



Results for the six months ended 31 December 2005

20 February 2006

Disclaimer

Forward looking statements

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Such forward looking statements involve known and unknown risks, uncertainties and other important factors that could cause the actual results, performance or achievements of the company to be materially different from the future results, performance or achievements expressed or implied by such forward looking statements. Such risks, uncertainties and other important factors include among others: economic, business and political conditions in South Africa; decreases in the market price of commodities; hazards associated with underground and surface mining; labour disruptions; changes in government regulations, particularly environmental regulations; changes in exchange rates; currency devaluations; inflation and other macro-economic factors; and the impact of the AIDS crisis in South Africa. These forward looking statements speak only as of the date of publication of these pages.

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“Headline earnings have increased to R131 million for the six months under review, with Modikwa having reported improved results and ARM Ferrous’ earnings negatively impacted by market conditions.

We have made significant progress in the release and completion of our projects, through establishing a strong base for future growth.”

We do it better



Overview and highlights

Patrice Motsepe, Executive Chairman

Financial highlights

- Headline earnings for the six months to December 2005 of R131 million significantly higher than the R19 million for the comparable period
- Revenue for the period of R2.3 billion - similar to that of the comparative period
- Net gearing comfortably at 16% with net debt at R1.5 billion, having increased mainly as a result of the Two Rivers Platinum Project

Highlights

- ARM Ferrous results impacted by negative market conditions in the manganese operations in particular
- ARM Platinum (Modikwa Platinum and Nkomati Nickel) has been able to benefit from strong US\$ prices
- Two Rivers Platinum Project released in June 2005 shows excellent progress in development
- Dwarsrivier chrome mine completed below budget and ahead of schedule

Highlights

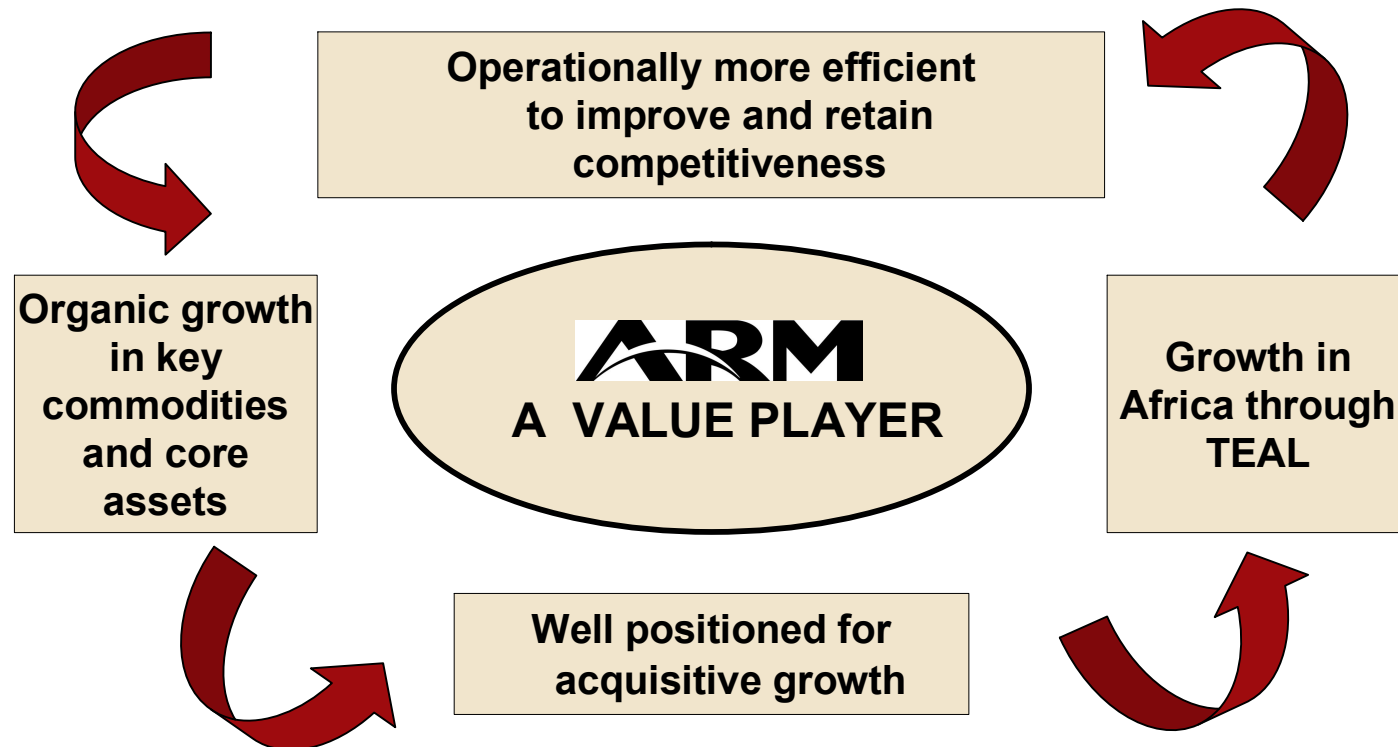
- Exploration assets outside South Africa listed through TEAL on the Toronto Stock Exchange
 - growth into Africa
- Assmang shareholders' agreement re-negotiated and delisting approved
- Release of the 8.4 million tons per annum export BKM Iron Ore Mine
- Nkomati Expansion approved from 30 000 to 100 000 tons per month

