ZIMPLATS
Member of the Implats Group

ZIMPLATS HOLDINGS LIMITED

ARBN : 083 463 058

Half year Directors' Report and Condensed Interim Financial Statements
31 December 2013

ZIMPLATS HOLDINGS LIMITED
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ZIMPLATS HOLDINGS LIMITED

DIRECTORS' REPORT

The directors present the consolidated financial statements for the half year ended 31 December 2013, as well as the review report for the period.

Directors

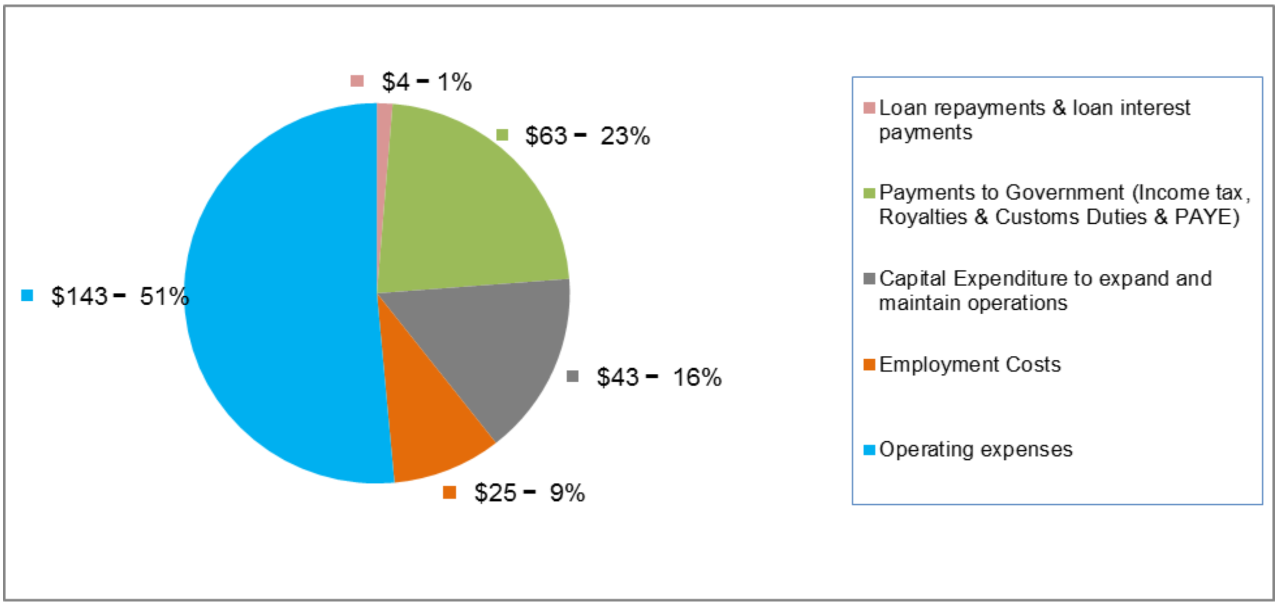
The directors of the Company at any time during or since the end of the half year are:

Names	**Period of directorship**
Muchadeyi Ashton Masunda (Acting Chairman: non-executive)	Appointed 8 February 2007
Brenda Berlin (non-executive)	Appointed 1 March 2010
Terence Philip Goodlace (non-executive)	Appointed 10 August 2012
Michael John Houston (non-executive)	Appointed 1 April 2004
Stewart Magaso Mangoma (Chief Finance Officer)	Appointed 1 March 2013
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

