African Rainbow Minerals

We do it better

Interim results

for the six months ended
31 December 2012

Shareholder information

Issued share capital at 31 December 2012	215 532 020 shares
Market capitalisation at 31 December 2012	ZAR40.9 billion
Market capitalisation at 31 December 2012	US$4.84 billion
Closing share price at 31 December 2012	R189.90
Six-month high (1 July 2012 – 31 December 2012)	R192.69
Six-month low (1 July 2012 – 31 December 2012)	R139.02
Average daily volume traded for the six months	421 707 shares
Primary listing	JSE Limited
Ticker symbol	ARI

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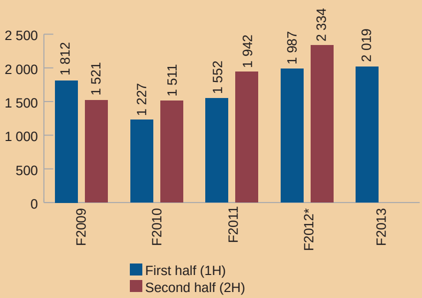
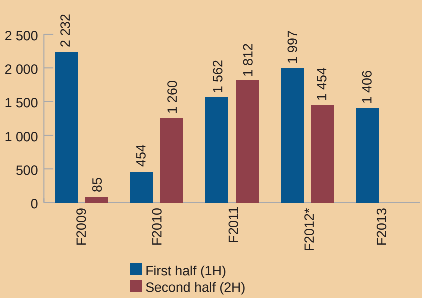
Salient features

- Headline earnings reduced by 30% to R1.41 billion (1H F2012 restated: R2.00 billion) primarily as a result of the fall in iron ore prices, coupled with above inflation unit cost increases at some operations. This reduction was partially offset by improved performances at Nkomati Nickel and ARM Coal. Headline earnings per share were 654 cents per share (1H F2012 restated: 937 cents per share).
- Sales revenue maintained at R8.8 billion (1H F2012: R8.7 billion).
- Increased sales volumes for iron ore, PGMs, nickel, Dwarsrivier chrome and thermal coal.
- Cash generated from operations decreased by 38% to R1.67 billion (1H F2012: R2.67 billion).
- Positive financial position with net cash (excluding partner loans) of R630 million (1H F2012: R1.7 billion) after capital expenditure of R2.02 billion and an increase in working capital of R1.5 billion.
- Growth projects deliver:
  - The Nkomati Nickel Mine improved its mining and metallurgical recoveries and has increased production of nickel by 87% and reduced unit costs by 50% to US$5.13/lb. Contribution to headline earnings of R147 million (1H F2012 restated: R75 million loss).
  - The concentrator plant at the Lubambe Copper Project was commissioned in October 2012, two months ahead of schedule.
  - Khumani mine ramping up ahead of schedule.
- South African government's continued commitment to investment in infrastructure.

Capital expenditure (R million)



Headline earnings (R million)



** 1H F2012 and 2H F2012 have been restated to take into account the early adoption of IFRIC 20.*

ARM operational review

The ARM Board of Directors (the Board) announces reduced earnings for the six months ended 31 December 2012 (1H F2013). Headline earnings for the period decreased by 30% to R1.41 billion when compared to the restated earnings for the corresponding six months ended 31 December 2011 (1H F2012: R2.00 billion). Headline earnings per share were 654 cents per share (1H F2012 restated: 937 cents per share). The results achieved are in line with those for the immediately preceding period (2H F2012) of R1.45 billion.

The reduction in ARM's earnings results mainly from the 46% decline in the contribution by the ARM Ferrous division. This is largely due to iron ore prices received being 28% lower in dollar terms, partly offset by an 11% weakening of the Rand/US Dollar exchange rate. The manganese earnings reduced by 51% due to lower production volumes and higher costs.

A good turnaround in earnings contribution was achieved at Nkomati Nickel Mine and at ARM Coal.

Higher sales volumes were achieved in iron ore, PGMs, nickel, Dwarsrivier chrome ore and thermal coal. The positive effect of improved sales volumes was, however, reduced by a decline in US Dollar commodity prices as uncertainty in global markets continued to put pressure on demand for commodities.

The following increases in sales volumes were achieved:

- 129% increase in Dwarsrivier chrome ore from 211 thousand tonnes to 483 thousand tonnes;
- 92% increase in nickel sales from 5.1 thousand tonnes to 9.9 thousand tonnes;
- 21% increase in Eskom coal sales at GGV from 1.88 million tonnes to 2.28 million tonnes;
- 12% increase in export coal sales from 6.29 million tonnes to 7.03 million tonnes;
- 10% increase in iron ore sales from 6.8 million tonnes to 7.4 million tonnes;
- 7% increase in PGMs (including Nkomati) sales from 384 thousand ounces to 409 thousand ounces.

The interim results for the six months ended 31 December 2012 have been prepared in accordance with International Financial Reporting Standards (IFRS) and the disclosures are in accordance with IAS 34: Interim Financial Reporting.

Rounding of figures may result in minor computational discrepancies on the tabulations.

Contribution to headline earnings

Commodity group	Unaudited six months ended 31 December		
R million	**2012**	2011	% change
Platinum Group Metals	**152**	162	(6)
Nkomati nickel and chrome*	**147**	(75)	–
Ferrous metals	**1 061**	1 974	(46)
Coal	**105**	(12)	–
Copper	**(21)**	(30)	30
Exploration	**(36)**	(54)	33
Gold	**32**	38	(16)
Corporate and other	**(34)**	(6)	>(100)
ARM headline earnings	**1 406**	1 997	(30)

** The 1H F2012 headline earnings have been restated to take into account the adoption of IFRIC 20.*

These results reflect ARM's share of the earnings achieved in conjunction with ARM's partners at the various operations, Anglo American Platinum Limited ("Anglo Platinum"), Assore Limited ("Assore"), Impala Platinum Holdings Limited ("Implats"), Norilsk Nickel Africa Proprietary Limited ("Norilsk"), Xstrata South Africa Proprietary Limited ("Xstrata"), Vale S.A. ("Vale") and Zambian Consolidated Copper Mines Investment Holdings ("ZCCM-IH").

ARM's quality growth continues

ARM continues to focus on growth through the ramping up of production in iron ore, nickel, coal and copper.

The Lubambe Copper Project in Zambia commenced commissioning of ore in October 2012, two months ahead of schedule. During the reporting period 3 214 tonnes of copper in concentrate were produced and toll smelted in Zambia. The project is on schedule to ramp up to 45 000 tonnes of copper per annum in the 2015 financial year. The second phase of this project which is expected to lead to the exploitation of the Lubambe Extension Area is also progressing well with six exploration drill rigs deployed and a total of 10 535 metres drilled during the reporting period.

