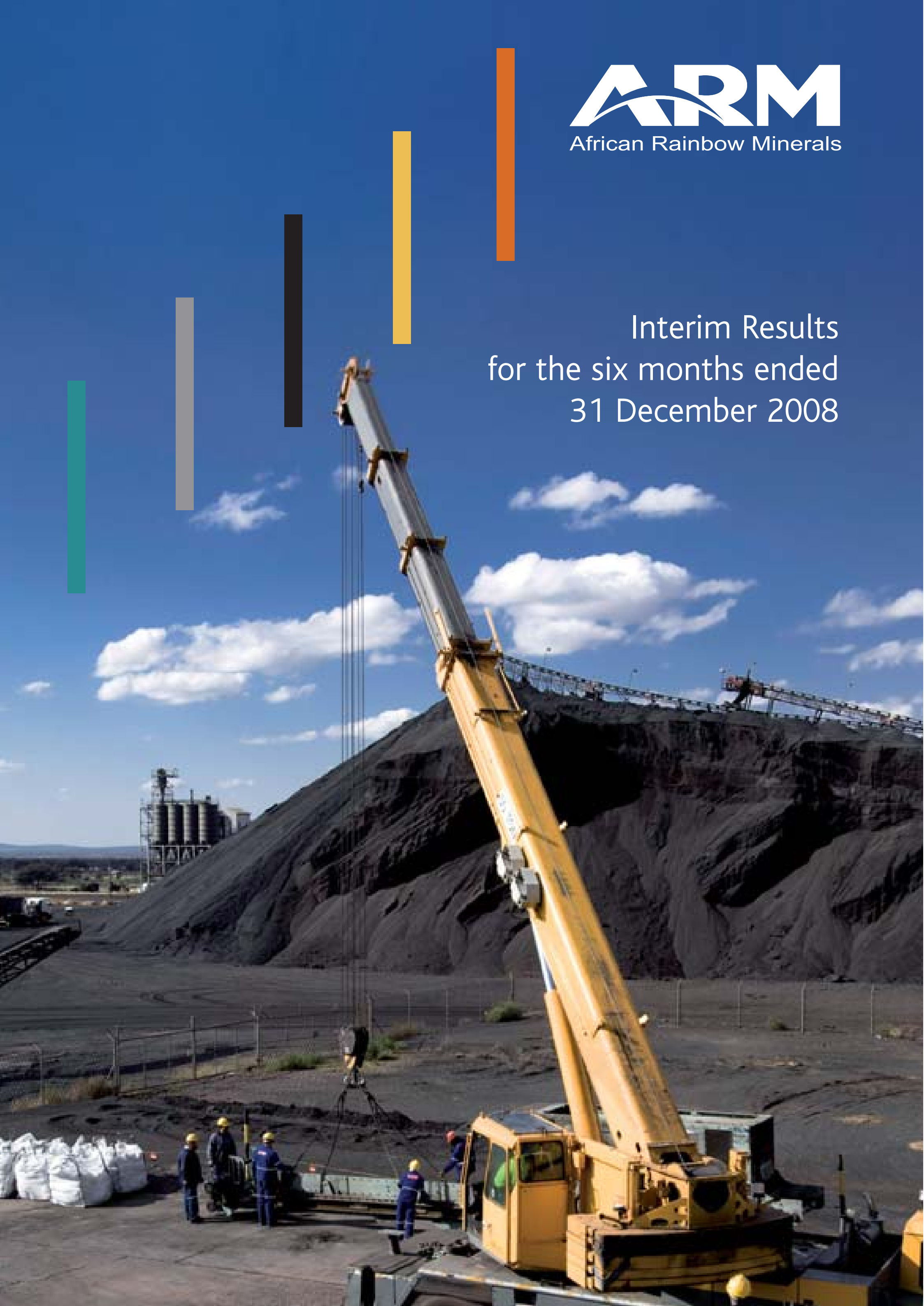
African Rainbow Minerals

Interim Results for the six months ended 31 December 2008



Shareholder information

Issued share capital as at 31 December 2008	211 626
Market capitalisation as at 31 December 2008	R23.5 billion
Share price as at 31 December 2008	R110.00
Daily average volume traded	402 145
Primary listing	JSE Limited
Ticker symbol	'ARI'

Forward looking statements

Certain statements in this report constitute forward looking statements that are neither reported financial results nor other historical information, include but are not limited to statements that are predictions of or indicate future earnings, savings, synergies, events, trends, plans or objectives. 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.

The Company undertakes no obligation to update publicly or release any revisions to these forward looking statements to reflect events or circumstances after the date of publication of these pages or to reflect the occurrence of unanticipated events.

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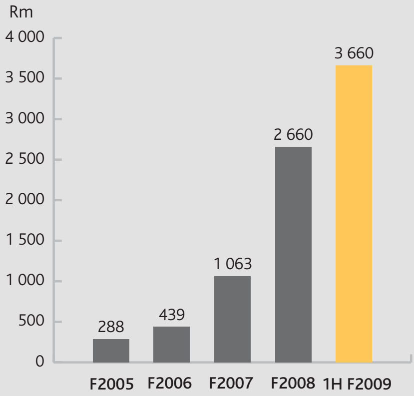
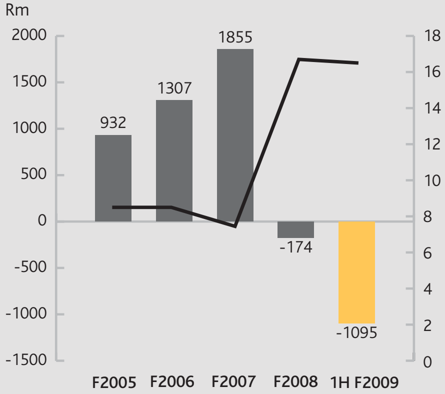
Highlights

- Strong headline earnings increase of **201%** from **R741 million** to **R2 232 million** or **1 055 cents per share**
- Profit from operations before exceptional items increases **120%** from **R1.5 billion** to **R3.3 billion**
- Increased sales volumes of PGMs, iron ore and domestic thermal coal
- Increased sales prices for coal, ferrous commodities and alloys
- Strong balance sheet: cash balance of **R3.66 billion** reflects an increase of **R2.5 billion** since 31 December 2007
- Significant benefits from diversification of mining activities
- ARM transaction with Vale on African exploration nearing closing

Cash on balance sheet



Net debt (excl. partner loans) and interest cover



Commentary

Group operational review

ARM's Board of Directors ("the board") announces good results for the six months to 31 December 2008, with significant increases in earnings contributions from ARM Ferrous and ARM Coal despite the global economy experiencing a sharp downturn in the latter part of this period. Headline earnings increased by 201% to R2 232 million (1H F2008: R741 million), or 1 055 cents per share, driven mainly by the strong performance from ARM Ferrous, which delivered a 390% increase in attributable headline earnings.

The ARM balance sheet remains strong at 31 December 2008 with net cash, before partner loans, of R1.1 billion, an improvement of R0.9 billion from the 30 June 2008 results. In the current economic climate ARM has focused on right-sizing its operations, deferring some of the capital expenditure and optimising its cash resources through working capital and cost management.

These interim results for the period ended 31 December 2008 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		
R million	2008	2007	% change
Platinum group metals	**(293)**	206	(242)
Nkomati nickel and chrome	**24**	150	(84)
Ferrous metals	**2 812**	574	390
Coal	**176**	6	>500
Exploration investment: TEAL	**(454)**	(121)	(275)
Corporate: finance costs	**(53)**	(45)	(18)
Corporate: other	**20**	(29)	169
ARM headline earnings	**2 232**	741	201

These results have been achieved in conjunction with ARM's partners at the various operations, namely Anglo Platinum, Assore, Impala Platinum, Norilsk Nickel and Xstrata Coal.