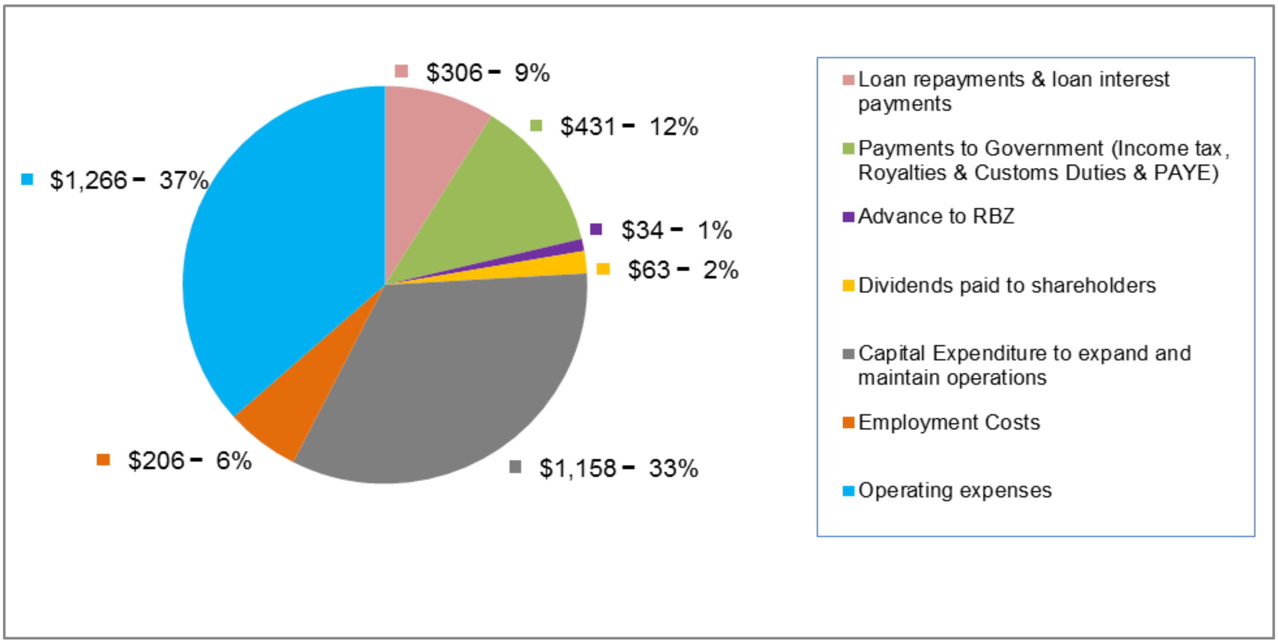
The half year operating results to 31 December 2013 are presented together with the comparative figures for the half year to 31 December 2012, and for the full year to 30 June 2013.The financial and reporting currency of the group is US$.

Review of Performance

Zimplats cash utilisation (Six months to December 2013) – US$ Millions



Zimplats cash utilisation (2002 – December 2013) – US$ Millions



Safety, Health and Environment

The Mining Inspectorate investigations on the major accident where an employee subsequently died from medical complications (unrelated to the accident) have been concluded and the incident has been classified as a work fatality. The Zimplats team is saddened by this fatality and extends its heartfelt condolences to the families, friends and colleagues of the deceased. There were no other lost time injuries incurred in the half year, and the lost time injury frequency rate improved from 1.03 to a record 0.14.

Operations

Tonnes mined increased by 13% to 2.68 million tonnes, compared to same period last year. This was due to accelerated production ramp-up at the new underground mine (Mupfuti) and improved production efficiencies at the established mines. Three production fleets were introduced at Mupfuti Mine during the period, increasing production from the mine by 261% to 374,000 tonnes. However, Bimha Mine production was lower than the same period last year due to a shear zone in the southern section of the mine, which is affecting ground stability through pillar scaling and footwall heaving. Short term contingency plans have been identified and implemented to manage the shear zone while work on the long term stabilisation measures is on-going.

Tonnes milled increased by 37% to 2.98 million tonnes compared to the same period last year due to additional capacity at Ngezi concentrator following the commissioning of the Phase II module in April 2013.

4E mill grade for the period at 3.264g/t was 2% lower than the same period last year due to the milling of partially oxidized low grade ore from old stockpiles.

Markets

Metal prices maintained a downward trend during the period under review. However, current price forecasts are showing a gradual improvement. Prices realised for the half year were lower than the same period last year.

Financial

Revenue increased by 51% to US$267 million from the same period last year due to a 62% increase in platinum sales volume from 70 225 ounces to 113 876 ounces. The impact of the increase in sales volume was offset by a 7% decrease in gross revenue per platinum ounce to US$2 342. Sales volumes for the period were high due to the commissioning of the second concentrator module at Ngezi in April 2013. The results for the same period last year were affected by the planned 42 days furnace reline shutdown from August to September 2012 and the 21 days furnace fire outage in November 2012.

