ARM
African Rainbow Minerals

INTERIM RESULTS

FOR THE SIX MONTHS ENDED 31 DECEMBER 2006

WE DO IT BETTER

Shareholder information

Issued share capital as at 31 December 2006	208 456 743
Market capitalisation as at 31 December 2006	R21 billion
Share price as at 31 December 2006	R101,00
Primary listing	JSE Limited
Ticker symbol	'ARI'

Disclaimer

This presentation contains "forward-looking statements" within the meaning of Section 27A of the Securities Act of 1933, as amended, and 21E of the Securities Exchange Act of 1934, as amended, that are intended to be covered by the safe harbour created by such sections. All statements other than those of historical facts included in this presentation are forward-looking statements including, without limitation, (i) estimates of future earnings, and the sensitivity of earnings to commodity prices; (ii) estimates of future commodity production and sales, (iii) estimates of future cash costs; (iv) estimates of future cash flows, and the sensitivity of cash flows to commodity prices; (v) statements regarding future debt repayments; (vi) estimates of future capital expenditures; (vii) estimates of reserves, and statements regarding future exploration results and the replacement of reserves. Where the Company expresses or implies an expectation or belief as to future events or results, such expectation or belief is expressed in good faith and believed to have a reasonable basis. However, forward-looking statements are subject to risks, uncertainties and other factors, which could cause actual results to differ materially from future results expressed, projected or implied by such forward-looking statements. Such risks include, but are not limited to, commodity price volatility, currency fluctuations, increased production costs and variances in ore grade or recovery rates from those assumed in mining plans, as well as political and operational risks in the countries in which we operate and governmental regulation and judicial outcomes. The Company does not undertake any obligation to release publicly any revisions to any "forward-looking statement" to reflect events or circumstances after the date of this presentation, or to reflect the occurrence of unanticipated events, except as may be required under applicable securities laws.

Highlights

- Headline earnings up by 318% to R548 million
- EBITDA increased to R1.2 billion
- Record profits from Nkomati Nickel Mine
- Two Rivers Platinum Mine commissioned, capex R197 million below budget and contributing R97 million to earnings
- ARM Coal transaction with Xstrata successfully completed
- Khumani export iron ore mine construction commenced

Commentary

The Board is delighted to announce its interim results for the six months ended 31 December 2006 which have been prepared in accordance with International Financial Reporting Standards.

Headline earnings increased by 318% to R548 million when compared to the corresponding six month period ended 31 December 2005. This significant earnings increase is mainly attributable to:
- A much higher contribution from platinum operations resulting from strong PGM prices and an increase in ounces produced at Modikwa Platinum Mine as well as the inclusion of results from the new Two Rivers Platinum Mine since October 2006;
- A spectacular increase in contribution from Nkomati Nickel Mine which benefited from exceptionally high nickel prices;
- An improved contribution from the ferrous division due to strong performances from its iron ore division and increased prices for manganese alloys;
- Results from the investments into coal which have been consolidated for the first time.

Earnings were partially offset by exploration expenditure and an increase in corporate financing costs. Attributable exploration expenses, through TEAL Exploration & Mining Incorporated (TEAL) increased significantly to R39 million (2005: R5 million) for these six months in line with the ARM growth strategy into Africa.

The contributions to headline earnings for the six month periods were made up as follows:

Commodity group

	Six months ended 31 December		
R'million	**2006**	2005	% change
Platinum	**198**	(17)	>100
Nickel	**200**	52	>100
Ferrous metals	**261**	138	89
Coal	**24**	–	100
Exploration investment	**(39)**	(5)	>100
Corporate and other	**(23)**	(17)	(35)
Corporate-finance costs	**(73)**	(20)	>100
	548	131	318

Total consolidated short- and long-term borrowings increased by R1.5 billion since 30 June 2006. This debt was largely raised to fund the investments in Xstrata Coal South Africa, including the acquisition of Goedgevonden by ARM Coal, as well as to fund the final development of the Two Rivers Mine. This increase in borrowings has resulted in total finance costs increasing by R70 million (excluding capitalised interest of R24 million) over the comparable period to December 2005. Net gearing (excluding the Implats shareholders' loan and their proportion of bank funding at Two Rivers Platinum Mine) amounted to R2.3 billion (2005: R1.0 billion), equating to a net gearing ratio of 21%.

Total assets increased by R2.4 billion since June 2006 largely as a result of the investments made in coal and capital expenditure of R684 million. Most of the capital expenditure was attributable to Two Rivers Platinum Mine and the development of the 8.4 mtpa Khumani export iron ore mine. During the same period trade and other receivables increased by R606 million of which R397 million relates to the Two Rivers Platinum Mine receivables pipeline.

ARM successfully commissioned its Two Rivers Platinum Mine during the period under review. The mine was completed ahead of schedule and under budget. On 1 October 2006 the capitalisation of costs ceased when commercial production commenced. During the past three months, while still in its ramp-up phase, the mine achieved a cash operating profit of R288 million.

On 1 September 2006 ARM acquired an additional 10% direct equity based participation interest in Xstrata Coal South Africa for a subscription price of R400 million. This gives ARM a 20.2% effective interest in Xstrata Coal South Africa.

Assmang has been accounted for on a proportionate consolidated basis for the period under review, as opposed to having been fully consolidated to February 2006.

OPERATIONAL REVIEW

ARM Ferrous

The ARM Ferrous operations, which are held through its 50% investment in Assmang Limited (Assmang), consist of three divisions, namely, iron, manganese and chrome.

