

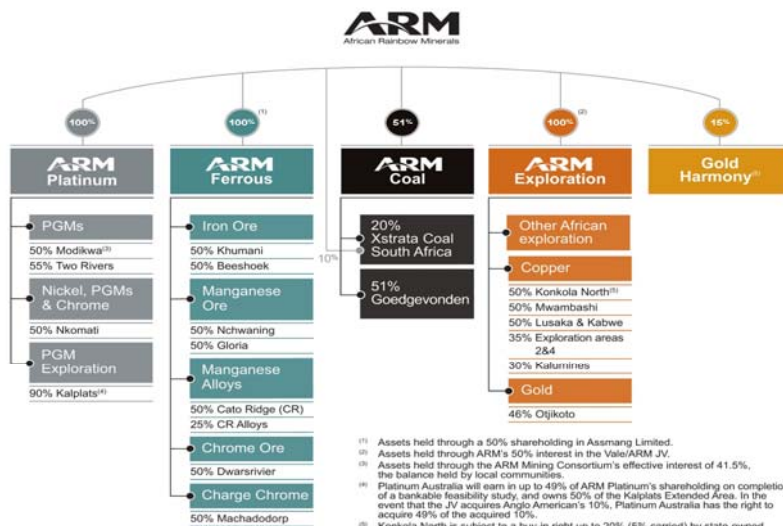
# The future looks bright



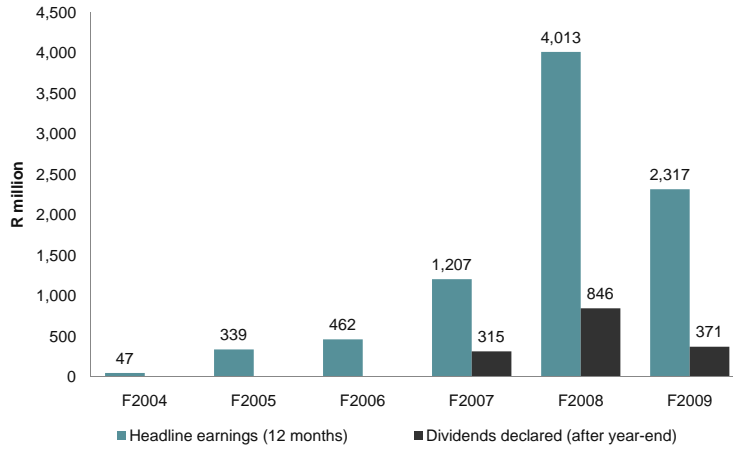
WE DO IT BETTER

Deutsche Bank BRICS Metal & Mining Conference  
9 – 10 November 2009

## Corporate structure



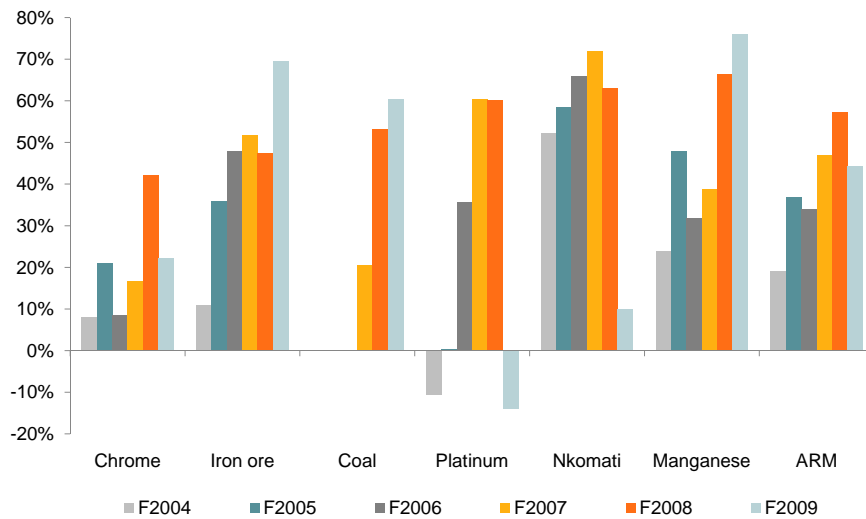
## Headline earnings over 6 years



Second half severely impacted by global economic slowdown

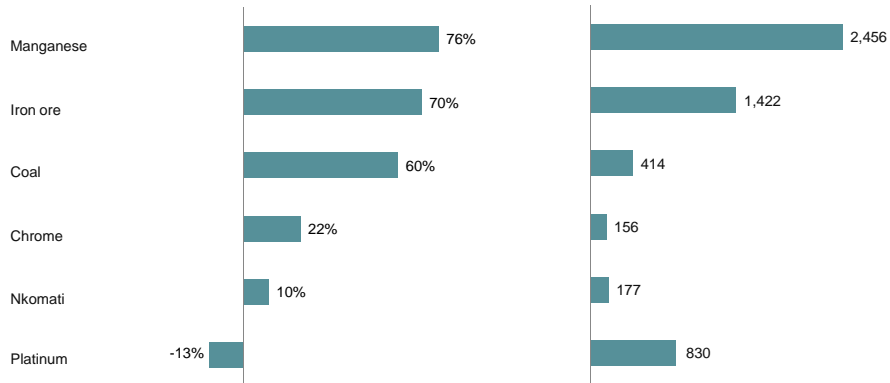
Basic earnings of R2 868 million for F2009

## Divisional EBITDA margins



ARM F2009 EBITDA margin is 44%

ARM cash flow from operating activities (R million)