The global slowdown has weakened demand for all commodities. However, iron ore, thermal coal and PGMs reflected improved sales volumes despite these challenges. Key operational contributors for the period under review include (100% basis, except for PGM production):

- 5% increase in iron ore sales to 3.5 million tonnes;
- 10% reduction in manganese ore external sales to 1.3 million tonnes;
- 8% increase in domestic thermal coal sales (excluding discard dumps) to 5.65 million tonnes;
- 14% increase in attributable PGM production to 153 157 ounces;
- 43% reduction in manganese alloys and charge chrome sales volumes.

As part of ARM's strategy to ensure the efficiency and cost competitiveness of all its operations, ARM is targeting to have its operations within the 50th percentile on the global unit cost curve by 2012. Mining costs for this period increased above the inflation rate, but some easing to these cost increases is expected. ARM has been able to control and manage unit cost increases by increasing production volumes (where possible) and operational efficiencies.

The transaction with Companhia Vale do Rio Doce (Vale) has been approved by the requisite majorities of TEAL Exploration & Mining (TEAL) shareholders and is nearing closing. This will result in TEAL becoming a 50:50 joint venture with Vale. For the period under review, in terms of accounting conventions, ARM continued to consolidate 100% of TEAL's results thereby decreasing headline earnings by R159 million.

ARM remains satisfied with the progress of its projects at Khumani Iron Ore, Goedgevonden Coal and Nkomati Nickel. New challenges have emerged over the last few months, including significantly lower US dollar commodity prices and delays with the provision of additional railway line capacity. ARM is continuing to assess qualitative growth opportunities.

Financial commentary

Sales have increased 61% to R6.4 billion compared to the six months ended 31 December 2007 (1H F2008) mainly as a result of increased commodity prices and increased volumes. In addition, the average Rand/US Dollar exchange rate was 28% weaker at R8.88/$ (1H F2008: R6.94/$).

Despite the pressures of cost increases the gross profit margin has increased to 50.8% in this period from 41.9% in 1H F2008. ARM's earnings before interest, tax, depreciation and amortisation (EBITDA) excluding exceptional items and income from associates was R3.7 billion, which represents an increase of R1.9 billion over 1H F2008.

Headline earnings for the reporting period increased significantly by R1.5 billion or 201% to R2.3 billion (1H F2008: R741 million).

ARM Ferrous and ARM Coal showed significantly improved contributions to ARM resulting from continued strong demand and high commodity prices, during the first four months of the financial period. ARM Platinum's contribution to ARM was negative for the period mainly as a result of a significant fall in PGM and Nickel prices which also resulted in a realised mark-to-market loss of R547 million to the 30 June 2008 debtors value.

The significant increase in other operating income is largely as a result of foreign exchange gains at ARM Ferrous, while other operating expenses increased owing to increased expenditure at TEAL and increased fixed costs incurred during smelter shutdowns at ARM Ferrous. Income from investments increased by R153 million due to higher average cash balances, particularly at ARM Ferrous.

ARM's balance sheet at 31 December 2008 reflects growth in both total assets to R28.3 billion (31 December 2007: R18.0 billion) and total shareholders' equity to R17 billion (31 December 2007: R10.4 billion). This growth has been achieved while maintaining a conservative approach to debt in ARM. The net cash position of ARM, before partner loans, is a cash positive amount of R1.1 billion. Cash and cash equivalents have increased by R1.0 billion since 30 June 2008, while gross borrowings have only increased by R242 million. On 31 December 2008 the project loans owed by ARM Mining Consortium for the development of Modikwa Platinum Mine were repaid in full; thus ARM currently has no project funding debt at its platinum operations.

Cash generated from operations of R4.6 billion is R3.0 billion higher than 1H F2008 and only R0.6 billion less than the full year to 30 June 2008. This improvement in 1H F2009 is largely due to the increased contribution by ARM Ferrous as well as a decrease of R845 million in working capital. Notably, despite the negative cash operating margin for the platinum division, it contributed 22.5% or R629 million to the cash generated from operations. Similarly, all operations have cash balances at 31 December 2008 as indicated below:

	Current PGM basket price at 18 February 2009 R/kg	Reported PGM cash cost R/kg	Cash flow from operations Rm	Cash and cash equivalents Rm
Contribution				
– ARM Company			(709)	643
– ARM Ferrous			2 871	2 144
– ARM Coal			227	7
– Modikwa and ARM Mining Consortium	223 502	169 695	274	450
– Two Rivers	222 893	139 771	355	38
– Nkomati			177	68
– TEAL Exploration			(397)	7
– Other				303
Group total			2 798	3 660

Capital expenditure for the period amounted to R1.8 billion (1H F2008: R1.4 billion), mainly expended on the growth projects at Nkomati Nickel, Goedgevonden Coal and Khumani Iron Ore mines. Over the next three years to F2011, through delays and revisions of capital, we have reduced planned capital expenditure in excess of 25%.

During the reporting period ARM received dividends of R1.15 billion from ARM Ferrous.

Commentary *(continued)*

The effective tax rate at 40% is high owing especially to the non-deductibility of the large TEAL costs and the increase in Secondary Tax on Companies (STC) and State Share of Profits (SSOP) at ARM Ferrous.

The ARM Ferrous results do not include any possible recoveries from the insurance claim against insurers for asset damage and business interruption losses at the Cato Ridge operations.

Safety

Serious accidents/fatalities

Regrettably, two fatalities occurred during the period under review, and ARM extends condolences to the families of the deceased.

On 20 July 2008 a fatal accident occurred at Assmang's Khumani Iron Ore Mine. A contracted security guard, Mr Simon Nyelele, made a fire in a drum and took it into his mobile guard room. The windows and the door of the guard room were closed, thus creating a confined space and he was overcome by carbon monoxide gas.

On 23 September 2008, a fatal accident occurred at Nkomati Mine. The suspected base failure and subsequent side failure of a stockpile, inundated a contractor employee, Mr Wessel Borotho, who was driving a 2-ton diesel refuelling vehicle, causing fatal injuries.

Achievements

- Modikwa Platinum Mine achieved 4 000 000 Fatality Free Shifts on 26 August 2008
- Beeshoek Iron Ore mine achieved 6 000 Fatality Free Shifts on 3 September in the Northern Cape DME safety competition
- In the 1 000 Fatality Free Production Shift competition of the DME, Dwarsrivier Chrome Mine achieved a total of 4 098 Fatality Free Production shifts until the end of December 2008
- In the 250 000 Fatality Free Shift category, Dwarsrivier Mine recorded a total of 916 285 Fatality Free Shifts worked up to the end of December 2008

Safety statistics

- 54 reportable accidents occurred during the period under review (1H F2008: 55 reportable accidents)
- 104 Lost-Time-Injuries (LTI) occurred during the period under review (1H F2008: 127 LTIs)

Statistics for Goedgevonden are not included in this report.

ARM Ferrous

Assmang reported an increase of 144% in turnover for this reporting period to R10.93 billion (1H F2008: R4.48 billion). Headline earnings increased substantially by 391% to R5 628 billion (1H F2008: R1 146 billion). This was mainly due to the weaker Rand/US Dollar exchange rate and higher sales prices for all ferrous products.

The major portion of the capital expenditure, of R1 503 million (1H F2008: R1 584 million), was spent on the ongoing infrastructural development of the new Khumani Iron Ore Mine amounting to R664 million. In addition R126 million was spent on housing projects, R87 million was spent on the rebuilding of furnace 6 at the Cato Ridge Works ferromanganese smelter and R64 million was spent on generator equipment.

Cost increases in excess of the average inflation for the period were due to very high electricity, reductant and additional contractor costs. During the earlier months of the reporting period, contractors were employed to load and haul manganese to Richards Bay port and iron ore to Beeshoek. This expenditure generated additional revenue at very high margins.

During the period under review Assmang repaid R500 million plus interest on its term loan facility. At 31 December 2008, no further drawdowns had taken place and Assmang had R4.3 billion in cash on hand. Since the end of the reporting period, Assmang paid a dividend of R2 billion to shareholders on 12 February 2009.