Assmang reported an increase of 39% in its turnover for the six months to 31 December 2006 to R2.6 billion (2005: R1.87 billion). Headline earnings increased significantly by 90% to R525 million (2005: R275 million) (on a 100% basis).

The increase in headline earnings is primarily attributed to a weaker Rand/US Dollar exchange rate, increased sales volumes for iron ore and charge chrome as well as substantial US Dollar price increases for manganese alloys and iron ore as a result of positive market conditions during the period under review. Sales volumes for manganese ore increased substantially compared to low demand levels experienced during the comparative period for 2005. The increased sales volumes for manganese ore were largely offset by lower US Dollar prices when compared to prices secured during the comparative period.

Earnings for Assmang – 100% basis

	Six months ended 31 December	
R'million	**2006**	2005
Iron ore division	**260**	169
Manganese division	**244**	152
Chrome division	**21**	(46)
Total	**525**	275
Headline earnings attributable to ARM (50%)	**261**	138

Assmang product sales volumes

	Six months ended 31 December		
('000 tonnes)	**2006**	2005	% change
Iron ore	**2 783**	2 600	7
Manganese ore*	**1 046**	573	82
Manganese alloys	**133**	130	2
Charge chrome	**107**	89	20
Chrome ore*	**69**	56	23

** Excluding intra-group sales*

Major capital projects

Capital expenditure amounted to R657 million (2005: R313 million) during the period under review. Of this, R441 million was spent on the construction of the first phase of the new Khumani iron ore mine and R43 million on furnace rebuilds at Assmang's Machadodorp ferrochrome smelter.

Construction of the 8.4 million tonnes per annum Khumani export iron ore mine commenced in June 2006 following the establishment of the project team, and the approval of the Environmental Management Programme by the Department of Minerals and Energy (DME). During the period under review the mining right authorisation was received from the DME. The expansion by Transnet to 47 million tonnes per annum on the iron ore export channel is in progress. Assmang has been allocated 10 million tonnes per annum from Transnet in their 41 million tonne to 47 million tonne expansion. Assmang is currently evaluating the viability of the additional allocation.

All key appointments have been made and major contracts concluded. The current focus remains on engineering, design and construction. The first production from Khumani is expected during the first half of the 2008 calendar year. The project will largely be funded from operating cash flows and by utilising debt facilities at the Assmang level.

Further expansion to increase production to 16 million tonnes export per annum is being designed. This second phase of expansion is subject to board consideration.

Commentary *(continued)*

Outlook
Assmang's product sales volumes remain fairly buoyant and tonnages are expected to approximate those of the period under review. Following the recently announced price increases for the sector, iron ore prices for the next six months are expected to be higher than those achieved during the previous six months whilst manganese ore as well as manganese and chrome alloy prices are expected to be maintained. Earnings growth will also be influenced by the Rand/US Dollar exchange rate and continued cost saving measures at Assmang's operations.

ARM Platinum

ARM Platinum reported a substantial increase in its contribution to headline earnings for ARM from R35 million for the comparative six months to R398 million (R198 million from platinum and R200 million from nickel) for the period under review. This is mainly due to increased PGM and nickel prices; the successful commissioning of Two Rivers Platinum Mine; and an increase in ounces produced at Modikwa Platinum Mine.

Modikwa Platinum Mine
Modikwa has successfully adapted to the breast mining method and achieved the required development and stoping parameters. We expect to achieve the designed plant throughput within the second six months of the financial year which will increase total output to the design capacity of 360 000 ounces of PGMs. The improved basket of metal prices allowed Modikwa to report a cash operating profit of R491 million (at 100% ownership) up by R409 million on the December 2005 half year results. During the 2005 period, 108 876 tonnes from other sources were treated, thereby reducing the unit costs compared to that achieved for 2006. Cost per PGM ounce and cost per Platinum ounce were up by 6.5%. For the period under review, the ore from underground stoping was significantly higher than the previous reporting period resulting in an improved head grade of 7% up to 4.43g/t. The cash cost per tonne is 14.2% higher to R426 (2005: R373) per tonne.

		Six months ended 31 December		
100% basis		**2006**	2005	% change
Tonnes milled	Million tonnes	**1.31**	1.29	2
Head grade (4E)	g/t	**4.43**	4.15	7
PGMs-in-concentrate	ounces	**158 247**	145 932	8
Cash cost	R/tonne	**426**	373	(14)
	R/Pt oz	**7 808**	7 349	(6)
	R/4E oz	**3 528**	3 311	(7)
Capex	R million	**99**	60	65
Cash operating profits	R million	**491**	82	499
Headline earnings attributable to ARM (41.5%)		**101**	(17)	

Mineable ore reserves currently stands at 14 months of production.

A labour strike at Modikwa Platinum Mine commenced on 26 January 2007. To date (19 February 2007) production losses are estimated at 180 000 tonnes, equating to an estimated 10 500 platinum ounces lost (or R125 million in lost revenue at prevailing commodity prices – on 100% basis). Most issues have been resolved and all employees have returned to the mine for work on 19 February.

Two Rivers Platinum Mine
The plant started wet commissioning ahead of schedule in July 2006, with ore throughput in August 2006. After an initial build-up plan, the designed milling capacity of 225 000 tonnes per month has been achieved on a weekly basis from January 2007. The 1.2 million tonnes stockpile which was built up before commissioning of the plant has been reduced to 824 351 tonnes by the end of December 2006. The mine capitalised operating costs for the period up to September 2006.