**Completed projects  
>R10 bn\*  
F2005 - F2009**

- Khumani Iron Ore (10 mtpa)
- Nchwaning III Manganese
- Modikwa Platinum
- Two Rivers Platinum
- Nkomati Nickel Interim Plant
- Nkomati Chrome Mine
- Dwarsrivier Chrome Mine

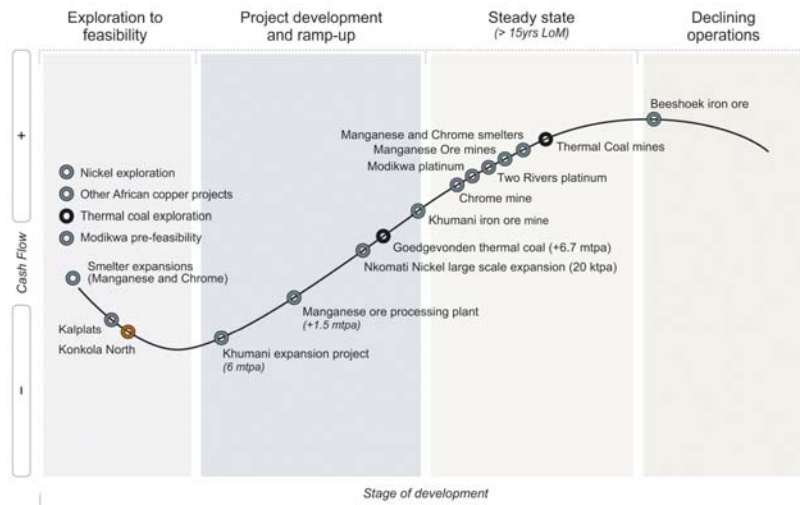
**Projects in progress  
>R8 bn\*  
F2010 - F2012**

- Khumani Iron Ore (+6 mtpa)
- Nkomati Nickel (20 ktpa)
- GGV Thermal Coal (6.7 mtpa)

**Potential future projects**

- Konkola North Copper
- Kalplats Platinum
- Modikwa Platinum expansion
- Smelter expansions