The Khumani iron ore mine is ramping up production and stripping overburden to allow more flexibility for improved optimisation of mining. The iron ore production volume of 7.7 million tonnes is 14% up on last year and the plant is at steady state production.

The Nkomati nickel mine tonnes milled improved by 19% to 3.74 million tonnes, associated with substantial head grade and concentrator recovery improvements yielding 11 258 tonnes of nickel in concentrate produced, up 87% from 1H F2012.

The Goedgevonden coal mine produced 4.41 million tonnes saleable product in 1H F2013, which is 58% better than 1H F2012 and higher than the average steady state capacity of 6.7 mtpa.

Projects in pipeline

The Board approved the early works for the expansion at Black Rock Mine from 3 to 4 mtpa manganese ore which is a R5.8 billion project over the next four years.

ARM has a number of projects in the pipeline for which feasibility studies are well advanced. These include expansion of the iron ore operations, further increasing manganese ore production and expansion of the Modikwa Mine. The expansions under consideration require additional infrastructure capacity in the form of rail, port, water and electricity. Reconfirmation of the government's commitment to investment in infrastructure bodes very well for development of these projects. ARM is confident about developing these projects and continues to work with Transnet and Eskom to evaluate different alternatives for increased logistics and electricity capacity.

Focus on operational efficiencies

ARM's target is to have all operations positioned below the 50th percentile of each commodity's respective global cost curve. Despite inflationary pressure on the South African mining industry resulting from above inflation increases in the cost of diesel, electricity and labour, ARM has to date managed to achieve this target for all its operations except the Nkomati Nickel Mine and the ferrochrome operations. Nkomati is expected to reach this target in 2013 while the ferrochrome operations are in the process of being converted from ferrochrome to ferromanganese. Two furnaces at Machadodorp Works have been successfully converted and another furnace has been converted in January 2013. Lubambe Copper is expected to produce copper below the median world production cost by 2015.

Silicosis

ARM and 29 other respondents have been served with an application for the certification of two classes of claimants:

(i) Class 1: current and former mineworkers who have silicosis (whether or not accompanied by any other disease) and who work or have worked on certain gold mines; and

(ii) Class 2: the dependants of mineworkers who died as a result of silicosis (whether or not accompanied by any other disease) and who have worked on certain gold mines.

The applicants in the matter seek certification of the two classes in order to represent them in class actions for damages against the respondents. ARM is following the normal legal process and will defend the matter on the merits.

Changes to the board

In terms of paragraph 3.59 of the JSE Limited Listings Requirements, notification is hereby given of Mr Thando Mkatshana's appointment as Chief Executive: ARM Coal with effect from 3 September 2012. Thando Mkatshana was previously Executive: Coal Operations. The responsibilities of Chief Executive: ARM Coal were previously part of the broader responsibilities of Mr Mangisi Gule.

Mangisi Gule remains an Executive Director: Corporate Affairs.

Changes to resources and reserves

There were no material changes in the six months to ARM's mineral resources and reserves as disclosed in the Integrated Annual Report for the financial year ended 30 June 2012, other than depletion due to continued mining activities at the operations and increased resources at the Lubambe Copper Extension Area.

The Lubambe Copper Project Extension Area has increased ore resources to 105 million tonnes at an in-situ grade of 3.66% total copper based upon a report released by AMEC E&C Services Inc. on 14 February 2013. The drilling of this area is continuing.

Financial commentary

Headline earnings for the six-month period to 31 December 2012 were R1 406 million or 30% lower than the corresponding period's restated headline earnings (1H F2012: R1 997 million).

ARM's earnings for 1H F2013 are also the reported headline earnings as there are no exceptional items for the six-month period.

The 31 December 2011 results have been restated owing to the early adoption by ARM of the International Financial Reporting Interpretations Committee (IFRIC) IFRIC 20: Stripping Costs in the Production Phase of a Surface Mine, as fully reported upon in the 30 June 2012 Integrated Annual Report. The net adjusted increase to earnings and headline earnings for 1H F2012 amounts to R53 million. The previously published results for ARM's headline earnings for the six months to 31 December 2011 of R1 944 million have been restated to R1 997 million. The impact of the application of IFRIC 20 on the 1H 2013 headline earnings was a decrease of R23 million. Note 2 to the financial statements provides a detailed analysis of these changes.

Sales for the reporting period were in line with the corresponding period last year at R8.85 billion (1H F2012: R8.72 billion).

The average gross profit margin of 28.6% (1H F2012: 38.5%) is lower than the corresponding period largely due to decreased US Dollar commodity prices for iron ore, PGMs, ferromanganese alloys and nickel coupled with above inflation unit cost increases at some operations. Nkomati, which remains in ramp-up, achieved a turnaround for the period and operated at a gross profit of R264 million for the period (1H 2012 restated: R8 million); the improvement is largely due to the much higher sales volumes. The margins achieved at each operation may be ascertained from the detailed segment reports provided in note 11 to the financial statements as well as in the write-ups for each operation.

The 1H F2013 average Rand/US Dollar of R8.46/US$ is 11% weaker than the corresponding period average of R7.61/US$. The weaker exchange rate had a positive impact on the Rand prices achieved for commodities. For reporting purposes the closing exchange rate was R8.45/US$ (1H 2012: R8.07/US$).

ARM's earnings before interest, tax, depreciation and amortisation (EBITDA) excluding exceptional items and income from associates were R2.88 billion, which represents a decrease of 23% or R856 million less than the restated amount for 1H F2012.

The detailed segmental contribution analyses are provided in note 11 to the financial statements. Key features from the segmental contribution analyses are:

- The ARM Ferrous contribution to ARM's headline earnings amounted to R1 061 million (1H F2012: R1 974 million). This represents a 46% decrease over the corresponding period last year.
- The ARM Platinum segment contribution, which includes the results of Nkomati, was R299 million which is R212 million higher than the corresponding period and represents a 244% increase. The increase in contribution is due to the significantly increased contribution from Nkomati.
- The ARM Coal segment result was an improved contribution of R105 million (1H F2012: R12 million loss). Goedgevonden contributed an increased headline earnings of R63 million (1H F2012: R31 million) while the PCB operations improved significantly and contributed R42 million (1H F2012: R43 million loss).
- ARM Copper which comprises the Vale/ARM joint venture and related costs amounted to a loss of R21 million for the period (1H F2012: R30 million loss). Operating costs at the Lubambe copper project were capitalised for the full reporting period. Costs will be expensed with effect from 1 January 2013.
- The costs for the newly formed ARM Exploration segment were R36 million and mainly comprises the cost of exploration on the Rovuma project as well as staff and administration costs.
- The ARM Corporate, other companies and consolidation segment reflects a cost of R34 million as compared to a cost of R6 million for the previous corresponding period.
- ARM received a dividend of R32 million in October 2012 from its investment in Harmony relating to their F2012 results (1H F2011: R38 million).

