African Rainbow Minerals Limited
(Incorporated in the Republic of South Africa)
(Registration number 1933/004580/06)
(ISIN code: ZAE 000054045)

Interim results for the six months ended 31 December 2009

Shareholder information

Issued share capital as at 31 December 2009	212 259 550 shares
Market capitalisation as at 31 December 2009	ZAR36.88 billion
Market capitalisation as at 31 December 2009	US$4.99 billion
Share price as at 31 December 2009	R173.77
Six month high (1 July 2009 – 31 December 2009)	R178.99
Six month low (1 July 2009 – 31 December 2009)	R116.51
Average daily volume traded for the six months	501 065 shares
Primary listing	JSE Limited
Ticker symbol	ARI

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Results commentary

Salient features

- Headline earnings of R454 million reflect a decline of R1.78 billion relative to the corresponding period last year but reflect an increase of R369 million over the headline earnings of the preceding six months

- Significant decline in commodity prices and a strengthening of the Rand against the US Dollar negatively impacted earnings

- Increased sales volumes across platinum group metals, nickel, iron ore, manganese ore, chrome ore and alloys

- Decreased unit costs at platinum, nickel and iron ore operations

- ARM's financial position remains robust with net debt to equity of 8.4%

- Delivering on growth projects:

- Khumani Iron Ore Mine ramping up to 10 million tonnes per annum

- Phase 2a of the Nkomati Large Scale Expansion project commissioned

- Goedgevonden Coal Mine commissioned; long-term off-take agreement signed with Eskom

ARM operational review

ARM’s Board of Directors (”the Board”) announces improved operational results compared to the previous six months to 30 June 2009 (2H F2009), with significant increases in sales volumes in ARM Platinum and ARM Ferrous despite a challenging global economic environment. Headline earnings for the half-year to 31 December 2009 (1H F2010), were R454 million, representing a decrease of 80% compared to the corresponding half-year to 31 December 2008 (1H F2009). This was driven by continued weakness in commodity prices and the strengthening of the Rand versus the US Dollar. Headline earnings however increased by 434% when compared to the preceding six months to 30 June 2009 (2H F2009: R85 million) signalling the start of a recovery in commodity markets, particularly in China and the rest of Asia.

In this challenging environment ARM continues to focus on cost containment. The period under review reflects the benefits of reorganisations undertaken in 2H F2009 at the Modikwa Platinum Mine ("Modikwa") and Two Rivers Platinum Mine ("Two Rivers"), which have yielded a positive impact on costs. Cash costs for Two Rivers and Modikwa were reduced by 8% and 6% respectively, while the R/tonne milled costs at the Nkomati Nickel Mine ("Nkomati") decreased by 28%. The headline earnings loss contribution from ARM Exploration was reduced to R85 million from a loss of R454 million in 1H F2009. In addition unit operating costs for iron ore decreased by 19.5% as a result of the production ramp up at Khumani Iron Ore Mine ("Khumani").

The interim results for the period ended 31 December 2009 have been prepared in accordance with International Financial Reporting Standards (IFRS) and the disclosures are in accordance with IAS 34: Interim Financial Reporting.

Contribution to headline earnings

Commodity group	Six months ended 31 December			Six months ended 30 June
R million	2009	2008	% change	2009
Platinum Group Metals	131	(293)		(55)
Nkomati nickel and chrome	36	24	50	5
Ferrous metals	302	2 812	(89)	338
Coal	36	176	(80)	(41)
Exploration	(85)	(454)	81	(235)
Corporate and other	34	(33)		73
ARM headline earnings	454	2 232	(80)	85

These results have been achieved in conjunction with ARM's partners at the various operations, namely Anglo Platinum Limited ("Anglo Platinum"), Assore Limited ("Assore"), Impala Platinum Holdings Limited ("Implats"), Norilsk Nickel Africa (Pty) Limited ("Norilsk"), Xstrata Coal ("Xstrata") and Companhia Vale do Rio Doce ("Vale").

Conditions in the global economic environment continued to be challenging, especially in the first four months of the period under review, placing pressure on commodity prices and demand. Despite this, ARM increased sales volumes at ARM Ferrous and ARM Platinum. Key operational contributors to increases in sales volumes (on 100% basis except for platinum group metals ("PGM") production which is shown on an attributable basis) are:

- 29% in iron ore sales to 4.4 million tonnes

- 13% in external manganese ore sales to 1.5 million tonnes

- 71% in manganese alloys to 120 thousand tonnes

- 11% in PGMs produced to 183 986 ounces

- 52% in contained nickel to 3 785 tonnes

- 26% in chrome ore/chrome concentrate to 537 thousand tonnes

The largest earnings contributor to ARM's headline earnings remains ARM Ferrous with a contribution to headline earnings of R302 million (1H F2009: R2 812 million; 2H F2009: R338 million). Benefits to earnings from the increased sales volumes for this division have been eroded both by the fall in commodity prices as well as by the stronger Rand against the US Dollar with headline earnings having decreased by 89%. Headline earnings for ARM Ferrous however decreased by only 11% when compared to 2H F2009.

ARM Platinum achieved a significant turnaround of R436 million to R167 million in its contribution to headline earnings when compared to 1H F2009 (R269 million loss).

The decline in commodity prices when comparing the half-year to 31 December 2009 to the previous corresponding period have been marked, ranging from 16% for thermal coal to 75% for manganese ore. Commodity price comparisons are more fully detailed in the divisional commentaries.

The impact of the exchange rate on headline earnings has been pronounced with the average Rand/ US Dollar exchange rate having strengthened by 14% to R7.65/ $ relative to the corresponding period (1H F2009: R8.88/ $) and by 17% compared to the preceding 6 months (2H F2009: R9.19/ $).

ARM continues to focus on the efficiency and cost competitiveness across all the divisions as it targets to have all operations below the 50th percentile of the global commodity cost curve by 2012. For 1H F2010 ARM achieved decreases in unit costs at Two Rivers and Modikwa as well as at the iron ore operations. These were achieved by a combination of increased operational efficiencies on the platinum and nickel operations and increased production volumes in iron ore and nickel.

ARM's 2 X 2010 growth strategy remains on track with the Khumani 10 mtpa mine ramping up production. The Goedgevonden Coal Mine ("Goedgevonden") and Phase 2a of the Nkomati Large Scale Expansion project were successfully commissioned during the period and have also commenced production ramp up.

ARM's financial position remains robust with net debt to equity of 8.4% as at 31 December 2009 (F2009: 1.4%).

Financial commentary

Headline earnings for the six-month period to 31 December 2009 were R454 million (1H F2009: R2.2 billion; 2H F2009: R85 million) reflecting good improvement over the previous six months, while being significantly less than the corresponding period in 2008. The comparison of 1H F2010 to 1H F2009 does not adequately reflect the trend in results since the economic collapse in October 2008. To assist with comparisons, where appropriate, reference is also made to the half-year to 30 June 2009.

Sales for the half-year to 31 December 2009 were R4.2 billion which is R2.2 billion less than 1H F2009 but R524 million more than the R3.7 billion recorded for 2H F2009.

The gross profit margin for the period was 26.5% (1H F2009: 50.8%; 2H F2009: 21.4%). ARM's earnings before interest, tax, depreciation and amortisation (EBITDA) excluding exceptional items and income from associates were R1.2 billion, which represents an increase of R400 million over 2H F2009 and a decrease of R2.5 billion over 1H F2009.

The detailed segmental contribution analysis is provided in note 10 to the financial statements.

- The largest contributor to ARM's headline earnings for the reporting period was ARM Ferrous which contributed R302 million (1H F2009: R2.8 billion; 2H F2009: R338 million).

- The ARM Platinum contribution amounted to R167 million which represents a significant improvement over the F2009 results (1H F2009: R269 million loss; 2H F2009: R50 million loss). The previous year's results were negatively impacted by the R547 million realised mark-to-market loss on the opening balance for debtors (at 30 June 2008) which occurred as a result of the sharp fall in the Rand price of PGM's and nickel during 1H F2009. This period's results include a mark-to-market realised gain on the 30 June 2009 debtors of R50 million.

- The contribution from ARM Coal was R36 million (1H F2009: R176 million; 2H F2009: R41 million loss).

- ARM Exploration costs were significantly lower than previous periods as a result of (i) the restructuring initiatives in 2H F2009, (ii) an increased focus on costs and (iii) the benefit of sharing costs with ARM's JV partner, Vale. The impact on headline earnings for the period was a negative R85 million (1H F2009: R454 million loss; 2H F2009: R235 million loss).