Logistics

Transnet experienced some operational and technical problems from July 2008 to October 2008 and this impacted negatively on the total iron ore export channel. The long-term 14 Mtpa iron ore export agreement through Saldanha Bay is currently being finalised with Transnet. Transnet and Industry role players are currently evaluating and negotiating the next possible phase of expansion, either to 78 Mtpa, 93 Mtpa or 103 Mtpa through Saldanha Bay.

For the first three months of the period under review strong manganese ore export sales were achieved. The current capacity of the Port Elizabeth manganese export channel is 4.4 Mtpa. Transnet, together with KPMG, has engaged with all existing and potential manganese ore exporters to establish future demand for manganese ore export out of South Africa over the short, medium and long term. As from 1 November 2009 all prospective customers have to follow a formal and legal process to apply for manganese ore export capacity allocation. The envisaged plan over the short and medium term is to expand the Port Elizabeth Harbour to 6 Mtpa, with two other ports being used to increase future export capacity.

The ARM Ferrous operations, held through its 50% investment in Assmang, consist of three divisions: iron ore, manganese and chrome. Assore Limited, ARM's partner in Assmang, owns the remaining 50%.

Assmang headline earnings contribution

100% basis	six months ended 31 December		
R million	**2008**	2007	% change
Iron ore division	**1 532**	264	480
Manganese division	**3 642**	776	369
Chrome division	**454**	106	328
Total	**5 628**	1 146	391
Headline earnings attributable to ARM (50%)	**2 812**	574	390

Assmang product sales

100% basis	six months ended 31 December		
Thousand tonnes	**2008**	2007	% change
Iron ore	**3 455**	3 286	5
Manganese ore*	**1 291**	1 434	(10)
Manganese alloys*	**70**	122	(43)
Charge chrome	**65**	115	(43)
Chrome ore*	**80**	116	(31)

** Excluding intra-group sales*

Commentary *(continued)*

	Percentage cost increases Rand per tonne %	EBITDA margin %
Iron ore	9.9	79.2
Manganese ore	34.4	87.5
Manganese alloys	56.2	69.3
Charge chrome	41.3	43.9

Assmang capital expenditure

100% basis	**six months ended 31 December**	
R million	**2008**	2007
Iron ore	**875**	1 366
Manganese	**409**	163
Chrome	**219**	55
Total	**1 503**	1 584

Khumani Iron Ore Mine

The second phase of the 10 Mtpa expansion project has been completed on schedule and within budget. The commissioning of the off-grade circuit has commenced to allow flexibility in respect of ore blending.

The board has approved start-up capital of R1.2 billion for the expansion of Khumani Mine to 16 Mtpa. The feasibility study to expand production capacity to 16 Mtpa will be completed before F2009 year end.

ARM Platinum

ARM Platinum has performed well operationally. Attributable PGM production (including Nkomati) increased by 14% to 153 157 (1H F2008: 133 836) ounces in concentrate. The large downturn in world metal markets during the six months under review has had a significant financial effect on ARM Platinum's operations. Operating losses were recorded by both Modikwa and Two Rivers, while Nkomati generated a profit. The significant fall in commodity prices and mark-to-market adjustments made during the reporting period resulted in a decline in ARM Platinum's attributable headline earnings from R356 million in 1H F2008 to a loss of R269 million in 1H F2009. These adjustments were cushioned to some extent by a weaker Rand/US Dollar exchange rate. The table below sets out the relevant pricing information:

Average metal prices

		6 months to December 2008	6 months to December 2007	12 months to June 2008
Platinum	US$/oz	**840**	1 203	2 039
Palladium	US$/oz	**176**	261	449
Rhodium	US$/oz	**1 015**	4 069	9 535
Nickel	US$/t	**9 682**	14 896	22 539
Exchange rate	R/US$	**9.93**	8.88	7.91

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 2008, ARM Platinum had metal debtors of R1.78 billion, valued at the June 2008 average metal prices (refer to the analysis on page 190 of the 2008 Annual Report). The decline in rand metal prices resulted in final receipts from these debtors of R1.24 billion, a realised mark-to-market loss of R547 million. The table below illustrates the effect these adjustments had on ARM Platinum's cash operating profit for the six months to 31 December 2008:

Cash operating profit analysis

		Total	Modikwa 50%	Two Rivers 100%	Nkomati 50%
Gross revenue	R'000	**1 362 044**	380 538	634 551	346 955
Cash cost	R'000	**1 177 109**	416 959	554 411	205 739
Cash operating profit before mark-to-market	R'000	**184 935**	(36 421)	80 140	141 216
Mark-to-market loss on 30 June 2008 debtors	R'000	**(547 284)**	(137 412)	(312 372)	(97 500)
Cash operating (loss)/profit after mark-to-market loss	R'000	**(362 349)**	(173 833)	(232 232)	43 716
Cash operating profit margin before mark-to-market loss		**14%**	(10%)	13%	41%

To manage the impact of the global economic crisis and to ensure ARM Platinum's operations remain sustainable, management has embarked on a number of strategies to establish optimum operating levels. Management is in the process of implementing changes in working shifts, optimising labour strength, adjusting production levels, reducing capital expenditure and pursuing cost containment initiatives. Cost increases were mainly as a result of an increase in the cost of labour, fuel and lubricants, steel, electricity, explosives and maintenance of the underground mining fleets.

Commentary *(continued)*

Measures have been put in place to preserve cash, and as at 31 December 2008 ARM Platinum had no project debt, with the outstanding debt at ARM Mining Consortium being settled in full, 18 months ahead of schedule.

Modikwa's tonnes milled increased by 6%, resulting in a similar increase in PGM ounces in concentrate. Owing to the current economic conditions, Merensky mining has been stopped, and the deepening of the current declines postponed. The feasibility study for the phase two UG2 replacement project is complete, but approval of this project has been delayed in an effort to curtail capital expenditure. On 31 December 2008, immediately available ore reserves at Modikwa stood at 17.6 months.

During the period under review, Two Rivers operated with both declines at full production capacity, increasing tonnes milled by 20% and PGM ounces in concentrate by 28%. At 31 December 2008 the surface ore stockpile stood at 243 017 tonnes. The stockpile will be processed over the next few months to partially substitute underground tonnes as part of a cost reduction initiative. The concentrator plant optimisation, which will improve recoveries by an expected 3% to 5%, is on track and scheduled for completion by September 2009.

Nkomati's tonnes milled increased by 47% while nickel production increased to 2 495 (1H F2008: 2 367) tonnes. The chrome washing plant was commissioned during September 2008 and chrome concentrate is currently being stockpiled.

Total capital expenditure in the division amounts to R1.32 billion (R727 million attributable). This is mainly ascribed to the Nkomati Large Scale Expansion Project. Two Rivers continues to invest capital on its concentrator plant optimisation, while Modikwa invested capital to deepen its current declines.

Drilling results at Kalahari Platinum Exploration Project (Kalplats) continue to indicate favourable results and a bankable feasibility study is expected by December 2009.