At 31 December 2012 cash and cash equivalents amounted to R2 971 million (F2012: R3 564 million) with gross debt being R4 381 million (F2012: R3 237 million). The increase in gross debt largely results from increased borrowings to fund the completion of the Lubambe copper project. The net debt position at 31 December 2012 therefore amounts to R1 410 million (F2012: R327 million net cash), a change of R1 737 million relative to the position at 30 June 2012.

- Cash generated from operations decreased by R1 008 million from R2 673 million to R1 665 million after an increased working capital requirement of R1 527 million. The increase in working capital comprises: (i) outstanding trade debtors at the end of December 2012 being larger due to increased sales occurring in the last two trading months; there has also been an increase to normal trade debtor levels at Modikwa following the March/April strike at the mine; (ii) inventories increased at Khumani and Nkomati as they ramped up production and (iii) provisions impacted working capital largely as a result of the payment during the reporting period of short-term provisions raised at 30 June 2012.
- Capital expenditure amounted to R2 019 million for the period (1H F2012: R1 987 million) and was mainly expended on the growth projects of Khumani iron ore and Lubambe copper.
- Net cash at 31 December 2012 excluding partner loans (Implats: R48 million, Anglo Platinum: R114 million, Xstrata: R1 575 million and ZCCM-IH: R303 million) amounted to R630 million as compared to R2 303 million at 30 June 2012.

ARM's consolidated total assets of R37.1 billion (F2012: R35.3 billion) include the marked-to-market valuation of ARM's investment in Harmony of R4.7 billion at a share price of R74.00 per share (F2012: R76.50 per share).

The effective tax rate of 30% was in line with that of the corresponding period last year. The expense for mineral royalty tax is included in Other Operating Expenses and amounts to R171 million for the period (1H F2011: R222 million).

Safety

- ARM is proud to declare no fatalities during the six months and will continue striving towards zero fatalities.
- 80 Lost Time Injuries (LTIs) occurred during the six months, resulting in a Lost Time Injury Frequency Rate (LTIFR) of 0.41 per 200 000 man-hours (1H F2012: 0.41).
- 45 of the Lost Time Injuries (reported above) were also classified as Reportable Injuries in terms of the definitions of the Mine Health and Safety Act and Occupational Health and Safety Act.

Achievements

- Beeshoek Mine completed sixteen consecutive operating months without incurring a lost time injury. The mine has also been fatality-free since March 2003.
- Nkomati Mine has achieved in excess of 2.8 million fatality free shifts.
- Khumani Mine has achieved 2.9 million fatality free shifts.
- Black Rock Mine completed two million fatality free shifts.

Safety figures and statistics in this report are presented on a 100% basis and exclude the ARM Coal operations.

ARM Ferrous

For the six months ended 31 December 2012, Assmang Limited's (Assmang) headline earnings declined by 46% to R2.12 billion (F2011: R3.95 billion) driven by lower iron ore prices partly mitigated by increased iron ore sales volumes and an 11% weaker exchange rate. Sales tonnages increased across all commodities except manganese ore.

Assmang headline earnings

100% basis	six months ended 31 December		
R million	**2012**	2011	% change
Iron ore division	**1 731**	3 126	(45)
Manganese division	**411**	833	(51)
Chrome division	**(20)**	(10)	(100)
Total	**2 122**	3 949	(46)
Headline earnings attributable to ARM (50%)	**1 061**	1 974	(46)

Sales volumes compared to the same period last year were as follows:

- Iron ore increased by 10% to 7.4 million tonnes;
- Manganese ore (excluding intra-group sales) decreased by 5% to 1.5 million tonnes;
- Chrome ore (excluding intra-group sales) increased by 129% to 0.5 million tonnes;
- Manganese alloys volumes were virtually unchanged at 0.1 million tonnes;
- Chrome alloys decreased by 44% due to the conversion of furnaces to ferromanganese.

Assmang sales volumes

100% basis	six months ended 31 December		
Thousand tonnes	**2012**	2011	% change
Iron ore	**7 433**	6 781	10
Manganese ore*	**1 513**	1 590	(5)
Manganese alloys*	**107**	104	3
Charge chrome	**48**	86	(44)
Chrome ore*	**483**	211	129

Assmang production volumes

100% basis	six months ended 31 December		
Thousand tonnes	**2012**	2011	% change
Iron ore	**7 730**	6 413	21
Manganese ore	**1 483**	1 692	(12)
Manganese alloys	**138**	153	(10)
Charge chrome	**–**	113	(100)
Chrome ore*	**496**	498	–

** Excluding intra-group sales.*

On-mine unit production cost changes were:

- In the previous reporting period when Khumani was still in the ramp-up stage 59% of the waste stripping was capitalised. For this reporting period, the mine developed into a steady state mine and the total waste tonnage which had to be mined increased by 41%. On top of this increase, the volume of waste mined on working costs increased by 79%. This allowed the creation of the required pit footprint and space to generate in-pit ore stockpiles to ready the mine for a steady state of production. This additional waste stripping accounted for 18% of the overall 25% unit cost increase while above inflationary increases in fuel, power and labour accounted for the other 7%. During this year mining will reach steady-state and the production cost should stabilise at the current level. The EBITDA margin for iron ore was 48% and reduced from the 64% reported for the comparative period. The reduction is largely due to the fall in iron ore prices received.
- The manganese production volume was 12% lower than the corresponding period last year mainly due to increases in underground haulage distances, three section 54 stoppages and the establishment of a new mining area to maintain ore quality following the intersection of water-bearing fissures and faulting. This shortfall in production accounted for 11% of the overall 26% increase in unit cost and a further 7% was due to annual labour cost increases, 120 person complement increase and the conversion of 296 labour hire employees to permanent employees. The remaining 8% of the overall increase was due to inflationary increases for water and electricity and consumables.
- Chrome ore unit costs increased by 7% as a result of inflation and higher labour cost increases.
- Manganese alloys' unit costs increased by 7%.