Total operating costs increased by 52% to US$221 million from the same period last year mainly due to increased production volumes and higher cost of power. Cash cost per platinum ounce decreased by 10% to US$1 346 due to the 62% increase in platinum production.

Consequently, profit before tax amounted to US$46 million, 189% higher than the US$16 million for the same period last year. The net profit attributable to members at US$32 million was 604% above the same period last year's US$6 million loss mainly due to higher sales volumes.

At the end of the half year, the group had a cash balance of US$17 million and long-term bank borrowings of US$105 million. The bank borrowings have a final maturity of 31 December 2017 with staged payments commencing in January 2015.

Expansion projects
Development of the new underground mine (Mupfuti) remains on schedule to reach design production in early 2015. Three production fleets were introduced during the period.

Taxation Issues
The operating subsidiary's appeals against the tax penalty and the review of the interest on prior years' tax liabilities are still pending in the courts. The prior years' tax liabilities as agreed with the tax authorities have now been fully paid.

Additional Profits Tax Court Case
The Special Court for Income Tax Appeals has not yet set a new date for the hearing of this case.

RBZ Debt
The Government of Zimbabwe has, as communicated in the 2014 Budget Statement, expressed its intention to take over the Reserve Bank of Zimbabwe's (RBZ) debt through the issue of 5 year Government paper (bond) which guarantees an annual return of 5%.

Indigenisation
The company's indigenisation implementation plan is still work in progress and stakeholders will be advised if there is a material development

Dated on the 6th day of February 2014 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 7 to 17, have been prepared in accordance with The Companies (Guernsey) Law 2008, including:

    - giving a true and fair view of the financial position of the Group as at 31 December 2013 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	**S M Mangoma**
Chief Executive Officer	**Chief Finance Officer**

6 February 2014

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INDEPENDENT AUDITOR'S REVIEW REPORT ON INTERIM FINANCIAL STATEMENTS

To the Shareholders of Zimplats Holdings Limited

We have reviewed the condensed consolidated interim financial statements of Zimplats Holdings Limited in the accompanying interim report, which comprise the condensed consolidated statement of financial positions at 31 December 2013 and the related condensed consolidated statements of comprehensive income, changes in equity and cash flows for the six-month period then ended, and selected explanatory notes.

Directors' Responsibility for the Interim Financial Statements

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 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, and for such internal control as the directors determine is necessary to enable the preparation of interim financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility for the Interim Financial Statements

Our responsibility is to express a conclusion on these interim financial statements. 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. ISRE 2410 requires us to conclude whether anything has come to our attention that causes us to believe that the interim financial statements are not prepared in all material respects in accordance with the applicable financial reporting framework. This standard also requires us to comply with relevant ethical requirements.

A review of interim financial statements in accordance with ISRE 2410 is a limited assurance engagement. We perform procedures, primarily consisting of making inquiries of management and others within the entity, as appropriate, and applying analytical procedures, and evaluate the evidence obtained.

The procedures in a review are substantially less than and differ in nature from those performed in an audit conducted in accordance with International Standards on Auditing. Accordingly, we do not express an audit opinion on these interim financial statements.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying condensed consolidated interim financial statements of Zimplats Holdings Limited for the six months ended 31 December 2013 has not been prepared, in all material respects, in accordance with the International Financial Reporting Standard, (IAS) 34 Interim Financial Reporting, and in the manner required by the Zimbabwe Companies Act (Chapter 24:03) and the relevant Statutory Instruments ("SI") SI 33/99 and SI 6262/96 and the Companies (Guernsey) Law 2008.

PricewaterhouseCoopers

PricewaterhouseCoopers
Chartered Accountants (Zimbabwe)
Harare

25 February 2014

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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 2013