Two Rivers Platinum Mine achieved a cash operating profit of R288 million (on a 100% basis) for the three months from October in its ramp-up stage to December 2006. The final project capital cost is R1.103 billion, being R197 million less than originally planned. The capital expenditure for the six-month period under review was R228 million.

The mine dispatched 54 882 ounces PGMs after milling 746 466 tonnes for the period under review and is confident that all technical parameters have been achieved.

100% basis		Six months ended 31 December 2006	2005	% change
Tonnes milled	Million tonnes	**0.75**	n/a	n/a
Head grade (4E)	g/t	**3.34**	n/a	n/a
PGMs-in-concentrate	ounces	**54 882**	n/a	n/a
Cash cost	R/tonne	**284**	n/a	n/a
	R/Pt oz	**4 508**	n/a	n/a
	R/4E oz	**2 580**	n/a	n/a
Capex	R million	**228**	n/a	n/a
Cash operating profits (3 months)	R million	**288**	n/a	n/a
Headline earnings attributable to ARM (55%)		**97**	n/a	n/a

Nkomati Nickel Mine

This mine has reported exceptional results with cash operating profit of R602 million being 209% above the corresponding period for the prior year (at 100% ownership). Costs were well contained with a 12.25% unit cost per tonne treated decrease for the six months under review. As previously stated, the MSB orebody is nearing its completion and future production will therefore comprise a mixed ore. This mine is undergoing a transformation from a low volume high grade mine to a low grade high volume mine over a short period.

The announcement by ARM and its joint venture partner LionOre relating to increased reserves and resources on 11 January 2007 follows completion of pit optimisation studies on a large-scale expansion which included reducing the cut-off grade applied to portions of the Nkomati mineral resource. The investigation has confirmed that a significant portion of the lower grade disseminated mineral resource, previously categorised as waste, is economically extractable at the present market conditions, adding to the open pit mineral reserve. The Nkomati optimisation resulted in an increase in Nkomati's nickel reserves of 50% from 324 627 Ni tonnes to 485 377 Ni tonnes and a revised resource statement of 942 254 tonnes of nickel, from the previous statement of 674 735 tonnes of nickel. The by-product reserves also increased significantly to 193 783 tonnes of copper, an increase of 43% and 4 181 015 ounces of Platinum Group Metals (PGM), an increase of 70%.

100% basis		Six months ended 31 December 2006	2005	% change
Cash operating profit	R million	**602**	195	209
Tonnes milled	('000)	**170**	182	(7)
Head grade	(% nickel)	**1.98**	1.97	–
On-mine cash cost per tonnes treated	(R/tonne)	**446**	508	12
Cash cost (net of by-products)	US$/lb	**0.11**	0.87	87
Market sales				
Nickel	tonnes	**2 448**	2 534	(3)
Copper	tonnes	**1 555**	1 485	5
Cobalt	tonnes	**36**	42	(14)
PGMs	ounces	**19 428**	16 431	18
Chrome ore	tonnes	**166 648**	n/a	n/a
Headline earnings attributable to ARM (50%)		**200**	52	

The new interim expansion mine and concentrator is well advanced and on schedule for commissioning in the third quarter of this year. Full production of 100 000 tonnes milled per month is expected by calendar year-end. This expansion project (at 100%) will cost R384 million, of which R138 million has been spent during the period under review. The feasibility for the large scale expansion at Nkomati will be complete in June 2007 and presented to the various boards for consideration.

Commentary *(continued)*

ARM Coal

Subsequent to the June 2006 financial year-end, ARM exercised an option to acquire a further 10 percent direct participating share in Xstrata's South African coal operations, for R400 million, as from 1 September 2006. Our effective economic interest in Xstrata Coal South Africa has therefore increased to 20.2%. ARM holds 51% of ARM Coal which has a 51% shareholding in the 6.6 mtpa Goedgevonden coal project.

Total capital expenditure for Goedgevonden is estimated at R2.9 billion which will be funded through a project finance facility from Xstrata. Saleable tonnes will comprise 3.2 million tonnes per annum export thermal coal and 3.3 million tonnes per annum for the local power generating industry.

An application for capacity in the Richards Bay Coal Terminal's phase V expansion was lodged by ARM Coal during the fourth quarter of the 2006 calendar year and the tender award process is expected to be completed by the second quarter of the 2007 calendar year.

In December 2006 Xstrata Coal South Africa announced that it had acquired a further 50% of the ATCOM and ATC mines, previously a joint venture with Total South Africa, thereby securing outright control. This enables Xstrata to enhance the efficiency of these mines and resources significantly. ARM will participate in 20.2% of this investment.

Earnings attributable to our coal investment amounted to R24 million for the period under review.

On mine saleable cost per tonne was R136.72 for the six months under review.

Production data

(million tonnes)	Six months ended 31 December 2006	2005
Consolidated saleable production	**11.98**	9.40
Attributable saleable production	**2.57**	2.01
Consolidated sales		
Thermal export	**7.38**	7.02
Thermal domestic	**4.57**	3.57
Attributable sales		
Thermal export	**1.53**	1.48
Thermal domestic	**0.98**	0.76
Average received export FOB coal price ($/t)	**42.70**	41.39
Average received FOR domestic coal price (R/t)	**50.04**	50.43
Headline earnings attributable to ARM	**24**	n/a

Consolidated production and sales as disclosed above relates to 100% of the Xstrata Coal South Africa operations. Attributable production and sales relate to the ARM Coal share, being 20% of Xstrata Coal South Africa and 51% of Goedgevonden.

TEAL

TEAL, which is incorporated in Canada and listed on the Toronto Stock Exchange (TSX) and the JSE Limited (JSE), released its results for the three months ended 31 December 2006 on 6 February 2007.