Assmang unit cost produced on mine and EBITDA margin performance

Commodity group	Rand per tonne cost change %	1H F2013 EBITDA margin %	1H F2012 EBITDA margin %
Iron ore	25	48	64
Manganese ore	26	26	37
Manganese alloys	7	12	41
Charge Chrome	–	5	–
Chrome ore	7	6	38

Total capital expenditure was R2.32 billion (1H F2012: R2.04 billion). The main expenditure items included on-going development of the Khumani Mine including the Wet High Intensity Magnetic Separation plant (WHIMS) (R1.16 billion), the Beeshoek East pit and road deviation (R256.2 million), the Black Rock expansion of 3 to 4 million tonnes (R228 million) and the final conversion at Machadodorp Works of ferrochrome furnaces to ferromanganese furnaces (R216 million). The balance of the capital expenditure was for the replacement of vehicles and equipment, housing, and ensuring compliance to legislative changes.

Assmang capital expenditure

100% basis	six months ended 31 December	
R million	**2012**	2011
Iron ore	**1 610**	1 644
Manganese	**651**	265
Chrome	**61**	128
Total	**2 322**	2 037

Projects

Khumani Iron Ore Expansion Project

The Khumani Expansion project is complete and the mine is now fully operational at steady state. The WHIMS project to extract more value from the ore by recovering high grade fines from the discard stream is ahead of schedule and will be commissioned during May 2013.

Beeshoek Iron Ore Mine

The capital waste stripping in Beeshoek's east pit is progressing well and the feasibility study for the future village pit is expected to be completed by March 2013. These projects will extend Beeshoek's life by approximately 20 years.

Conversion of Ferrochrome Furnaces to Manganese Alloy Furnaces

This project has now been largely completed. Furnaces No. 2 and No. 5 at Machadodorp Works have been commissioned and furnace No. 3 was commissioned at the end of January 2013. This project was completed on schedule and within budget.

Manganese Ore Expansion

The early works to expand the Black Rock mining operations from 3 mtpa to 4 mtpa was approved and has commenced. The project involves the possible upgrade of the existing Nchwaning 2 shaft as well as a new shaft complex. The feasibility study to expand the mine further from 4 mtpa to 5 mtpa is progressing and will be reviewed by the board during the next six months.

Logistics

Assmang signed the Iron Ore Export 14 mtpa Agreement with Transnet. Assmang's Iron ore export volume is on target for the financial year. Additional ore can be moved from Beeshoek to Khumani due to the second load-out station at Khumani being commissioned ahead of time.

Assmang and Transnet will start to engage regarding a new Manganese Ore Export contract through the port of Port Elizabeth and future export allocation for the period 1 April 2013 until 31 March 2018. Assmang also exports manganese ore through the ports of Durban and Richards Bay.

Assmang managed to reduce its road transport volume of chrome ore by successfully securing rail capacity through the port of Richards Bay.

The Industry and Transnet completed a feasibility study to expand the Iron Ore Export capacity from the current 60 mtpa capacity to 82 mtpa through the port of Saldanha. This study was handed over to Transnet to complete to a higher level of accuracy.

Transnet is concluding a feasibility study to expand its Manganese Ore Export capacity to about 12 mtpa through the port of Ngqura from April 2018.

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%.

ARM Platinum

Despite challenging market conditions, ARM Platinum generated encouraging results with Nkomati and Two Rivers showing substantial improvements in operating profits.

Attributable headline earnings increased 244% to R299 million from R87 million driven mainly by improved performance at Nkomati and an increased output at Two Rivers.

PGM production (on 100% basis including Nkomati) increased 7% to 409 014 6E ounces (1H F2012: 383 809 6E ounces) while Nkomati's nickel produced increased by 87% to 11 258 tonnes (1H F2012: 6 014 tonnes) due to an improved head grade and plant recoveries.

Nkomati's unit cost improved by 9% to R297 per tonne milled (1H F2012: R328 per tonne milled) while the C1 unit cash cost, net of by-products, reduced by 50% to US$5.13/lb (1H F2012: US$10.24/lb) of nickel produced.

Despite the increase in unit production cost it is anticipated that Two Rivers and Modikwa will continue to be positioned below the 50th percentile of the global PGM cost curve with respective unit costs of R5 121/6E PGM oz (1H F2012: R4 734/6E PGM oz) and R5 829/6E PGM ounce (1H F2012: R4 891/6E PGM oz).

Dollar prices were lower than the corresponding period but the weakening of the Rand against the US Dollar compensated for the lower PGM prices, resulting in the basket prices for Modikwa and Two Rivers remaining fairly constant at R271 808/kg (1H F2012: R272 154) and R282 478/kg (1H F2012: R285 315), respectively. The nickel price was lower by 17% in US Dollar terms.

The table below sets out the relevant price comparison:

Average metal prices

		Average for six months ended 31 December		
		2012	2011	% change
Platinum	$/oz	**1 550**	1 652	(6)
Palladium	$/oz	**633**	691	(8)
Rhodium	$/oz	**1 081**	1 667	(35)
Nickel	$/t	**16 376**	19 763	(17)
Copper	$/t	**7 729**	8 067	(4)
Chrome concentrate (CIF)	$/t	**142**	177	(20)

Capital expenditure at ARM Platinum was R536 million (R401 million attributable). Modikwa's major capital items include the deepening of North shaft, the sinking of South 2 shaft, phase 2 development on South 1 shaft and the replacement of mining equipment. Of the capital spent at Two Rivers, 26% is associated with the replacement of the underground mining fleet and 16% on the PGM scavenger plant. The balance was incurred in the deepening of the Main and North declines. Nkomati's capital expenditure was mainly to sustain operations.

ARM Platinum capital expenditure

100% basis	six months ended 31 December		
R million	**2012**	2011	% change
Modikwa	**172**	246	(30)
Two Rivers	**266**	164	62
Nkomati	**98**	112	(13)
Total	**536**	522	3

Modikwa

With production similar to the previous reporting period, an increase in costs resulted in a 25% reduction in cash operating profit. PGMs produced for the six months are similar at 176 701 6E ounces (1H 2012: 176 490 6E ounces). Unit costs increased 15% to R812 per tonne milled (1H F2012: R706 per tonne milled) while Rand unit cost per 6E PGM ounce increased 19% to R5 829 (1H F2012: R4 891).