- ARM Corporate and Other costs reflect a positive contribution of R34 million for the period (1H F2009: R33 million loss; 2H F2009: R73 million) and includes a dividend of R32 million from Harmony Gold Mining Company Limited ("Harmony").

The effective taxation charge for the period was 34% which is lower than the 39% for F2009 as a result of the reduced impact on this calculation of non-deductible expenditure (exploration costs much lower), reduced Secondary Tax on Companies amounts and a prior year reversal of R51 million at Two Rivers.

During the reporting period the net debt position at 30 June 2009 of R231 million increased to R1.4 billion at 31 December 2009 largely as a result of continuing investment in the new projects at Nkomati, Goedgevonden and Khumani as well as an increase of R348 million in working capital during the period.

- The total debt on the balance sheet of R3.7 billion includes an amount of R2.3 billion advanced by our partners (Implats: R539 million; Anglo Platinum: R132 million; Xstrata: R1.6 billion) therefore the net cash amount excluding partner loans amounts to R879 million (F2009: net cash R1.6 billion).

- Cash and cash equivalents were R2.3 billion at 31 December 2009 (F2009: R3.5 billion).

- The total attributable capital expenditure for the period was R1.2 billion (1H F2009: R1.8 billion; 2H F2009: R1.5 billion) and consists largely of expansion capital.

- The bank loan in the Vale/ARM joint venture of $85.0 million (ARM share $42.5 million) was repaid by the partners during the period. In addition, the bridge financing of R300 million (ARM share: R150 million) at Nkomati was repaid in October 2009. As a result the only significant external bank debt at 31 December 2009 is the ARM R1.75 billion corporate facility, where the balance was R979 million (F2009: R967 million). This loan is repayable in August 2012.

Cash generated from operations, before working capital adjustments amounted to R1.2 billion (1H F2009: R3.9 billion; 2H F2009: R1.2 billion). The working capital adjustments during the past 18 months have been significant largely due to the economic slowdown (which resulted in a release from working capital in 1H F2009 and 2H F2009) and the subsequent partial recovery (which increased working capital requirements during 1H F2010). This analysis is detailed in note 8 to the statements.

Safety

We believe that a safe and healthy workplace is every employee's right and is an integral part of the way we run our business. Safety awareness, risk assessment and responsible supervision has led to zero fatalities in ARM during the past six months, compared to the five fatalities during the previous financial year.

Safety statistics

- Zero fatalities

- The Lost Time Injury Frequency Rate (LTIFR) for the past six months, was 4.19 (per one million man hours) and 0.84 (per 200 000 man hours) compared to 4.32 and 0.86 respectively, during the corresponding six months of the previous financial year.

Achievements

Modikwa achieved 6 000 000 consecutive fatality-free man shifts worked on 2 December 2009, an exceptional achievement in the industry. Modikwa has operated fatality-free for 44 months and also won ARM's internal St Barbara competition for completing a multiple of a million fatality free shifts during the 2009 financial year.

Beeshoek Mine ("Beeshoek") achieved 7 000 fatality-free production shifts on 2 August 2009 in the Northern Cape Department of Minerals and Resources ("DMR") safety competition. Beeshoek achieved 1.67 million fatality free shifts whilst Two Rivers and Machadodorp achieved 1.48 million and 1.44 million fatality free shifts respectively in the St Barbara award and "Excellence in Safety" competitions.

In August 2009 ARM was accepted as a member of the International Council of Mining and Metals ("ICMM") further reiterating ARM's commitment to responsible mining and giving ARM additional access to international best practice in sustainable development.

ARM Ferrous

For the six months ended December 2009, Assmang Limited ("Assmang") reported a 58% decrease in sales to R4.60 billion (1H F2009 R10.93 billion). This was despite increases in sales volumes across all ferrous commodities and was due to weak commodity prices and a strengthening Rand. Headline earnings decreased by 89% to R0.60 billion (1H F2009: R5.63 billion).

Commodity prices were substantially lower during this period. Manganese ore prices decreased by 75% when compared to 1H F2009 while iron ore and ferrochrome prices were 52% and 60% lower respectively.

Khumani achieved increased production volumes and as a result operating costs per unit for iron ore were reduced by 19.5%. Cost increases at the manganese ore and chrome ore operations were in excess of the inflation rate for the period. This was mainly due to a cut back in production for these commodities driven by reduced demand in commodity markets and downsizing of the labour force. Despite these cut backs in production for these commodities, higher sales volumes were achieved as a result of higher stock levels at the beginning of the financial year. Cost increases for manganese alloys were in line with inflation.

Capital expenditure for the period amounted to R1 288 million (1H F2008: R1 503 million). R772 million was spent at Khumani on infrastructure development and the 16 mtpa expansion, while the building of a beneficiation plant at Black Rock Mine amounted to R194 million. In addition, R170 million was spent on furnace upgrades at both the Machadodorp and Cato Ridge Works smelters.

Logistics

Transnet is currently experiencing lower performance levels on the iron ore export channel but is confident that the contractual commitments will be met. Manganese ore has limited rail and export capacity. This has resulted in reliance on road transport to move mainly manganese ore to the export ports.

The initial manganese allocation process has been finalised and the contracts have been signed. Discussions with Transnet will continue on the long-term manganese allocation process.

Iron ore and manganese producers are in discussions with Transnet to discuss rail and port capacity for the long term beyond 2016.

Assmang headline earnings contribution

100% basis	Six months ended 31 December		
R million	2009	2008	% change
Iron ore division	383	1 532	(75)
Manganese division	355	3 642	(90)
Chrome division	(136)	454	
Total	602	5 628	(89)
Headline earnings attributable to ARM (50%)	302	2 812	(89)

Assmang product sales

100% basis	Six months ended 31 December		
Thousand tonnes	2009	2008	% change
Iron ore	4 452	3 455	29
Manganese ore*	1 463	1 291	13
Manganese alloys*	120	70	71
Charge chrome	75	65	15
Chrome ore*	99	80	24

* Excluding intra-group sales

	Percentage cost increases/ (decreases) Rand per tonne	EBITDA margin
Commodity group	%	%
Iron ore	(19.5)	44.6

Manganese ore	25.9	34.7
Manganese alloys	7.7	18.0
Charge chrome	11.8	(22.3)

Assmang capital expenditure

100% basis	Six months ended 31 December	
R million	2009	2008
Iron ore	777	875
Manganese	376	409
Chrome	135	219
Total	1 288	1 503

Khumani

The second phase of the 10 mtpa expansion project has been completed and is in the process of ramping up.

The ARM Board has approved R5.5 billion for the expansion of Khumani to 16 mtpa. This is in addition to the R1.2 billion start-up capital that was approved previously.

The expansion programme is aligned with the increase in capacity of the Sishen to Saldanha Bay export line to 60 mtpa, of which Khumani has secured 14 mtpa. The project will be completed by mid-2012.

ARM Platinum

ARM Platinum had an exceptional six months with increases in production and commodity prices, and a major turnaround in operating results. All three operations embarked on restructuring plans in F2009 and as a result showed a reduction in unit costs in comparison to the corresponding half-year period. Despite the restructuring plans, the attributable 6E PGM production (including Nkomati) increased by 11% to 183 986 ounces (1H F2009: 165 974* ounces). Notwithstanding the strengthening of the Rand to the US Dollar the recovery of metal prices during the six months under review had a positive financial effect on ARM Platinum, resulting in cash operating profits being generated by all its operations.

* 1H F2009 restated due to conversion from 4E (platinum palladium, rhodium and gold) to 6E (4E + ruthenium and iridium).

The table below sets out the relevant price comparisons:

Average metal prices

		Six months ended 31 December		12 months to June
		2009	2008	2009
Platinum	US$/oz	1 323	1 203	1 148
Palladium	US$/oz	321	261	239
Rhodium	US$/oz	1 800	4 069	2 620
Nickel	US$/t	17 566	14 933	13 312
Exchange rate	R/US$	7.65	8.88	9.03

Attributable headline earnings increased to R167 million, compared to the headline loss of R269 million in 1H F2009.

Cost management initiatives are yielding positive results with unit costs declining in comparison to those for the half-year to 31 December 2008, despite increases in labour and electricity costs.