The company reported that the feasibility study on the economic viability of mining the south and east limbs for the Konkola North Copper Project in Zambia remains ahead of schedule and on-track for completion by June 2007. In addition, the geological scoping study for Konkola North's Area 'A' Extension has been completed.

The feasibility study for the Mwambashi Copper Project was completed in August 2006. Development remains subject to a favourable off-take arrangement and a successful financing plan. Once these are finalised, the project will be presented to the TEAL Board of Directors for a final decision on developing a 12 000 tonnes per annum copper producer with capital expenditure of approximately US$10 million, including contingencies. In addition, pre-production costs including exploration drilling, dewatering of the pit area and pre-stripping are estimated at about US$7.5 million.

At the Kalumines Copper-Cobalt Project, a joint venture with La Générale des Carrières et des Mines (Gécamines), an initial scoping study on the Lupoto resource has been completed, while infill and confirmatory exploration drilling to verify the historical resource is underway.

The furnace that was acquired by TEAL has been incorporated into a company called TEAL Metals (DRC) s.p.r.l. and is currently 100%-owned by TEAL. In December 2006, a Memorandum of Understanding was signed with SNEL, the energy and power authority in the DRC, to supply the required power for the furnace.

Additional positive exploration drilling results at the Otjikoto Gold Project in Namibia confirmed higher-grade mineralisation extends down-dip from identified resources. An independent competent persons report verified TEAL's Phase 1 resource statement of 1.3 million ounces of gold at Otjikoto. A project appraisal study has commenced to further scope the critical mining, metallurgical and financial aspects of the Otjikoto Gold Project based on the current inferred resource.

Harmony

ARM currently holds 16% of the issued share capital in Harmony and therefore accounts for Harmony on an investment basis. The Harmony share price reduced from R114 per share to R111 per share resulting in the ARM investment in Harmony, which is marked-to-market, reducing by R185 million to R7.1 billion.

Harmony reported a cash operating profit for the six months ended 31 December 2006 of R1.66 billion, some 224% higher than the corresponding six month period ending 31 December 2005 as the company benefited from a 48% higher Rand Gold Price. Gold produced for the six month period, however, declined by 3% to 38 196kg and cash operating cost per kilogram increased by 19% to R100 770 per kilogram.

Harmony reported a headline profit of R438 million for the six months ended 31 December 2006 compared to a headline loss of R628 million during the corresponding period in the prior year. No dividend was declared and therefore no contribution from Harmony was reflected.

Safety and health

ARM continued with its focus on safety and health at all of its operations. During this period, Beeshoek iron ore mine received a 4 000 fatality free production shift award. Black Rock manganese mine has been declared the winner of the Safety Achievement flag for 2006 in the category "other mines" by the Mines Health and Safety Council. Modikwa Platinum Mine achieved One million fatality free shifts during the period under review.

Outlook

ARM has made significant progress in achieving a more diversified portfolio of quality, long life mining assets, in particular by the completion of the ARM Coal transaction and the early commissioning of the Two Rivers Platinum Mine. Our operations will continue to be favourably impacted by the current buoyant commodity cycle.

Dividends

The company is continuing its high expansion phase with significant and exciting projects in the pipeline as well as a number of other growth opportunities. As a result, the Board of Directors has decided not to declare a dividend for the six months ended 31 December 2006.

Signed on behalf of the board:

P T Motsepe
Executive Chairman

A J Wilkens
Chief Executive Officer

Johannesburg
20 February 2007

Group Balance Sheets

as at:

	Note	Unaudited 31 December **2006** **Rm**	Reviewed 31 December 2005 Rm	Audited 30 June 2006 Rm
ASSETS				
Non-current assets				
Property, plant, equipment and intangible assets		**6 064**	5 533	5 006
Deferred tax assets		**23**	69	23
Loans and long-term receivable		**–**	8	–
Investment in associate	2	**834**	–	–
Other investments	3	**7 088**	5 404	7 276
		14 009	11 014	12 305
Current assets				
Inventories		**811**	1 317	707
Trade and other receivables		**1 766**	1 166	1 160
Cash and cash equivalents		**441**	523	439
		3 018	3 006	2 306
Total assets		**17 027**	14 020	14 611
EQUITY AND LIABILITIES				
Capital and reserves				
Ordinary share capital		**10**	10	10
Share premium		**3 628**	3 511	3 557
Other reserves		**2 172**	686	2 307
Retained earnings		**4 935**	4 020	4 376
Shareholders' interest in capital and reserves		**10 745**	8 227	10 250
Minority interest		**217**	1 604	143
Total shareholders' interest		**10 962**	9 831	10 393
Non-current liabilities				
Long-term borrowings	4	**2 793**	1 342	1 449
Deferred tax liabilities		**1 268**	1 106	1 001
Long-term provisions		**163**	208	156
		4 224	2 656	2 606
Current liabilities				
Trade and other payables		**614**	637	627
Short-term provisions		**59**	35	47
Taxation		**241**	170	135
Overdrafts and short-term borrowings	4	**927**	691	803
		1 841	1 533	1 612
Total equity and liabilities		**17 027**	14 020	14 611