Growth strategy

- We expect similar volume demand across our commodity portfolio
 - manganese ore and ferrochrome demand, however, weaker
- We remain confident that longer term US\$ prices for bulk commodities will continue at levels higher than experienced before the 2004/2005 price increases
- Growth will be underpinned in the medium term by the favourable US\$ prices we are currently experiencing in certain commodities
 - iron ore, PGMs and gold prices will remain strong
 - ferro-manganese prices appear to have stabilised
- Logistical rail and port capacity are key to our bulk commodities' growth projections and we have made significant progress in this regard
- The continued release of growth projects will set a strong base for ARM to achieve our growth strategy to double production by 2010

WE DO IT BETTER

- Significant organic growth expected through the building of new mines and the upgrading of two operations
 - double production output by 2010
 - increased efficiencies, thereby continue to be a low cost producer



2 X 2010

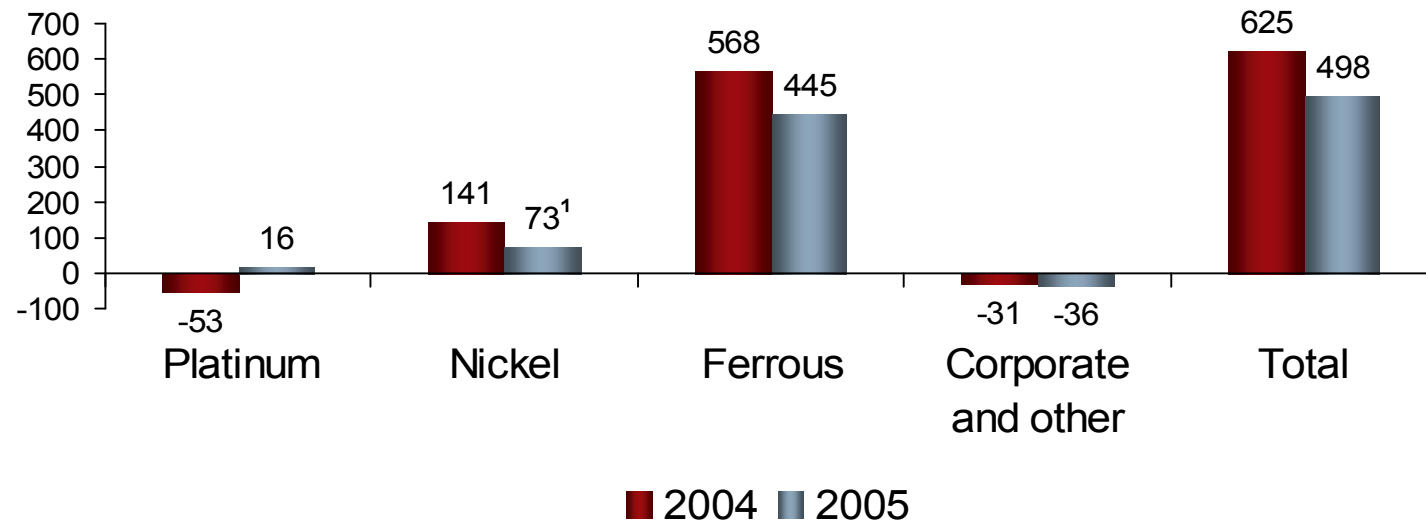


