
	Reserve Bank of Zimbabwe loan:			
	Beginning of the period	20 478	27 304	27 304
	Impairment loss	(3 413)	(3 413)	(6 826)
	Carrying amount	17 065	23 891	20 478

Prior to the "dollarisation" of the Zimbabwe economy in February 2009, the company brought funds into the country to meet its 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 ($29 403 289 after fair value adjustment). The Reserve Bank of Zimbabwe has acknowledged the full indebtedness and has recommended to the Government of Zimbabwe to assume the debt. Given the circumstances, provision has been made for the long-term real value of the outsanding amount.

3	**Prepayments**			
	Zesa Holdings (Pvt) Ltd	20 902	26 556	27 849
	Other vendors	8 187	-	18 126
		29 089	26 556	45 975
	Short-term portion	(19 367)	-	(30 697)
	Long-term portion	9 722	26 556	15 278

Prepayments include the unrecovered portion of the cost incurred by the company in constructing the 330 kV Selous Substation for the national power utility (Zesa Holdings) and a loan to the national power utility which it applied to reduce its indebtedness to Hidroelectrica De Cahora Bassa (HCB) of Mozambique for power imports. For the Selous substation $26 million was spent on the project of which 40% is recoverable through power credits against power consumption. The power credits were determined using an agreed power tariff. A $25 million loan was availed to Zesa Holdings during the 2012 financial year and was used to reduce the power utility's indebtedness to HCB. The loan principal and interest thereon were converted into power units at an agreed tariff. The power units will be redeemed over a three year period starting in May 2012. Both agreements are part of the arrangements made to secure continuous and reliable electricity supplies for current and future group operations.

		Group		
		6 mths to 31-Dec-12 (reviewed) US$ 000	**6 mths to 31-Dec-11 (reviewed)** US$ 000	**Year to 30-Jun-12 (audited)** US$ 000
4	**Trade and other receivables**			
	Receivables from related parties	82 007	114 013	123 006
	Zimbabwe Revenue Authority	5 174	9 540	7 460
	Other receivables	6 721	30 500	2 910
		93 902	154 053	133 376

As at 31 December 2012, the fair values of trade and other receivables were equal to their carrying amounts.

Receivables from related parties consist of trade receivables from Impala Refining Services Limited. As payment terms are contractual, trade receivables were fully performing and none were past due or impaired as of 31 December 2012.

The carrying amounts of the group's trade and other receivables are all denominated in United States dollars.

5	**Share capital and share premium**			
a)	Authorised			
	500 000 000 ordinary shares of 10 cents each	50 000	50 000	50 000
b)	Issued and fully paid			
	107 637 649 (2011: 107 637 649) ordinary shares of 10 cents each	10 763	10 763	10 763
c)	Share premium	89 166	89 166	89 166
	At the end of the period	99 929	99 929	99 929

86 594 482 shares were issued at a 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. 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.

6	**Other reserves**				
	Foreign currency translation reserve	a)	(18 219)	(18 219)	(18 219)
	Asset revaluation reserve	b)	19 889	21 780	20 882
	Acquisition equity reserve	c)	(10 045)	(10 045)	(10 045)
	Accumulated profit	d)	763 799	714 334	769 192
			755 424	707 850	761 810

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 fair values assigned to assets acquired in a business combination. The assets were purchased from BHP at a notional fee and amounts set to give assets value.

c) On 5 November 2004, shareholders approved the acquisition of Impala Platinum Holding Limited's 30% interest in Zimbabwe Platinum Mines (Private) Limited (formerly Makwiro 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 was $10 044 750.

d) Represents accumulated profits to 31 December 2012.

		Group		
		6 mths to 31-Dec-12 (reviewed)	**6 mths to 31-Dec-11 (reviewed)**	**Year to 30-Jun-12 (audited)**
		US$ 000	US$ 000	US$ 000
7	**Borrowings**			
	Non-current			
	Bank borrowings	78 000	50 000	78 000
	Finance lease liability	59	1 100	118
		78 059	51 100	78 118
	Current			
	Bank overdraft	23 776	-	4 784
	Bank borrowings	-	2 448	-
	Finance lease liability	1 032	1 837	1 948
		24 808	4 285	6 732
	Total borrowings	102 867	55 385	84 850

The fair values are based on cash flows rate based on the borrowing rate of 7.4% (7.4%: 2011). The fair value of current borrowings equals their carrying amount, as the impact of discounting is not significant.

The carrying amounts of the group's borrowings are all denominated in the United States dollars.

Bank borrowing

A loan facility from Standard Bank of South Africa Limited to finance the Ngezi Phase 2 expansion is in place. The loan is secured by a cession over cash, debtors and revenue. Impala Platinum Holdings Limited has provided political and commercial guarantees.

The loan is a revolving credit facility denominated in US dollars and bears interest at 3 months LIBOR plus 7% margin. Capital repayments are required if the loan balance exceeds the available facility. The final maturity date is 31 December 2014. At the end of the reporting period the outstanding balance amounted to $78 million.

Revolving debtor discounting facility

A 12 month revolving debtor discounting facility was established in June 2012 to provide for the sale of a portion of Zimbabwe Platinum Mines (Private) Limited's debtors to Stanbic Bank Zimbabwe Limited, the proceeds of which will be used for general working capital purposes at a discount rate of LIBOR plus 2.6% per annum.

Finance lease liabilities

This liabilility is secured by two finance lease agreements in respect of ore haulage vehicles. On the first agreement, the effective interest rate is 12% per annum with annual instalments of $2 064 183 which 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. The second lease is subject to interest at 8% per annum with a minimum annnual instalment of $94 362 which commenced on 1 July 2009 with the final payment on 30 June 2014.

