

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 2011

| | | | 2011 | 2010 |
|----|---|----------|----------|----------|
| | | | US\$ 000 | US\$ 000 |
| 1. | Revenue from ordinary activities | Down 8% | 230 641 | 249 967 |
| 2. | Profit from ordinary activities after tax | Down 20% | 68 399 | 85 471 |
| 3. | Net profit attributed to equity holders | Down 20% | 68 399 | 85 471 |

- The unaudited directors' and finance reports for the half year to December 2011 have been released and are available on the Zimplats website.
- Safety performance for the six months was excellent with an LTIFR of 0.22, a significant improvement on the same period last year when an LTIFR 0.64 was recorded. Zimplats retained its ISO14001:2004, ISO 9001:2008 and OHSAS 18001:2007 certifications following audits in November 2011. During the last quarter the company achieved a commendable 6 million fatality free shifts.
- Both mining and processing operations performed well in the half year.
- Bimha Mine is on design production whereas in the same period last year it was ramping up to full production. All three mines are now operating at full capacity and as a result ore mined totalled 2 289 000 tonnes, up 12% on the previous year
- Ore milled at 2 170 000 tonnes was 4% above the tonnage for the same period last year owing mainly to higher milling rates and running time achieved at both concentrators. Mill grade was in line with expectations whilst concentrator recovery at 82.7% was good and marginally higher than the previous year, reflecting the continued optimization of processes.
- 4E metal production for the period totalled 183 000 ounces, an increase of 2% on the previous year's production. The lower than expected metal production was a result of metal in process which was only released after end of period.
- Metal prices have continued to weaken, particularly in the last quarter, reflecting market concerns with regards to economic stability of some European countries.
- Accordingly, metal prices realized during the half year were lower than for the same period last year.
- As a result of the lower metal prices, turnover for the six months amounted to \$231 million, down 7% on \$250 million for the comparative period.
- Cost management during the period was good. Thus despite the higher production volume and significant labour and power tariff increases, total costs were 2% lower than for the same period last year. Provision has been made for royalties dating back to January 2010 at a higher rate than that provided for in the company's agreement. This increased rate is disputed by the company and is before the courts.

- The combination of the above factors resulted in a profit before tax of \$81 million, a 29% decrease on the prior period's \$101 million. Profit after tax amounted to \$68 million compared to \$85 million for the previous period.
- At the end of the period, the group had cash net of debt amounting to \$8 million.
- Implementation of the Phase II project is progressing well and according to plan with \$89 million having been spent by the half-year.
- Discussions with the relevant authorities on the operating subsidiary's indigenisation proposals are on-going.