

ZIMBABWE PLATINUM MINES LIMITED
ARBN : 083 463 058

Half year Directors' Report and Financial Report
31 December 2003

ZIMBABWE PLATINUM MINES LIMITED
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ZIMBABWE PLATINUM MINES LIMITED
DIRECTORS' REPORT

The directors present their report together with the consolidated financial report for the half year ended 31 December 2003 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
Robert George Still Chairman (non - executive)	Appointed 28 July 1998
Roy Aubrey Pitchford Chief Executive Officer	Appointed 01 May 2000
Gregory Sebborn Chief Financial Officer	Appointed 05 April 2001
David Hugh Brown (non - executive)	Appointed 30 March 2001
Leslie John Paton (non - executive)	Appointed 04 February 2003
Elizabeth Chitiga (non - executive)	Appointed 20 November 2002
Michael Andre Roussouw (non - executive)	Appointed 04 December 2003
Peter Binstead Breese (non - executive)	Appointed 04 December 2003
Derek Graham Engelbrecht (non - executive)	Appointed 04 December 2003

Review of Operations

The half year operating results to 31 December 2003 are presented together with the comparative figures for the half year to 31 December 2002, and for the full year to 30 June 2003.

Makwiro Platinum Mines (Private) Limited (70% Zimplats - 30% Implats)

- Platinum group metal ("pgm") production in matte, consisting of Platinum, Palladium, Gold and Rhodium ("4E"), totalled 85 038 troy ounces for the period, representing 85% of steady state production volumes.

- Cash cost per ounce of 4E produced, net of by-product revenue, amounted to US\$226 for the six months.
- Revenue of US\$38.092k and operating costs totalling US\$28.786k resulted in an operating profit of US\$9.306k.
- A revised liner design was installed in the SAG mill during the six months and this has resulted in improved tonnages through the mill towards the end of the period.
- Operations recovered well from a furnace tap-hole break out in August, and stockpiled material had now been processed, resulting in strong cash flows towards the end of the six month period.
- A repayment of US\$8.6 million on the project debt (capital plus interest) was made in September 2003, with a further payment of a similar amount due in March 2004.

Zimbabwe Platinum Mines Limited

- Consolidated profit after tax for the period amounted to US\$4.350k, representing earnings per share of 4.83 cents.
- Cash utilised during the period totalled US\$0,136k resulting in cash on hand at the end of December 2003 of US\$18.581k.
- Significant progress has been made on the trial underground mine, confirming mining methods, stability of ground conditions, grade control procedures and operating costs. The bankable feasibility study for a new underground mine at Ngezi is therefore well advanced.

Dated at Harare, Zimbabwe, this 28th day of January 2004.

Signed in accordance with a resolution of Directors :



R A Pitchford
CEO and Director

ZIMBABWE PLATINUM MINES LIMITED
DIRECTORS' DECLARATION

In the opinion of the Directors of Zimbabwe Platinum Mines Limited :

1. the financial statements and notes, set out on pages 6 to 13, have been prepared in accordance with The Companies (Guernsey) Law 1994, including :
 - > giving a true and fair view of the financial position of the Company and the consolidated entity as at 31 December 2003 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 Standard
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.

Signed in accordance with a resolution of the Directors



R A Pitchford
Chief Executive Officer



G Sebborn
Chief Financial Officer

Harare
Zimbabwe
28 January 2004

**Independent review report to the members of
Zimbabwe Platinum Mines Limited and its subsidiaries**

Scope

We have reviewed the financial report of Zimbabwe Platinum Mines Limited ("the Company") for the half-year ended 31 December 2003, consisting of the statement of financial performance, statement of financial position, statement of cash flows, accompanying notes 1 to 10 and the director's declaration set out on page 4. The financial report includes the consolidated financial statements of the consolidated entity comprising the Company and the entities it controlled at the end of the half year or from time to time during the half-year. The Company's directors are responsible for the financial report.

We have performed an independent review of the financial report in order to state whether, on the basis of procedures described, anything has come to our attention that would indicate that the financial report is not presented fairly in accordance with International Accounting Standard 34 "Interim Financial Reporting" so as to present a view which is consistent with our understanding of the consolidated entity's financial position, and performance as represented by the results of its operations and its cash flows and in order for the Company to lodge the financial report with the Australian Securities and Investments Commission.