Operational review

André Wilkens, Chief Executive Officer

Profit from operations before exceptional items

Results for six months ended 31 December 2005 – R million

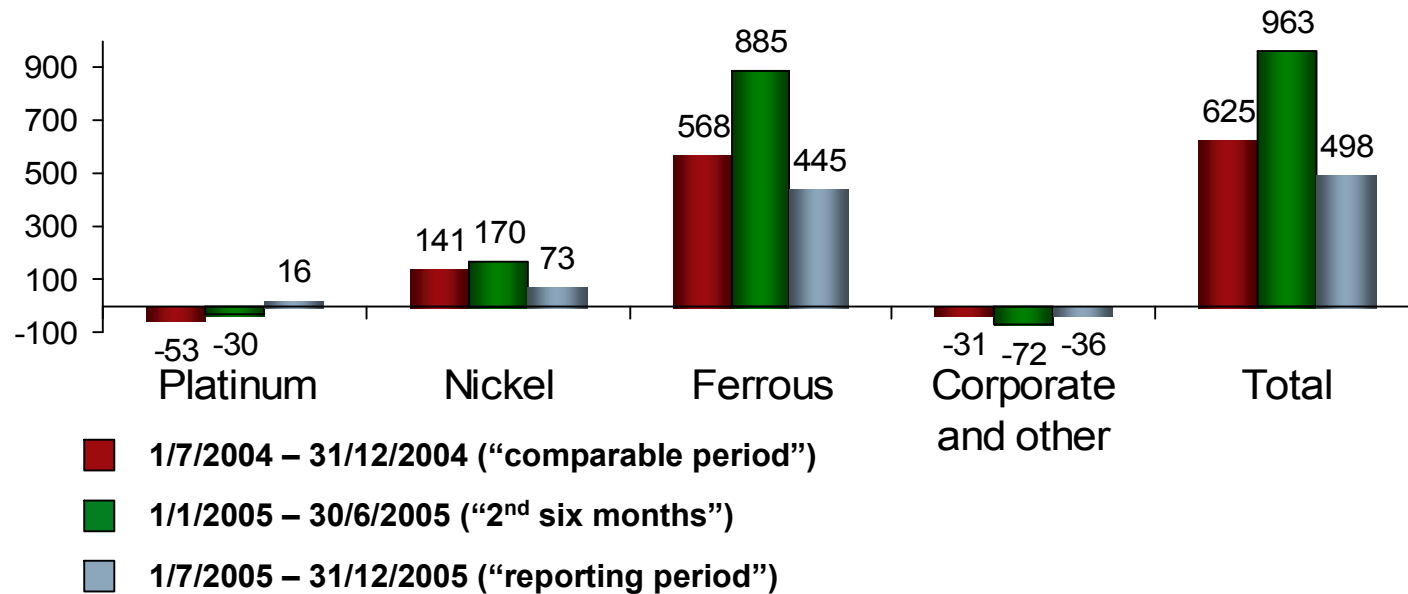


¹ - 2005 only 50% of Nkomati Nickel

- During the period under review, we have been able to benefit from the existing commodity cycle across most of our businesses
 - strong US\$ prices for platinum, nickel and gold
 - volume growth and price increases in iron ore
 - weaker prices for ferromanganese (now stabilising) and ferrochrome
 - low volume demand for manganese ore and ferrochrome

Profit from operations before exceptional items

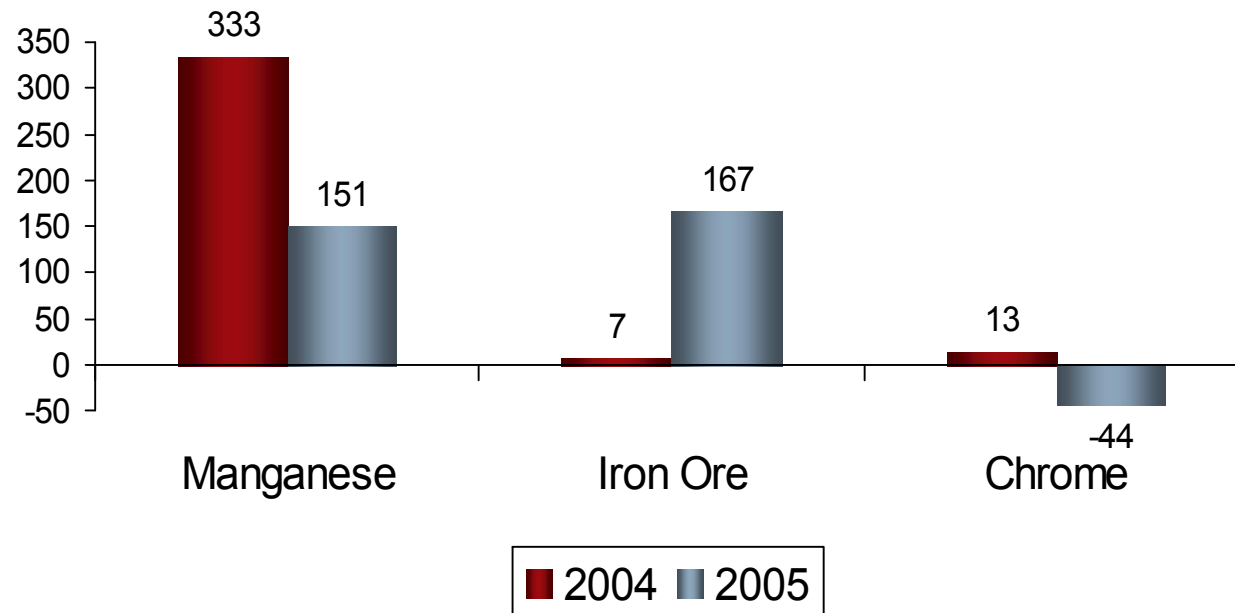
Results for six months ended 31 December 2005 – R million



- Decline in ARM Ferrous' results over reporting period vs. the 2nd six months mainly attributable to:
 - ferromanganese prices reduced from around US\$1 350 per ton to around US\$570 per ton
 - lower manganese ore prices
 - ferrochrome prices reduced from around the mid US\$0,70 cents/lb. to the mid US\$0,50 cents/lb.