ARM Platinum's operations account for revenue (and debtors) on a provisional pricing basis and apply mark-to-market adjustments to account for the lag between delivery and realisation dates of metals sold. At 30 June 2009, ARM Platinum had metal debtors of R762 million, valued at the 30 June 2009 spot metal prices and Rand/US Dollar exchange rate. The recovery in Rand metal prices resulted in final receipts from these debtors of R812 million, a realised mark-to-market gain of R50 million. In 1H F2009 the comparative figure was a realised mark-to-market loss of R547 million.

The table below illustrates the effect of these adjustments had on ARM Platinum's cash operating profit for the six months to 31 December 2009:

Cash operating profit analysis

		Total	Modikwa 50%	Two Rivers 100%	Nkomati 50%
Gross revenue	R'000	1 806 836	512 395	962 122	332 319
Cash cost	R'000	1 207 925	376 305	631 166	200 453
Cash operating profit) before mark-to-market gain	R'000	598 911	136 090	330 956	131 866
Realised mark-to-market gain on 30 June 2009 debtors	R'000	50 169	15 540	32 962	1 668
Cash operating profit after mark-to-market gain	R'000	649 080	151 629	363 918	133 533
Cash operating Profit margin before mark-to-market gain		33	27	34	40

Modikwa's tonnes milled decreased by 6% to 1.2 million tonnes, with PGM ounces in concentrate increasing by 1%, mainly as a result of an increase in head grade and the cessation of mining on the Merensky Reef. Unit costs decreased by 1% to R625/tonne milled (1H F2009: R635/tonne milled) and by 8% in Rand/PGM ounce produced to R4 154/PGM ounce. 2 December 2009 marked the milestone of 6 000 000 consecutive fatality-free man shifts for Modikwa, the result of dedication, hard work and team effort over some 44 months. This safety achievement marks Modikwa as one of the safest platinum operations in South Africa.

Two Rivers increased tonnes milled by 12%. This, combined with the plant optimisation resulted in a 24% increase in PGMs in concentrate. Concentrator recoveries have improved significantly after modifications to the crushing, milling and flotation sections, resulting in an 80% concentrator recovery. Unit cost increased by 4% to R416/tonne milled (1H F2009: R402/tonne milled). The plant improvement resulted in a 6% reduction in unit costs to R4 079/PGM ounce. The majority of the surface ore stockpile was utilised and at 31 December 2009, the stockpile was 53 797 tonnes.

At Nkomati, the 375 000 tpm plant was commissioned in September 2009, resulting in an 80% increase in tonnes milled. Ramp up at this concentrator is continuing with the aim of operating at steady state by the end of F2010. Nickel production increased to 3 785 (1H F2009: 2 495) tonnes. Chrome ore sales decreased by 15% to 295 147 (1H F2009: 346 823) tonnes, while chrome concentrate sales commenced with 143 193 tonnes sold in 1H F2010. The unit costs were reduced by 28% to R253/tonne milled. Nkomati had a cash cost, net of by-products, of $2.91/lb nickel produced, and in excess of 1 800 tonnes contained nickel in stock due to the quality of concentrate and ramp up of production.

Capital expenditure in ARM Platinum was well contained and the total capital expenditure amounted to R711 million (R383 million attributable). Capital expenditure was mainly incurred on the Nkomati Large Scale Expansion Project, while sustaining capital was incurred at Modikwa and Two Rivers.

ARM Platinum reviewed the prefeasibility study completed by Platinum Australia ("PLA") at Kalahari Platinum Exploration Project (Kalplats) in January 2010. PLA is in the process of completing a bankable feasibility study.

For more information please refer to PLA's website: www.platinumaus.com.au

Nkomati Large Scale Expansion Project

Phase 2a of the project was completed and the 375 000 tpm plant commissioning started on 15 September 2009. All other components of the Phase 2a project were completed on schedule to support the supply of ore and services to the 375 000 tpm plant. Production ramp up of the 375 000 tpm plant is currently in progress and towards the second half of December 2009, the concentrator plant was operated at design capacity. Some teething problems were experienced with the new primary crusher and a programme to rectify the throughput capacity is scheduled to be completed by March 2010. The Phase 2a project cost is currently below budget and indicates a possible saving of R160 million.

The Phase 2b project (upgrade of the current 100 000 tpm plant to 250 000 tpm PCMZ plant) was released for implementation and construction started during August 2009. Estimated date for completion of Phase 2b is December 2010.
The 100 000 tpm interim plant will be off line from July 2010 for this upgrade.

Total funds committed at 31 December 2009 on this project amounted to R3.1 billion of the R3.8 billion approved capital budget which now includes Phase 2b.

The Eskom power supply project for Phase 2a is complete and two of the three new 40MVA transformers are installed and energised. The next phase of the Eskom power supply project is the upgrade of the 132kV overhead distribution lines, and the installation of the third 40MVA transformer, which should be completed by November 2010.

ARM Platinum capital expenditure

100% basis	Six months ended 31 December		
R million	2009	2008	% change
Modikwa	68	273	(75)
Two Rivers	55	139	(61)
Nkomati	588	904	(35)
Total	711	1 316	(46)

Modikwa operational statistics

		Six months ended 31 December		
100% basis		2009	2008	% change
Cash operating profit/(loss)	R million	303	(348)	
Tonnes milled	Mt	1.22	1.30	(6)
Head grade*	g/t,6E	5.56	5.40	3
PGMs in concentrate*	Ounces,6E	183 449	181 968	1
Average basket price*	R/kg,6E	198 167	269 177	(26)
Average basket price*	$/oz,6E	810	946	(14)
Cash operating margin**	%	29	(71)	-

Cash cost*	R/kg,6E	133 551	145 748	(8)
Cash cost	R/tonne	625	635	(1)
Cash cost	R/Pt oz	10 753	11 593	(7)
Cash cost*	R/PGM oz,6E	4 154	4 533	(8)
Cash cost*	$/oz,6E	546	512	7
Capex	R million	68	273	(75)
Headline earnings attributable to ARM (41.5%)	R million	59	(111)	

* All production figures have been converted to 6E due to new off-take agreement in place from 1 December 2008

** The cash operating margin, excluding June debtors realised mark-to-market adjustment, is 27%

Two Rivers operational statistics

		Six months ended 31 December		
100% basis		2009	2008	% change
Cash operating profit/(loss)	R million	364	(232)	
Tonnes milled	Mt	1.48	1.32	12
Head grade	g/t,6E	4.05	4.22	(4)
PGMs in concentrate	Ounces,6E	150 721	121 678	24
Average basket price	R/kg,6E	219 138	287 602	(24)
Average basket price	$/oz,6E	896	1 011	(11)
Cash operating margin**	%	37	(73)	-
Cash cost	R/kg,6E	131 146	139 771	(6)
Cash cost	R/tonne	416	402	4
Cash cost	R/Pt oz	8 503	9 073	(6)
Cash cost	R/PGM oz,6E	4 079	4 347	(6)
Cash cost	$/oz,6E	536	491	9
Capex	R million	55	139	(61)
Headline earnings attributable to ARM (55%)	R million	72	(182)	

** The cash operating margin, excluding June debtors realised mark-to-market adjustment, is 34%

Nkomati operational statistics

		Six months ended 31 December		
100% basis		2009	2008	% change
Cash operating profit	R million	267	87	205
Cash operating profit-Nickel Mine	R million	151	(279)	
Cash operating profit-Chrome Mine	R million	116	366	(68)
Cash operating margin**	%	40	18	-
Tonnes milled	Thousand	1 220	678	80
Head grade	% nickel	0.50	0.54	(7)
Nickel on-mine cash cost per tonne milled	R/tonne	253	351	(28)
Cash cost net of by-products***	US$/lb	2.91	0.27	>500
Contained metal				
Nickel	Tonnes	3 785	2 495	52
PGMs	Ounces	18 730	16 134	16
Copper	Tonnes	1 846	1 401	32
Cobalt	Tonnes	232	143	63
Chrome ore sold	Tonnes	295 147	346 823	(15)

Chrome concentrate sold	Tonnes	143 193	-	
Headline earnings attributable to ARM (50%)	R million	36	24	50

** The cash operating margin, excluding June debtors realised mark-to-market adjustment, is 40%

*** This reflects US dollar cash costs net of by-products per pound of nickel produced

ARM Platinum comprises three operating mines, Modikwa Two Rivers and Nkomati. It has an effective interest of 41.5% in Modikwa where local communities hold an 8.5% effective interest. The remaining 50% is held by Anglo Platinum. Two Rivers is a joint venture with Implats, with ARM holding 55% and Implats 45%. Nkomati is a 50:50 partnership with Norilsk Nickel Africa. ARM Platinum also has an interest in Kalplats, which comprises two joint ventures with PLA. ARM Platinum's current interest in Kalpats is 90% and PLA can earn-in up to 49% ownership of the project by completing a bankable feasibility study.