Modikwa experienced excessive cost increases on labour (18%), contractors (26%) and power (17%). Extra equipping of panels to increase the immediately stopeable reserves for mining flexibility and open cast mining were the two main drivers for the increase in contractors cost. In order for Modikwa to be aligned with the industry, above inflation wage increases, additional housing allowances as well as provisions for an employee participation fund increased labour cost.

During the period under review, Modikwa milled 134 000 tonnes (11% of total plant feed) of open pit material, which negatively affected plant recovery, mill feed grade and unit cost per PGM ounce.

Modikwa operational statistics

100% basis		six months ended 31 December		
		2012	2011	% change
Cash operating profit	R million	**250**	335	(25)
Tonnes milled	Mt	**1.27**	1.22	4
Head grade	g/t, 6E	**5.44**	5.57	(2)
PGMs in concentrate	Ounces, 6E	**176 701**	176 490	–
Average basket price	R/kg, 6E	**271 808**	272 154	–
Average basket price	$/oz	**999**	1 112	(10)
Cash operating margin	%	**20**	28	
Cash cost	R/kg, 6E	**187 418**	157 246	19
Cash cost	R/tonne	**812**	706	15
Cash cost	R/Pt oz	**14 672**	12 310	19
Cash cost	R/oz, 6E	**5 829**	4 891	19
Cash cost	$/oz, 6E	**689**	643	7
Headline earnings attributable to ARM (41.5%)	R million	**54**	74	(27)

Two Rivers

A 10% increase in PGM ounces, driven by an increase in tonnes milled (2%) and an improved head grade (7%), resulted in a 15% increase in cash operating profit. Head grades were negatively affected in the previous period by the processing of Merensky material. Unit costs increased by 8% to R5 121 per 6E PGM oz (1H F2012: R4 734 per 6E PGM oz). Cash cost increased due to above inflation increases on labour, consumables and power, as well as the appointment of contractor staff as own employees.

The previous period's cost was also positively impacted by 110 000 tonnes milled which were part of a capital development programme.

Two Rivers has taken over 1 660 contractor employees previously employed by Grinaker LTA. The appointment of these employees was completed by 31 December 2012 and resulted in a total unit cost increase of approximately 1.5%.

Two Rivers operational statistics

100% basis		six months ended 31 December		
		2012	2011	% change
Cash operating profit	R million	**479**	418	15
Tonnes milled	Mt	**1.59**	1.56	2
Head grade	g/t, 6E	**4.07**	3.81	7
PGMs in concentrate	Ounces, 6E	**179 513**	163 177	10
Average basket price	R/kg, 6E	**282 478**	285 315	(1)
Average basket price	$/oz, 6E	**1 039**	1 166	(11)
Cash operating margin	%	**34**	35	
Cash cost	R/kg, 6E	**164 629**	152 200	8
Cash cost	R/tonne	**578**	495	17
Cash cost	R/Pt oz	**11 050**	10 088	10
Cash cost	R/oz, 6E	**5 121**	4 734	8
Cash cost	$/oz, 6E	**605**	622	(3)
Headline earnings attributable to ARM (55%)	R million	**98**	88	11

Nkomati

A 19% increase in total tonnes milled, 40% improvement in head grade and a substantial enhancement in concentrator recoveries, delivered an 87% growth in nickel produced.

The depressed chrome market resulted in chrome concentrate sales declining to 75 849 tonnes (1H F2012: 250 687 tonnes).

Notwithstanding an 8% decrease in the rand nickel price achieved, Nkomati generated a cash operating profit of R694 million, a substantial increase from the R201 million loss in the corresponding period. The turnaround in results can be attributed to cost control, enhanced efficiencies, grades and recoveries. The mine achieved their initial target of more than 70% recovery in the concentrator, albeit at a higher head grade of 0.42% nickel. Management are confident that these recoveries are sustainable.

Despite lower than expected by-product credits, especially for chrome, the operation still managed to achieve a C1 unit cost of US$5.13/lb net of by-products (1H F2012: US$10.24/lb). The unit costs for Nkomati are currently positioned at approximately 45% of the global cost curve.

Nkomati operational statistics

100% basis		six months ended 31 December		
		2012	2011	% change
Cash operating profit/(loss)	R million	**694**	(201)	–
Cash operating profit/(loss) – Nickel Mine	R million	**644**	(228)	–
Cash operating profit – Chrome Mine	R million	**50**	27	85
Cash operating margin	%	**33**	(15)	–
Tonnes milled	Million	**3.74**	3.14	19
Head grade	% nickel	**0.42**	0.30	40
Nickel on-mine cash cost per tonne milled	R/tonne	**297**	328	(9)
Cash cost net of by-products*	$/lb	**5.13**	10.24	(50)
Contained metal				
Nickel	Tonnes	**11 258**	6 014	87
PGMs	Ounces	**52 800**	44 142	20
Copper	Tonnes	**4 988**	3 108	60
Cobalt	Tonnes	**535**	281	90
Chrome ore sold	Tonnes	**–**	64 144	(100)
Chrome concentrate sold	Tonnes	**75 849**	250 687	(70)
Headline earnings/(loss) attributable to ARM (50%) **	R million	**147**	(75)	–

* *This reflects US Dollar cash costs net of by-products (PGMs and Chrome) per pound of nickel produced.*

** *The 1H F2012 headline earnings have been restated to take into account the early adoption of IFRIC 20.*

Projects

Modikwa Expansion

The UG2 Phase 2 project to increase production to 240 000 tonnes per month is in progress. Construction work on 7 level at North Shaft is progressing well. Development at the South 2 Decline system is ahead of schedule.

Two Rivers Additional Ore Sources

Construction of the Tertiary Milling plant commenced and completion is expected during July 2013. A feasibility study was completed on the extraction of UG2 ore from the deeper southern strike extent of the Main Decline.

Nkomati Nickel

The Large Scale Expansion Project has been completed and Nkomati is now producing at design capacity.

The upgrade of the 132kV overhead distribution lines was delayed as a result of Eskom processes and completion is now expected by March 2013. This has no material impact on Nkomati in the short to medium term.

Kalplats PGM Exploration Project

ARM Platinum completed its review of the Definitive Feasibility Study (DFS) submitted by Platinum Australia (PLA) and recommended some modifications. These are being undertaken by PLA and a revised DFS is expected early in 2013. The viability of a possible mining operation is adversely affected by the lack of Eskom infrastructure and the uncertainty regarding the timing of its delivery. An application for a Retention Permit was submitted in July 2012.