Headline earnings from Assmang

Results for six months ended 31 December 2005 – R million



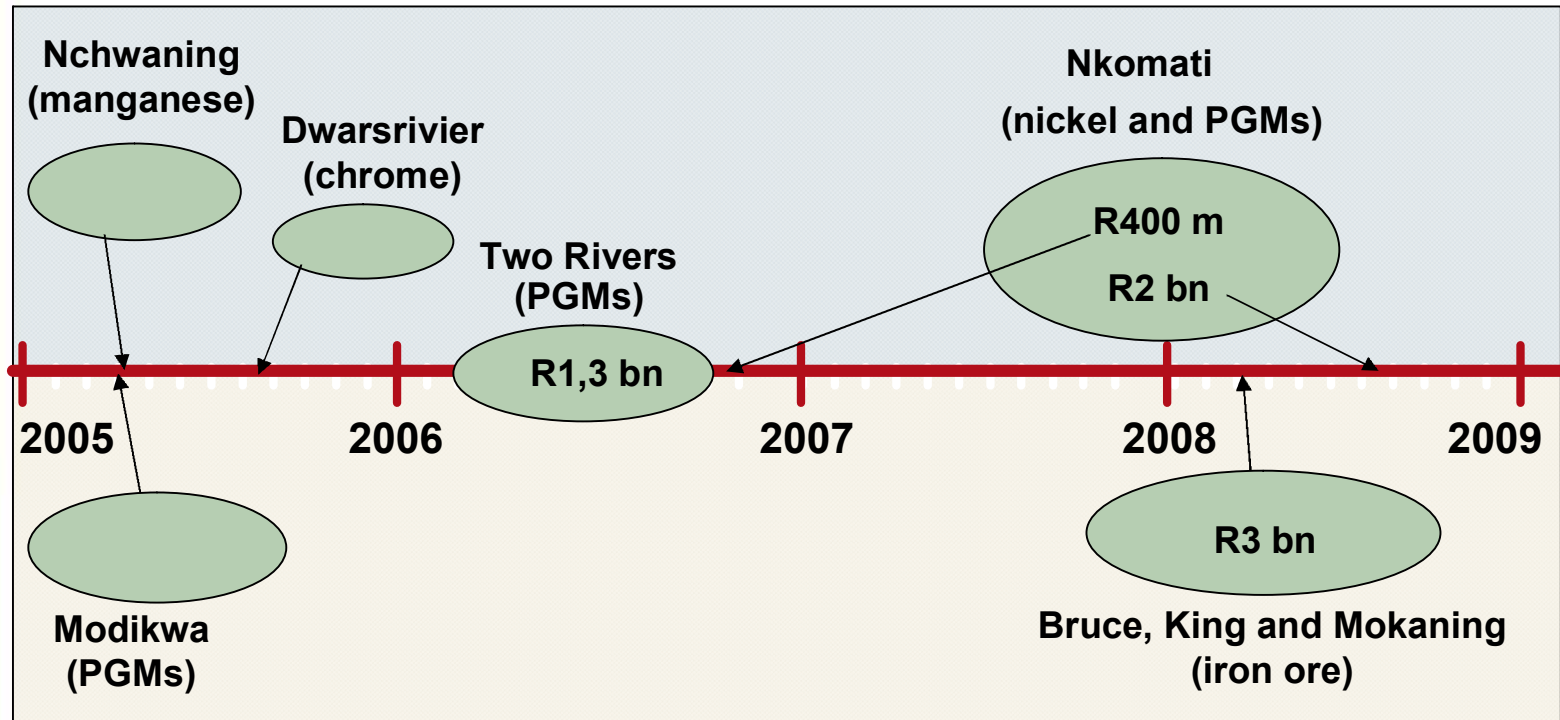
2 x 2010 growth

ARM is in the process of building new mines and further upgrading operations

	From	To	Status
Two Rivers – PGMs	–	220 000 PGM oz	✓
Modikwa – PGMs	210 000 PGM oz	350 000 PGM oz	-
Nkomati – PGMs	5 000 t Ni	16 500 t Ni 100 000 PGM oz	-
Dwarsrivier – chrome	0,65m t	1,5m t	✓
Nchwaning 3 – manganese	2,1mt	2,8mt	✓
Gloria* – manganese	190 000t	280 000t/ 700 000t	-
Beeshoek and BKM – iron ore	6,1m t	16m t	✓

* Upgrading / feasibility

Project pipeline



- Solid project pipeline
- Large resource base in key commodity sectors
- Long-life, high quality resources



ARM Ferrous - stake in Assmang

- Revenue flat at R1.9 billion
 - increased volumes of iron ore and manganese alloys
 - manganese ore volumes significantly less than for the comparable period
 - weaker US\$ prices for manganese alloys and ferrochrome (particularly when compared to first half of 2005 calendar year)
- Continued success in increased efficiencies and lower costs
 - Nchwaning 3 fully operational and will reduce production costs
 - Dwarsrivier chrome mine completed ahead of schedule and within budget
 - On mine cost at the manganese and iron ore mines decreased significantly
 - Manganese alloy smelter cost contained below inflation
 - Chrome division cost was higher than the previous period due to more tons produced from underground and less from the opencast mine

ARM Ferrous

Assmang product volumes sales

	2005	2004	
	'000 metric tons	'000 metric tons	% change
Manganese ore *	573	766	(25%)
Iron ore	2 600	2 541	2%
Manganese alloys	130	105	24%
Charge chrome	89	104	(14%)
Chrome ore *	56	23	144%

* Excluding intra-group sales



ARM Ferrous

- Exciting growth through new projects:
 - double production by 2010
 - new 8.4 mtpa iron ore BKM project released
 - construction at Dwarsrivier Chrome Mine ahead of schedule
 - Nchwaning 3 manganese mine completed and fully operational
- Volumes likely to be maintained over the next six months, but some price pressures in manganese ore expected
- Significant progress made for higher capacities on rail and at ports