ARM Coal

Headline earnings contribution from ARM Coal decreased from R176 million for the six months to 31 December 2008 to R36 million for the six months ended 31 December 2009. Operating margins decreased to 34% (1H F2009: 47%) as a result of a decline in local and international prices due to a decrease in demand, compounded by the stronger Rand to the US Dollar.

Total saleable production attributable to ARM decreased by 5% compared to the previous review period.

Export sales volumes attributable to ARM increased by 13% compared to the previous reporting period but domestic sales decreased by 27% mainly as a result of a decrease in demand by local customers due to the downturn in the local economy.

Total revenue attributable to ARM decreased by 25% during the period under review as a result of lower volumes and a decrease in sales prices. During the six months to December 2009 approximately 61% of ARM Coal's production was exported.

ARM Coal operational statistics

		Six months ended 31 December		
		2009	2008	% change
Total production sales				
Saleable production	Mt	11.72	12.14	(4)
Export thermal coal sales	Mt	6.92	6.14	13
Domestic thermal coal sales	Mt	4.40	5.65	(22)
Attributable production and sales				
Saleable production	Mt	2.41	2.54	(5)
Export thermal coal sales	Mt	1.42	1.26	13
Domestic thermal coal sales	Mt	0.89	1.21	(27)
Average received coal price				
Export (FOB)	US$/tonne	65.04	77.81	(16)
Domestic (FOR)	R/tonne	100.69	145.56	(31)
On-mine saleable cost	R/tonne	200.27	184.26	5
Cash operating profit				
Total	R million	1 029	2 342	(56)
Attributable	R million	218	485	(54)
Headline earnings attributable				

to ARM	36	176	(80)

Earnings from ARM Coal attributable to ARM are negatively impacted by a number of accounting issues:

- the IFRS accounting requirement related to imputed interest on the Xstrata debt facilitation; and

- additional amortisation at the ARM level provided as a result of the IFRS purchase price allocation rules.

Reconciliation

	Six months ended 31 December	
R million	2009	2008
ARM attributable headline earnings reported	36	176
Add: additional amortisation	28	4
Imputed interest on Xstrata R4 billion debt facilitation	19	17
Less: Taxation	13	6
ARM attributable headline earnings excluding IFRS adjustment	69	191
Add: normal interest	1	50
Add: normal amortisation	121	170
Add: taxation	27	74
ARM's attributable operating profit	218	485

Total figures reflected above relate to 100% of the Xstrata Coal South Africa ("XCSA") Operations plus Goedgevonden. Attributable figures relate to ARM's effective 20,2% of XCSA Operations and 26% of Goedgevonden.

Goedgevonden Thermal Coal Project

The Goedgevonden Thermal Coal Project is progressing well and as at 31 December 2009 about 95% of the total project costs had been committed. Commissioning of the project is progressing well and one module of the coal processing plant has achieved sustained design washing capacity during the review period. Commissioning of the second module commenced towards the end of the review period and this is expected to achieve design capacity during Q1 of the 2010 calendar year. The major overhaul on the dragline was completed in the review period and it was commissioned in January 2010.

A long-term 17-year coal supply agreement was concluded with Eskom in December 2009 and supply of coal in terms of this agreement has already commenced.

ARM's economic interest in XCSA as at 31 December 2009 remains at 20,2%. ARM Coal holds a 20% participating interest in XCSA's Operations which consists of 12 mines all situated in Mpumalanga, as well as a 51% interest in the Goedgevonden Coal (GGV) project situated near Ogies in Mpumalanga. ARM holds 51% of ARM Coal as well as a 10% direct investment in XCSA's Operations.

ARM Exploration

The Vale/ARM joint venture has constituted a steering committee and a dedicated management team has been put in place to implement the strategy of growing ARM's copper business in southern Africa. The JV's priority projects are the Konkola North Copper Project ("Konkola North") in Zambia where a bankable feasibility study is nearing completion, and the copper-cobalt exploration project in the DRC ("Kalumines").

The bankable feasibility study of the Konkola North project has advanced and is scheduled for completion in June 2010. A total of 23 boreholes have been completed for 12 082 metres (out of a total of 22 000 metres), including six geotechnical boreholes. The additional drilling will increase the confidence of the mineable reserves of the ore body. A mining consultant, under the direction of the Vale/ARM JV team, has reviewed the previous feasibility study, has included scope changes (i.e. the decline access, another ventilation shaft and changes to the mining method in certain places), and has reviewed the capital and operating costs of the proposed mine. An updated Environmental Impact Assessment study has been submitted to the authorities in Zambia, and approval is expected in the near future.

In the DRC, at the Kalumines property, a 12 000 metres exploration drilling programme has commenced in November 2009 on the Lupoto and Kasonta prospects, and 5 061 metres of drilling has been completed to 31 December 2009.

The Otjikoto Gold Project in Namibia has nearly 2 million ounces of gold in the indicated and inferred category with a large land holding of prospective geology. The JV's strategy in southern Africa is to focus on copper and base metals, and a decision has been taken to sell the gold asset in Namibia. An independent broking institution has been appointed to procure a potential purchaser.

ARM Exploration has as its main objective the identification and assessment of exploration and mineral business opportunities for base metals, PGMs, ferrous metals and coal in sub-Saharan Africa. A key focus area is the development of the Vale/ARM JV assets.

The earnings loss attributable to ARM for the six months to end December 2009 is R85 million (1H F2009: R454 million), comprising mainly costs associated with the feasibility study, exploration, finance and administration costs.

Harmony

Harmony reported total headline earnings for the period under review of R156 million (1H F2009: R427 million), and a decrease in cash operating profit of 29.7% to R1 351 million (1H F2009: R1 921 million). Gold production for the period was 1.2% lower at 23 283 kilograms (1H F2009: 23 554 kilograms), with cash costs 17.0% higher at R190 172/kg (1H F2009: R162 550/kg).

As part of its stated strategy Harmony continues to focus on the turnaround and restructuring of the business for more quality ounces. Restructuring during the period under review lead to a loss of ounces as Harmony seeks to eliminate high cost ounces from its production profile.

Harmony continues to work on the commissioning of growth projects and on production planning for the Pamodzi Gold Free State assets.

During the review period, Harmony declared a dividend of 50 cents per share; R32 million accruing to ARM.

The ARM balance sheet as at 31 December 2009 reflects a mark-to-market investment in Harmony of R4 823 million, which is based on a Harmony share price of R75.79. Changes in the value of the investment in Harmony are accounted for by ARM through the statement of comprehensive income net of deferred capital gains tax. The investment reflected at market value in the balance sheet represents approximately 13% of ARM's market capitalisation of R36.9 billion as at 31 December 2009, compared to 18% as at 30 June 2009.

Harmony's results for the quarter and six months ended 31 December 2009 can be viewed on Harmony's website at www.harmony.co.za

ARM BBEE Trust

On 10 December 2009 the ARM Broad-based Economic Empowerment Trust (the "ARM

BBEE Trust"), which holds approximately 10% of the share capital of ARM, announced a cash distribution of R8.9 million to the beneficiaries of the Trust. Previous cash distributions amounted to R24.5 million in 2008 and R7.6 million in 2007. To date the ARM BBEE Trust has distributed approximately R41 million to the beneficiaries.

The beneficiaries of the ARM BBEE Trust are five ARM Provincial Rural Upliftment Trusts, the National Women's Upliftment Trust, the ZCC Church Trust, the South African Democratic Teachers Union ("SADTU") and National Education, Health and Allied Workers Union ("NEHAWU") which together represent approximately 400 000 workers, numerous entrepreneurs, community leaders, women and youth-owned SMMEs.

Outlook

Conditions in the global economic markets have begun showing signs of improvement, albeit at a much more subdued pace in the United States and in Europe. This was evident during the last half of the reporting period under review where signs of the recovery became evident in the increased Dollar prices for commodities.

The concern remains however that the current strength of the Rand against the US Dollar will continue to erode the gains made in Dollar commodity prices.

Having continued with the development of our long-term growth projects (even during the recessionary period) ARM is now well positioned to take advantage of an upswing in commodity demand as the long-term growth projects' ramp up coincides with improving commodity markets.

