ZIMPLATS HOLDINGS LIMITED

ARBN : 083 463 058

Half year Directors' Report and Financial Statement
31 December 2007

ZIMPLATS HOLDINGS LIMITED
CONTENTS

ZIMPLATS HOLDINGS LIMITED
DIRECTORS' REPORT

The directors present their report together with the consolidated financial report for the half year ended 31 December 2007 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**
Michael John Houston (Chairman: non-executive)	Appointed 1 April 2004
Alexander Mhembere (Chief Executive Officer)	Appointed 1 October 2007
Patrick Maseva - Shayawabaya (Chief Financial Officer)	Appointed 1 April 2004
David Hugh Brown (non - executive)	Appointed 30 March 2001
Muchadeyi Ashton Masunda (non - executive)	Appointed 8 February 2007
Dr. Khotso Mokhele (non-executive)	Appointed 8 February 2007
Leslie John Paton (non - executive)	Appointed 4 February 2003
Dr. Frederick Johannes Paul Roux (non-executive)	Appointed 8 February 2007
Gregory Sebborn (non - executive) Resigned as Chief Executive Officer 30 August 2007	Appointed 5 April 2001
Robert George Still (non - executive)	Appointed 28 July 1998

Review of performance

The half year operating results to 31 December 2007 are presented together with the comparative figures for the half year to 31 December 2006, and for the full year to 30 June 2007.

- Revenue for the period amounted to US$99.2 million, a decrease of 6% on the half year to December 2006. Metal production and despatches for the period were lower than the previous year due to a 43 day smelter shutdown to re-line the furnace. A total of 80 652 ounces of 4E were despatched during the period compared to 94 766 ounces for the half year to December 2006. The lower metal despatches were compensated for somewhat by rising platinum, rhodium and gold prices during the period.
- Operating costs for the period amounted to US$58.5 million up 6% on the previous half year. Costs were adversely affected by an increase in fuel prices due to high oil prices, an exchange rate that did not adequately reflect the prevailing high rate of inflation in Zimbabwe and higher electricity tariffs following an agreement in terms of which Zimplats pays the full cost of imported power in US$. In addition, the undepreciated book value of the replaced furnace lining amounting to $1.7 million was written off.
- The combination of lower revenue and higher operating costs resulted in an operating profit of $41.6 million down 17% from the previous period's $50.5 million. The tax charge amounted to $12.6 million, up 255% on the previous period.This was due to an increase in the deferred tax liability arising from the expansion project capital expenditure.Consequently, profit after tax at $29.6 million was 39% lower than the previous six month period.
- Safety performance for the half year was unsatisfactory with one fatality and eight lost time injuries recorded. Management is working on ensuring that the company re-establishes a high level of safety consciousness in all its operations.
- The Ngezi Phase 1 Expansion project has progressed satisfactorily and remains on schedule despite the very difficult operating conditions prevailing in Zimbabwe. A loan facility of $80 million has been secured and drawdowns against the facility commenced in December 2007.
- The operating subsidiary company, Zimbabwe Platinum Mines (Private) Limited, has a pending court case against the Zimbabwe Revenue Authority (ZIMRA) arising from differences in interpretation of provisions of the Value Added Tax Act in as far as they apply to the company's foreign contractors. The potential liability, should the case be determined in favour of ZIMRA, is $14 million. It is considered that there is no basis for a contingent liability provision.
- Zimbabwe has been experiencing economic difficulties for several years characterised by, inter alia, high rates of inflation and severe shortages of foreign currency. Year-on-year inflation to November 2007 was in excess of 24 000% whilst prevailing rates of exchange were at levels inconsistent with this level of inflation. This disparity has the potential to have an adverse effect on asset values as well as operating and capital expenditure.

Dated at Harare, Zimbabwe, this 8th day of February 2008.

Signed in accordance with a resolution of Directors:

A Mhembere
CEO and Director

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 5 to 12, 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 Group as at 31 December 2007 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.