8	**Interest expense and penalties**			
	Interest on borrowings	4 327	2 420	7 329
	Rehabilitation unwinding of the discount	718	717	1 429
	Borrowing cost capitalised	(3 030)	(1 729)	(4 771)
	Interest on prior years tax	11 815	-	-
	Penalties on prior years tax	2 741	-	-
	Interest expense and penalties	16 571	1 408	3 987
9	**Income tax expense**			
	Current income tax	44 306	-	1 325
	Current year	3 971	-	-
	Prior years	33 944	-	(110)
	Prior years additional profits tax	6 126		
	Withholding tax	265	-	1 435
	Deferred tax	(22 141)	11 376	27 837
	Income tax expense	22 165	11 376	29 162

		Group		
		6 mths to 31-Dec-12 (reviewed)	**6 mths to 31-Dec-11 (reviewed)**	**Year to 30-Jun-12 (audited)**
		US$ 000	US$ 000	US$ 000

10 Earnings per share

Basic and diluted 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.

	6 mths to 31-Dec-12	6 mths to 31-Dec-11	Year to 30-Jun-12
(Loss)/profit attributable to equity holders of the company	(6 386)	68 399	122 359
Weighted average number of ordinary shares in issue	107 638	107 638	107 638
Basic (loss)/earnings per share US$(cents)	(5.93)	63.55	113.68

There were no instruments with a dilutive impact.

11 Cash generated from/(used in) operations

	6 mths to 31-Dec-12	6 mths to 31-Dec-11	Year to 30-Jun-12
Adjustments to profit before tax:			
Net finance cost/(income)	15 584	1 325	3 458
Depreciation	21 941	18 981	42 566
Foreign currency adjustment	1 068	-	(250)
Provision for obsolete inventories	-	-	(587)
Provision for share appreciation rights	4 680	(513)	(2 235)
Provision for community trust donation	-	-	8 141
Bad debts	-	-	42
Impairment loss on long-term receivables	3 413	3 413	6 826
Gain on disposal of property, plant and equipment	(21)	(107)	(301)
Total adjustment to profit before tax:	46 665	23 099	57 660
Changes in working capital :			
Trade and other receivables	60 668	42 707	40 195
Per the statement of financial position	60 668	42 707	40 237
Bad debts	-	-	(42)
Inventories	(26 700)	(9 216)	(7 389)
Per the statement of financial position	(26 700)	(9 216)	(7 976)
Provision for obsolete inventories	-	-	587
Trade and other payables	(3 694)	(1 672)	4 905
Cash from changes in working capital	30 274	31 819	37 711

12 Capital commitments

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

	6 mths to 31-Dec-12	6 mths to 31-Dec-11	Year to 30-Jun-12
Commitments contracted for	67 525	193 020	113 125
Approved expenditure	135 611	261 602	127 728
	203 136	454 622	240 853

In May 2010 the board authorised a total of $460 million to be incurred on the Ngezi Expansion Phase II project over the period to 2014.
The capital commitments will be financed from internal resources and borrowings.

	Group		
	6 mths to 31-Dec-12 (reviewed)	**6 mths to 31-Dec-11 (reviewed)**	**Year to 30-Jun-12 (audited)**
	US$ 000	US$ 000	US$ 000
13 Related party transactions and balances			
a) Revenue			
Sale of matte to Impala Refinery Services Limited	176 489	230 641	473 280

The Group's only customer is Impala Refinery Services Limited, which is a fellow wholly owned subsidiary of Impala Platinum Holdings Limited. Sales thereto are based on a long term agreement.

b) Inter-company receivables			
Impala Refinery Services Limited (refer note 3)	82 007	114 013	123 006

The Group had an outstanding trade receivable balance as at 31 December 2012 amounting to $82 007 349 (June 2012: $123 005 593) with one of its fellow subsidiary companies (refer notes 4 and 12a).
The receivable arises mainly from sale transactions and are due within five months of date of sale. The receivables are unsecured in nature and bear no interest. No provisions are held against receivables from related parties (June 2012: $nil)

14 CONTINGENT LIABILITY

Additional Profits Tax (APT)

The group has a contingent liability of $33.9 million in respect of additional profits tax (APT) made up as follows:

i. Disputed additional APT liability arising from amended assessment for the period to 30 June 2007	26 900
ii. APT that would be payable for the year to 30 June 2012 in the event that appeal case fails	6 994
Total APT Contingent Liability	33 894

In December 2010, the Zimbabwe Revenue Authority (Zimra) issued an amended APT assessment for the period to 30 June 2007 on which the deduction of prior year income tax losses were disallowed as a deduction in the computation of APT. As a result of the disallowance, the previously assessed and paid APT liability for the period to June 2007 increased by $26.9 million to $50.4 million. An objection lodged against the amended assessment was dismissed after which the company lodged an appeal at the Special Court of Tax Appeals. Zimra has however agreed that payment of the disputed liability be deferred until the court has ruled on the matter. The court hearing date is yet to be set down.
For the year ended 30 June 2012, there is no APT liability. However for the year ended 30 June 2011, if the tax losses brought forward from the year to 30 June 2010 are not allowed as deductions in the APT computation as argued by Zimra, there will be an APT liability in the sum of $7 million. The potential additional APT for the year to 30 June 2011 has been revised from the provisional $9.4 million to $7 million to adjust for changes made in the recomputation of income tax and APT for 2007 to 2011.

15 EVENTS AFTER REPORTING DATE

There are no significant post balance sheet events that were noted that require disclosure in the financial statements or adjustments to be effected on the reported amounts.