\* Total attributable capital expenditure





**Khumani Iron Ore**  
(10 → 16 mtpa)



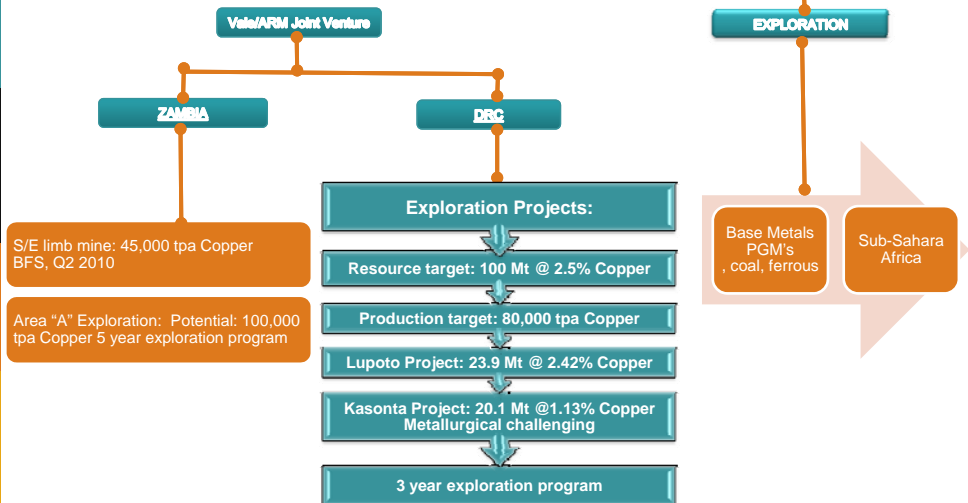
**Goedgevonden Thermal Coal**



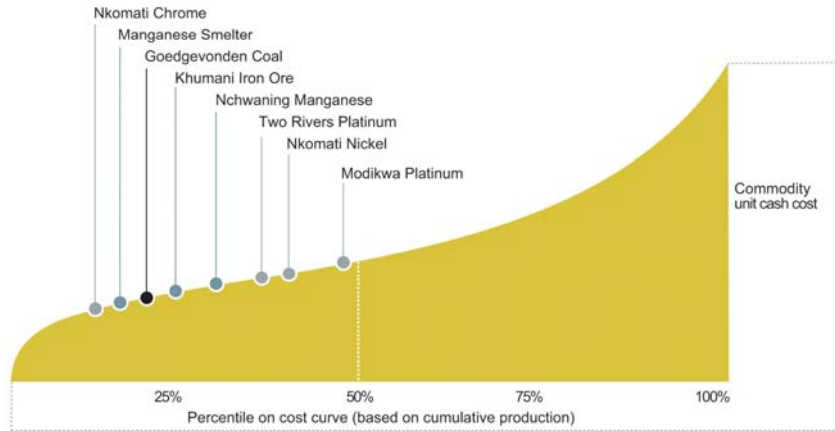
**Nkomati Nickel Large Scale Expansion**

<b>Capex committed</b>	95% (20%)	90%	75%
<b>Stage</b>	Ramp-up (Building)	Commissioning	375ktpm plant commissioning
<b>Position on cost curve</b>	40 <sup>th</sup> percentile	25 <sup>th</sup> percentile	40 <sup>th</sup> percentile
<b>Steady state</b>	10mtpa (+6mtpa)	3.5mt local; 3.2mt export	20 500t nickel
<b>Commissioning (Calendar year)</b>	2008 (2012)	2009	2009
<b>Full production (Financial year)</b>	2010 (2013)	2012	2012
<b>Comment</b>	More efficient, low unit cost	Dragline opencast operation	C1 cash cost net of by-products of \$3.50/lb

**ARM EXPLORATION**



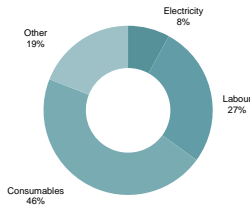
**ARM target for operations on the respective global cost curve by 2012**  
(ARM estimate, benchmarked at steady state/normalised production volumes)



**ARM Ferrous**

Increasing volumes with restructuring implemented

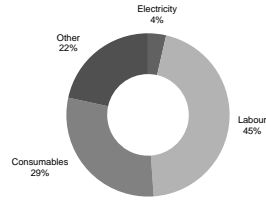
Approximate on mine and smelter cash cost split