Group Income Statements

	Note	Unaudited Six months ended 31 December 2006 Rm	Reviewed Six months ended 31 December 2005 Rm	Audited Year ended 30 June 2006 Rm
Revenue		**2 641**	2 362	4 686
Sales		**2 606**	2 348	4 622
Cost of sales		**(1 425)**	(1 702)	(3 304)
Gross profit		**1 181**	646	1 318
Other operating income		**67**	56	167
Other operating expenses		**(209)**	(204)	(373)
Profit from operations before exceptional items		**1 039**	498	1 112
Income from investments		**24**	10	24
Finance costs		**(151)**	(81)	(134)
Income from associate		**34**	–	–
Profit before taxation and exceptional items		**946**	427	1 002
Exceptional items	5	**14**	116	139
Profit before taxation		**960**	543	1 141
Taxation		**(329)**	(166)	(377)
Profit for the period		**631**	377	764
Attributable to:				
Minority interest		**71**	130	163
Equity holders of ARM		**560**	247	601
		631	377	764

Additional information				
Headline earnings (R million)		**548**	131	462
Headline earnings per share (cents)		**264**	64	225
Basic earnings per share (cents)		**270**	121	293
Fully diluted basic earnings per share (cents)		**267**	120	291
Fully diluted headline earnings per share (cents)		**261**	64	223
Number of shares in issue at end of period (thousand)		**208 457**	204 864	206 367
Weighted average number of shares in issue (thousand)		**207 218**	204 724	205 072
Weighted average number of shares used in calculating fully diluted earnings per share (thousand)		**209 751**	205 810	206 780
Net asset value per share (cents)		**5 155**	4 016	4 967

Statement of Changes in Equity

	Share capital and premium Rm	Minority interest Rm	Revaluation of listed investments Rm	Other Rm	Retained earnings Rm	**Total Rm**
Six months ended 31 December 2006 (Unaudited)						
Balance at 30 June 2006	**3 567**	**143**	**2 219**	**88**	**4 376**	**10 393**
Basic earnings	–	71	–	–	560	**631**
Share options exercised	71	–	–	–	–	**71**
Revaluation of listed investments	–	–	(185)	–	–	**(185)**
Deferred tax on revaluation of listed investments	–	–	27	–	–	**27**
Translation reserve on translation of subsidiary	–	3	–	–	–	**3**
Share based payments	–	–	–	22	–	**22**
Other	–	–	–	1	(1)	**–**
Balance at 31 December 2006	**3 638**	**217**	**2 061**	**111**	**4 935**	**10 962**
Six months ended 31 December 2005 (Reviewed)						
Balance at 30 June 2005	**3 507**	**1 461**	**(821)**	**49**	**3 776**	**7 972**
Basic earnings	–	–	–	–	247	**247**
Revaluation of listed investments	–	–	1 696	–	–	**1 696**
Deferred tax on revaluation of listed investments	–	–	(247)	–	–	**(247)**
Translation reserve on translation of subsidiary	–	–	–	(6)	–	**(6)**
Share based payments	–	–	–	14	–	**14**
Share options exercised	14	–	–	–	–	**14**
Minority interest in earnings	–	130	–	–	–	**130**
Dividends paid to minorities	–	(60)	–	–	–	**(60)**
TEAL Limited minorities	–	73	–	–	–	**73**
Other	–	–	–	1	(3)	**(2)**
Balance at 31 December 2005	**3 521**	**1 604**	**628**	**58**	**4 020**	**9 831**
Year ended 30 June 2006 (Audited)						
Balance at 30 June 2005	**3 507**	**1 461**	**(821)**	**49**	**3 776**	**7 972**
Basic earnings	–	163	–	–	601	**764**
Dividends paid to minorities	–	(60)	–	–	–	**(60)**
Revaluation of listed investments	–	–	3 556	–	–	**3 556**
Deferred tax on revaluation of listed investments	–	–	(516)	–	–	**(516)**
Transfer out of minority interest, Assmang now accounted for as a joint venture	–	(1 504)	–	–	–	**(1 504)**
Share based payments	–	–	–	34	–	**34**
Share options exercised	60	–	–	–	–	**60**
TEAL minorities in listing	–	83	–	–	–	**83**
Realignment of currency	–	–	–	3	–	**3**
Other	–	–	–	2	(1)	**1**
Balance at 30 June 2006	**3 567**	**143**	**2 219**	**88**	**4 376**	**10 393**

Group Cash Flow Statements

	Unaudited Six months ended 31 December **2006** **Rm**	Reviewed Six months ended 31 December 2005 Rm	Audited Year ended 30 June 2006 Rm
CASH FLOW FROM OPERATING ACTIVITIES			
Cash receipts from customers	**2 112**	2 799	4 856
Cash paid to suppliers and employees	**(1 561)**	(2 133)	(3 613)
Cash generated from operations	**551**	666	1 243
Interest received	**20**	10	24
Interest paid	**(134)**	(81)	(137)
Dividends received	**4**	–	1
Dividends paid to minorities	**–**	(60)	(60)
Taxation paid	**(89)**	(256)	(384)
Net cash inflow from operating activities	**352**	279	687
CASH FLOW FROM INVESTING ACTIVITIES			
Additions to property, plant and equipment to maintain operations	**(326)**	(391)	(636)
Additions to property, plant and equipment to expand operations	**(348)**	(303)	(859)
Proceeds on disposal of property, plant and equipment	**–**	2	45
Proceeds on disposal of investments	**3**	–	–
Proceeds on termination of agreement	**14**	–	–
Increase in loans and long-term receivables	**–**	(8)	–
Investment in associate	**(800)**	–	–
Net cash effect on disposal of 0.35 percent of Assmang	**–**	–	18
Investments acquired	**–**	–	(12)
Net cash (outflow) from investing activities	**(1 457)**	(700)	(1 444)
CASH FLOW FROM FINANCING ACTIVITIES			
Proceeds on exercise of share options	**71**	14	60
Funding received from minority shareholders	**–**	47	–
Funding received from minority shareholders at TEAL listing	**–**	–	226
Investment by minority shareholders	**–**	215	–
Long-term borrowings raised	**1 371**	391	881
Long-term borrowings repaid	**(154)**	(135)	(183)
Increase/(decrease) in short-term borrowings	**31**	129	(91)
Net cash inflow from financing activities	**1 319**	661	893
Net increase in cash and cash equivalents	**214**	240	136
Cash and cash equivalents at beginning of period	**193**	(62)	47
Foreign currency translation on cash balances	**–**	(5)	10
Cash and cash equivalents at end of period	**407**	173	193
Cash generated from operations per share (cents)	**266**	325	606