ARM continues to seek opportunities for further growth and in the period under review began expenditure to expand the Khumani iron ore mine by a further 6 mtpa; 4 mtpa of which will be for the export market. Completion of this project is expected in mid-2012. The phase 2b of the Nkomati mine is on schedule while the ramp up at Goedgevonden is also on track.

Notwithstanding the improved outlook ARM continues to focus on cost control and capital management as it aims to have its operations within the 50th percentile of the global unit cost curves, at steady-state production, by 2012.

As a globally competitive company, ARM is committed to paying dividends to shareholders. The payment of dividends will continue to be reviewed on an annual basis by the Board.

ARM continues to deliver on its 2 x 2010 growth strategy.

Signed on behalf of the Board

PT Motsepe	AJ Wilkens
Executive Chairman	Chief Executive Officer

Johannesburg
22 February 2010

Group Statement of Financial Position
as at 31 December 2009

	Unaudited	Unaudited	Audited
	Six months ended		Year ended

	Note	31 December 2009 Rm	2008 Rm	30 June 2009 Rm
ASSETS				
Non-current assets				
Property, plant and equipment		12 254	10 485	11 500
Investment property		14	14	12
Intangible assets		212	214	213
Deferred tax assets		37	23	32
Loans and long-term receivables		20	4	134
Financial assets		82	71	78
Inventories		160	222	169
Investment in associate		1 389	1 394	1 327
Other investments	2	4 833	6 227	5 101
		19 001	18 654	18 566
Current assets				
Inventories		2 048	1 927	1 854
Trade and other receivables		1 901	4 026	1 565
Taxation		45	10	1
Cash and cash equivalents	3	2 271	3 660	3 513
		6 265	9 623	6 933
Total assets		25 266	28 277	25 499
EQUITY AND LIABILITIES				
Capital and reserves				
Ordinary share capital		11	11	11
Share premium		3 772	3 737	3 759
Other reserves		424	1 487	600
Retained earnings		11 862	11 152	11 779
Equity attributable to equity holders of ARM		16 069	16 387	16 149
Non-controlling interest		676	635	602
Total equity		16 745	17 022	16 751
Non-current liabilities				
Long-term borrowings	4	2 743	1 228	1 364
Deferred tax liabilities		2 496	2 223	2 277
Long-term provisions		437	377	401
		5 676	3 828	4 042
Current liabilities				
Trade and other payables		1 534	2 985	1 637
Short-term provisions		163	131	158
Taxation		219	1 319	531
Overdrafts and short-term borrowings	4	929	2 992	2 380
		2 845	7 427	4 706
Total equity and liabilities		25 266	28 277	25 499

Group Income Statement
for the six months ended 31 December 2009

	Note	Unaudited Six months ended 31 December 2009 Rm	Unaudited 2008 Rm	Audited Year ended 30 June 2009 Rm
Revenue		4 386	6 710	10 674
Sales		4 202	6 416	10 094
Cost of sales		(3 088)	(3 158)	(6 048)
Gross profit		1 114	3 258	4 046
Other operating income		438	630	916
Other operating expenses		(808)	(575)	(1 255)
Profit from operations before				

exceptional items		744	3 313	3 707
Income from investments		136	205	414
Finance costs		(93)	(224)	(385)
Income from associate*		15	180	147
Profit before taxation and exceptional items		802	3 474	3 883
Exceptional items	5	-	(33)	514
Profit before taxation		802	3 441	4 397
Taxation	7	(276)	(1 375)	(1 727)
Profit for the period		526	2 066	2 670
Attributable to:				
Non-controlling interest		74	(165)	(198)
Equity holders of ARM		452	2 231	2 868
		526	2 066	2 670
Additional information				
Headline earnings (R million)	6	454	2 232	2 317
Headline earnings per share (cents)		214	1 055	1 094
Basic earnings per share (cents)		213	1 054	1 355
Fully diluted basic earnings per share (cents)		211	1 037	1 336
Fully diluted headline earnings per share (cents)		212	1 037	1 079
Number of shares in issue at end of period (thousands)		212 260	211 631	212 068
Weighted average number of shares in issue (thousands)		212 135	211 611	211 707
Weighted average number of shares used in calculating fully diluted earnings per share (thousands)		214 083	215 187	214 737
Net asset value per share (cents)		7 570	7 743	7 615
EBITDA (R million)		1 209	3 675	4 484
* Exceptional items included in income from associate (R million)		-	27	27
Dividend declared after year end (cents)		-		175

Group Statement of Comprehensive Income
for the six months ended 31 December 2009

	Revaluation of listed investments Rm	Foreign exhange trans lation reserve Rm	Other Rm	Retained earnings Rm
Six months ended 31 December 2009 (Unaudited)				
Profit for the period	-	-	-	452
Other comprehensive income:				
Net impact of revaluation of listed investment	(230)	-	-	-
Revaluation of listed investment	(268)	-	-	-
Deferred tax on revaluation of listed investment	38	-	-	-
Exchange differences in translation of foreign operations	-	(13)	-	-
Net share of cashflow hedge in associate	-	-	45	-
Other	-	-	(2)	2

Total comprehensive income for the period	(230)	(13)	43	454
Six months ended 31 December 2008 (Unaudited)				
Profit for the period	-	-	-	2 231
Other comprehensive income:				
Net impact of revaluation of listed investment	148	-	-	-
Revaluation of listed investment	172	-	-	-
Deferred tax on revaluation of listed investment	(24)	-	-	-
Exchange differences in translation of foreign operations	-	(61)	-	-
Other	-	-	(2)	2
Total comprehensive income for the period	148	(61)	(2)	2 233
Year ended 30 June 2009 (Audited)				
Profit for the year	-	-	-	2 868
Other comprehensive income:				
Net impact of revaluation of listed investment	(820)	-	-	-
Revaluation of listed investment	(954)	-	-	-
Deferred tax on revaluation of listed investment	134	-	-	-
Exchange differences in translation of foreign operations	-	(43)	-	-
Dilution of interest in TEAL	-	19	29	-
Share appreciation rights:				
TEAL - minority share	-	-	14	-
Premium paid on purchase in non-controlling interest	-	-	15	-
Foreign currency translation reserve realised	-	19	-	-
Other	-	-	10	(8)
Total comprehensive income for the year	(820)	(24)	39	2 860

	Total share-holders of ARM Rm	Non-controlling interest Rm	Total Rm
Six months ended 31 December 2009 (Unaudited)			
Profit for the period	452	74	526
Other comprehensive income:			
Net impact of revaluation of listed investment	(230)	-	(230)
Revaluation of listed investment	(268)	-	(268)

Deferred tax on revaluation of listed investment	38	-	38
Exchange differences in translation of foreign operations	(13)	-	(13)
Net share of cashflow hedge in associate	45	-	45
Other	-	-	-
Total comprehensive income for the period	254	74	328
Six months ended 31 December 2008 (Unaudited)			
Profit for the period	2 231	(165)	2 066
Other comprehensive income:			
Net impact of revaluation of listed investment	148	-	148
Revaluation of listed investment	172	-	172
Deferred tax on revaluation of listed investment	(24)	-	(24)
Exchange differences in translation of foreign operations	(61)	-	(61)
Other	-	-	-
Total comprehensive income for the period	2 318	(165)	2 153
Year ended 30 June 2009 (Audited)			
Profit for the year	2 868	(198)	2 670
Other comprehensive income:			
Net impact of revaluation of listed investment	(820)	-	(820)
Revaluation of listed investment	(954)	-	(954)
Deferred tax on revaluation of listed investment	134	-	134
Exchange differences in translation of foreign operations	(43)	-	(43)
Dilution of interest in TEAL	48	-	48
Share appreciation rights: TEAL - minority share	14	-	14
Premium paid on purchase in non-controlling interest	15	-	15
Foreign currency translation reserve realised	19	-	19
Other	2	-	2
Total comprehensive income for the year	2 055	(198)	1 857

Group Statement of Changes in Equity
for the six months ended 31 December 2009

	Share capital and premium Rm	Revaluation of listed invest-ments Rm	Other Rm	Retained earnings Rm
Six months ended 31 December 2009 (Unaudited)				
Balance at 30 June 2009	3 770	370	230	11 779
Total comprehensive income for the period	-	(230)	30	454
Share based payments	-	-	24	-
Share options exercised	13	-	-	-