The ARM Platinum division comprises three operating mines, Modikwa, Two Rivers and Nkomati. It has an effective 41.5% interest in Modikwa where local communities hold an 8.5% effective interest. The remaining 50% is held by Anglo Platinum. Two Rivers is an incorporated joint venture with Implats, with ARM holding 55% and Impala 45%. Nkomati is a 50:50 partnership with Norilsk Nickel Africa. ARM Platinum also has an interest in two joint ventures with PLA. The first is the "Kalplats Platinum Project" in which ARM Platinum owns 90% and PLA can earn-in up to 49% by completing a bankable feasibility study. The second joint venture, "Kalplats Extended Area Project", is a 50:50 partnership between ARM Platinum and PLA.

ARM Coal

ARM Coal's change in strategy from predominantly underground to opencast mining, is starting to deliver positive results.

Attributable cash operating profit of R443 million is 49% higher when compared to 1H F2012. Attributable headline earnings are R105 million compared to a loss of R12 million in the previous period. Export sales volumes increased and the unit cost per saleable tonne declined year-on-year for both the participative coal business (PCB) and Goedgevonden (GGV).

Total saleable coal production for 1H F2013 is 20% higher than 1H F2012. The GGV coal handling and processing plant (CHPP) achieved consistent design capacity levels of production during the period under review, which resulted in an increase of 58% in saleable production. Although some challenges are still being experienced at the iMpunzi East CHPP, total saleable production for PCB reflected an increase of 4% compared to the previous period.

Consolidated export sales volumes were 12% higher than 1H F2012 which, together with the weaker Rand Dollar exchange rate, resulted in an increase of 19% in export revenue, which was slightly offset by a 4% reduction in export coal prices.

Goedgevonden Coal Mine (GGV)

Run of Mine (ROM) production and saleable production at GGV were, respectively, 47% and 58% higher than in 1H F2012 as a result of an overall improvement in performance and efficiencies at the mine which is now consistently achieving design production levels.

Export and Eskom sales volumes increased by 7% and 21%, respectively, compared to the previous period, supported by an improved performance by Transnet Freight Rail (TFR). GGV achieved 7.9 million total saleable tonnes in the 2012 calendar year, which is 18% above the design capacity of 6.7 mtpa.

Improved sales volumes and lower unit cost caused attributable cash operating profit to increase from R144 million to R183 million, which resulted in headline earnings to increase by 100% to R62 million (1H F2012: R31 million). Attributable revenue was R66 million higher than in 1H F2012 mainly due to an increase in sales volumes (R38 million) and a weaker Rand Dollar exchange rate (R38 million). On mine costs per saleable tonne decreased by 24% to R158 compared to R209 in 1H F2012. This improvement can be attributed to the increase in saleable production volumes and utilisation of the in-pit inventories.

Goedgevonden operational statistics

		six months ended 31 December		
		2012	2011	% change
Total production sales (100%)				
Saleable production	Mt	**4.41**	2.80	58
Export thermal coal sales	Mt	**1.74**	1.62	7
Eskom thermal coal sales	Mt	**2.28**	1.88	21
Attributable production and sales (26%)				
Saleable production	Mt	**1.15**	0.73	58
Export thermal coal sales	Mt	**0.45**	0.42	7
Eskom thermal coal sales	Mt	**0.59**	0.49	20
Average received coal price				
Export (FOB)	$/tonne	**93.20**	100.37	(7)
Eskom (FOT)	R/tonne	**183.73**	155.85	18
On mine saleable cost	R/tonne	**157.98**	208.80	(24)
Cash operating profit				
Total	R million	**702**	555	26
Attributable (26%)	R million	**183**	144	27
Headline earnings attributable to ARM	R million	**63**	31	103

Attributable profit analysis

	six months ended 31 December		
	2012	2011	% change
Cash operating profit	**183**	144	27
Less: Interest paid	**(43)**	(48)	10
Amortisation	**(47)**	(47)	–
Fair value adjustments	**(6)**	(5)	(20)
Profit before tax	**87**	44	98
Less: Tax	**(24)**	(13)	(85)
Headline earnings attributable to ARM	**63**	31	103

Participating Coal Business (PCB)

Saleable production was 4% higher than 1H F2012 largely due to an improvement in production performance and efficiencies at the iMpunzi East CHPP.

Attributable revenue was R153 million higher than 1H F2012 due to higher export volumes (R94 million) and a weaker Rand/Dollar exchange rate (R88 million). This was slightly offset by lower export prices and lower Eskom and domestic sales volumes.

Total on mine cash costs were R7 million lower than 1H F2012 which together with the increase in saleable production volumes resulted in a unit cost decrease of R27 per tonne equivalent to 8%.

Attributable cash operating profit increased from R152 million to R260 million and headline earnings of R42 million reflected an increase of 195% from a loss of R43 million reflected in 1H F2012.

Participating Coal Business (PCB) operational statistics

		six months ended 31 December		
		2012	2011	% change
Total production sales (100%)				
Saleable production	Mt	**6.65**	6.38	4
Export thermal coal sales	Mt	**5.29**	4.67	13
Eskom thermal coal sales	Mt	**0.84**	2.05	(59)
Local thermal coal sales	Mt	**0.22**	0.47	(53)
Attributable production and sales (20.2%)				
Saleable production	Mt	**1.34**	1.29	4
Export thermal coal sales	Mt	**1.07**	0.94	14
Eskom thermal coal sales	Mt	**0.17**	0.41	(59)
Local thermal coal sales	Mt	**0.04**	0.09	(56)
Average received coal price				
Export (FOB)	$/tonne	**96.30**	97.65	(1)
Eskom (FOT)	R/tonne	**179.13**	93.51	92
Local (FOR)	R/tonne	**264.86**	223.07	19
On mine saleable cost	R/tonne	**302.06**	329.30	(8)
Cash operating profit				
Total	R million	**1 286**	750	71
Attributable (20.2%)	R million	**260**	152	71
Headline earnings/(loss) attributable to ARM	R million	**42**	(43)	–

Attributable profit analysis

	six months ended 31 December		
	2012	2011	% change
Cash operating profit	**260**	152	71
Less: interest paid	**(60)**	(58)	(3)
amortisation	**(115)**	(144)	20
fair value adjustments	**(28)**	(10)	(180)
Profit/(loss) before tax	**57**	(60)	195
Less: Tax	**(15)**	17	(188)
Headline earnings/(loss) attributable to ARM	**42**	(43)	–

ARM's economic interest in XCSA (PCB) as at 31 December 2012 remains at 20.2%. PCB consists of two mine complexes all situated in Mpumalanga. ARM has a 26% effective interest in the GGV Thermal Coal Mine situated near Ogies in Mpumalanga.