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

The ARM Platinum division comprises three operating mines, Modikwa Platinum Mine, Two Rivers Platinum Mine and Nkomati Mine. 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 Impala Platinum, with ARM holding 55% and Impala 45%. Nkomati is a 50:50 partnership with Norilsk Nickel Africa. ARM Platinum also has an interest in Kalplats and 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 Platinum capital expenditure

100% basis	**six months ended 31 December**		
R million	**2008**	2007	% change
Modikwa	**273**	164	(66)
Two Rivers	**139**	185	25
Nkomati	**904**	206	(339)
Total.	**1 316**	555	(137)

Modikwa operational statistics

		six months ended 31 December		
100% basis		**2008**	2007	% change
Cash operating (loss)/profit	R million	**(348)**	495	(170)
Tonnes milled	Mt	**1.30**	1.23	6
Head grade (4E)	g/t	**4.41**	4.45	(1)
PGMs in concentrate	Ounces	**156 335**	148 039	6
Average basket price (4E)	R/kg	**301 885**	303 113	(0)
Cash operating margin	%	**(71)***	44	(261)
Cash cost (4E)	R/kg	**169 645**	138 517	(22)
Cash cost	R/tonne	**635**	522	(22)
Cash cost	R/Pt oz	**11 593**	9 554	(21)
Cash cost	R/PGM oz	**5 277**	4 314	(22)
Capex	R million	**273**	164	(66)
Headline earnings attributable to ARM (41.5%)	R million	**(111)**	108	(203)

** The cash operating margin, excluding mark-to-market adjustment to debtors, is (10%).*

Two Rivers operational statistics

		six months ended 31 December		
100% basis		**2008**	2007	% change
Cash operating (loss)/ profit	R million	**(232)**	401	(158)
Tonnes milled	Mt	**1.32**	1.10	20
Head grade (6E)	g/t, 6E	**4.22**	3.73	13
PGMs in concentrate	Ounces	**121 678**	95 355	28
Average basket price	R/kg	**287 602**	293 412	(2)
Cash operating margin	%	**(73)***	52	(239)
Cash cost	R/kg	**139 771**	122 500	(14)
Cash cost	R/tonne	**402**	330	(22)
Cash cost	R/Pt oz	**9 073**	7 989	(14)
Cash cost	R/PGM oz	**4 347**	3 810	(14)
Capex	R million	**139**	185	25
Headline earnings attributable to ARM (55%)	R million	**(182)**	98	(286)

** The cash operating margin, excluding mark-to-market adjustment to debtors, is 13%.*

Nkomati operational statistics

		six months ended 31 December		
100% basis		**2008**	2007	% change
Cash operating profit	R million	**87**	446	(80)
Cash operating profit – Nickel Mine	R million	**(279)**	247	(213)
Cash operating profit – Chrome Mine	R million	**366**	199	84
Cash operating margin	%	**18***	55	(68)\
Tonnes milled	Thousand	**678**	460	47
Head grade	% nickel	**0.54**	0.82	(34)
Nickel on-mine cash cost per tonne milled	R/tonne	**351**	321	(9)
Chrome on-mine cash cost per tonne mined	R/tonne	**72**	66	(9)
Cash cost net of by-products	US$/lb	**(2.42)**	(1.67)	45
Contained metal				
Nickel	Tonnes	**2 495**	2 367	5
PGMs	Ounces	**16 134**	14 742	9
Copper	Tonnes	**1 401**	1 313	7
Cobalt	Tonnes	**143**	123	16
Chrome ore sold	Tonnes	**346 823**	537 002	(35)
Headline earnings attributable to ARM (50%)	R million	**24**	150	(84)

** The cash operating margin, excluding mark-to-market adjustment to debtors, is 41%.*

Nkomati Large Scale Expansion Project

The expansion project is progressing well within the approved budget and timelines. A total of R2.1 billion (64%) of the approved capital budget of R3.34 billion was committed by 31 December 2008. All aspects of the project are on schedule to commission the 375 ktpm MMZ concentrator plant, which is 60% complete, from September 2009. All infrastructure requirements, including tailings disposal facilities, Eskom power supply, waste rock dumps and water and power supply, are on schedule. The conversion of the 100 ktpm plant to the 250 ktpm PCMZ plant has not been formally released, but long-lead items have been committed in order to support the scheduled November 2010 commissioning date. Nkomati raised a R300 million bridge finance facility in December and is currently in negotiations with a financial institution to roll this facility into a Project Finance Facility of up to R1.5 billion.

Commentary *(continued)*

ARM Coal

Headline earnings contribution from ARM Coal increased significantly to R176 million for the reporting period (1H F2008: R6 million). Operating margins have increased to 47% (1H F2008: 25%), driven by strong domestic and export thermal coal prices.

Total saleable production attributable to ARM Coal decreased by 9%, compared to the previous review period. Domestic production and sales for 1H F2008 included a substantial volume of discard. If the comparative figures are adjusted for the discard, attributable domestic saleable production and sales volumes increased by 5% and 8% respectively.

Export sales volumes attributable to ARM decreased by 19% compared to 1H F2008, mainly as a result of logistical problems experienced with railing the coal to Richards Bay Coal Terminal (RBCT). For the period under review, approximately 51% of ARM Coal's production was exported. Unit cost increases were mainly due to lower production volumes and higher consumable costs.

Total figures reflected below relate to 100% of the Xstrata Coal South Africa (XCSA) Operations plus Goedgevonden. Attributable figures relate to ARM's effective 20.2% of XCSA's Operations (also referred to as the Participating Coal Business – PCB) and 26% of Goedgevonden.

Earnings from the coal division, 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.

ARM's economic interest in XCSA/(PCB) ? as at 31 December 2008 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 (GGV) Thermal Coal Project situated near Ogies in Mpumalanga. ARM holds 51% of ARM Coal as well as a 10% direct investment in XCSA's Operations.

ARM Coal operational statistics

		six months ended 31 December		
100% basis		**2008**	2007	% change
Total production sales				
Saleable production	Mt	**12.14**	13.57	(10)
Export thermal coal sales	Mt	**6.14**	7.62	(19)
Domestic thermal coal sales	Mt	**5.65**	7.09	(20)
Attributable production and sales				
Saleable production	Mt	**2.54**	2.78	(9)
Export thermal coal sales	Mt	**1.26**	1.56	(19)
Domestic thermal coal sales	Mt	**1.21**	1.49	(19)
Average received coal price				
Export (FOB)	US$/tonne	**77.81**	51.44	51
Domestic (FOR)	R/tonne	**145.56**	76.17	91
On mine saleable cost	R/tonne	**184.26**	144.23	(28)
Cash operating profit				
Total	R million	**2 342**	834	181
Attributable	R million	**485**	170	186
Headline earnings attributable to ARM		**176**	6	>500

ARM Coal operational statistics *(continued)*

	six months ended 31 December	
Reconciliation	**2008**	**2007**
ARM attributable headline earnings reported	**176**	6
Add: additional amortisation	**4**	15
Imputed interest on Xstrata R4 billion debt facilitation	**17**	15
Less: Taxation	**(6)**	(8)
ARM attributable headline earnings excluding IFRS adjustment	**191**	28
Add: normal interest	**50**	40
normal amortisation	**170**	90
taxation	**74**	12
ARM's attributable operating profit	**485**	170

Goedgevonden Thermal Coal Project

The Goedgevonden Project is progressing well and as at 31 December 2008 about 70% of the total project costs had been committed. The project is expected to be commissioned before F2009 year end. Work at the Richards Bay Coal Terminal phase V expansion, in which ARM Coal has an entitlement of 3.2 Mtpa, commenced during the 2008 calendar year and is expected to be completed during the first half of the 2009 calendar year. Negotiations with Eskom on the pricing terms for a 3.5 Mtpa local sales contract are close to finalisation.

Harmony Gold Mining Company Limited (Harmony)

Harmony reported total headline earnings for the period under review of 109 cents per share (1H F2008: loss of 83 cents per share), and an increase in cash operating profit of >100% to R1 921million (1H F2008: R725 million). Gold production for the year was 8% lower at 25 334 kilograms (1H F2008: 25 635 kilograms), with cash costs for the year 19% higher at R162 550/kg.

The rand gold price has been a strong contributor to Harmony's improved earnings performance. In addition, Harmony's focus on back to basics, asset sales and balance sheet strengthening has been key to extracting value for all shareholders. Harmony has consistently delivered on the company's stated operational plans, while having improved its cash balance and reducing debt. The R979 million capital raising, where Harmony sold shares for cash, reduced net debt to R1.1 billion, with the receipt of the payment for the sale of Randfontein expected to further reduce debt levels.