**ARM Platinum**

Cost control and plant optimisation with restructuring implemented

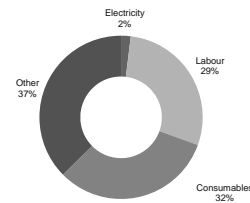
Approximate on mine cash cost split



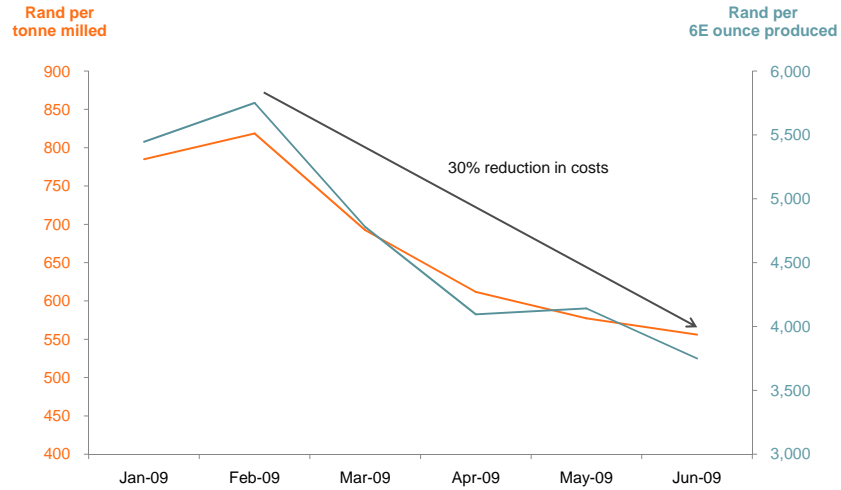
**ARM Coal**

Export volumes increasing and shift to lower cost open cast mining

Approximate on mine cash cost split

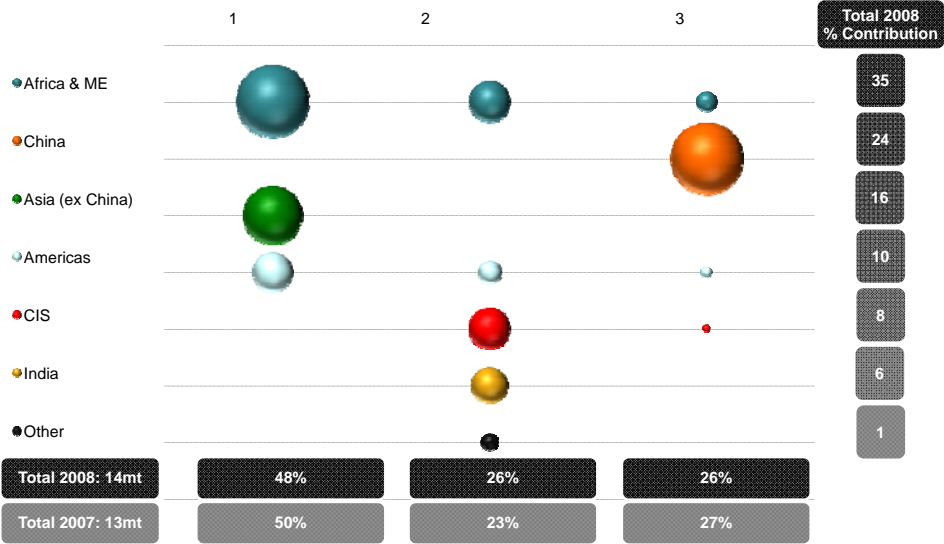


All F2009 figures attributable



- Correct timing of investment through the cycle
- Potential opportunities with distressed assets - Pricing expectations remain high
- Owner operator – target is for 50% + ownership
- Targets need to be benchmarked against ARM's organic growth plans
- Cash flows from potential acquisitions a key consideration
- Fit within the ARM quality portfolio and strategic objectives - Low unit cost and long life assets
- Remember "We do it better"

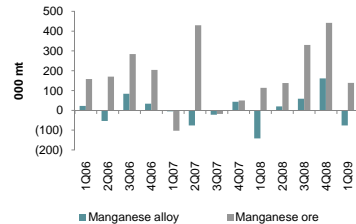
## Manganese ore production



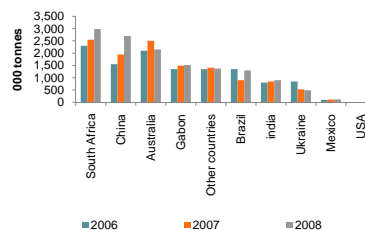
## Manganese market outlook improving

- Manganese(Mn) – used for steelmaking
  - 70% used as an alloy agent
  - 30% for its properties as a sulphide former and deoxidant
  - Approximately 10 kg Mn alloy per mt of steel produced
- Manganese ore production for 2008 estimated at 14 mt
- South Africa, China, Australia and Gabon accounted for 69% of the world's manganese ore production
- 40% of global trade was imported by China
- Developing economies use more manganese in their steel than developed ones
- China and India's growth prospects are positive for the manganese markets

### Supply/demand balances



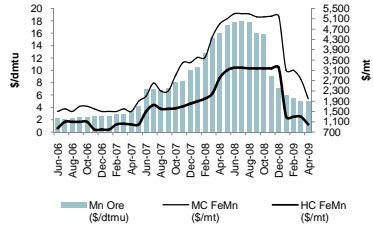
### World Mn Ore production (Mn content)



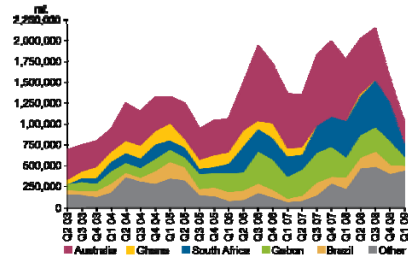
Source: International Manganese Institute (June 2009), ARM estimates