Attributable refers to 20.2% of Xstrata Coal South Africa (XCSA) Operations and whilst total refers to 100%.

ARM Copper

Lubambe

Project progress at Lubambe Copper Mine (previously Konkola North Project) is well advanced with most of the major milestones having been met. Total project completion was determined as 90% at the end of December 2012. In September 2012 the mine achieved one million fatality free shifts with well-established safety systems in place. The 27-month construction plan for the concentrator plant was completed in 25 months and thus started two months earlier than the base line plan. The plant started treating ore from the underground operations in October 2012 and 3 214 tonnes of copper in concentrate were produced by the end of December 2012. The first concentrate has been toll smelted in terms of the off-take agreements and the first revenue from the sale of concentrate has been received by the mine.

Mechanised development is progressing very well with ore drive development being ahead of schedule. Longitudinal Room and Pillar (LRP) Stoping commenced in August 2012 and by the end of December 2012 four stopes had been established. A lot of valuable practical experience regarding the mining of the ore body has been gained during a very short period. Poor ground conditions are being experienced in places resulting in higher costs and lower advance rates due to additional support requirements. Refurbishing of the No. 2 Vertical shaft is still scheduled for completion by April 2013. All other outstanding project capital regarding outstanding underground and surface infrastructure are on schedule for completion by the end of F2013. Project close out is to be finalised before the end of June 2013. Production ramp-up to full production of 45 000 tonnes of contained copper is still expected to be reached by the end of F2015.

Project expenditure is forecasted in nominal terms to be US$454 million (US$410 million in July 2010 terms) and in ZAR terms is below budget due to the weaker exchange rate, as a large proportion of the capital equipment is purchased in South Africa. All these costs will be capitalised and includes the cost of relocating about 205 informal settlement houses built on potential mining subsidence areas as defined by Zambian Mining Legislation. Commencement of the relocation infrastructure and house construction commenced in October 2012.

The mine’s throughput design from both the South and East Limb ore bodies remains at 2.5 mtpa of ore at an average mill head grade of 2.3% copper, resulting in the production of 45 000 tonnes of contained copper in concentrate per annum for 28 years. All copper concentrate produced will be toll smelted and refined in Zambia.

AMEC E & C Services Inc (AMEC) signed an initial Mineral Resources Statement for Lubambe Copper Mine Extension Area. The effective date being 14 February 2013 for a total ore resource of 105 million tonnes at 3.66% total copper grade in-situ. This is comprised of 73 million tonnes at total copper grade in-situ of 3.60% in indicated category and 32 million tonnes at 3.79% total copper grade in-situ as inferred. ARM is busy with a feasibility study of this area and expect completion by March 2014. Additional surface drilling is continuing in the Lubambe Extension Area and during the first six months of the F2013 year six exploration drill rigs were deployed and a total of 10 535 metres were drilled to enhance the confidence levels and provide the required study information regarding the resource. Further to the drilling programme the analysis of the Aero Magnetic and Aero Electric surveys were done across the whole Mining Lease area with the intention to identify further exploration target areas.

Kalumines

ARM and Vale have agreed to exit the Kalumines project and are in the process of negotiating an exit strategy with Gecamines.

ARM Copper headline loss decreased to R21 million (1H F2012: R30 million loss).

ARM Exploration and New Business

ARM has undertaken a thorough review of the growth opportunities of its current joint venture assets. This undertaking culminated in a Growth Strategy with two parts, i.e. (i) strong continued growth of the existing assets, pursued by the existing joint venture operations and (ii) a new minerals business growth strategy to develop an expanded, diversified portfolio of new mine development opportunities.

In order to manage and execute ARM's strategy, the Exploration and New Business Division was created and mandated to identify, evaluate new early-stage, mineral business opportunities.

ARM's minimum requirement is that potential partners have successfully completed methodological target generation and concept-driven exploration and have recorded discovery success. ARM will consider investing in such projects or companies and would undertake further exploration, studies, evaluation and investments further down the mining value chain.

Exploration and New Business is also tasked to identify merger and acquisition opportunities. Each project will be assessed in terms of its sustainability and value and hence the potential contribution that it can make to the company's overall growth strategy.

The agreement with Rovuma Resources Limited, a British Virgin Island registered Mozambican exploration company, was signed in July 2011. Rovuma has been exploring in Mozambique since 2007 and numerous occurrences of copper/zinc, nickel/copper/PGE, chromite/nickel and graphite mineralisation have been identified.

ARM agreed to continue with the option for the second year (commencing April 2012) and to fund exploration at a cost of US$7 million per year. ARM will have exclusive rights to exercise options to purchase prospecting and/or mining rights to the resources.

The prospective geological units have a strike extend of approximately 100km and four target cluster areas have been defined, each comprising numerous identified areas of base metal mineralisation. Three of the four clusters have been drill tested during the 2012 field season. The complete suite of assay results are awaited from laboratories in South Africa but initial results show further substantiation and have intersected and identified new occurrences, of nickel, copper and zinc mineralisation.

In Zambia, ARM has undertaken reconnaissance exploration work on prospective areas for high grade manganese mineralisation. Numerous targets have been identified and discussions with the rights holders have continued for a possible joint venture and/or partnership.

The headline loss attributable to ARM for 1H 2013 is R36 million (1H F2012: R54 million loss).

Harmony Gold Mining Company Limited

Harmony reported a 16% increase in operating profits to R1.6 billion and a 28% rise in headline earnings per share to 158 cents per share for the quarter ended 31 December 2012 in comparison to the preceding quarter. The net profit for the December 2012 quarter was R731 million; a 40% increase quarter on quarter.

The Harmony EBITDA for the quarter exceeded R1.4 billion and is their fourth consecutive quarter of increasing EBITDA. Their improved results have been largely achieved by:

(i) improving underground grades;

(ii) a Rand gold price which at R479 801/kg was 9% higher quarter on quarter; and

(iii) decreased total cash operating costs impacted favourably by reduced Eskom summer power tariffs.

Harmony reported good progress in resolving the labour issues of its Kusasalethu mine but indicated that the mine would remain closed until agreements were in place. Harmony has signed agreements on 14 February 2013 with various trade unions representing the majority of all employees at the mine. This will allow for the mine to re-open in a phased approach.

The completion of the R1.5 billion sale of the Evander Gold mine remains subject to the consent of the Minister of Mineral Resources.

The Harmony board declared an interim dividend of 50 cents per share (1H F2012: 40 cents per share) payable on 11 March 2013. ARM will account for this dividend in its 2H F2013 results.