The ARM balance sheet at 31 December 2008 reflects a marked-to-market investment in Harmony of R6 217 million, which is based on a Harmony share price of R97.70. Changes in the value of the investment in Harmony are accounted for by ARM through the statement of changes in equity net of deferred capital gains tax. The investment reflected at market value in the balance sheet represents approximately 26% of ARM's market capitalisation of R23.5 billion at 31 December 2008, compared to 10% at 30 June 2008.

Harmony's results for the quarter and six months ended 31 December 2008 can be viewed on Harmony's website at www.harmony.co.za.

TEAL Exploration & Mining Incorporated

For the period under review, ARM's investment in exploration of R454 million (1H F2008: R121 million), reflects 100% of TEAL's results. This increase in investment compared to the previous period reflects escalation in exploration costs, accounting for mining contracts, and impairment of stockpiles.

ARM's investment in TEAL at its market value represents 5% of ARM's market capitalisation of R23.5 billion at 31 December 2008, compared to 2% at 30 June 2008.

On the southern section of the Konkola North property in Zambia, four exploration drill holes were completed on Area 'A' for a total of 2 428 metres over the last three months:

- Borehole KN 44: 16.26m from 1 246 m depth for 7.38% TCu, 1.26% ASCu and 0.034% TCo
- Borehole KN 46: 12.99m from 1 060 m depth for 3.95% TCu, 0.6%ASCu and 0.04% TCo
- Borehole KN 50: 3.42m from 1 028 m depth for 2.19% TCu, 1.76% ASCu and 0.026% TCo
- Borehole KN 51: awaiting assay results

At Kalumines in the DRC, 198 boreholes were drilled over the last three months for a total of 11 895 metres. Phase two drilling at the Lupoto Copper Project is now underway and 88 boreholes for 15,280 m have been drilled since June 2008 to verify both strike and down-dip extensions (to 150 m vertical depth). TEAL's small-scale mining operation at Lupoto continues at the reduced mining rate of 50 000m^2 a month.

TEAL's latest results can be viewed at www.tealmining.com.

TEAL is a Toronto Stock Exchange listed mineral development and exploration company with development projects and exploration areas in the Democratic Republic of Congo (DRC), Zambia, Namibia and Mozambique. ARM owns 65% of TEAL and is in the process of establishing a 50:50 JV with Vale in respect of TEAL's assets. Please refer to the Corporate Action section for more details.

Corporate action

On 17 December 2008, ARM announced the proposed transaction to acquire the shares held by minority shareholders in TEAL and to simultaneously introduce Vale as a 50% strategic joint venture partner. TEAL will then be delisted from the Toronto Stock Exchange (TSX) and the JSE Limited. This will have the net effect of reducing ARM's shareholding in TEAL to 50%. The cash offer price to TEAL shareholders and the price ARM will receive for the sale of its 15% stake in TEAL is C$3.00 per share. On 13 February 2009, TEAL shareholders approved the transaction with the pre-requisite majority votes by minority shareholders.

TEAL remains key to ARM's long-term diversification plans, as it is ARM's chosen vehicle for expanding its copper interests in Africa. This joint venture partnership with Vale in respect of TEAL will ensure that risk exposure, capital allocation, funding and copper mining expertise will be optimised for the development of a successful copper business in Africa.

The cash purchase price received by minority shareholders and ARM will be funded by way of an equity investment by Vale in TEAL. This will result in ARM and Vale forming a 50:50 joint venture for the future development and operation of TEAL's assets. Vale will also share in 50% of the bank debt responsibilities of R850 million, which to date has been solely guaranteed by ARM.

Completion of the transaction is subject to various conditions, including receipt of certain regulatory approvals.

ARM Broad-based Black Economic Empowerment Trust

On 5 December 2008 the ARM BBEE Trust, which holds about 10% of the share capital of African Rainbow Minerals Limited (ARM), made its second cash distribution of approximately R25 million to its beneficiaries. Therefore, over the past two years, the total distribution to beneficiaries amounts to R32 million. The cash distribution will be used to build schools, laboratories, crèches, clinics, hospitals and to fund other community upliftment projects. This second cash distribution is particularly significant, given the turbulent global financial markets and weak commodity prices.

The beneficiaries of the ARM BBEE Trust are the five ARM Provincial Rural Upliftment Trusts benefiting the poor and the rural communities in the seven provinces in South Africa, the ARM Women's Upliftment Trust, various church trusts, two trade union companies representing approximately 500 000 workers, as well as entrepreneurs, community leaders, women and youth-owned SMMEs.

Outlook

ARM is well positioned to face the challenging global market conditions. Despite being in a growth phase, ARM has applied a fairly conservative approach to the gearing of its balance sheet. Cash has increased to R3.7 billion at 31 December 2008 from R1.2 billion reported a year ago. Gross borrowings, excluding partner loans, have decreased by R672 million, over the same period.

The outlook for commodity demand in calendar year 2009 remains weak amidst a significant downturn in the global economy. ARM is in a good position to effect any changes that may be necessitated by the demand and prices of the commodities which we produce. ARM will continue to pursue positive operating cash flows at all operations focusing on cost control and working capital management. ARM aims to have its operations to be within the 50th percentile on the global unit cost curves by 2012.

The announcement in the Budget presentation of an almost one year delay in the implementation of the Minerals Royalty Bill is welcomed and will contribute to the profitability of operations.

ARM's 2 x 2010 growth strategy remains on track and its long-life assets are geared to long-term growth which will benefit the company when the global economy improves.

Signed on behalf of the Board:

PT Motsepe
Executive Chairman

AJ Wilkens
Chief Executive Officer

Johannesburg
23 February 2009

Contents

Group Balance Sheets

as at 31 December 2008

	Note	Unaudited Six months ended 31 December 2008 Rm	Unaudited Six months ended 31 December 2007 Rm	Audited Year ended 30 June 2008 Rm
ASSETS				
Non-current assets				
Property, plant and equipment		10 485	7 983	9 024
Investment property		14	14	12
Intangible assets		214	217	215
Deferred tax assets		23	–	20
Loans and long-term receivable		4	–	–
Inventories		222	–	178
Investment in associate		1 394	846	1 298
Other investments	2	6 298	4 495	6 055
		18 654	13 555	16 802
Current assets				
Inventories		1 927	1 069	1 231
Trade and other receivables		4 026	2 146	4 150
Taxation		10	–	14
Cash and cash equivalents	3	3 660	1 185	2 660
		9 623	4 400	8 055
Held for sale assets		–	–	21
Total assets		28 277	17 955	24 878
EQUITY AND LIABILITIES				
Capital and reserves				
Ordinary share capital		11	11	11
Share premium		3 737	3 704	3 733
Other reserves		1 487	18	1 366
Retained earnings		11 152	6 151	9 766
Equity attributable to equity holders of ARM		16 387	9 884	14 876
Minority interest		635	468	800
Total equity		17 022	10 352	15 676
Non-current liabilities				
Long-term borrowings – interest bearing	4	1 228	2 904	2 254
Deferred tax liabilities		2 223	1 282	2 154
Long-term provisions		377	201	324
		3 828	4 387	4 732
Current liabilities				
Trade and other payables		2 985	1 127	1 515
Short-term provisions		131	68	184
Taxation		1 319	414	1 047
Overdrafts and short-term borrowings – interest bearing	4	2 992	1 607	1 724
		7 427	3 216	4 470
Total equity and liabilities		28 277	17 955	24 878

Group Income Statements

for the six months ended 31 December 2008

	Note	Unaudited	Unaudited	Audited
		Six months ended 31 December		Year ended 30 June
		2008 Rm	2007 Rm	2008 Rm
Revenue		6 710	4 119	12 919
Sales		6 416	3 991	12 590
Cost of sales		(3 158)	(2 319)	(5 516)
Gross profit		3 258	1 672	7 074
Other operating income		630	142	460
Other operating expenses		(575)	(308)	(856)
Profit from operations before exceptional items		3 313	1 506	6 678
Income from investments		205	52	168
Finance costs		(224)	(209)	(438)
Income from associate		180	9	461
Profit before taxation and exceptional items		3 474	1 358	6 869
Exceptional items	5	(33)	135	162
Profit before taxation		3 441	1 493	7 031
Taxation	7	(1 375)	(526)	(2 084)
Profit for the period		2 066	967	4 947
Attributable to:				
Minority interest		(165)	97	460
Equity holders of ARM		2 231	870	4 487
		2 066	967	4 947