	Notes	Group		
		6 mths to 31-Dec-13 (reviewed) US$ 000	**6 mths to 31-Dec-12 (reviewed)** US$ 000	**Year to 30-Jun-13 (audited)** US$ 000
ASSETS				
Non-current assets				
Property, plant and equipment	1	1 018 614	957 926	996 130
Long term receivables	2	10 239	17 065	13 652
Prepayments	3	2 778	9 722	6 944
Total non-current assets		1 031 631	984 713	1 016 726
Current assets				
Inventories		53 437	84 099	58 967
Trade and other receivables	4	147 378	93 902	150 788
Prepayments	3	34 180	19 367	16 741
Cash and cash equivalents	5	17 057	5 502	6 356
Total current assets		252 052	202 870	232 852
Total assets		1 283 683	1 187 583	1 249 578
EQUITY AND LIABILITIES				
Capital and reserves				
Share capital and share premium	6	99 929	99 929	99 929
Other reserves	7	862 222	755 424	830 064
Total capital and reserves		962 151	855 353	929 993
Non-current liabilities				
Deferred taxation		114 942	93 203	104 875
Mine rehabilitation provision		15 987	14 637	15 575
Borrowings	8	105 000	78 059	105 000
Other		2 477	6 540	1 148
Total non-current liabilities		238 406	192 439	226 598
Current liabilities				
Borrowings	8	1 089	24 808	2 440
Trade and other payables		65 424	77 513	64 475
Current tax payable		5 524	29 640	20 409
Other		11 089	7 830	5 663
Total current liabilities		83 126	139 791	92 987
Total equity and liabilities		1 283 683	1 187 583	1 249 578

The notes on pages 10 to 16 are an integral part of these condensed interim financial statements.

A Mhembere
Chief Executive Officer

S M Mangoma
Chief Finance Officer

6 February 2014

ZIMPLATS HOLDINGS LIMITED
STATEMENTS OF COMPREHENSIVE INCOME
FOR THE SIX MONTHS ENDED 31 DECEMBER 2013

		Group		
	Notes	**6 mths to 31-Dec-13 (reviewed)** US$ 000	**6 mths to 31-Dec-12 (reviewed)** US$ 000	**Year to 30-Jun-13 (audited)** US$ 000
Revenue		266 654	176 489	471 647
Cost of sales		(163 523)	(94 960)	(248 121)
Gross profit		103 131	81 529	223 526
Royalty expenses		(21 542)	(14 389)	(39 410)
Administrative expenses		(24 670)	(31 113)	(54 431)
Other expenses		(11 150)	(19 219)	(19 102)
Profit from operations		45 769	16 808	110 583
Net finance expenses		(192)	(1 029)	(1 497)
Interest expense	9	(986)	(2 016)	(2 973)
Interest income	9	794	987	1 476
Profit before taxation		45 577	15 779	109 086
Income tax expense	10	(13 419)	(22 165)	(40 832)
Net profit/(loss) for the period		32 158	(6 386)	68 254
Other comprehensive income:				
Other comprehensive income, net of tax		-	-	-
Total comprehensive income/(loss) for the period		32 158	(6 386)	68 254
Basic and diluted earnings/(loss) per share (cents)	11	29.88	(5.93)	63.41

ZIMPLATS HOLDINGS LIMITED
STATEMENTS OF CHANGES IN EQUITY
FOR THE SIX MONTHS ENDED 31 DECEMBER 2013

	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 2013 (audited)	10 763	89 166	-	-	-	830 064	929 993
Total comprehensive income for the period	-	-	-	-	-	32 158	32 158
Profit for the period	-	-	-	-	-	32 158	32 158
Other comprehensive income	-	-	-	-	-	-	-
Balances at 31 December 2013 (reviewed)	10 763	89 166	-	-	-	862 222	962 151
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 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

The notes on pages 10 to 16 are an integral part of these condensed interim financial statements.

ZIMPLATS HOLDINGS LIMITED
STATEMENTS OF CASH FLOWS
FOR THE SIX MONTHS ENDED 31 DECEMBER 2013

	Notes	Group 6 mths to 31-Dec-13 (reviewed) US$ 000	 6 mths to 31-Dec-12 (reviewed) US$ 000	 Year to 30-Jun-13 (audited) US$ 000
Operating activities				
Profit before taxation		45 577	15 779	109 086
Adjustments to profit before taxation	12	39 720	58 480	75 786
Changes in working capital	12	(9 842)	16 346	(18 455)
Finance cost		(4 568)	(5 589)	(7 789)
Income tax and withholding tax paid		(13 577)	(13 732)	(35 035)
Cash in flows from operating activities		57 310	71 284	123 593
Investing activities				
Acquisition of property, plant and equipment	12	(43 487)	(99 987)	(156 715)
Proceeds from disposal of property, plant and equipment		167	28	317
Finance income		121	734	130
Cash out flows from investing activities		(43 199)	(99 225)	(156 268)
Financing activities				
Finance lease liability repaid		(1 089)	(974)	(1 948)
Repayments of interest bearing borrowings		-	-	(30 000)
Proceeds of interest bearing borrowings		-	-	57 000
Cash (out)/in flows from financing activities		(1 089)	(974)	25 052
Increase/(decrease) in cash and cash equivalents		13 022	(28 915)	(7 623)
Movement in cash and cash equivalents				
Cash and cash equivalents at beginning of the year		4 033	11 709	11 709
Exchange losses on cash and cash equivalents		2	(1 068)	(53)
Increase/(decrease) in cash and cash equivalents		13 022	(28 915)	(7 623)
Cash and cash equivalents at end of the period	5	17 057	(18 274)	4 033