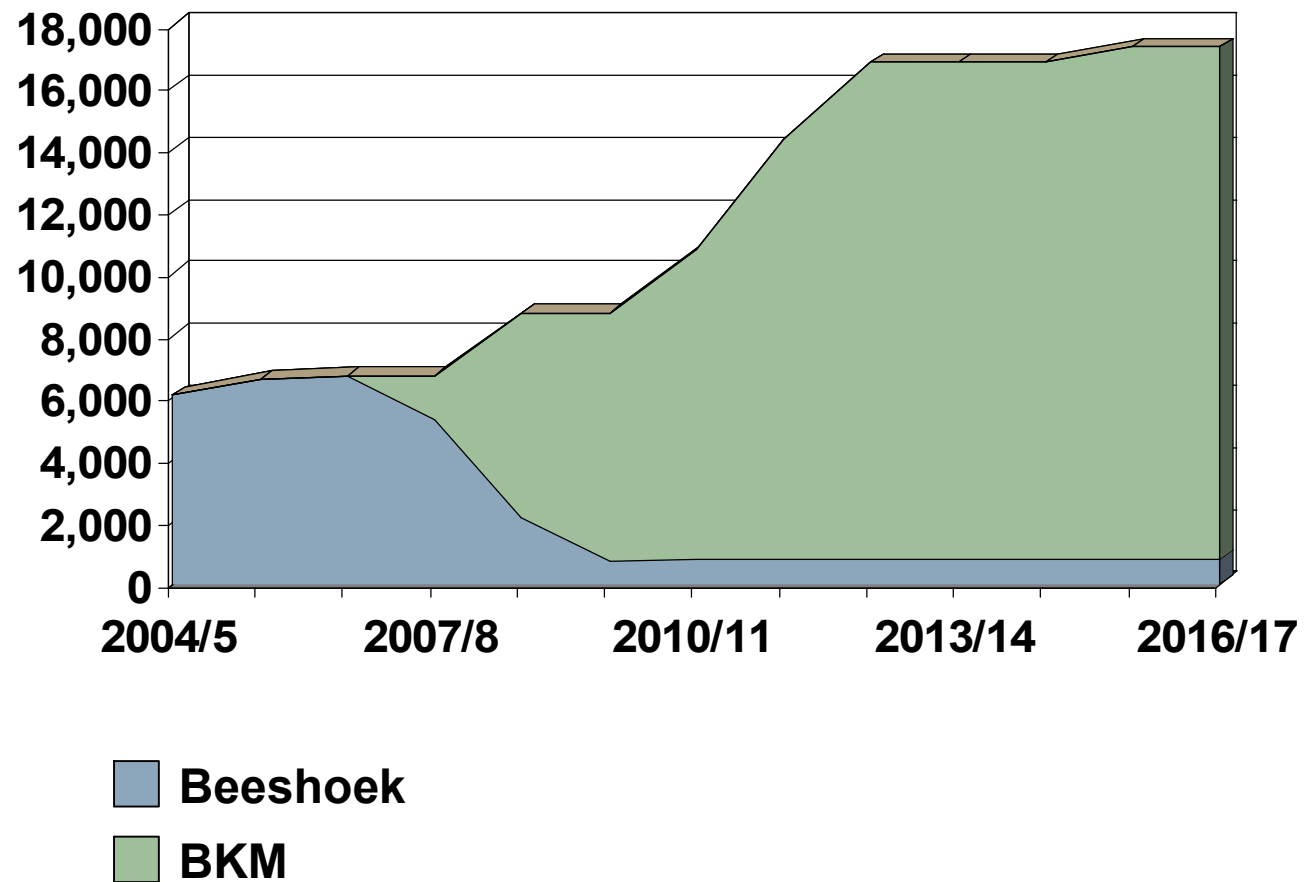
ARM Ferrous

BKM Iron Ore Mine

- The new 8.4 million tons per annum BKM iron ore mine, at a capital cost of R3.2 billion, has been approved by the Boards
- Construction will commence in early 2006
- Project team established, all key project appointments made and process of issuing key long-lead suppliers in motion
- Current focus is on detailed engineering and design
- BKM will substantially replace Beeshoek