Signed in accordance with a resolution of the Directors:

A Mhembere
Chief Executive Officer

P Maseva - Shayawabaya
Chief Financial Officer

Harare
Zimbabwe
8 February 2008

KPMG
Mutual Gardens
100 The Chase (West), Emerald Hill
P O Box 6, Harare
Zimbabwe

Telephone +263 (4) 303700
+263 (4) 302600
Fax +263 (4) 303699

Independent review report to the members of Zimplats Holdings Limited

We have reviewed the financial report of Zimplats Holdings Limited ("the Company") for the half-year ended 31 December 2007, consisting of the statement of financial performance, statement of financial position, statement of cash flows, accompanying notes 1 to 6 and the directors' declaration set out on page 3. 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. Management is responsible for the preparation and fair presentation of this financial report in accordance with the Companies (Guernsey) Law 1994. Our responsibility is to express a conclusion on this financial report 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 financial report of Zimplats Holdings Limited is not in accordance with:

The Companies (Guernsey) Law 1994 including:

i) giving a true and fair view of the consolidated entity's financial position as at 31 December 2007, and of its financial performance and cash flows for the half-year then ended; and

ii) complying with International Accounting Standard 34 "Interim Financial Reporting."

KPMG Chartered Accountants (Zimbabwe)

Craig Adamson
Partner
Harare
8 February 2008

ZIMPLATS HOLDINGS LIMITED
BALANCE SHEET
as at 31 December 2007

	Notes	Group 6 mths to Dec-07 (unaudited) US$ 000	Restated 6 mths to Dec-06 (unaudited) US$ 000	Year to Jun-07 (audited) US$ 000
ASSETS				
Non-current assets				
Property, plant and equipment		305 354	216 349	228 623
Total non-current assets		305 354	216 349	228 623
Current assets				
Inventories		36 643	17 293	23 775
Trade and other receivables		64 675	47 402	68 579
Cash and cash equivalents		66 033	58 969	84 492
Total current assets		167 351	123 664	176 846
Total assets		472 705	340 013	405 469
EQUITY AND LIABILITIES				
Capital and reserves				
Share capital and share premium	1	99 929	99 929	99 929
Reserves	2	259 100	179 018	229 471
		359 029	278 947	329 400
Non-current liabilities				
Deferred taxation		34 219	14 836	21 587
Mine rehabilitation provision		9 856	12 688	12 366
Interest bearing loans and borrowings	3	26 107	-	-
Total non-current liabilities		70 182	27 524	33 953
Current liabilities				
Trade and other payables		40 400	27 482	31 713
Interest bearing loans and borrowings	3	1 385	1 575	636
Taxation		1 709	4 485	9 767
Total current liabilities		43 494	33 542	42 116
Total equity and liabilities		472 705	340 013	405 469

ZIMPLATS HOLDINGS LIMITED
INCOME STATEMENT
for the half year ended 31 December 2007

		Group		
			Restated	
		6 mths to	**6 mths to**	**Year to**
	Notes	**Dec-07**	**Dec-06**	**Jun-07**
		(unaudited)	**(unaudited)**	**(audited)**
		US$ 000	US$ 000	US$ 000
Sales		99 246	105 781	235 967
Cost of sales		(46 997)	(45 314)	(97 720)
Gross profit		52 249	60 467	138 247
Other net income		814	24	717
Operating costs		(11 468)	(9 854)	(24 224)
Profit from operations		41 595	50 637	114 740
Net finance income		670	1 763	2 667
Interest expense		(1 044)	(1 009)	(2 619)
Interest income		1 714	2 772	5 286
Profit before taxation		42 265	52 400	117 407
Taxation		(12 639)	(3 561)	(17 823)
Net profit for the period		29 626	48 839	99 584
Basic earnings per share (cents)	5	27.52	45.37	92.52
Diluted earnings per share (cents)	5	24.48	40.35	82.28

ZIMPLATS HOLDINGS LIMITED
STATEMENT OF CHANGES IN EQUITY
for the half year ended 31 December 2007