GENERAL INFORMATION

The company and its subsidiaries (together the group) is involved in the business of mining and the production of platinum group and associated metals in Zimbabwe.

Zimplats Holdings Limited is a company domiciled in Guernsey, Channel Islands and listed on the Australian Stock Exchange. The address of its registered office is Elizabeth House, Les RuettesBrayes, St Peter Port, Guernsey GY1 1EW, Channel Islands. The consolidated financial statements of the group for the half year ended 31 December 2013 comprise the company and its subsidiaries.

These condensed interim financial statements were approved for issue on 6 February 2014. The condensed interim financial statements have been reviewed, not audited.

A. BASIS OF PREPARATION

The condensed interim consolidated financial statements for the six months ended 31 December 2013 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 2013 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 United States dollars 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 are measured with a binomial option model.

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 business segments.

C. ACCOUNTING POLICIES

The accounting policies adopted are consistent with those of the previous financial year, unless otherwise stated.

Taxes on income in the interim periods are accrued using the tax rate that would be applicable to expected total annual profit or loss.

There are no new IFRS or IFRICS that are effective for the first time this interim period that would be expected to have a material effect on the group. Management continuously assesses the impact of the new Standards on the financial statements.

D. ESTIMATES

The preparation of interim financial statements requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expense. Actual results may differ from these estimates.

In preparing these condensed consolidated interim financial statements, the significant judgements made by management in applying the group's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the consolidated financial statements for the year ended 30 June 2013, with the exception of changes in estimates that are required in determining the provision for income taxes.

E. FINANCIAL RISK

The group's activities expose it to a variety of financial risks: market risk (including price risk, currency risk and cash flow interest rate risk), credit risk and liquidity risk. The group's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the group's financial performance.

The interim condensed consolidated financial statements do not include all financial risk management information and disclosures required in the annual financial statements, and should therefore be read in conjunction with the group's annual financial statements as at 30 June 2013.

There have been no significant changes in the risk management department since year end or in any risk management policies.

Liquidity risk

Compared to year end, there was no material change in the contractual undiscounted cash out flows for financial liabilities.

F. SEASONALITY OF OPERATIONS

The operations of the business are not affected by any seasonal matters.

		Group		
		6 mths to 31-Dec-13 (reviewed) US$ 000	**6 mths to 31-Dec-12 (reviewed)** US$ 000	**Year to 30-Jun-13 (audited)** US$ 000
1	**Property, plant and equipment**			
	Opening net book amount	996 130	881 165	881 165
	Additions	49 670	98 709	164 346
	Disposals	(142)	(7)	(245)
	Depreciation	(27 044)	(21 941)	(49 136)
	Closing net book amount	1 018 614	957 926	996 130
2	**Long term receivables**			
	Reserve Bank of Zimbabwe loan:			
	Beginning of the period	13 652	20 478	20 478
	Impairment loss	(3 413)	(3 413)	(6 826)
	Carrying amount	10 239	17 065	13 652
3	**Prepayments**			
	Zesa Holdings (Pvt) Ltd	11 111	20 902	15 323
	Other vendors	25 847	8 187	8 362
		36 958	29 089	23 685
	Short-term portion	(34 180)	(19 367)	(16 741)
	Long-term portion	2 778	9 722	6 944
4	**Trade and other receivables**			
	Receivables from related parties	129 053	82 007	140 826
	Value added tax receivable	9 398	5 174	6 211
	Other receivables	8 927	6 721	3 751
		147 378	93 902	150 788

As at 31 December 2013, 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 2013. There is no impairment on the trade and other receivables balance.