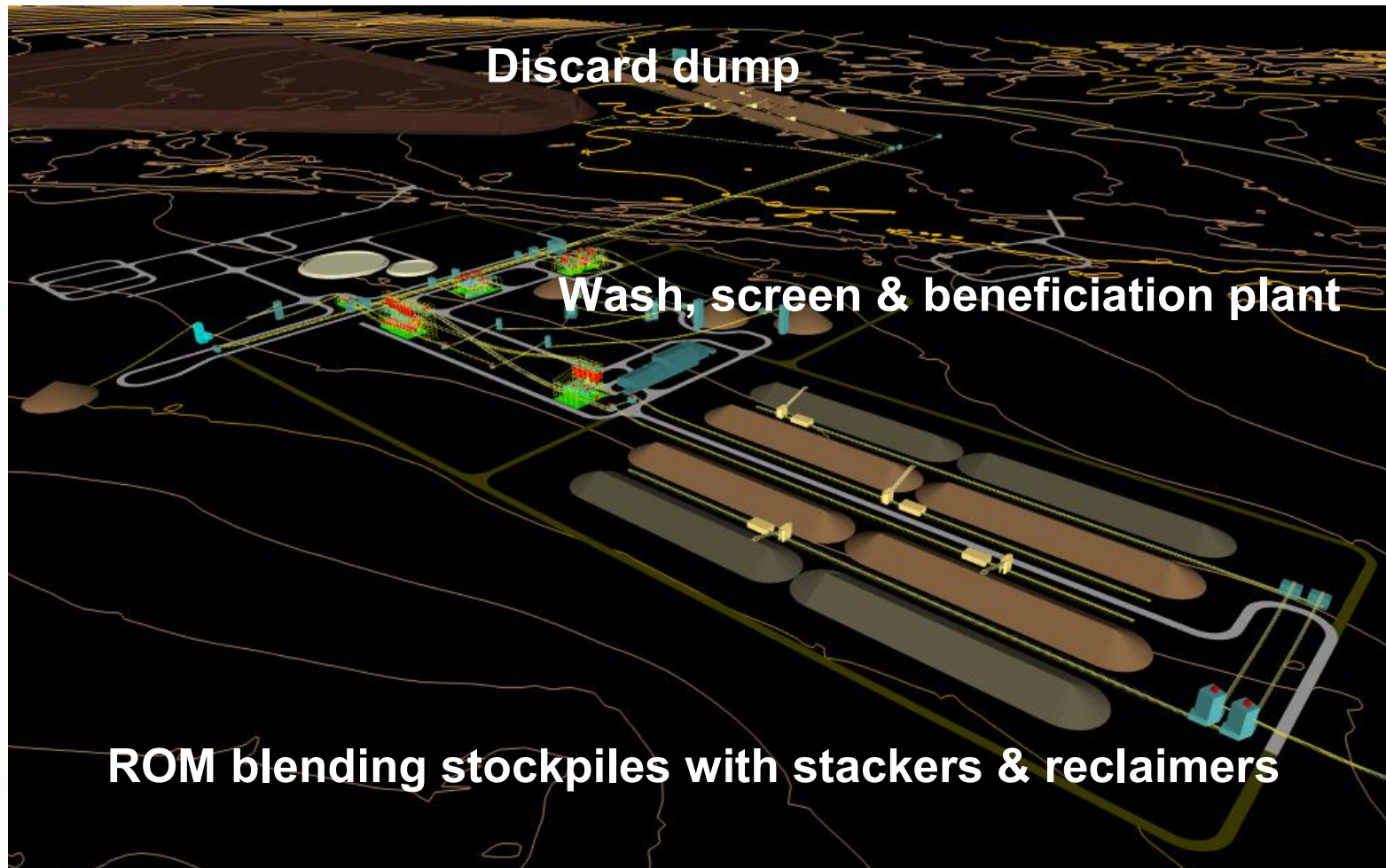
ARM Ferrous

Iron ore build-up – Beeshoek and BKM



ARM Ferrous

BKM – mine and plant layout



ARM Platinum

Modikwa

- ARM jointly manages Modikwa with Anglo Platinum
- Reported cash operating profits for the six months of R70 million (at 50% ownership) (2004: R8 million)
- New mining method introduced to reach design capacity in next reporting period
- Deepening of current infrastructure being evaluated
- Significant growth potential: total resource above 70 million ounces of PGM – 22 km strike, currently mining 8 km



ARM Platinum

Modikwa continuing to improve and will meet targets

100% basis Operational statistics		6 months to December 2005	6 months to December 2004	% change
Tons milled	m/t	1.29	1.14	13%
Head grade (4E)	g/t	4.15	4.35	(5%)
Platinum in concentrate	ounces	65 445	60 000	9%
Cash cost	R/t	373	373	-
Cash cost	R/Pt oz	7 349	7 067	(4%)
Capex	R million	60	54	11%