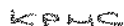
Our review has been conducted in accordance with International Auditing Standards applicable to review engagements. The review is limited primarily to inquiries of company personnel and analytical procedures applied to the financial data. Our review has not involved a study and evaluation of international accounting controls, tests of accounting records or tests of responses to inquiries by obtaining corroborative evidence from inspection, observation or confirmation. The procedures do not provide all the evidence that would be required in an audit, thus the level of assurance is less than given in an audit. We have not performed an audit and accordingly we do not express an audit opinion.

Statement

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the half-year financial report of Zimbabwe Platinum Mines Limited is not in accordance with:

The Companies (Guernsey) Law including:

- (i) giving a true and fair view of the consolidated entity's financial position as at 31 December 2003 and of its performance for the half year ended on that date; and
- (ii) complying with International Accounting Standard 34 "Interim Financial Reporting".



KPMG



Craig Adamson
Partner
Harare
28 January 2004

ZIMBABWE PLATINUM MINES LIMITED
INCOME STATEMENTS
for the half year ended 31 December 2003

	Notes	Group		
		6 mths to Dec-03 (unaudited) \$ 000	6 mths to Dec-02 (unaudited) \$ 000	Year to Jun-03 (audited) \$ 000
Revenue		38 092	34 215	71 464
Cost of sales		<u>(23 802)</u>	<u>(18 469)</u>	<u>(42 465)</u>
Gross profit		14 290	15 746	28 999
Other income		510	-	644
Operating costs		<u>(5 494)</u>	<u>(4 168)</u>	<u>(11 646)</u>
Profit from operations		9 306	11 578	17 997
Net finance (cost)/income		<u>(532)</u>	<u>(1 145)</u>	<u>(1 675)</u>
Profit before taxation		8 774	10 433	16 322
Taxation		<u>(2 217)</u>	<u>(1 831)</u>	<u>(4 577)</u>
Profit after taxation		6 557	8 602	11 745
Minority interest		<u>(2 207)</u>	<u>(2 701)</u>	<u>(3 844)</u>
Net profit for the period		<u>4 350</u>	<u>5 901</u>	<u>7 901</u>
Basic earnings per share (cents)	6	4.83	6.68	8.93
Diluted earnings per share (cents)	6	4.83	6.63	8.76

ZIMBABWE PLATINUM MINES LIMITED
BALANCE SHEETS
31 December 2003

		Group		
	Notes	6 mths to Dec-03 (unaudited) \$ 000	6 mths to Dec-02 (unaudited) \$ 000	Year to Jun-03 (audited) \$ 000
ASSETS				
Non-current assets				
Property, plant and equipment		107 893	112 214	109 607
Mining interests		23 978	22 287	22 835
Total non-current assets		131 871	134 501	132 442
Current assets				
Inventories		10 617	6 111	6 594
Trade debtors		10 840	10 002	11 740
Other receivables		6 742	4 957	5 087
Cash and cash equivalents		18 581	21 594	18 717
Total current assets		46 780	42 664	42 138
Total assets		178 651	177 165	174 580
EQUITY AND LIABILITIES				
Capital and reserves				
Issued capital	2	9 276	8 856	8 929
Reserves	3	108 712	99 846	102 168
Total capital and reserves		117 988	108 702	111 097
Minority interests	4	27 474	25 924	25 267
Non-current liabilities				
Deferred taxation		7 328	2 456	5 144
Interest bearing loans and borrowings		-	16 138	8 337
Total non-current liabilities		7 328	18 594	13 481
Current liabilities				
Interest bearing loans and borrowings		15 529	16 138	15 802
Other payables		10 332	7 807	8 933
Total current liabilities		25 861	23 945	24 735
Total equity and liabilities		178 651	177 165	174 580

ZIMBABWE PLATINUM MINES LIMITED
STATEMENTS OF CHANGES IN EQUITY
for the half year ended 31 December 2003