Manganese commodity prices

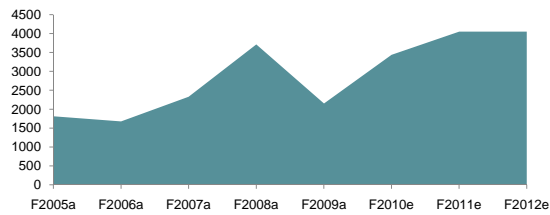


Manganese ore – China imports

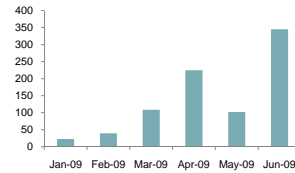


Source for all charts: International Manganese Institute, ARM estimates

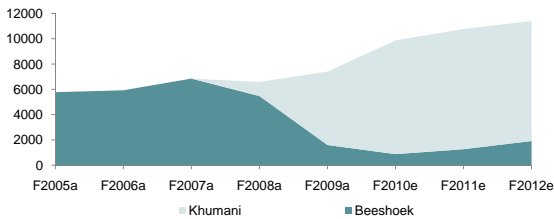
Manganese ore  
Thousand tonnes



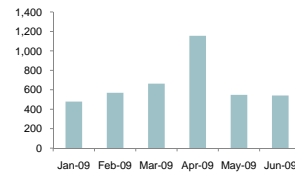
Manganese ore monthly sales  
(thousand tonnes)



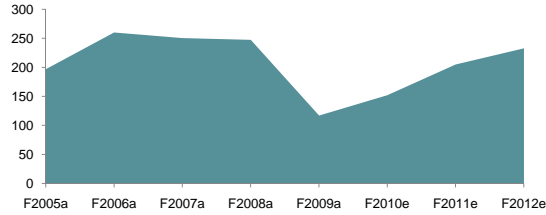
Iron ore  
Thousand tonnes



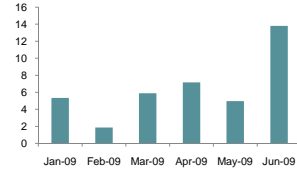
Iron ore monthly sales  
(thousand tonnes)



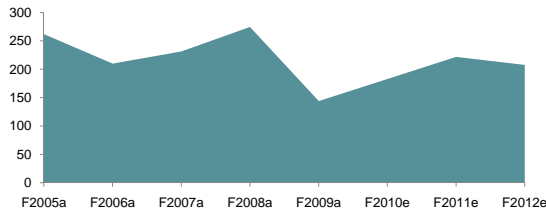
**Ferromanganese**  
Thousand tonnes



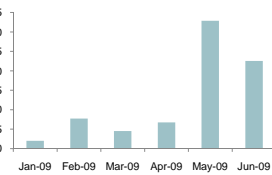
**Ferromanganese alloys monthly sales**  
(thousand tonnes)



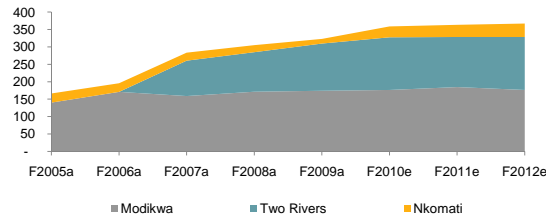
**Charge chrome**  
Thousand tonnes



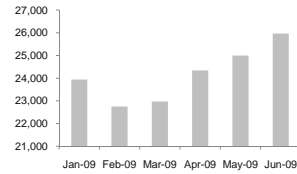
**Charge chrome monthly sales**  
(thousand tonnes)



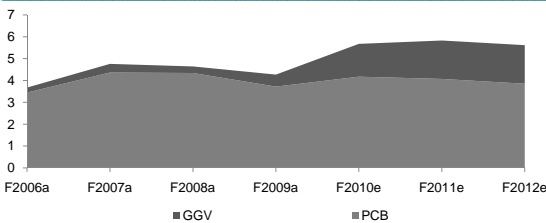
**PGM in concentrate sales**  
Thousand ounces



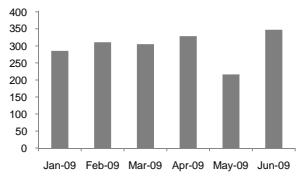
**PGMs monthly sales**  
(ounces)