ARM Platinum

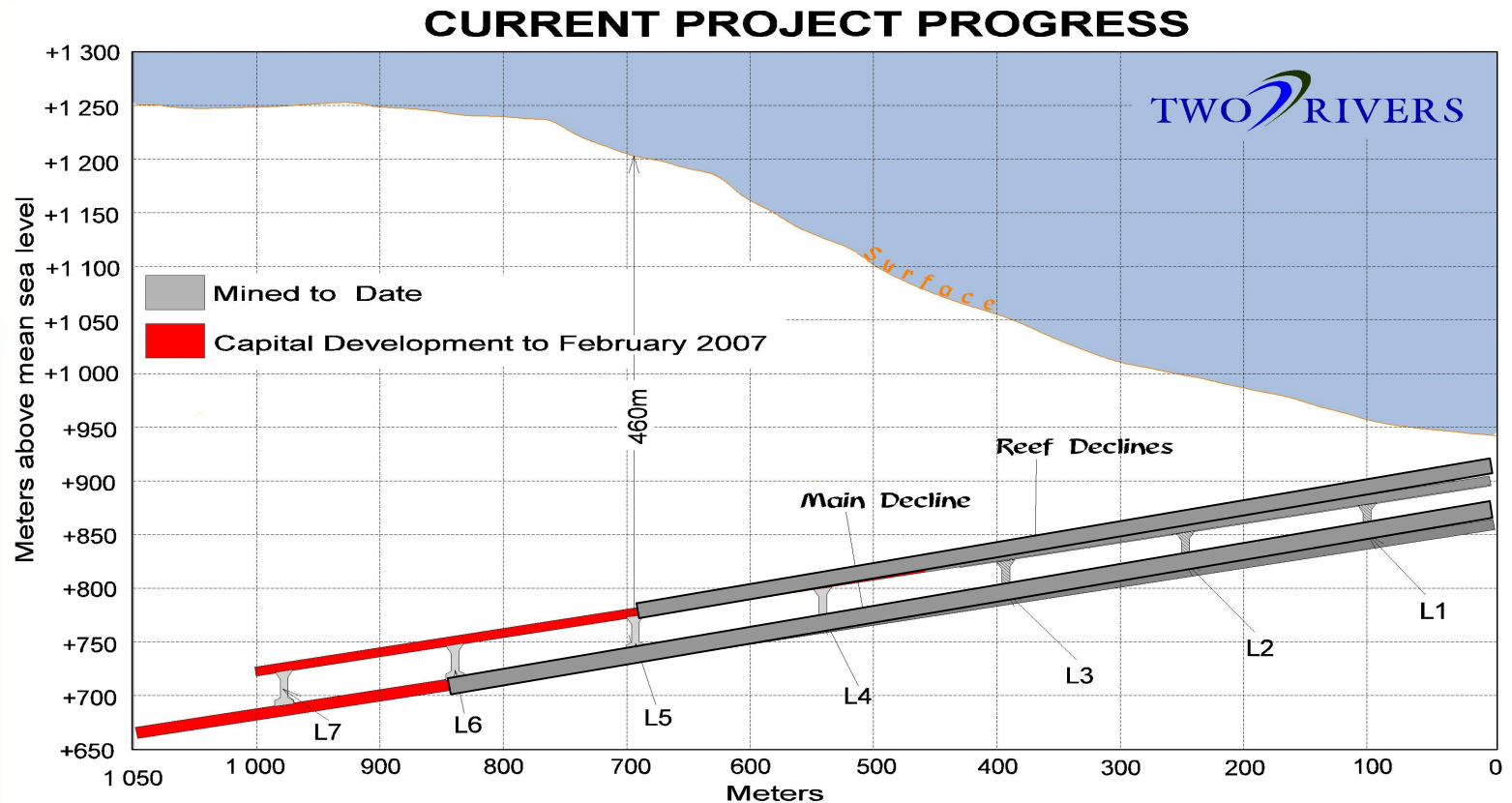
Two Rivers Platinum Project

- Trial mining commenced 18 months ago
 - Trial mining will provide 1 million tons of ore on surface by September 2006
- Total project capex of R1.3 billion fully funded
- Attractive Pt : Pd ratio of 5 : 3
- Operating costs expected to be within lower quartile of operators
- Planned full production: 230 000 oz PGMs per annum (120 000 oz of platinum)
- Scheduled for concentrator to come into operation by September 2006



ARM Platinum

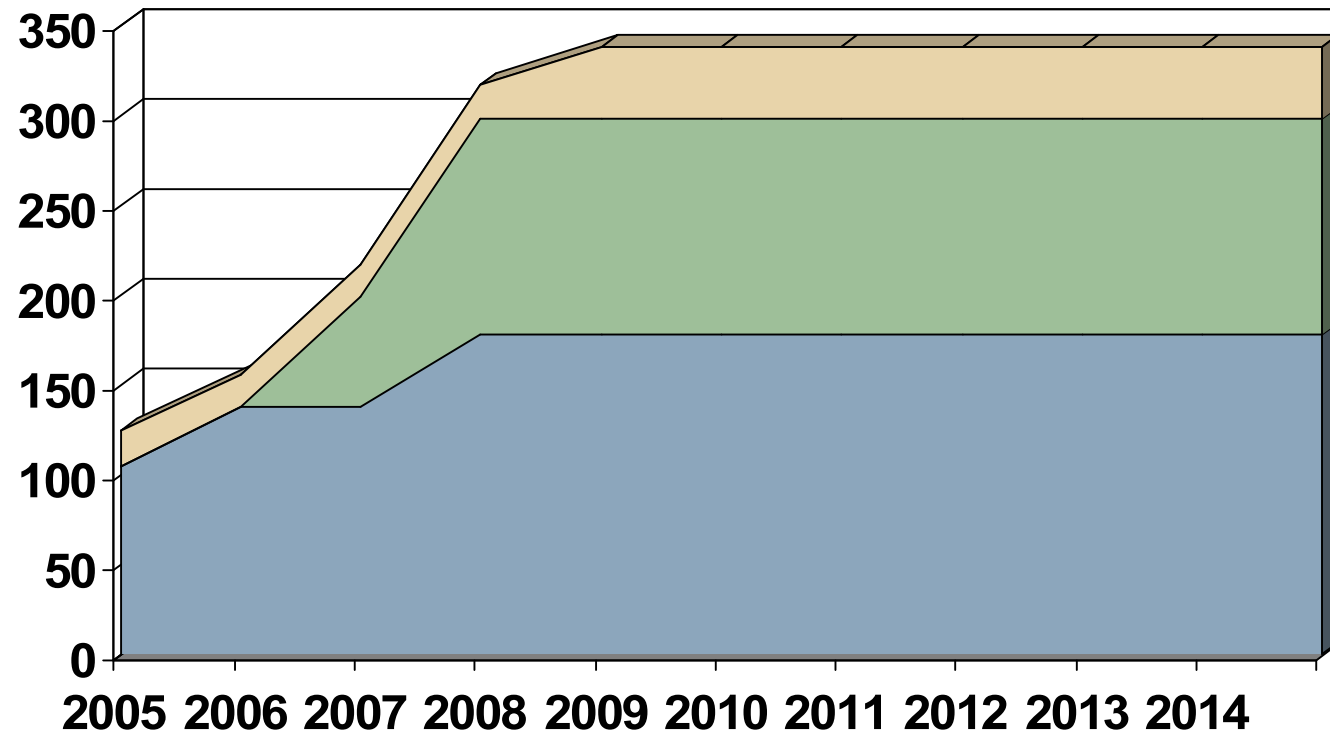
Two Rivers – section view / access declines



- Declines 66% complete

ARM Platinum

PGM production attributable



- Modikwa
- Two Rivers
- Nkomati

ARM Platinum

Nkomati Nickel Mine

		For the six months ended		
100% basis		December 2005	December 2004	% change
Operational statistics				
Cash operating profit	R million	195	178	10%
Tons milled	('000)	182	184	(1%)
Nickel head grade	(% nickel)	1.97	1.94	2%
Cash cost (net of by products) "(C1 Cost")	US\$/lb.	0.87	1.32	34%
Market sales				
Nickel	tons	2 534	2 585	(2%)
Copper	tons	1 485	1 693	(12%)
Cobalt	tons	42	49	(14%)
PGMs	oz	16 431	21 502	(24%)