	Note	2008	2007	2008
Additional information:				
Headline earnings (R million)	6	2 232	741	4 013
Headline earnings per share (cents)		1 055	353	1 906
Basic earnings per share (cents)		1 054	414	2 131
Fully diluted basic earnings per share (cents)		1 037	408	2 093
Fully diluted headline earnings per share (cents)		1 037	347	1 872
Number of shares in issue at end of period (thousand)		211 631	210 642	211 556
Weighted average number of shares in issue (thousand)		211 611	210 013	210 580
Weighted average number of shares used in calculating fully diluted earnings per share (thousand)		215 187	213 434	214 347
Net asset value per share (cents)		7 743	4 692	7 032
EBITDA before exceptional items (R million)		3 675	1 740	7 229
* Exceptional items included in income from associate (R million)		27	–	317
Dividend declared after year end (cents)		–	–	400

Statement of Changes in Equity

for the six months ended 31 December 2008

	Share capital and premium Rm	Revaluation of listed investments Rm	Other Rm	Retained earnings Rm	**Total shareholders of ARM Rm**	Minority interest Rm	**Total Rm**
Six months ended 31 December 2008 (Unaudited)							
Balance at 30 June 2008	3 744	1 190	176	9 766	**14 876**	800	**15 676**
Profit for the period	–	–	–	2 231	**2 231**	(165)	**2 066**
Net impact of revaluation of listed investment	–	148	–	–	**148**	–	**148**
Revaluation of listed investment	–	172	–	–	**172**	–	**172**
Deferred tax on revaluation of listed investment	–	(24)	–	–	**(24)**	–	**(24)**
Share-based payments	–	–	36	–	**36**	–	**36**
Share options exercised	4	–	–	–	**4**	–	**4**
Realignment of currency	–	–	(61)	–	**(61)**	–	**(61)**
Dividend paid	–	–	–	(847)	**(847)**	–	**(847)**
Other	–	–	(2)	2	**–**	–	**–**
Balance at 31 December 2008	3 748	1 338	149	11 152	**16 387**	635	**17 022**
Six months ended 31 December 2007 (Unaudited)							
Balance at 30 June 2007	3 677	1 467	137	5 597	**10 878**	340	**11 218**
Profit for the period	–	–	–	870	**870**	97	**967**
Net impact of revaluation of listed investment	–	(1 621)	–	–	**(1 621)**	–	**(1 621)**
Revaluation of listed investment	–	(1 896)	–	–	**(1 896)**	–	**(1 896)**
Deferred tax on revaluation of listed investment	–	275	–	–	**275**	–	**275**
Share-based payments	–	–	35	–	**35**	–	**35**
Share options exercised	38	–	–	–	**38**	–	**38**
Sale of share in investment	–	–	–	–	**–**	31	**31**
Dividends paid	–	–	–	(315)	**(315)**	–	**(315)**
Other	–	–	–	(1)	**(1)**	–	**(1)**
Balance at 31 December 2007	3 715	(154)	172	6 151	**9 884**	468	**10 352**
Year ended 30 June 2007 (Audited)							
Balance at 30 June 2007	3 677	1 467	137	5 597	**10 878**	340	**11 218**
Profit for the year	–	–	–	4 487	**4 487**	460	**4 947**
Net impact of revaluation of listed investment	–	(277)	–	–	**(277)**	–	**(277)**
Revaluation of listed investment	–	(335)	–	–	**(335)**	–	**(335)**
Deferred tax on revaluation of listed investment	–	58	–	–	**58**	–	**58**
Share-based payments	–	–	74	–	**74**	–	**74**
Share options exercised	67	–	–	–	**67**	–	**67**
Realignment of currency	–	–	(6)	–	**(6)**	–	**(6)**
Minorities bought out in copperbelt venture	–	–	(29)	–	**(29)**	–	**(29)**
Dividends paid	–	–	–	(315)	**(315)**	–	**(315)**
Other	–	–	–	(3)	**(3)**	–	**(3)**
Balance at 30 June 2008	3 744	1 190	176	9 766	**14 876**	800	**15 676**

Group Cash Flow Statements

for the six months ended 31 December 2008

	Unaudited Six months ended 31 December 2008 Rm	Unaudited Six months ended 31 December 2007 Rm	Audited Year ended 30 June 2008 Rm
CASH FLOW FROM OPERATING ACTIVITIES			
Cash receipts from customers	7 017	3 870	10 876
Cash paid to suppliers and employees	(2 464)	(2 305)	(5 701)
Cash generated from operations	4 553	1 565	5 175
Interest received	204	52	166
Interest paid	(140)	(140)	(412)
Dividends received	85	–	21
Dividends paid to ARM shareholders	(847)	(315)	(315)
Taxation paid	(1 057)	(164)	(466)
Net cash inflow from operating activities	2 798	998	4 169
CASH FLOW FROM INVESTING ACTIVITIES			
Additions to property, plant and equipment to maintain operations	(745)	(583)	(1 194)
Additions to property, plant and equipment to expand operations	(1 031)	(778)	(1 465)
Proceeds on disposal of property, plant and equipment	6	27	28
Proceeds on disposal of 50% of Nkomati – final tranche payment	–	–	135
Proceeds on sale of interest in Otjikoto	–	–	32
Proceeds on sale of interest in Zambian properties	–	–	37
Received from minorities on sale of investment	–	31	–
Dividend received from investment in associate	–	20	–
Net cash outflow from investing activities	(1 770)	(1 283)	(2 427)
CASH FLOW FROM FINANCING ACTIVITIES			
Proceeds on exercise of share options	4	38	66
Long-term borrowings raised	225	194	558
Long-term borrowings repaid	(81)	(80)	(804)
(Decrease)/increase in short-term borrowings	(211)	257	5
Net cash (outflow)/inflow from financing activities	(63)	409	(175)
Net increase in cash and cash equivalents	965	124	1 567
Cash and cash equivalents at beginning of period	2 594	1 039	1 039
Foreign currency translation on cash balances	(11)	(1)	(12)
Cash and cash equivalents at end of period	3 548	1 162	2 594
Cash generated from operations per share (cents)	2 152	745	2 457

Notes to the Financial Statements

for the six months ended 31 December 2008

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 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 financial information for the half-year ended 31 December 2008 has been prepared adopting the same accounting policies used in the most recent annual financial statements.

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 are effective 1 July 2008. There were no financial effects as a result of these.