Dividend paid	-	-	-	(371)
Balance at 31 December 2009	3 783	140	284	11 862
Six months ended 31 December 2008 (Unaudited)				
Balance at 30 June 2008	3 744	1 190	176	9 766
Total comprehensive income for the period	-	148	(63)	2 233
Share based payments	-	-	36	-
Share options exercised	4	-	-	-
Dividends paid	-	-	-	(847)
Balance at 31 December 2008	3 748	1 338	149	11 152
Year ended 30 June 2009 (Audited)				
Balance at 30 June 2008	3 744	1 190	176	9 766
Total comprehensive income for the year	-	(820)	15	2 860
Share based payments	-	-	64	-
Share options paid in cash	-	-	(25)	-
Share options exercised	26	-	-	-
Dividends paid	-	-	-	(847)
Balance at 30 June 2009	3 770	370	230	11 779

	Total share-holders of ARM Rm	Non-controlling interest Rm	Total Rm
Six months ended 31 December 2009 (Unaudited)			
Balance at 30 June 2009	16 149	602	16 751
Total comprehensive income for the period	254	74	328
Share based payments	24	-	24
Share options exercised	13	-	13
Dividend paid	(371)	-	(371)
Balance at 31 December 2009	16 069	676	16 745
Six months ended 31 December 2008 (Unaudited)			
Balance at 30 June 2008	14 876	800	15 676
Total comprehensive income for the period	2 318	(165)	2 153
Share based payments	36	-	36
Share options exercised	4	-	4
Dividends paid	(847)	-	(847)
Balance at 31 December 2008	16 387	635	17 022
Year ended 30 June 2009 (Audited)			
Balance at 30 June 2008	14 876	800	15 676
Total comprehensive income for the year	2 055	(198)	1 857
Share based payments	64	-	64
Share options paid in cash	(25)	-	(25)
Share options exercised	26	-	26

Dividends paid	(847)	-	(847)
Balance at 30 June 2009	16 149	602	16 751

Group Statement of Cash Flows
for the six months ended 31 December 2009

	Note	Unaudited Six months ended 31 December 2009 Rm	Unaudited Six months ended 31 December 2008 Rm	Audited Year ended 30 June 2009 Rm
CASH FLOW FROM OPERATING ACTIVITIES				
Cash receipts from customers		4 318	7 017	13 432
Cash paid to suppliers and employees		(3 423)	(2 464)	(6 754)
Cash generated from operations	8	895	4 553	6 678
Interest received		96	204	406
Interest paid		(81)	(140)	(328)
Dividends received		32	85	118
Dividends paid		(371)	(847)	(847)
Taxation paid		(377)	(1 057)	(1 977)
Net cash inflow from operating activities		194	2 798	4 050
CASH FLOW FROM INVESTING ACTIVITIES				
Additions to property, plant and equipment to maintain operations		(237)	(745)	(927)
Additions to property, plant and equipment to expand operations		(976)	(1 031)	(2 337)
Proceeds on disposal of property, plant and equipment		2	6	9
Proceeds on disposal of 50% in TEAL		-	-	120
Net cash outflow from investing activities		(1 211)	(1 770)	(3 135)
CASH FLOW FROM FINANCING ACTIVITIES				
Proceeds on exercise of share options		13	4	27
Share options settled in cash		-	-	(25)
Long-term borrowings raised		803	225	259
Long-term borrowings repaid		(491)	(81)	(312)
Decrease in short-term borrowings		(546)	(211)	(120)
Net cash outflow from financing activities		(221)	(63)	(171)
Net (decrease)/increase in cash and cash equivalents		(1 238)	965	744
Cash and cash equivalents at beginning of period		3 325	2 594	2 594
Foreign currency translation on cash balances		(5)	(11)	(13)
Cash and cash equivalents at end of period		2 082	3 548	3 325
Cash generated from operations per share (cents)		422	2 152	3 154

Notes to the Financial Statements
for the six months ended 31 December 2009

1. Basis of preparation

The consolidated Group financial statements for the half-year ended 31 December 2009 have been prepared in accordance with International Financial Reporting Standards (IFRS) on a historical cost convention, as modified by the revaluation of available-for-sale financial assets, and financial assets and financial liabilities (including derivative instruments) at fair value through the income statement or the statement of changes in equity.

These consolidated financial statements are prepared in accordance with IAS 34 - Interim Financial Reporting.

The consolidated Group financial statements for the half-year ended 31 December 2009 have been prepared adopting the same accounting policies used in the most recent annual financial statements. The Group generally does not apply hedge accounting, but one of its associates does and the effect is shown under comprehensive income.

The Group has adopted all the new and revised standards and interpretations issued by the International Financial Reporting Interpretation Committee (IFRIC) of the IASB that became effective 1 January 2009. There were no financial effects as a result of these. Disclosure issues will be addressed in the June 2010 annual report.

	Unaudited	Unaudited	Audited
	Six months ended 31 December		Year ended 30 June
	2009	2008	2009
	Rm	Rm	Rm
2. INVESTMENTS			
Listed			
Opening balance	5 091	6 045	6 045
Unrealised revaluation gain/(loss) for the period	(268)	172	(954)
	4 823	6 217	5 091
Other	10	10	10
Total carrying amount of investments	4 833	6 227	5 101
3. CASH AND CASH EQUIVALENTS			
- African Rainbow Minerals Limited	599	622	1 323
- Assmang Limited	814	2 107	1 624
- ARM Platinum (Pty) Limited	260	447	248
- Kingfisher Insurance Co Limited	134	127	77
- Mannequin Insurance PPC Limited	91	176	63
- Nkomati	63	47	53
- Two Rivers Platinum (Pty) Limited	6	27	20
- Vale/ARM joint venture	12	7	5
- Restricted cash	292	100	100
Cash and cash equivalents per balance sheet	2 271	3 660	3 513
Less overdrafts	189	112	188
Cash and cash equivalents per cash flow	2 082	3 548	3 325

	Unaudited	Unaudited	Audited
	Six months ended 31 December		Year ended 30 June
	2009	2008	2009
	Rm	Rm	Rm
4. BORROWINGS			
Long-term borrowings are held as follows:			
- African Rainbow Minerals Limited	979	-	-
- Assmang Limited	5	9	6
- ARM Coal (Pty) Limited	1 609	1 069	1 135
- ARM Platinum (Pty) Limited	2	3	3

- Two Rivers Platinum (Pty) Limited	148	147	160
- Vale/ARM joint venture	-	-	60
	2 743	1 228	1 364
Overdrafts and short-term borrowings are held as follows:			
- African Rainbow Minerals Limited	-	1 308	967
- Assmang Limited	5	7	7
- ARM Platinum (Pty) Limited	144	-	138
- ARM Coal (Pty) Limited	-	35	-
- Nkomati	-	97	149
- Vale/ARM joint venture	8	850	335
- Two Rivers Platinum (Pty) Limited			
- Short-term borrowings	196	73	208
- Two Rivers Platinum (Pty) Limited			
- Implats shareholders loan	539	586	539
- Other	37	36	37
	929	2 992	2 380
Total borrowings	3 672	4 220	3 744

Interest of R31 million was capitalised for the half-year ended 31 December 2009 (31 December 2008: R71 million, 30 June 2009: R77 million).

5. EXCEPTIONAL ITEMS

Impairment of property, plant and equipment	-	(30)	(43)
Profit on sale of property, plant and equipment	1	-	-
Loss on sale of property, plant and equipment	(1)	-	-
Surplus on dilution in TEAL to 50%	-	-	557
Other	-	(3)	-
Exceptional items per income statement	-	(33)	514
Impairment of assets	2	-	-
Capital portion of insurance claim at Cato Ridge	-	-	14
Profit/(loss) on disposal of property, plant and equipment	-	5	(4)
Profit on asset swap in DTJV - ARM Coal	-	27	27
Net exceptional items	(2)	(1)	551

6. HEADLINE EARNINGS

Basic earnings per income statement	452	2 231	2 868
Impairment of assets	2	30	43
(Profit)/loss on sale of property, plant and equipment	-	(5)	4
Profit on asset swap in DTJV - ARM Coal	-	(27)	(27)
Capital portion of insurance claim at Cato Ridge	-	-	(14)
Surplus on dilution in TEAL to 50%	-	-	(557)
Other	-	3	-
Headline earnings	454	2 232	2 317

for the six months ended 31 December 2009

	Unaudited	Unaudited	Audited
	Six months ended 31 December		Year ended 30 June
	2009	2008	2009
	Rm	Rm	Rm
7. TAXATION			
South African normal tax - current year	40	973	979
South African normal tax - prior year	(51)	-	50
State's share of profits	10	245	234
Deferred tax - current year	252	41	248
Secondary Tax on Companies	25	116	216

	276	1 375	1 727

8. CASH GENERATED FROM OPERATIONS BEFORE WORKING CAPITAL MOVEMENTS

Cash generated from operations (per cash flow)	895	4 553	6 678
Working capital changes	348	(653)	(1 616)
Movement in receivables	315	(70)	(2 374)
Movement in payables	(156)	(1 428)	(164)
Movement in inventories	189	845	922
Cash generated from operations before working capital movement	1 243	3 900	5 062

9. COMMITMENTS AND CONTINGENT LIABILITIES

Commitments in respect of future capital expenditure will be funded from operating cash flows and utilising debt facilities at entity and corporate levels, are summarised below:

Approved by directors			
- contracted for	4 163	1 498	3 647
- not contracted for	876	1 715	908
Total commitments	5 039	3 213	4 555

Contingent liabilities

Shareholders are advised that there have been no significant changes to the contingent liabilities of the Group as disclosed in the June 2009 annual report.