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

The maximum exposure to credit risk at the reporting date is the carrying value of each class of receivables mentioned above. The company does not hold any collateral as security.

5 Cash and cash equivalents

Cash and cash equivalents include the following for the purposes of the statement of cash flows:

	6 mths to 31-Dec-13	6 mths to 31-Dec-12	Year to 30-Jun-13
Cash and cash equivalents	17 057	5 502	6 356
Revolving debtor discounting facility (note 8)	-	(23 776)	(2 323)
	17 057	(18 274)	4 033

The carrying amount of the cash and cash equivalents approximates its fair value. Cash and cash equivalents include US$1 597 841 (2012: US$1 138 426) in short term deposits. The revolving debtor discounting facility operates as an overdraft.

		Group		
		6 mths to 31-Dec-13 (reviewed)	**6 mths to 31-Dec-12 (reviewed)**	**Year to 30-Jun-13 (audited)**
		US$ 000	US$ 000	US$ 000
6	**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 (2012: 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

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.

7	**Other reserves**				
	Foreign currency translation reserve	a)	-	(18 219)	-
	Asset revaluation reserve	b)	-	19 889	-
	Acquisition equity reserve	c)	-	(10 045)	-
	Accumulated profit	d)	862 222	763 799	830 064
			862 222	755 424	830 064

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. The Group no longer has operations denominated in currencies other than the US Dollar. The balance of US$18 219 000 was transferred to accumulated profit on 30 June 2013.

b) This reserve arose from the revaluation of property, plant and equipment at acquisition.

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 US$10 044 750 and was transferred to accumulated profit on 30 June 2013.

d) Represents accumulated profits to end of period.

	Group		
	6 mths to 31-Dec-13 (reviewed) US$ 000	**6 mths to 31-Dec-12 (reviewed)** US$ 000	**Year to 30-Jun-13 (audited)** US$ 000
8 Borrowings			
Non-current			
Bank borrowings	105 000	78 000	105 000
Finance lease liability	-	59	-
	105 000	78 059	105 000
Current			
Revolving debtor discount facility	-	23 776	2 323
Finance lease liability	1 089	1 032	117
	1 089	24 808	2 440
Total borrowings	106 089	102 867	107 440

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 II 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 denominated in US dollars, is a revolving facility of $105 million (2012: $88 million) and bears interest at 3 months LIBOR plus 7% margin. Capital repayments are required if the loan balance exceeds the available facility. The original final maturity date of 31 December 2014 has been rescheduled to 31 December 2017, with repayments scheduled to commence in January 2015. At the end of the reporting period the group had no undrawn borrowing facility (2012:$10 million).

Revolving debtor discounting facility

A revolving debtor discounting facility of US$24 million was established to provide for the sale of a portion of the company's debtors to Standard Bank of South Africa Limited, the proceeds of which will be used for general working capital purposes at a discount rate of LIBOR plus 3.5% per annum. The facility is secured by a cession over the company's cash and debtors. At the half year end no debtors had been sold to Standard Bank of South Africa Limited. This facility operates as a bank overdraft.

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 US$2 064 183 which commenced on 1 November 2007 with the final payment on 30 June 2014 following a one year extension of the agreement. 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 US$94 362 which commenced on 1 July 2009 with the final payment on 30 June 2014.

9 Net finance expenses/(income)			
Interest expense:			
Interest expense on bank borrowings	3 999	3 841	7 861
Interest expense on finance leases	79	119	241
Rehabilitation unwinding of the discount	779	718	1 435
Community development donation liability unwinding of the discount	253	368	642
Borrowing cost capitalised	(4 124)	(3 030)	(7 206)
	986	2 016	2 973
Interest income	(794)	(987)	(1 476)
Net finance expenses	192	1 029	1 497
10 Income tax expense			
Current income tax	3 351	44 306	51 301
Current year	2 942	3 971	5 541
Prior year	-	33 944	38 910
Additional profits tax	-	6 126	6 126
Withholding tax	409	265	724
Deferred tax	10 068	(22 141)	(10 469)
Income tax expense	13 419	22 165	40 832

	Group		
	6 mths to 31-Dec-13 (reviewed)	**6 mths to 31-Dec-12 (reviewed)**	**Year to 30-Jun-13 (audited)**
	US$ 000	US$ 000	US$ 000

11 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.