	Unaudited Six months ended 31 December	Unaudited Six months ended 31 December	Audited Year ended 30 June
	2008 Rm	2007 Rm	2008 Rm
2. INVESTMENTS			
Listed			
Opening balance	**6 055**	6 391	6 391
Unrealised revaluation gain/(loss) for the period	**172**	(1 896)	(335)
Other	**71**	–	(1)
Total carrying amount of investments	**6 298**	4 495	6 055
3. CASH AND CASH EQUIVALENTS			
– African Rainbow Minerals Limited	**643**	31	326
– Assmang Limited	**2 144**	72	1 424
– ARM Coal (Proprietary) Limited	**7**	1	7
– ARM Platinum (Proprietary) Limited	**450**	231	509
– Kingfisher Insurance Co Limited	**127**	100	94
– Mannequin Insurance PPC Limited (cell AVL 18)	**176**	16	17
– Nkomati Mine	**68**	31	159
– Two Rivers Platinum (Proprietary) Limited	**38**	660	109
– Teal Exploration & Mining Inc	**7**	43	15
Cash and cash equivalents per balance sheet	**3 660**	1 185	2 660
Less overdrafts – included in overdrafts and short-term borrowings	**112**	23	66
Cash and cash equivalents per cash flow	**3 548**	1 162	2 594

		Unaudited Six months ended 31 December 2008 Rm	Unaudited Six months ended 31 December 2007 Rm	Audited Year ended 30 June 2008 Rm
4.	**BORROWINGS**			
	Long-term borrowings are held as follows:			
	– African Rainbow Minerals Limited	**–**	1 258	1 217
	– Assmang Limited	**9**	114	14
	– ARM Coal (Proprietary) Limited (partner loan)	**1 069**	617	847
	– ARM Platinum (Proprietary) Limited	**3**	184	1
	– Two Rivers Platinum (Proprietary) Limited	**147**	731	161
	– Teal Exploration & Mining Inc	**–**	–	14
		1 228	2 904	2 254
	Overdrafts and short-term borrowings are held as follows:			
	– African Rainbow Minerals Limited	**1 344**	18	69
	– Assmang Limited	**7**	398	256
	– ARM Coal (Proprietary) Limited (partner loan)	**35**	112	255
	– ARM Platinum (Proprietary) Limited	**–**	–	10
	– Nkomati Mine	**97**	–	–
	– Teal Exploration & Mining Inc	**850**	244	436
	– Two Rivers Platinum (Proprietary) Limited short-term borrowings	**73**	178	63
	– Two Rivers Platinum (Proprietary) Limited Implats shareholders loan (partner loan)	**586**	657	635
		2 992	1 607	1 724
	Total borrowings	**4 220**	4 511	3 978
	Interest of R71 million was capitalised for the half-year ended 31 December 2008 (31 December 2007: R22 million, 30 June 2008 : R89 million).			
5.	**EXCEPTIONAL ITEMS**			
	Impairment of property, plant and equipment	**(30)**	–	(51)
	Profit on sale of interest in Otjikoto	**–**	–	32
	Profit on sale of interest in Zambian properties	**–**	–	46
	Surplus on disposal of 50 per cent of Nkomati mine; final tranche payment	**–**	135	135
	Other	**(3)**	–	–
	Exceptional items per income statement	**(33)**	135	162
	Impairment of assets	**–**	(6)	–
	Profit/(loss) on disposal of property, plant and equipment	**5**	–	(10)
	Profit on asset swap in DTJV - ARM Coal	**27**	–	317
	Taxation	**–**	–	5
	Net exceptional items	**(1)**	129	474

Notes to the Financial Statements *(continued)*

for the six months ended 31 December 2008

	Unaudited Six months ended 31 December 2008 Rm	Unaudited Six months ended 31 December 2007 Rm	Audited Year ended 30 June 2008 Rm
6. HEADLINE EARNINGS			
Basic earnings per income statement	**2 231**	870	4 487
Impairment of assets	**30**	6	51
(Profit)/loss on sale of property, plant and equipment	**(5)**	–	10
Profit on asset swap in DTJV – ARM Coal	**(27)**	–	(317)
Profit on sale of interest in Otjikoto	**–**	–	(32)
Profit on sale of interest in Zambian properties	**–**	–	(46)
Surplus on disposal of 50 per cent of Nkomati mine	**–**	(135)	(135)
Other	**3**	–	–
	2 232	741	4 018
Taxation	**–**	–	(5)
Headline earnings	**2 232**	741	4 013
7. TAXATION			
South African normal tax – current year	**973**	317	1 019
State share of profits	**245**	36	238
Deferred tax – current year	**41**	147	819
– rate adjustment	**–**	–	(36)
Secondary tax on companies	**116**	26	44
	1 375	526	2 084
8. 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	**1 498**	1 416	1 469
– not contracted for	**1 715**	2 243	1 331
Total commitments	**3 213**	3 659	2 800

Contingent liabilities

Shareholders are advised that there have been no significant changes to the contingent liabilities of the group as disclosed in the June 2008 annual report.

	ARM Platinum Division Platinum Rm	Nickel Rm	Ferrous metals Rm	Coal Rm	Exploration Rm	Corporate and other Rm	Gold Rm	**Total Rm**
9. SEGMENTAL INFORMATION								
Primary segmental information								
Six months ended 31 December 2008 (Unaudited)								
Sales								
External sales	563	250	5 464	88	51	–	–	**6 416**
Cost of sales	(1 144)	(225)	(1 562)	(47)	(188)	8	–	**(3 158)**
Other operating income	4	36	478	–	2	110	–	**630**
Other operating expensed	5	(29)	(168)	–	(296)	(87)	–	**(575)**
Segment result	(572)	32	4 212	41	(431)	31	–	**3 313**
Income from investments	52	5	105	–	2	41	–	**205**
Finance cost	(46)	(1)	(14)	(9)	(21)	(53)	–	**(144)**
Finance cost Implats: shareholders' loan Two Rivers	(36)	–	–	–	–	–	–	**(36)**
Finance cost ARM: shareholders' loan Two Rivers	(44)	–	–	–	–	–	–	**(44)**
Income from associate	–	–	–	180	–	–	–	**180**
Exceptional items	–	(1)	–	–	(30)	(2)	–	**(33)**
Taxation	188	(12)	(1 486)	(9)	(4)	(52)	–	**(1 375)**
Minority interest	165	–	–	–	–	–	–	**165**
Contribution to earnings	(293)	23	2 817	203	(484)	(35)	–	**2 231**
Contribution to headline earnings	(293)	24	2 812	176	(454)	(33)	–	**2 232**
Other information								
Segment assets excluding investment in associate	5 508	1 330	9 726	1 762	434	1 906	6 217	**26 883**
Investment in associate				1 394				**1 394**
Segment liabilities	1 287	247	1 042	1 563	1 043	2 531	–	**7 713**
Taxation								**3 542**
Consolidated total liabilities								**11 255**
Cash in/(out) flow from operating activities	629	177	2 871	227	(397)	(709)	–	**2 798**
Cash in/(out) flow from investing activities	(290)	(449)	(746)	(276)	(8)	(1)	–	**(1 770)**
Cash in/(out) flow from financing activities	(368)	97	(253)	142	311	8	–	**(63)**
Capital expenditure	275	452	729	347	9	–	–	**1 812**
Amortisation and depreciation	166	12	166	12	11	–	–	**367**
EBITDA (before exceptional items)	(406)	44	4 373	53	(420)	31		**3 675**

Notes to the Financial Statements *(continued)*

for the six months ended 31 December 2008

	ARM Platinum Division Platinum Rm	ARM Platinum Division Nickel Rm	Ferrous metals Rm	Coal Rm	Explora-tion Rm	Corporate and other Rm	Gold Rm	**Total Rm**
9. SEGMENTAL INFORMATION *(continued)*								
Primary segmental information								
Six months ended 31 December 2007 (Unaudited)								
Sales								
External sales	1 338	398	2 192	35	28	–	–	**3 991**
Cost of sales	(782)	(195)	(1 287)	(31)	(24)	–	–	**(2 319)**
Other operating income	2	14	40	–	–	86	–	**142**
Other operating expenses	(8)	(18)	(81)	–	(120)	(81)	–	**(308)**
Segment result	550	199	864	4	(116)	5	–	**1 506**
Income from investments	33	2	4	–	1	12	–	**52**
Finance cost	(77)	–	(3)	(8)	(5)	(45)	–	**(138)**
Finance cost Implats: shareholders' loan Two Rivers	(32)	–	–	–	–	–	–	**(32)**
Finance cost ARM: shareholders' loan Two Rivers	(39)	–	–	–	–	–	–	**(39)**
Income from associate	–	–	–	9	–	–	–	**9**
Exceptional items	–	–	–	–	–	135	–	**135**
Taxation	(132)	(57)	(291)	1	(1)	(46)	–	**(526)**
Minority interest	(97)	–	–	–	–	–	–	**(97)**
Contribution to earnings	206	144	574	6	(121)	61	–	**870**
Contribution to headline earnings	206	150	574	6	(121)	(74)	–	**741**
Segment assets excluding investment in associate	5 773	654	3 969	1 658	214	357	4 484	**17 109**
Investment on associate			846					**846**
Segment liabilities	2 179	60	1 131	686	310	1 541	–	**5 907**
Taxation	–	–	–	–	–	–	–	**1 696**
Consolidated total liabilities	–	–	–	–	–	–	–	**7 603**
Cash in/(out) flow from operating activities	632	165	640	52	(141)	(350)	–	**998**
Cash in/(out) flow from investing activities	(267)	(103)	(764)	(116)	(33)	–	–	**(1 283)**
Cash in/(out) flow from financing activities	(80)	–	189	85	175	40	–	**409**
Capital expenditure	267	103	761	160	63	1	–	**1 355**
Amortisation and depreciation	98	10	113	1	2	1	–	**225**
EBITDA (before exceptional items)	648	209	977	14	(114)	6	–	**1 740**