	Share capital	Share premium	Foreign currency translation reserve	Acquisition equity reserve	Revaluation reserve	Accumulated profit	Total
	US$ 000	US$ 000	US$ 000	US$ 000	US$ 000	US$ 000	US$ 000
GROUP							
Balances at 30 June 2006 restated	10 763	89 166	(17 183)	(10 045)	45 888	112 004	230 593
Foreign currency translation reserve	-	-	(777)	-	-	-	(777)
Capital reserve release through depreciation	-	-	-	-	(5 244)	5 244	-
Net profit for the year	-	-	-	-	-	99 584	99 584
Balances at 30 June 2007	10 763	89 166	(17 960)	(10 045)	40 644	216 832	329 400
Foreign currency translation reserve	-	-	3	-	-	-	3
Capital reserve release through depreciation	-	-	-	-	(3 741)	3 741	-
Net profit for the period	-	-	-	-	-	29 626	29 626
Balances at 31 December 2007	10 763	89 166	(17 957)	(10 045)	36 903	250 199	359 029

ZIMPLATS HOLDINGS LIMITED
CASH FLOW STATEMENT
for the half year ended 31 December 2007

	Notes	6 mths to Dec-07 (unaudited) US$ 000	Group Restated 6 mths to Dec-06 (unaudited) US$ 000	Year to Jun-07 (audited) US$ 000
Operating activities				
Cash generated from operations	4	55 901	51 683	104 102
Interest received		1 714	2 772	5 286
Exchange gains realised		896	-	745
Interest paid		(1 044)	(1 009)	(2 619)
Income tax and withholding taxation paid		(8 065)	(4 222)	(6 451)
Cash in flows from operating activities		49 402	49 224	101 063
Investing activities				
Proceeds from disposal of property, plant and equipment		57	-	61
Acquisition of property, plant and equipment excluding movement in the rehabilitation asset		(87 851)	(39 063)	(64 501)
Cash out flows from investing activities		(87 794)	(39 063)	(64 440)
Financing activities				
Finance lease liability repayments		(867)	(939)	(1 878)
Proceeds of interest bearing loans and borrowings		20 800	-	-
Repayments of interest bearing loans and borrowings		-	(3 150)	(3 150)
Cash in/(out) flows from financing activities		19 933	(4 089)	(5 028)
(Decrease)/increase in cash and cash equivalents		(18 459)	6 072	31 595
Movement in cash and cash equivalents				
Cash and cash equivalents at beginning of the year		84 492	52 897	52 897
(Decrease)/increase in cash and cash equivalents		(18 459)	6 072	31 595
Cash and cash equivalents at end of the period		66 033	58 969	84 492

Zimplats Holdings Limited is a company domiciled in Guernsey, Channel Islands. The consolidated financial statements of the Group for the half year ended 31 December 2007 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 International Financial Reporting Interpretations Council 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 2007 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. They are prepared on the historical cost basis with the exception of certain fixed property which is shown at valuation. Financial assets and financial liabilities are shown at fair value through the income statement or the statement of changes in equity. The accounting policies have been consistently applied by the Group and are consistent with those of the previous year.

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 Dec-07 (unaudited)	**6 mths to Dec-06 (unaudited)**	**Year to Jun-07 (audited)**
		US$ 000	US$ 000	US$ 000
1 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 ordinary shares of 10 cents each		10 763	10 763	10 763
c) Share premium		89 166	89 166	89 166
		99 929	99 929	99 929

86 594 482 shares were issued at 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. The premium on shares issued to 30 June 2003 was $228 565. The premium on share options sold as a result of the Impala Platinum Holdings Limited (Impala) offer was $2 062 991. 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.

2 Reserves				
Foreign currency translation reserve	a)	(17 957)	(17 668)	(17 960)
Asset revaluation reserve	b)	36 903	43 493	40 644
Acquisition equity reserve	c)	(10 045)	(10 045)	(10 045)
Accumulated profits	d)	250 199	163 238	216 832
		259 100	179 018	229 471

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 revaluation of property, plant and equipment.

c) On 5 November 2004, shareholders approved the acquisition of Implats' 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 amounted to $10 044 750.

d) Represents accumulated profits to 31 December 2007.

