

Zimplats Holdings Limited



REPORT FOR THE QUARTER ENDED 30 DECEMBER 2011

KEY FEATURES

- Excellent safety performance.
- Good operational performance.
- Reduced profitability due to depressed metal prices.
- Ngezi Phase II Expansion project implementation on schedule.
- Discussions on Indigenisation Implementation Plan on-going.

SAFETY

Safety performance was excellent with no lost time injuries recorded compared to two in the previous quarter and two in the same period last year.

PRODUCTION – Zimbabwe Platinum Mines (Private) Limited

		December Quarter 2011	September Quarter 2011	% Change	December Quarter 2010	% Change
Mining						
Ore mined	Tonnes (000's)	1,134	1,155	-2%	1,021	11%
Head grade	4E g/t	3.30	3.36	-2%	3.37	-2%
Processing						
Ore milled	Tonnes (000's)	1,110	1,060	5%	1,036	7%
Recovery	4E%	82.5	83.0	-1%	82.8	0%
Metal in concentrate	4E oz	97,174	94,952	2%	92,964	5%
Metal in converter matte	4E oz	92,613	90,822	2%	90,623	2%
Nickel	Tonnes	942	874	8%	850	11%
Copper	Tonnes	685	640	7%	606	13%
Metal sales						
4E	Oz	93,001	90,878	2%	90,017	3%
Nickel	Tonnes	933	865	8%	841	11%
Copper	Tonnes	672	633	6%	592	14%

Tonnes mined were 2% below the previous quarter due to lower number of calendar days and power outages experienced in the quarter. Mining performance was however 11% above the prior year as all three underground mines are now operating at full capacity. Head grade was 2% below prior quarter and same period last year due to higher incidence of poor ground conditions.

Milling operations performance was 5% and 7% above previous quarter and same period last year respectively due to more operating hours as there were no major shutdowns in the quarter. Concentrator recovery was 1% below previous quarter and same period last year in line with the lower head grade.

4E metal production was 2% above previous quarter and same period last year reflecting the net effect of 5% higher milled tonnage and 2% lower head grade. There has been a general increase in the base metal content of the ore mined. This resulted in nickel and copper production being 8% and 7% above previous quarter.

FINANCIAL – Zimbabwe Platinum Mines (Private) Limited

Operating Income Statement	December Quarter 2011 US\$ 000's	September Quarter 2011 US\$ 000's	% Change	December Quarter 2010 US\$ 000's	% Change
Revenue	97,376	133,265	-27%	139,869	-30%
Operating Costs*	(78,154)	(72,305)	-8%	(65,127)	-20%
Operating Profit	19,222	60,960	-68%	74,742	-74%

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

Financial performance for the quarter was poor. Despite an increase in volume of metals sold, revenue at \$97 million was 27% below the previous quarter owing to continued weakening of metal prices.

Operating costs were 8% above the previous quarter in line with the higher sales volume and the increase in power costs following the 61% tariff increase effective 1 September 2011. In addition, royalties for the period dating back to January 2010 have been accrued for at a higher rate than that provided for in company's agreement. This is the subject of a legal dispute between the company and the tax authorities, which is before the courts.

As a result, operating profit was 68% lower than the previous quarter.

Cash and total cost of production	December Quarter 2011 US\$	September Quarter 2011 US\$	% Change	December Quarter 2010 US\$	% Change
Cash cost of production per 4E ounce	777	735	-6%	636	-22%
Net cash cost per 4E ounce	605	525	-15%	385	-57%
Amortisation and depreciation	102	98	-4%	91	-12%
Total cost per 4E ounce *	707	623	-13%	476	-49%
Total revenue per 4E ounce	1,047	1,466	-29%	1,554	-33%
Surplus per 4E ounce**	168	633	-73%	827	-80%

*Net of by-product revenue.

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

Cash cost of production per 4E ounce was 6% above the previous quarter driven mainly by increase in power tariffs and the higher royalty costs.

The company's local spend (including payments to government and related institutions) increased by 3 percentage points to 63% of total payments in the quarter. This is testimony to the company's commitment towards support and recovery of local industry.

Zimplats' contribution to the fiscus, in direct and indirect taxes for the quarter at \$22 million was 38% higher than the previous quarter.

PGM PRICES

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

	December Quarter 2011	September Quarter 2011	% Change	December Quarter 2011	% Change
Platinum (USD per oz)	1,533	1,772	-13%	1,701	-10%
Palladium (USD per oz)	629	754	-17%	679	-7%
Rhodium (USD per oz)	1,511	1,823	-17%	2,323	-35%
Gold (USD per oz)	1,686	1,702	-1%	1,389	21%
Nickel (USD per tonne)	18,304	22,065	-17%	23,602	-22%

Metal prices have continued to weaken reflecting market concerns with regards to economic stability of some European 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

Discussions with the relevant authorities on the operating subsidiary's indigenisation proposals are on-going.

SHAREHOLDER INFORMATION

Share price

The average share price for the quarter was A\$10.44 (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%

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.

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