Notes to the Financial Statements

1. Basis of preparation

The results for the half-year have been prepared in accordance with the International Financial Reporting Standards (IFRS) on an historical cost convention, as modified by the revaluation of available-for-sale assets, 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 financial information for the half-year ended 31 December 2006 has been prepared adopting the same accounting policies used in the most recent annual financial statements.

	Unaudited Six months ended 31 December	Reviewed Six months ended 31 December	Audited Year ended 30 June
	2006	2005	2006
	Rm	Rm	Rm
2. INVESTMENT IN ASSOCIATE			
Opening balance	**–**	–	–
Movement for the period	**800**	–	–
Income from associate	**34**	–	–
Closing balance	**834**	–	–

During the period ARM invested into the coal assets of Xtrata South Africa (Pty) Limited (XSA).

The purchase cost allocations (initial business combination accounting) for all these transactions have only been determined provisionally owing to delays in finalising the audited effective date accounts and ongoing valuation work by the company.

The investments were made as follows:

a Investment in ARM Coal (Pty) Limited at a cost to ARM of R400 million and XSA of R384 million. These funds were applied by ARM Coal to acquire a 20 percent interest (through participating preference shares in XSA) in the existing coal mines of Xstrata Coal South Africa (XCSA).

The effective date of this transaction is 1 July 2006.

The purchase cost of R784 million has been provisionally allocated to:

	Rm
Non-current assets	**1 949**
Current assets	**153**
Less:	
Non-current liabilities	**1 170**
Current liabilities	**148**
	784

b With effect from 1 July 2006 ARM Coal (Pty) Limited acquired a 51 percent interest in the Goedgevonden Joint Venture for R765 million, the remaining 49 percent being held by XSA. The acquisition was financed through debt funding supplied by Xstrata.

The purchase cost of R765 million has been provisionally allocated to:

	Rm
Non-current assets	**1 114**
Current assets	**12**
Less:	
Non-current liabilities	**316**
Current liabilities	**45**
	765

c On 1 September 2006 ARM acquired a direct interest of 10 percent in XCSA through an investment in participating preference shares in XSA at a cost of R 400 million.

The purchase cost of R400 million has been provisionally allocated to:

	Rm
Non-current assets	1 079
Current assets	90
Less:	
Non-current liabilities	702
Current liabilities	67
	400

The coal segment results include the proportionally consolidated results for six months of ARM Coal (Pty) Limited together with the four months equity accounted results for the direct investment by ARM in XCSA.

	Unaudited Six months ended 31 December **2006** **Rm**	Reviewed Six months ended 31 December 2005 Rm	Audited Year ended 30 June 2006 Rm
3. INVESTMENTS			
Opening balance	**7 276**	3 708	3 708
Unrealised revaluation (loss)/gain for the period	**(185)**	1 696	3 556
Other	**(3)**	–	12
Total carrying amount of investments	**7 088**	5 404	7 276
4. BORROWINGS			
Long-term borrowings are held as follows			
– African Rainbow Minerals Limited	**1 251**	225	65
– Assmang Limited	**4**	13	5
– ARM Coal (Proprietary) Limited	**445**	–	–
– ARM Platinum (Proprietary) Limited	**295**	459	351
– Two Rivers Platinum (Proprietary) Limited	**798**	645	1 028
	2 793	1 342	1 449
Overdrafts and short-term borrowings are held as follows:			
– African Rainbow Minerals Limited	**32**	309	548
– Assmang Limited	**139**	225	45
– ARM Platinum (Proprietary) Limited	**159**	148	187
– Two Rivers Platinum (Proprietary) Limited – Short-term borrowings	**29**	9	23
– Two Rivers Platinum (Proprietary) Limited - Implats shareholders' loan	**568**	–	–
	927	691	803
Total borrowings	**3 720**	2 033	2 252

Interest of R24 million was capitalised for the half-year ended 31 December 2006 (31 December 2005: R14 million, 30 June 2006: R29 million).