	ARM Platinum Division			
	Platinum Rm	Nickel Rm	Ferrous metals Rm	Coal Rm
10. SEGMENTAL INFORMATION				
Primary segmental information				
Six months ended 31 December 2009 (Unaudited)				
Sales				
External sales	1 523	334	2 301	44
Cost of sales	(1 155)	(255)	(1 673)	(20)
Other operating income	9	22	39	-
Other operating expenses	(42)	(53)	(232)	-
Segment result	335	48	435	24
Income from investments	9	3	49	-
Finance cost	(18)	(1)	(1)	5
Finance cost: Shareholders loans: partners	(21)	-	-	-
Finance cost: Shareholders loans: ARM	(26)	-	-	-
Income from associate	-	-	-	15
Exceptional items	(1)	-	1	-
Taxation	(78)	(14)	(181)	(8)
Non-controlling interest	(70)	-	-	-
Contribution to earnings	130	36	303	36
Contribution to headline earnings	131	36	302	36
Other information				
Segment assets including investment in associate	5 578	2 052	8 112	3 284
Investment in associate				1 389

Segment liabilities	1 546	190	760	1 680
Taxation				
Consolidated total liabilities				
Cash generated from operations	260	91	384	(28)
Cash in/(out) flow from operating activities	211	90	92	(28)
Cash outflow from investing activities	(82)	(289)	(644)	(191)
Cash (out)/inflow from financing activities	(40)	(150)	(1)	222
Capital expenditure	89	294	619	220
Amortisation and depreciation	163	52	223	21
EBITDA	498	100	658	45

	Exploration Rm	Corporate* and other Rm	Gold Rm	Total Rm
10. SEGMENTAL INFORMATION				
Primary segmental information				
Six months ended 31 December 2009 (Unaudited)				
Sales				
External sales	-	-	-	4 202
Cost of sales	-	15	-	(3 088)
Other operating income	-	368**	-	438
Other operating expenses	(64)	(417)**	-	(808)
Segment result	(64)	(34)	-	744
Income from investments	7	68	-	136
Finance cost	(6)	(1)	-	(22)
Finance cost: Shareholders loans: partners	(3)	-	-	(24)
Finance cost: Shareholders loans: ARM	(21)	-	-	(47)
Income from associate	-	-	-	15
Exceptional items	-	-	-	-
Taxation	-	5	-	(276)
Non-controlling interest	-	(4)	-	(74)
Contribution to earnings	(87)	34	-	452
Contribution to headline earnings	(85)	34	-	454
Other information				
Segment assets including investment in associate	299	1 118	4 823	25 266
Investment in associate				1 389
Segment liabilities	49	1 581	-	5 806
Taxation				2 715
Consolidated total liabilities				8 521
Cash generated from operations	(105)	293	-	895
Cash in/(out) flow from operating activities	(106)	(65)	-	194
Cash outflow from investing activities	(1)	(4)	-	(1 211)
Cash (out)/inflow from financing activities	71	(323)	-	(221)

Capital expenditure	1	4	-	1 227
Amortisation and depreciation	4	2	-	465
EBITDA	(60)	(32)	-	1 209

* Corporate, other companies and consolidation adjustments

** Other operating income and other operating expenses have both been increased by R273 million due to the grossing up of insurance amounts paid and received by ARM's two wholly owned insurance entities

	ARM Platinum Division			
	Platinum Rm	Nickel Rm	Ferrous metals Rm	Coal Rm
10. SEGMENTAL INFORMATION (continued)				
Six months ended 31 December 2008 (Unaudited)				
Sales				
External sales	563	250	5 464	88
Cost of sales	(1 144)	(225)	(1 562)	(47)
Other operating income	4	36	478	-
Other operating expenses	5	(29)	(168)	-
Segment result	(572)	32	4 212	41
Income from investments	52	5	105	-
Finance cost	(46)	(1)	(14)	(9)
Finance cost Implats: Shareholders loan Two Rivers	(36)	-	-	-
Finance cost ARM: Shareholders loan Two Rivers	(44)	-	-	-
Income from associate	-	-	-	180
Exceptional items	-	(1)	-	-
Taxation	188	(12)	(1 486)	(9)
Non-controlling interest	165	-	-	-
Contribution to earnings	(293)	23	2 817	203
Contribution to headline earnings	(293)	24	2 812	176
Other information				
Segment assets including investment in associate	5 508	1 330	9 726	3 156
Investment in associate				1 394
Segment liabilities	1 287	247	1 042	1 563
Taxation				
Consolidated total liabilities				
Cash generated from operations	626	173	3 796	143
Cash in/(out) flow from operating activities	629	177	2 871	227
Cash outflow from investing activities	(290)	(449)	(746)	(276)
Cash (out)/inflow from financing activities	(368)	97	(253)	142
Capital expenditure	275	452	729	347
Amortisation and depreciation	166	12	166	12
EBITDA	(406)	44	4 373	53

Corporate*

	Explora-tion Rm	and other Rm	Gold Rm	Total Rm
10. SEGMENTAL INFORMATION (continued)				
Six months ended 31 December 2008 (Unaudited)				
Sales				
External sales	51	-	-	6 416
Cost of sales	(188)	8	-	(3 158)
Other operating income	2	110	-	630
Other operating expenses	(296)	(87)	-	(575)
Segment result	(431)	31	-	3 313
Income from investments	2	41	-	205
Finance cost	(21)	(53)	-	(144)
Finance cost Implats: Shareholders loan Two Rivers	-	-	-	(36)
Finance cost ARM: Shareholders loan Two Rivers	-	-	-	(44)
Income from associate	-	-	-	180
Exceptional items	(30)	(2)	-	(33)
Taxation	(4)	(52)	-	(1 375)
Non-controlling interest	-	-	-	165
Contribution to earnings	(484)	(35)	-	2 231
Contribution to headline earnings	(454)	(33)	-	2 232
Other information				
Segment assets including investment in associate	434	1 906	6 217	28 277
Investment in associate				1 394
Segment liabilities	1 043	2 531	-	7 713
Taxation				3 542
Consolidated total liabilities				11 255
Cash generated from operations	(375)	190	-	4 553
Cash in/(out) flow from operating activities	(397)	(709)	-	2 798
Cash outflow from investing activities	(8)	(1)	-	(1 770)
Cash (out)/inflow from financing activities	311	8	-	(63)
Capital expenditure	9	-	-	1 812
Amortisation and depreciation	11	-	-	367
EBITDA	(420)	31	-	3 675

* Corporate, other companies and consolidation adjustments

	ARM Platinum Division			
	Platinum Rm	Nickel Rm	Ferrous metals Rm	Coal Rm
10. SEGMENTAL INFORMATION (continued)				
Year ended 30 June 2009 (Audited)				
Total sales	1 750	543	7 632	121