	Share capital	Share premium reserve	Foreign currency translation reserve	Revaluation reserve	Accumulated profit	Total
	\$ 000	\$ 000	\$ 000	\$ 000	\$ 000	\$ 000
GROUP						
Balances at 30 June 2002	8 836	44 853	(15 128)	60 109	4 668	103 338
Revaluation	-	-	-	18	-	18
Issue of share capital	93	228	-	-	-	321
Foreign currency translation reserve	-	-	(481)	-	-	(481)
Capital reserve release through depreciation	-	-	-	(3 865)	3 865	-
Disposal of subsidiaries	-	-	(142)	(361)	503	-
Net profit for the year	-	-	-	-	7 901	7 901
Balances at 30 June 2003	8 929	45 081	(15 751)	55 901	16 937	111 097
Issue of share capital	347	2 063	-	-	-	2 410
Foreign currency translation reserve	-	-	131	-	-	131
Capital reserve release through depreciation	-	-	-	(1 932)	1 932	-
Net profit for the year	-	-	-	-	4 350	4 350
Balances at 31 December 2003	9 276	47 144	(15 620)	53 969	23 219	117 988

ZIMBABWE PLATINUM MINES LIMITED
CASH FLOW STATEMENTS
for the half year ended 31 December 2003

	Notes	Group		
		6 mths to Dec-03 (unaudited) \$ 000	6 mths to Dec-02 (unaudited) \$ 000	Year to Jun-03 (audited) \$ 000
Operating activities				
Cash generated from operations	5	9 996	14 967	23 405
Interest received		160	27	803
Exchange gain realised		369	-	509
Dividend paid to minorities		-	-	(1 800)
Interest paid		(692)	(1 172)	(2 478)
Withholding taxation paid		(33)	(44)	(93)
Cash in flows from operating activities		<u>9 800</u>	<u>13 778</u>	<u>20 346</u>
Investing activities				
Proceeds from sale of property, plant and equipment		-	16	31
Acquisition of property, plant and equipment		(2 593)	(2 014)	(2 960)
Acquisition of mining investments		(1 143)	(34)	(583)
Proceeds on disposal of subsidiaries		-	63	63
Amortisation of timber plantation assets		-	-	(89)
Cash out flows from investing activities		<u>(3 736)</u>	<u>(1 969)</u>	<u>(3 538)</u>
Financing activities				
Proceeds of share issue in Zimbabwe Platinum Mines Limited		2 410	61	321
Repayments of long term borrowings		(8 610)	3 172	(4 964)
Cash (out)/in flows from financing activities		<u>(6 200)</u>	<u>3 233</u>	<u>(4 643)</u>
(Decrease)/Increase in cash and cash equivalents		<u>(136)</u>	<u>15 042</u>	<u>12 165</u>
Movement in cash and cash equivalents				
Cash on hand at beginning of year		18 717	6 552	6 552
(Decrease)/Increase in cash		(136)	15 042	12 165
Cash on hand at end of the period		<u>18 581</u>	<u>21 594</u>	<u>18 717</u>

ZIMBABWE PLATINUM MINES LIMITED
ACCOUNTING POLICIES
for the half year ended 31 December 2003

Zimbabwe Platinum Mines Limited is a company domiciled in Guernsey, Channel Islands. The consolidated financial statements of the Group for the year ended 30 June 2003 comprise the Company and its subsidiaries (together referred to as the Group).

a) Basis of preparation

The half year consolidated financial statements have been prepared in accordance with International Accounting Standard 34 "Interim Financial Reporting", interpretations issued by the Standing Interpretations Committee of the IASB and the reporting requirements of the Australian Stock Exchange.

The half year 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 2003 Annual Financial Statements and any public announcements made by the Company during the half year in accordance with the disclosure obligations arising under the ASX Listing Rules.

The financial statements are presented in United States dollars, rounded to the nearest thousand. They are prepared on the historical cost basis with the exception of certain fixed property which is shown at valuation. The accounting policies have been consistently applied by the Group and are consistent with those of the previous year.

ZIMBABWE PLATINUM MINES LIMITED
NOTES ON THE FINANCIAL STATEMENTS continued
for the half year ended 31 December 2003

1 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.

	Group		
	6 mths to Dec-03 (unaudited) \$ 000	6 mths to Dec-02 (unaudited) \$ 000	Year to Jun-03 (audited) \$ 000
2 Share capital			
a) Authorised 500 000 000 ordinary shares of 10 cents each	50 000	50 000	50 000
b) Issued and fully paid			
89 285 360 ordinary shares of 10 cents each	8 929	8 836	8 836
3 479 129 ordinary shares of 10 cents each	347	20	93
	9 276	8 856	8 929

c) The unissued shares are under the control of the directors.

As at 31 December 2003 all employee share options had been sold into the Impala offer, and accordingly no options remain to be exercised.