Notes to the Financial Statements *(continued)*

		Unaudited Six months ended 31 December 2006 Rm	Reviewed Six months ended 31 December 2005 Rm	Audited Year ended 30 June 2006 Rm
5.	**EXCEPTIONAL ITEMS**			
	Profit on dilution in TEAL	–	132	132
	Profit on disposal of 0.35 percent of Assmang (subsidiary to joint venture)	–	–	25
	Impairment of property, plant and equipment	–	(12)	(10)
	Loss on disposal of 50 percent of Nkomati mine	–	–	(6)
	Termination of agreement	14	–	–
	Other	–	(4)	(2)
	Exceptional items per income statement	**14**	116	139
	Taxation	(2)	–	(3)
	Profit on sale of property, plant and equipment	–	–	3
	Net exceptional items	**12**	116	139
6.	**HEADLINE EARNINGS**			
	Basic earnings per income statement	560	247	601
	Profit on disposal of 0.35 percent of Assmang (subsidiary to joint venture)	–	–	(25)
	Impairment of property, plant and equipment	–	12	10
	Profit on sale of property, plant and equipment	–	–	(3)
	Loss on disposal of 50 percent of Nkomati mine	–	–	6
	Profit on dilution in TEAL	–	(132)	(132)
	Termination of agreement	(14)	–	–
	Other	–	4	2
		546	131	459
	Taxation	2	–	3
	Headline earnings	**548**	131	462
7.	**COMMITMENTS AND CONTINGENT LIABILITIES**			
	Commitments in respect of future capital expenditure, which will be funded from operating cash flows and by utilising debt facilities at entity and corporate levels, are summarised below:			
	Approved by directors			
	– contracted for	2 518	689	673
	– not contracted for	563	801	1 641
	Total commitments	3 081	1 490	2 314

Contingent liabilities

Shareholders are advised that there have been no significant changes to the contingent liabilities of the group as disclosed in the June 2006 annual report.

	ARM Platinum Division Platinum Rm	ARM Platinum Division Nickel Rm	Ferrous metals Rm	Coal Rm	Exploration Rm	Corporate and other Rm	Gold Rm	**Total Rm**
8. SEGMENTAL INFORMATION								
Primary segmental information								
Six months ended 31 December 2006 (Unaudited)								
Sales								
External sales	899	393	1 298	16	–	–	–	**2 606**
Cost of sales	(442)	(107)	(868)	(8)	–	–	–	**(1 425)**
Other operating income	–	(1)	17	–	–	51	–	**67**
Other operating expenses	(3)	(1)	(59)	–	(65)	(81)	–	**(209)**
Segment result	454	284	388	8	(65)	(30)	–	**1 039**
Income from investments	4	1	5	–	3	11	–	**24**
Finance cost	(55)	–	(2)	(21)	–	(73)	–	**(151)**
Income from associate	–	–	–	34	–	–	–	**34**
Exceptional items	–	–	–	–	–	14	–	**14**
Taxation	(111)	(85)	(130)	3	–	(6)	–	**(329)**
Minority interest	(94)	–	–	–	23	–	–	**(71)**
Contribution to earnings	198	200	261	24	(39)	(84)	–	**560**
Contribution to headline earnings	198	200	261	24	(39)	(96)	–	**548**
Other information								
Segment assets	4 388	518	3 046	1 432	137	407	7 076	**17 004**
Taxation								**23**
Consolidated total assets								**17 027**
Segment liabilities	2 008	39	418	451	18	1 622	–	**4 556**
Taxation								**1 509**
Consolidated total liabilities								**6 065**
Cash in/(out) flow from operating activities	(7)	233	286	(13)	(60)	(87)	–	**352**
Cash in/(out) flow from investing activities	(222)	(79)	(328)	(420)	(24)	(384)	–	**(1 457)**
Cash in/(out) flow from financing activities	240	–	93	33	–	953	–	**1 319**
Capital expenditure	251	74	315	20	24	–	–	**684**
Amortisation and depreciation	77	15	100	–	–	–	–	**192**

Notes to the Financial Statements *(continued)*

	ARM Platinum Division Platinum Rm	ARM Platinum Division Nickel Rm	Ferrous metals Rm	Coal Rm	Exploration Rm	Corporate and other Rm	Gold Rm	**Total Rm**
8. SEGMENTAL INFORMATION (continued)								
Primary segmental information (Reviewed)								
Six months ended 31 December 2005								
Sales								
External sales	309	169	1 870	–	–	–	–	**2 348**
Cost of sales	(292)	(95)	(1 315)	–	–	–	–	**(1 702)**
Other operating income	–	21	16	–	–	19	–	**56**
Other operating expenses	(1)	(22)	(126)	–	(10)	(45)	–	**(204)**
Segment result	16	73	445	–	(10)	(26)	–	**498**
Income from investments	1	1	1	–	1	6	–	**10**
Finance cost	(45)	–	(16)	–	–	(20)	–	**(81)**
Exceptional items	–	–	–	–	–	116	–	**116**
Taxation	8	(22)	(155)	–	–	3	–	**(166)**
Minority interest	3	–	(137)	–	4	–	–	**(130)**
Contribution to earnings	(17)	52	138	–	(5)	79	–	**247**
Contribution to headline earnings	(17)	52	138	–	(5)	(37)	–	**131**
Other information								
Segment assets	2 707	272	5 089	–	214	268	5 401	**13 951**
Taxation	–	–	–	–	–	–	–	**69**
Consolidated total assets								**14 020**
Segment liabilities	1 390	17	738	–	10	758	–	**2 913**
Taxation	–	–	–	–	–	–	–	**1 276**
Consolidated total liabilities								**4 189**
Cash in/(out) flow from operating activities	(10)	22	214	–	2	51	–	**279**
Cash in/(out) flow from investing activities	(368)	(12)	(318)	–	(3)	1	–	**(700)**
Cash in /(out) flow from financing activities	213	–	65	–	216	167	–	**661**
Capital expenditure	395	14	313	–	–	–	–	**722**
Amortisation and depreciation	50	22	148	–	–	–	–	**220**

8. SEGMENTAL INFORMATION (continued)

Year ended 30 June 2006 (Audited)