	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**
9. SEGMENTAL INFORMATION *(continued)*								
Primary segmental information								
Year ended 30 June 2008 (Audited)								
Total sales	3 943	998	7 418	96	147	–	–	12 602
Inter-group sales to ARM Ferrous	–	12	–	–	–	–	–	12
Sales	3 943	986	7 418	96	147	–	–	12 590
Cost of sales	(1 785)	(419)	(3 193)	(51)	(72)	4	–	(5 516)
Other operating income	6	46	217	–	–	191	–	460
Other operating expenses	(31)	(11)	(350)	–	(271)	(193)	–	(856)
Segment result	2 133	602	4 092	45	(196)	2	–	6 678
Income from investments	93	6	36	–	2	31	–	168
Finance cost	(311)	(1)	(14)	(13)	(15)	(84)	–	(438)
Income from associate	–	–	–	461	–	–	–	461
Exceptional items	–	(7)	–	–	34	135	–	162
Taxation	(540)	(173)	(1 346)	(1)	(2)	(22)	–	(2 084)
Minority interest	(460)	–	–	–	–	–	–	(460)
Contribution to earnings	915	427	2 768	492	(177)	62	–	4 487
Contribution to headline earnings	915	432	2 775	175	(211)	(73)	–	4 013
Other information								
Segment assets excluding investment in associate	6 513	1 081	7 771	1 094	413	663	6 045	23 580
Investment in associate				1 298				1 298
Segment liabilities	1 563	112	1 196	930	608	1 592	–	6 001
Unallocated – deferred taxation and taxation								3 201
Consolidated total liabilities								9 202
Cash in/(out) flow from operating activities	1 369	518	3 005	103	(344)	(482)	–	4 169
Cash in/(out) flow from investing activities	(508)	(292)	(1 360)	(361)	(41)	135	–	(2 427)
Cash in/(out) flow from financing activities	(776)	–	(51)	274	353	25	–	(175)
Capital expenditure	547	292	1 394	414	130	2	–	2 779
Amortisation and depreciation	241	20	264	6	10	–	–	541
EBITDA (before exceptional items)	2 374	622	4 366	51	(186)	2	–	7 229

Additional information

for the six months ended 31 December 2008

The ARM platinum segment is analysed further into Two Rivers Platinum (Pty) Limited and ARM Platinum (Pty) Limited which includes Modikwa platinum mine.

Platinum	Two Rivers Rm	Modikwa Rm	Platinum Rm
SEGMENTAL INFORMATION			
Six months ended 31 December 2008 (Unaudited)			
Sales			
External sales	320	243	**563**
Cost of sales	(695)	(449)	**(1 144)**
Other operating income	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**
Minority 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 in/(out) flow from operating activities	355	274	**629**
Cash in/(out) flow from investing activities	(154)	(136)	**(290)**
Cash in/(out) flow from financing activities	(157)	(211)	**(368)**
Capital expenditure	139	136	**275**
Amortisation and depreciation	133	33	**166**
EBITDA (before exceptional items)	(243)	(163)	**(406)**

Platinum	Two Rivers Rm	Modikwa Rm	Platinum Rm
SEGMENTAL INFORMATION			
Six months ended 31 December 2007 (Unaudited)			
Sales			
External sales	768	570	**1 338**
Cost of sales	(423)	(359)	**(782)**
Other operating income	2	–	**2**
Other operating expenses	(2)	(6)	**(8)**
Segment result	345	205	**550**
Income from investments	26	7	**33**
Finance cost	(53)	(24)	**(77)**
Finance cost Implats: Shareholders loan Two Rivers	(32)	–	**(32)**
Finance cost ARM: Shareholders loan Two Rivers	(39)	–	**(39)**
Taxation	(74)	(58)	**(132)**
Minority interest	(75)	(22)	**(97)**
Contribution to earnings	98	108	**206**
Contribution to headline earnings	98	108	**206**
Other information			
Segment assets	3 341	2 432	**5 773**
Segment liabilities	1 744	435	**2 179**
Cash in/(out) flow from operating activities	426	206	**632**
Cash in/(out) flow from investing activities	(185)	(82)	**(267)**
Cash in/(out) flow from financing activities	(24)	(56)	**(80)**
Capital expenditure	185	82	**267**
Amortisation and depreciation	56	42	**98**
EBITDA (before exceptional items)	401	247	**648**

Additional information *(continued)*

for the six months ended 31 December 2008

Pro forma analysis of the ferrous segment on a 100% basis	Iron ore division Rm	Manganese division Rm	Chrome division Rm	Ferrous Total Rm	Attributable to ARM Rm
SEGMENTAL INFORMATION					
Six months ended 31 December 2008 (Unaudited)					
Sales					
External sales	2 920	6 884	1 123	10 927	5 464
Other operating income	360	582	139	1 081	478
Other operating expenses	(98)	(243)	(118)	(459)	(168)
Operating profit	2 171	5 618	637	8 426	4 212
Contribution to earnings	1 542	3 641	454	5 637	2 817
Contribution to headline earnings	1 532	3 642	454	5 628	2 812
Other information					
Segment assets	5 706	11 669	2 339	19 714	9 726
Segment liabilities	1 880	1 688	468	4 036	1 042
Taxation	(306)	2 463	227	2 384	–
Cash in/(out) flow from operating activities	1 443	1 688	309	3 440	2 871
Cash in/(out) flow from investing activities	(863)	(409)	(219)	(1 491)	(746)
Cash in/(out) flow from financing activities	(368)	–	(139)	(507)	(253)
Capital expenditure	875	409	219	1 503	729
Amortisation and depreciation	159	112	62	333	166
EBITDA (before exceptional items)	2 330	5 730	699	8 759	4 373

Pro forma analysis of the ferrous segment on a 100% basis	Iron ore division Rm	Manganese division Rm	Chrome division Rm	Ferrous Total Rm	Attributable to ARM Rm
SEGMENTAL INFORMATION (continued)					
Six months ended 31 December 2007 (Unaudited)					
External sales	1 149	2 459	776	4 384	2 192
Other operating income	10	62	19	91	40
Other operating expenses	(54)	(77)	(42)	(173)	(81)
Operating profit	368	1 204	155	1 727	864
Contribution to earnings	264	776	106	1 146	574
Contribution to headline earnings	264	776	106	1 146	574
Other information					
Segment assets	4 584	3 288	1 934	9 806	3 969
Segment liabilities	2 077	(815)	1 062	2 324	1 131
Taxation	429	856	260	1 545	–
Cash in/(out) flow from operating activities	387	774	(6)	1 155	640
Cash in/(out) flow from investing activities	(1 312)	(163)	(52)	(1 527)	(764)
Cash in/(out) flow from operating activities	870	(577)	75	368	189
Capital expenditure	1 366	163	55	1 584	761
Amortisation and depreciation	85	91	50	226	113
EBITDA (before exceptional items)	453	1 295	205	1 953	977

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