ARM Platinum

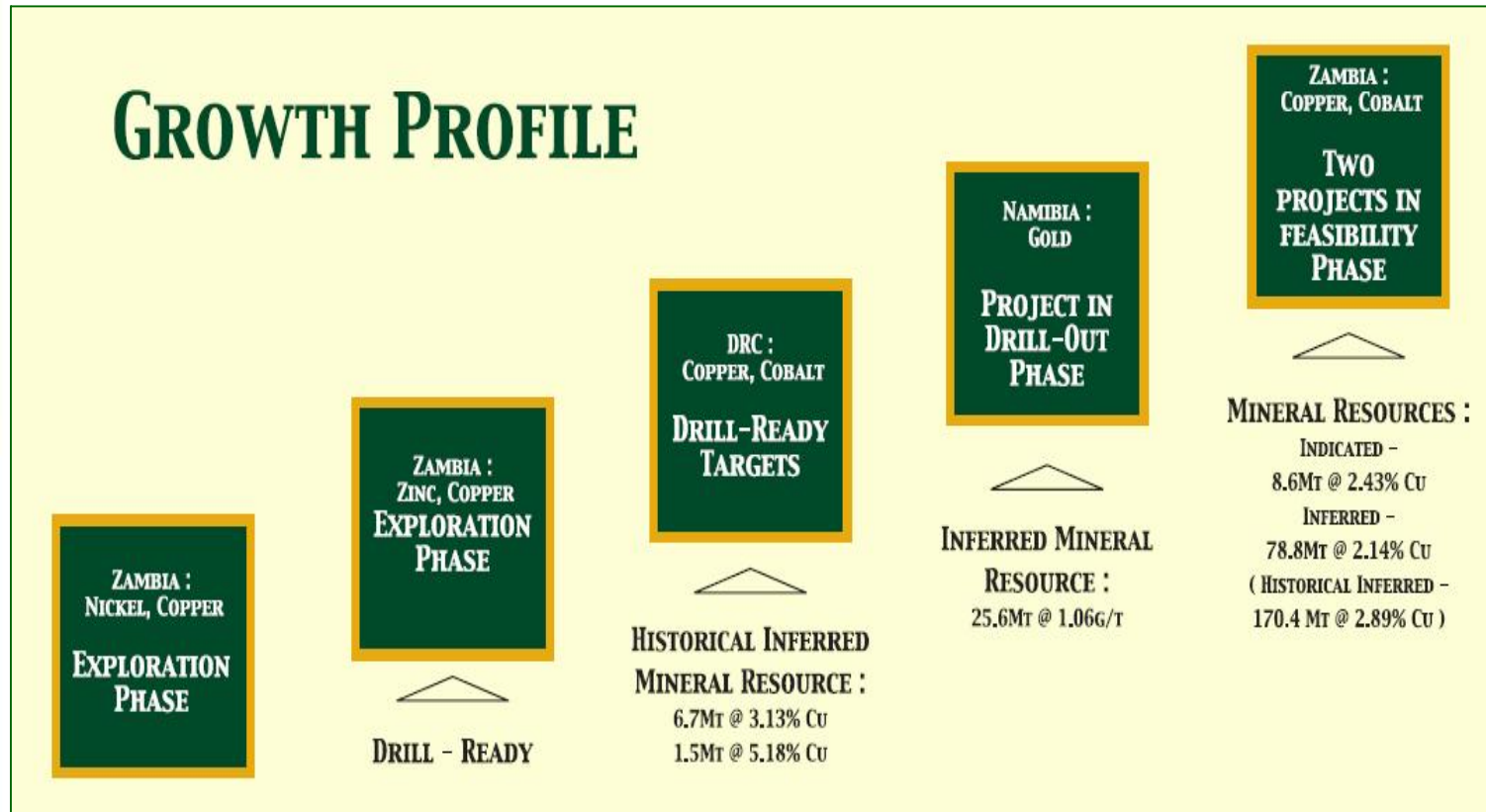
Nkomati Nickel Expansion Project

- Project approved to increase from a 30 000 tons per month to a 100 000 tons per month mine and concentrator
- Mining the MMZ orebody
 - 47 000 tons per month from current underground infrastructure
 - 53 000 tons per month from new open pits
- New 100 000 tons per month concentrator and tailings dam
- Current nickel production sustained
 - stand alone project 5 000 tons per annum nickel for 10 years
- R384 million capital over 18 months
- The above forms part of the final expansion project currently under review

TEAL Exploration & Mining Inc.

- The capital raising in late 2005 raised US\$33.3 million to fund ARM's development and exploration assets in Africa
 - IPO concluded on 15 November 2005 and TEAL listed on TSX
- Strategic portfolio of near production mineral projects
 - Four advanced projects in Zambia, Namibia and the DRC
 - Defined resources of 15.7 billion lbs copper and 873,000 ounces gold
- Significant discovery potential
 - Strategically positioned properties in highly prospective areas
 - Significant drill-ready exploration targets
- Early mover status
 - 30 years of underinvestment in Zambia and DRC
 - TEAL acquired tenements at beginning of privatisation
 - Developing geological knowledge of an area previously under-explored in Namibia

TEAL Exploration & Mining Inc.





Financial information

Summarised income statement

Six months ended 31 December

R'million	2005	2004
Revenue	2 348	2 391
Profit from operations before exceptional items	498	625
Income from investments	10	12
Finance costs	(81)	(98)
Loss from associate	-	(138)
Exceptional items	116	284
Taxation	(166)	(285)
Profit after tax	377	400
Minorities	130	161
Basic earnings	247	239
Headline earnings	131	19
Headline earnings per share (cents)	64	9

Summarised balance sheet

R'million	31 December 2005	31 December 2004
ASSETS		
Non-current assets	11 043	8 206
Current assets	2 977	2 508
	14 020	10 714
EQUITY AND LIABILITIES		
Capital and reserves	8 227	5 890
Minority interest	1 604	1 494
Total shareholders' interest	9 831	7 384
Non-current liabilities	2 656	1 704
Current liabilities	1 533	1 626
	14 020	10 714
Net debt	1 539	1 395



www.arm.co.za