Inter-group sales to ARM Ferrous	-	2	-	-
Sales	1 750	541	7 632	121
Cost of sales	(2 317)	(491)	(3 007)	(84)
Other operating income	8	24	615	1
Other operating expenses	2	(48)	(462)	(1)
Segment result	(557)	26	4 778	37
Income from investments	69	8	220	-
Finance cost	(60)	(1)	(36)	(15)
Finance cost Implats: Shareholders loan Two Rivers	(70)	-	-	-
Finance cost ARM: Shareholders loan Two Rivers	(86)	-	-	-
Income from associate	-	-	-	147
Exceptional items	1	(1)	-	-
Taxation	152	(4)	(1 802)	(7)
Non-controlling interest	204	-	-	-
Contribution to earnings	(347)	28	3 160	162
Contribution to headline earnings	(348)	29	3 150	135
Other information				
Segment assets including investment in associate	5 334	1 791	8 292	2 973
Investment in associate				1 327
Segment liabilities	1 535	332	815	1 463
Unallocated - Deferred taxation and taxation				
Consolidated total liabilities				
Cash generated from operations	896	178	5 705	297
Cash in/(out) flow from operating activities	830	177	4 034	414
Cash (out)/inflow from investing activities	(475)	(866)	(1 388)	(498)
Cash (out)/inflow from financing activities	(270)	149	(263)	211
Capital expenditure	524	878	1 335	572
Amortisation and depreciation	323	28	378	36
Impairment	-	1	-	-
EBITDA	(234)	54	5 146	73

	Exploration Rm	Corporate* and other Rm	Gold Rm	Total Rm
10. SEGMENTAL INFORMATION (continued)				
Year ended 30 June 2009 (Audited)				
Total sales	50	-	-	10 096
Inter-group sales to ARM Ferrous	-	-	-	2
Sales	50	-	-	10 094
Cost of sales	(177)	28	-	(6 048)
Other operating income	-	268	-	916
Other operating expenses	(515)	(231)	-	(1 255)

Segment result	(642)	65	-	3 707
Income from investments	6	111	-	414
Finance cost	(49)	(68)	-	(229)
Finance cost Implats: Shareholders loan Two Rivers	-	-	-	(70)
Finance cost ARM: Shareholders loan Two Rivers	-	-	-	(86)
Income from associate	-	-	-	147
Exceptional items	567	(53)	-	514
Taxation	(4)	(62)	-	(1 727)
Non-controlling interest	-	(6)	-	198
Contribution to earnings	(122)	(13)	-	2 868
Contribution to headline earnings	(689)	40	-	2 317
Other information				
Segment assets including investment in associate	483	1 535	5 091	25 499
Investment in associate				1 327
Segment liabilities	497	1 298	-	5 940
Unallocated - Deferred taxation and taxation				2 808
Consolidated total liabilities				8 748
Cash generated from operations	(550)	152	-	6 678
Cash in/(out) flow from operating activities	(554)	(851)	-	4 050
Cash (out)/inflow from investing activities	147	(55)	-	(3 135)
Cash (out)/inflow from financing activities	276	(274)	-	(171)
Capital expenditure	22	2	-	3 333
Amortisation and depreciation	20	2	-	787
Impairment	42	-	-	43
EBITDA	(622)	67	-	4 484

* Corporate, other companies and consolidation adjustments

Additional information
for the six months ended 31 December 2009

The ARM platinum segment is analysed further into Two Rivers Platinum Mine and ARM Mining Consortium (which includes Modikwa).

Platinum	Two Rivers Rm	Modikwa Rm	Platinum Rm
SEGMENTAL INFORMATION			
Six months ended 31 December 2009 (Unaudited)			
Sales			
External sales	995	528	1 523
Cost of sales	(749)	(406)	(1 155)
Other operating income	9	-	9
Other operating expenses	(15)	(27)	(42)
Segment result	240	95	335
Income from investments	1	8	9
Finance cost	(17)	(1)	(18)

Finance cost Implats: Shareholders loan Two Rivers	(21)	-	(21)
Finance cost ARM: Shareholders loan Two Rivers	(26)	-	(26)
Exceptional items	-	(1)	(1)
Taxation	(47)	(31)	(78)
Non-controlling interest	(58)	(12)	(70)
Contribution to earnings	72	58	130
Contribution to headline earnings	72	59	131
Other information			
Segment assets	3 040	2 538	5 578
Segment liabilities	1 074	472	1 546
Cash inflow from operating activities	73	138	211
Cash outflow from investing activities	(50)	(32)	(82)
Cash outflow from financing activities	(40)	-	(40)
Capital expenditure	55	34	89
Amortisation and depreciation	163	120	43
EBITDA	360	138	498
Six months ended 31 December 2008 (Unaudited)			
Sales			
External sales	320	243	563
Cost of sales	(695)	(449)	(1 144)
Other operating expenses	4	-	4
Other operating expenses	(5)	10	5
Segment result	(376)	(196)	(572)
Income from investments	16	36	52
Finance cost	(18)	(28)	(46)
Finance cost Implats: Shareholders loan Two Rivers	(36)	-	(36)
Finance cost ARM: Shareholders loan Two Rivers	(44)	-	(44)
Taxation	133	55	188
Non-controlling interest	143	22	165
Contribution to earnings	(182)	(111)	(293)
Contribution to headline earnings	(182)	(111)	(293)
Other information			
Segment assets	2 822	2 686	5 508
Segment liabilities	1 002	285	1 287
Cash inflow from operating activities	355	274	629
Cash outflow from investing activities	(154)	(136)	(290)
Cash outflow from financing activities	(157)	(211)	(368)
Capital expenditure	139	136	275
Amortisation and depreciation	133	33	166
EBITDA	(243)	(163)	(406)

for the six months ended 31 December 2009

Proforma analysis of the Ferrous segment on a 100% basis	Iron ore division Rm	Manganese division Rm	Chrome division Rm
SEGMENTAL INFORMATION			
Six months ended 31 December 2009 (Unaudited)			
Sales			
External sales	1 795	2 302	504
Other operating income	27	103	9
Other operating expenses	(106)	(276)	(144)
Operating profit	536	515	(183)

Contribution to earnings	383	355	(136)
Contribution to headline earnings	383	355	(136)
Other information			
Segment assets	6 970	7 751	1 852
Segment liabilities	1 826	2 050	605
Taxation	363	581	(686)
Cash in/(out) flow from operating activities	628	(827)	(128)
Cash outflow from investing activities	(782)	(376)	(130)
Cash in/(out) flow from financing activities	106	-	(109)
Capital expenditure	777	376	135
Amortisation and depreciation	262	131	68
EBITDA	798	646	(115)
Six months ended 31 December 2008 (Unaudited)			
Sales			
External sales	2 920	6 884	1 123
Other operating income	360	582	139
Other operating expenses	(98)	(243)	(118)
Operating profit	2 171	5 618	637
Contribution to earnings	1 542	3 641	454
Contribution to headline earnings	1 532	3 642	454
Other information			
Segment assets	5 706	11 669	2 339
Segment liabilities	1 880	1 688	468
Taxation	(306)	2 463	227
Cash inflow from operating activities	1 443	1 688	309
Cash outflow from operating activities	(863)	(409)	(219)
Cash outflow from operating activities	(368)	-	(139)
Capital expenditure	875	409	219
Amortisation and depreciation	159	112	62
EBITDA	2 330	5 730	699

Proforma analysis of the Ferrous segment on a 100% basis	Ferrous Total Rm	Attributable to ARM Rm
SEGMENTAL INFORMATION		
Six months ended 31 December 2009 (Unaudited)		
Sales		
External sales	4 601	2 301
Other operating income	139	39
Other operating expenses	(526)	(232)
Operating profit	868	435
Contribution to earnings	602	303
Contribution to headline earnings	602	302
Other information		
Segment assets	16 573	8 112
Segment liabilities	4 481	760
Taxation	258	-
Cash in/(out) flow from operating activities	(327)	92
Cash outflow from investing activities	(1 288)	(644)
Cash in/(out) flow from		

financing activities	(3)	(1)
Capital expenditure	1 288	619
Amortisation and depreciation	461	223
EBITDA	1 329	658
Six months ended 31 December 2008		
(Unaudited)		
Sales		
External sales	10 927	5 464
Other operating income	1 081	478
Other operating expenses	(459)	(168)
Operating profit	8 426	4 212
Contribution to earnings	5 637	2 817
Contribution to headline earnings	5 628	2 812
Other information		
Segment assets	19 714	9 726
Segment liabilities	4 036	1 042
Taxation	2 384	-
Cash inflow from operating activities	3 440	2 871
Cash outflow from operating activities	(1 491)	(746)
Cash outflow from operating activities	(507)	(253)
Capital expenditure	1 503	729
Amortisation and depreciation	333	166
EBITDA	8 759	4 373

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African Rainbow Minerals Limited
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(Registration number 1933/004580/06)
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