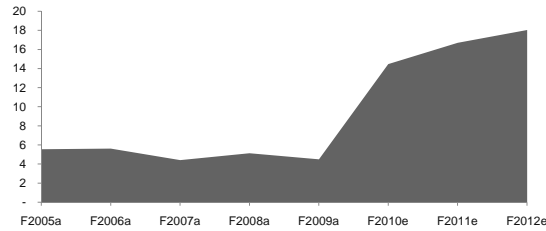
**Thermal coal**  
Million tonnes



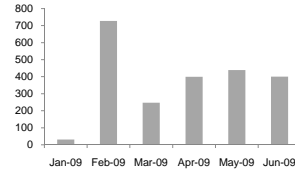
**Thermal coal monthly sales**  
(thousand tonnes)



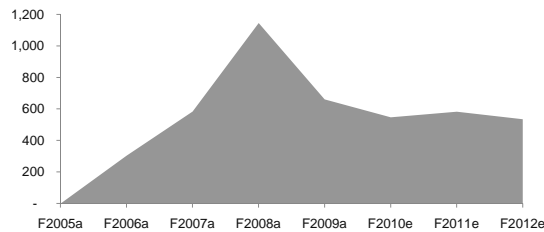
**Nkomati nickel**  
Thousand tonnes



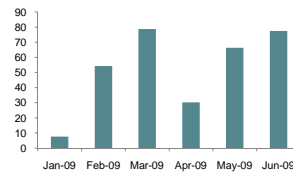
**Nickel monthly sales (tonnes)**



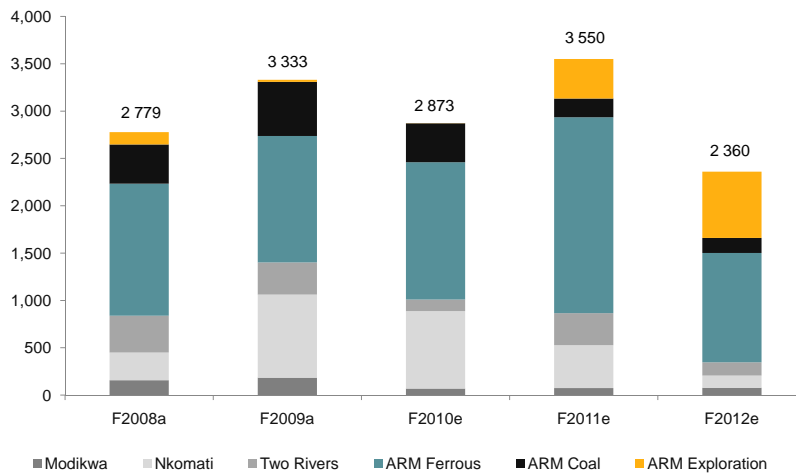
**Chrome ore**  
Thousand tonnes



**Chrome ore monthly sales (thousand tonnes)**



**Attributable capital expenditure by division**  
R million

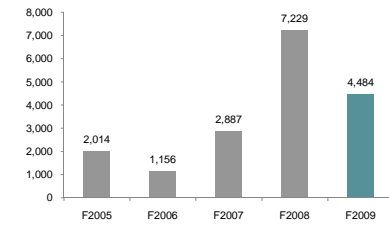


■ Modikwa ■ Nkomati ■ Two Rivers ■ ARM Ferrous ■ ARM Coal ■ ARM Exploration

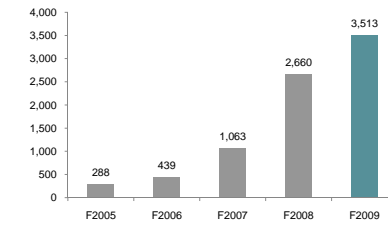
← F2005 – F2009: R>10bn

F2010 – F2012: R>8bn

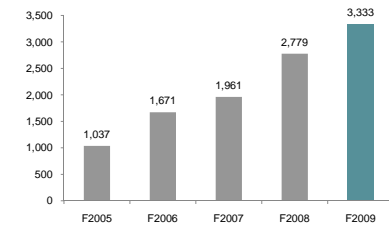
**EBITDA excluding exceptional items**  
R million



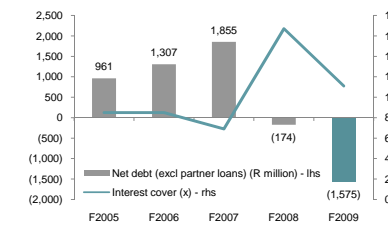
**Cash on Balance Sheet**  
R million



**Capital expenditure**  
R million



**Net debt/(cash) and interest cover**  
R million



# Questions



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