		Group		
		6 mths to Dec-07 (unaudited)	**6 mths to Dec-06 (unaudited)**	**Year to Jun-07 (audited)**
		US$ 000	US$ 000	US$ 000
3 Interest bearing loans and borrowings				
Non-current				
Standard Bank of South Africa	a)	20 800	-	-
Finance lease liability	b)	5 307	-	-
		26 107	-	-
Current				
Finance lease liability	b)	1 385	1 575	636
		1 385	1 575	636
Total borrowings		27 492	1 575	636

a) Zimbabwe Platinum Mines (Private) Limited has secured a loan facility of $80 million from Standard Bank of South Africa to partly finance the Ngezi Phase 1 Expansion Project. The loan interest is LIBOR plus 700 basis points. The loan is repayable in 12 equal quarterly installments commencing 24 months after the first drawdown. Impala Platinum Holdings Limited has provided political and commercial guarantees in favour of Standard Bank of South Africa for the loan facility.

b) This liabilility is secured by a finance lease agreement in respect of ore haulage vehicles. The effective interest rate is 1.145% per annum. Annual instalments of $1 384 534 commenced on 1 November 2007 with the final payment due on 31 October 2012. Contingent rent is payable based on the standby rate per hour per truck. The net book value of the road train haulage vehicles under lease is $6 807 293 (2006: $596 573).

4 Cash generated from operations

Reconciliation of profit before taxation to cash generated from operations:

	6 mths to Dec-07	6 mths to Dec-06	Year to Jun-07
Profit before taxation	42 265	52 400	117 407
Adjustments for:	13 913	6 839	17 679
Depreciation of property, plant and equipment	15 395	9 087	21 839
Net finance income	(670)	(1 763)	(2 667)
Foreign exchange gains	(896)	-	(745)
Exchange rate movements	-	-	1
Foreign currency translation reserve	3	(485)	(777)
Loss on disposal of property, plant & equipment	81	-	28
Changes in working capital:	(277)	(7 556)	(30 984)
Trade and other receivables	3 904	(8 703)	(29 880)
Inventories	(12 868)	(824)	(7 306)
Trade and other payables	8 687	1 971	6 202
Cash generated from operations	55 901	51 683	104 102

	Group		
	6 mths to Dec-07 (unaudited)	**6 mths to Dec-06 (unaudited)**	**Year to Jun-07 (audited)**
	US$ 000	US$ 000	US$ 000

5 Earnings per share

Basic 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 Dec-07	6 mths to Dec-06	Year to Jun-07
Profit attributable to equity holders of the company	29 626	48 839	99 584
Weighted average number of ordinary shares in issue	107 638	107 638	107 638
Basic earnings per share US (cents)	27.52	45.37	92.52

Diluted earnings per share

Diluted earnings per share is calculated by adjusting the weighted average number of ordinary shares outstanding to assume conversion of all potential dilutive ordinary shares as a result of shares available to the Government of Zimbabwe nominated empowerment partner. A calculation is performed to determine the number of shares that could have been acquired at fair value (determined as the average annual market share price of the company's shares) based on the monetary value of the subscription rights attached to the outstanding shares. The number of shares calculated as above is compared with the number of shares that would have been issued assuming the empowerment shares had been taken up.

The empowerment agreement signed with the Government of Zimbabwe in September 2003 will result in the issue of an additional 13 390 423 ordinary shares once the requisite funding is available.

	6 mths to Dec-07	6 mths to Dec-06	Year to Jun-07
Profit attributable to equity holders of the company	29 626	48 839	99 584
Weighted average number of ordinary shares in issue	107 638	107 638	107 638
Adjustments for empowerment shares	13 390	13 390	13 390
Weighted average number of ordinary shares for diluted earnings per share	121 028	121 028	121 028
Diluted earnings per share US (cents)	24.48	40.35	82.28

6 Capital commitments

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

	6 mths to Dec-07	6 mths to Dec-06	Year to Jun-07
General capital replacement	18 602	(61 324)	5 117
Ngezi expansion - Portal 2	978	28 436	2 250
Ngezi expansion Phase 1	87 413	71 167	45 046
	106 993	38 279	52 413

The board has authorised a total of $340 million to be incurred on the Ngezi Phase 1 Expansion project over the period to 2010.

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