3 Reserves

Share premium	a)	47 144	44 894	45 081
Foreign currency translation reserve	b)	(15 620)	(15 263)	(15 751)
Asset revaluation reserve	c)	53 969	57 212	55 901
Accumulated profits	d)	23 219	13 003	16 937
		108 712	99 846	102 168

a) 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 \$45 029.00. On 28 July 1998, a bonus issue of 1 767 236 shares was effected utilising \$176 724 of the share premium reserve. The premium on shares issued to 30 June 2003 in terms of the employee share option scheme was \$228 565. The premium on employee share options sold into the Impala offer to 31 December 2003 is \$2 062 991.

b) 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.

c) This reserve arises from the valuation and revaluation of property, plant and equipment and, in the opinion of the directors, reflects the fair value of the assets of the Group at 31 December 2003.

d) Represents accumulated profits and losses to 31 December 2003.

4 Minority interest

At the beginning of the year	25 267	23 223	23 223
Share of net profit of subsidiaries	2 207	2 701	3 844
Dividends paid by subsidiaries	-	-	(1 800)
At the end of the period	27 474	25 924	25 267

ZIMBABWE PLATINUM MINES LIMITED
NOTES ON THE FINANCIAL STATEMENTS continued
for the half year ended 31 December 2003

	Group		
	6 mths to Dec-03 (unaudited) \$ 000	6 mths to Dec-02 (unaudited) \$ 000	Year to Jun-03 (audited) \$ 000
5 Cash generated from operations			
Reconciliation of profit before taxation to cash generated from operations:			
Profit before taxation	8 774	10 433	16 322
Adjustments for :	4 601	3 699	7 471
Depreciation	4 250	3 154	6 406
Amortisation of timber plantation assets	-	-	89
Net finance expense	532	1 145	1 675
Write down of assets	-	-	282
Foreign exchange gain	(369)	-	(508)
Profit on disposal of subsidiaries	-	(5)	(5)
Foreign exchange loss on investments	188	(595)	(438)
Profit on disposal of property, plant & equipment	-	-	(30)
Changes in working capital :	(3 379)	835	(388)
Trade and other receivables	(754)	1 246	(623)
Inventories	(4 023)	(1 562)	(2 045)
Trade and other payables	1 398	1 151	2 280
Cash generated from operations	<u>9 996</u>	<u>14 967</u>	<u>23 405</u>

6 Earnings per share

Basic earnings per share

Basic earnings per share are calculated by dividing the net profit attributable to shareholders by the weighted average number of ordinary shares in issue during the year.

Profit attributable to ordinary shareholders in US\$000	<u>4 350</u>	<u>5 901</u>	<u>7 901</u>
Weighted average number of ordinary shares in 000's	<u>90 048</u>	<u>88 373</u>	<u>88 461</u>
Basic earnings per share US\$(cents)	<u>4.83</u>	<u>6.68</u>	<u>8.93</u>

Diluted earnings per share

No share options remain exercisable by employees. The empowerment transaction signed on the 22 September 2003 will result in the issue of a further 13 390 423 shares.

Weighted average number of ordinary shares in issue	90 048	88 373	88 461
Adjustments for exercisable share options	-	686	1 740
Weighted average number of diluted ordinary shares	<u>90 048</u>	<u>89 059</u>	<u>90 201</u>
Diluted earnings per share US\$(cents)	<u>4.83</u>	<u>6.63</u>	<u>8.76</u>

ZIMBABWE PLATINUM MINES LIMITED
NOTES ON THE FINANCIAL STATEMENTS continued
for the half year ended 31 December 2003

	Group		
	6 mths to Dec-03 (unaudited) \$ 000	6 mths to Dec-02 (unaudited) \$ 000	Year to Jun-03 (audited) \$ 000
7 Capital commitments			
The Group has entered into contracts for, and is committed to incur capital expenditure in respect thereof :			
Capital contracted for	<u>4 701</u>	<u>2 999</u>	<u>6 088</u>
8 Contingent liabilities			
Guarantees	1	17	2
Legal claims	-	-	-
	<u>1</u>	<u>17</u>	<u>2</u>

Guarantees are in respect of lease and power obligations.

9 Post balance sheet events

No material events have occurred since the half year ended 31 December 2003.

10 Exchange rate

The exchange rate used in the financial statements to translate the Zimbabwe subsidiaries to United States dollars is US\$1 to ZW\$4 000 (June 2003 : US\$1 to ZW\$1 350).