Profit/(loss) attributable to equity holders of the company	32 158	(6 386)	68 254
Weighted average number of ordinary shares in issue	107 638	107 638	107 638
Basic earnings/(loss) per share US$(cents)	29.88	(5.93)	63.41

Diluted earnings per share is calculated by adjusting the weighted average number of ordinary shares outstanding to assume conversion of all dilutive potential ordinary shares. The group did not have any shares with a potential dilutive impact (2012: nil).

12 Cash generated from/(used in) operations

Adjustments to profit before tax:			
Net finance expense	192	12 843	1 497
Depreciation	27 044	21 941	49 136
Tax penalties and interest charges	5 284	14 556	15 394
Foreign currency adjustment	1 430	1 068	1 097
Provision for obsolete inventories	-	-	1 996
Provision for share appreciation rights	2 382	4 680	(767)
Bad debts arising from other receivables written-off	-	-	679
Effect of discounting on long-term receivables	3 413	3 413	6 826
Gain on disposal of property, plant and equipment	(25)	(21)	(72)
Total adjustment to profit before tax:	39 720	58 480	75 786
Changes in working capital :			
Trade and other receivables (including prepayments)	(9 863)	60 668	3 522
Per the statement of financial position	(9 863)	60 668	4 878
Transfer to current tax payable	-	-	(677)
Bad debts arising from other receivables written-off	-	-	(679)
Inventories	5 530	(26 700)	(3 564)
Per the statement of financial position	5 530	(26 700)	(1 568)
Provision for obsolete inventories	-	-	(1 996)
Liabilities	4 120	(143)	(2 529)
Per the statement of financial position	6 755	4 905	(2 654)
Provision for share appreciation rights	(2 382)	(4 680)	767
Interest accrued present day value adjustment	(253)	(368)	(642)
Mine rehabilitation	(367)	(435)	(639)
Per the statement of financial position	412	283	1 221
Change in estimate	-	-	(425)
Interest accrued present day value adjustment	(779)	(718)	(1 435)
Tax penalties and charges	(4 661)	(14 556)	(10 573)
Trade and other payables	(4 601)	(2 488)	(4 672)
Per the statement of financial position	949	(3 694)	(4 660)
Exchange adjustment	(1 428)	(1 068)	(1 044)
Interest payable movement	489	2 274	(315)
Tax penalties and charges	(5 284)	-	-
Finance income offset against payments	673	-	1 347
Changes in working capital	(9 842)	16 346	(18 455)

In the statement of cash flows, the purchase of property, plant and equipment comprises of:

Additions (note 1)	49 670	98 709	164 346
Mine rehabilitation asset adjustment	-	-	(425)
Leased assets capitalised	(2 059)	-	-
Transferred to debtors	-	4 308	-
Interest capitalised	(4 124)	(3 030)	(7 206)
	43 487	99 987	156 715

	Group		
	6 mths to 31-Dec-13 (reviewed)	**6 mths to 31-Dec-12 (reviewed)**	**Year to 30-Jun-13 (audited)**
	US$ 000	US$ 000	US$ 000

13 Capital commitments

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

Commitments contracted for	66 781	67 525	71 000
Approved expenditure	111 108	135 611	108 000
	177 889	203 136	179 000

The board authorised a total of US$492 million to be incurred on the Ngezi Expansion Phase II project over the period to 2016.

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

14 Related party transactions and balances

a) Revenue

Sale of matte to Impala Refining Services Limited	266 654	176 489	471 647

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.

b) Inter-company receivables/(payables)

Impala Refinery Services Limited (refer note 14a)	129 053	82 007	140 826
Impala Platinum Holdings Limited	359	(4 895)	(5 123)

The Group had an outstanding trade receivable balance as at 31 December 2013 amounting to US$129 053 000 (June 2013: US$140 826 000) with one of its fellow subsidiary companies, Impala Refinery Services Limited (refer note 4).

15 CONTINGENT LIABILITY

Additional Profits Tax (APT)

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. The case is still to be heard. Zimra has however agreed that payment of the disputed liability be deferred until the court has ruled on the matter. The group has an estimated contingent liability of $27.2 million in respect of APT based on the recomputation for the period 2007 to 2013.

16 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.