	ARM Platinum Division Platinum Rm	ARM Platinum Division Nickel Rm	Ferrous metals Rm	Coal Rm	Exploration Rm	Corporate and other Rm	Gold Rm	**Total Rm**
Sales								
External sales	767	444	3 411	–	–	–	–	**4 622**
Cost of sales	(608)	(191)	(2 505)	–	–	–	–	**(3 304)**
Other operating income	–	25	78	–	2	62	–	**167**
Other operating expenses	(6)	(16)	(179)	–	(74)	(98)	–	**(373)**
Segment result	153	262	805	–	(72)	(36)	–	**1 112**
Income from investments	4	1	4	–	4	11	–	**24**
Finance cost	(87)	–	(15)	–	–	(32)	–	**(134)**
Exceptional items	–	–	–	–	–	139	–	**139**
Taxation	(20)	(78)	(277)	–	–	(2)	–	**(377)**
Minority interest	(8)	–	(176)	–	21	–	–	**(163)**
Contribution to earnings	42	185	341	–	(47)	80	–	**601**
Contribution to headline earnings	42	185	338	–	(47)	(56)	–	**462**
Other information								
Segment assets	3 710	396	2 731	–	195	296	7 261	**14 589**
Taxation	–	–	–	–	–	22	–	**22**
Consolidated total assets	3 710	396	2 731	–	195	318	7 261	**14 611**
Segment liabilities	1 810	29	367	–	18	858	–	**3 082**
Taxation								**1 136**
Consolidated total liabilities								**4 218**
Cash in/(out) flow from operating activities	(45)	224	723	–	(44)	(171)	–	**687**
Cash in/(out) flow from investing activities	(878)	(41)	(526)	–	(2)	3	–	**(1 444)**
Cash in/(out) flow from financing activities	507	–	(117)	–	226	277	–	**893**
Capital expenditure	1 064	50	554	–	2	1	–	**1 671**
Amortisation and depreciation	121	31	288	–	–	–	–	**440**

Additional information

Platinum	Two Rivers Rm	Modikwa Rm	Total Platinum Rm
SEGMENTAL INFORMATION			
Six months ended 31 December 2006 (Unaudited)			
Sales			
External sales	366	533	**899**
Cost of sales	(113)	(329)	**(442)**
Other operating income	–	–	**–**
Other operating expenses	(2)	(1)	**(3)**
Segment result	251	203	**454**
Income from investments	2	2	**4**
Finance cost	(18)	(37)	**(55)**
Taxation	(65)	(46)	**(111)**
Minority interest	(73)	(21)	**(94)**
Contribution to earnings	97	101	**198**
Contribution to headline earnings	97	101	**198**
Other information			
Segment assets	2 239	2 149	**4 388**
Segment liabilities	1 470	538	**2 008**
Cash in/(out) flow from operating activities	(179)	172	**(7)**
Cash in/(out) flow from investing activities	(170)	(52)	**(222)**
Cash in/(out) flow from financing activities	319	(79)	**240**
Capital expenditure	198	53	**251**
Amortisation and depreciation	29	48	**77**
Six months ended 31 December 2005 (Reviewed)			
Sales			
External sales	–	309	**309**
Cost of sales	–	(292)	**(292)**
Other operating expenses	–	(1)	**(1)**
Segment result	–	16	**16**
Income from investments	–	1	**1**
Finance cost	–	(45)	**(45)**
Taxation	–	8	**8**
Minority interest	–	3	**3**
Contribution to earnings	–	(17)	**(17)**
Contribution to headline earnings	–	(17)	**(17)**
Other information			
Segment assets	713	1 994	**2 707**
Segment liabilities	671	719	**1 390**
Cash in/(out) flow from operating activities	(12)	2	**(10)**
Cash in/(out) flow from investing activities	(303)	(65)	**(368)**
Cash in/(out) flow from financing activities	273	(60)	**213**
Capital expenditure	330	65	**395**
Amortisation and depreciation	–	50	**50**

Assmang 100%	Iron ore division Rm	Manganese division Rm	Chrome division Rm	Ferrous Total Rm
SEGMENTAL INFORMATION				
Six months ended 31 December 2006 (Unaudited)				
Sales				
External sales	864	1 097	635	**2 596**
Other operating income	1	52	1	**54**
Other operating expenses	(35)	(58)	(45)	**(138)**
Operating profit	365	380	31	**776**
Contribution to earnings	260	244	21	**525**
Contribution to headline earnings	260	244	21	**525**
Other information				
Segment assets	2 494	2 016	1 630	**6 140**
Segment liabilities	1 106	(472)	1 276	**1 910**
Cash in/(out) flow from operating activities	138	129	154	**421**
Cash in/(out) flow from investing activities	(483)	(87)	(86)	**(656)**
Cash in/(out) flow from financing activities	650	(399)	(65)	**186**
Capital expenditure	483	87	87	**657**
Amortisation and depreciation	80	77	43	**200**
Six months ended 31 December 2005 (Reviewed)				
Sales				
External sales	619	805	446	**1 870**
Other operating income	7	14	(5)	**16**
Other operating expenses	(21)	(43)	(62)	**(126)**
Operating profit	237	238	(30)	**445**
Contribution to earnings	169	152	(46)	**275**
Contribution to headline earnings	169	152	(46)	**275**
Other information				
Segment assets	1 273	2 201	1 615	**5 089**
Segment liabilities	370	19	1 206	**1 595**
Cash in/(out) flow from operating activities	217	(90)	87	**214**
Cash in/(out) flow from investing activities	(118)	(109)	(91)	**(318)**
Cash in/(out) flow from financing activities	(16)	98	(17)	**65**
Capital expenditure	112	109	92	**313**
Amortisation and depreciation	47	55	46	**148**

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**Independent non-executive

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