The ARM statement of financial position at 31 December 2012 reflects a marked-to-market investment in Harmony of R4.7 billion which is based on a Harmony share price of R74.00 per share. Changes in the value of the investment in Harmony are accounted for by ARM through the statement of comprehensive income, net of deferred capital gains tax. Dividends are recognised in the ARM income statement on the last day of the registration following dividend declaration.

Harmony's results for the quarter and six months ended 31 December 2012 can be viewed on Harmony's website at: www.harmony.co.za

ARM owns 14.6% of Harmony's issued share capital.

Outlook

Global commodity markets and related sentiment are expected to continue to be volatile as sovereign risks particularly in Europe and the USA are addressed. In this business environment ARM will enhance its key focus on areas which lie within its ability to control, viz. unit operating costs, optimisation of capital allocation, efficient mining at its operations and delivering on its growth projects. In addition, ARM will maintain its strong relationships with all stakeholders, including labour.

While any recovery in Europe is expected to remain subdued at best, the economic outlook for eastern economies remains positive.

A positive development since the end of the reporting period has been the recovery in iron ore, PGM and manganese ore prices.

Review by independent auditors

The financial results for the six months ended 31 December 2012 have not been reviewed or audited by the company's registered auditors, Ernst & Young Inc.

Signed on behalf of the board

P T Motsepe
Executive Chairman

M P Schmidt
Chief Executive Officer

Johannesburg
26 February 2013

NOTES

Financial statements

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Group statement of financial position

as at 31 December 2012

	Note	Unaudited Six months ended 31 December 2012 Rm	Unaudited Six months ended 31 December Restated* 2011 Rm	Audited Year ended 30 June 2012 Rm
ASSETS				
Non-current assets				
Property, plant and equipment		**19 936**	17 133	18 707
Investment property		**12**	12	12
Intangible assets		**185**	198	191
Deferred tax asset		**4**	1	3
Loans and long-term receivables		**266**	195	221
Financial assets		**134**	67	74
Inventories		**147**	157	141
Investment in associate		**1 449**	1 306	1 354
Other investments		**4 813**	6 129	4 959
		26 946	25 198	25 662
Current assets				
Inventories		**2 837**	2 483	2 458
Trade and other receivables		**4 323**	3 898	3 606
Taxation		**32**	37	26
Cash and cash equivalents	3	**2 971**	2 825	3 564
		10 163	9 243	9 654
Total assets		**37 109**	34 441	35 316
EQUITY AND LIABILITIES				
Capital and reserves				
Ordinary share capital		**11**	11	11
Share premium		**3 990**	3 896	3 937
Other reserves		**519**	1 562	571
Retained earnings		**19 066**	17 272	18 681
Equity attributable to equity holders of ARM		**23 586**	22 741	23 200
Non-controlling interest		**1 315**	1 155	1 205
Total equity		**24 901**	23 896	24 405
Non-current liabilities				
Long-term borrowings	4	**3 370**	1 835	2 216
Deferred tax liabilities		**4 029**	3 885	3 777
Long-term provisions		**928**	652	892
		8 327	6 372	6 885
Current liabilities				
Trade and other payables		**2 331**	2 377	2 318
Short-term provisions		**308**	201	463
Taxation		**231**	368	224
Overdrafts and short-term borrowings	4	**1 011**	1 227	1 021
		3 881	4 173	4 026
Total equity and liabilities		**37 109**	34 441	35 316

** Restated after early adoption of IFRIC 20: Accounting for stripping costs in the production phase of a surface mine. (Refer note 2)*

Group income statement

for the six months ended 31 December 2012

	Note	Unaudited Six months ended 31 December 2012 Rm	Restated** 2011 Rm	Audited Year ended 30 June 2012 Rm
Revenue		**9 145**	9 093	18 142
Sales		**8 845**	8 721	17 530
Cost of sales		**(6 317)**	(5 365)	(11 463)
Gross profit		**2 528**	3 356	6 067
Other operating income		**398**	545	859
Other operating expenses		**(865)**	(743)	(1 710)
Profit from operations before exceptional items		**2 061**	3 158	5 216
Income from investments		**123**	141	279
Finance costs		**(108)**	(93)	(232)
Income/(loss) from associate*		**42**	(6)	11
Profit before taxation and exceptional items		**2 118**	3 200	5 274
Exceptional items	5	**–**	2	(70)
Profit before taxation		**2 118**	3 202	5 204
Taxation	7	**(628)**	(1 081)	(1 633)
Profit for the period		**1 490**	2 121	3 571
Attributable to:				
Non-controlling interest		**84**	85	133
Equity holders of ARM		**1 406**	2 036	3 438
		1 490	2 121	3 571
Additional information				
Headline earnings (R million)	6	**1 406**	1 997	3 451
Headline earnings per share (cents)		**654**	937	1 615
Basic earnings per share (cents)		**654**	955	1 609
Fully diluted headline earnings per share (cents)		**650**	931	1 604
Fully diluted basic earnings per share (cents)		**650**	949	1 598
Number of shares in issue at end of period (thousands)		**215 532**	213 751	214 852
Weighted average number of shares in issue (thousands)		**215 122**	213 233	213 689
Weighted average number of shares used in calculating fully diluted earnings per share (thousands)		**216 424**	214 579	215 118
Net asset value per share (cents)		**10 943**	10 639	10 798
EBITDA (R million)		**2 875**	3 731	6 531
* Exceptional gain included in income/(loss) from associate (R million)		**–**	37	38
Dividend declared after year end (cents)		**–**	–	475

*** Restated after early adoption of IFRIC 20: Accounting for stripping costs in the production phase of a surface mine. (Refer note 2)*

Group statement of comprehensive income

for the six months ended 31 December 2012

	Available for-sale reserve Rm	Other Rm	Retained earnings Rm	**Total share-holders of ARM Rm**	Non-controlling interest Rm	**Total Rm**
Six months ended 31 December 2012 (Unaudited)						
Profit for the period	–	–	1 406	**1 406**	84	**1 490**
Other comprehensive income:						
Items that may be reclassified subsequently to profit or loss:						
Net impact of revaluation of listed investment	(129)	–	–	**(129)**	–	**(129)**
Revaluation of listed investment	(159)	–	–	**(159)**	–	**(159)**
Deferred tax on revaluation of listed investment	30	–	–	**30**	–	**30**
Foreign exchange movements on loans to a foreign Group entity	–	20	–	**20**	–	**20**
Deferred tax on foreign exchange movements on loans to a foreign Group entity	–	(5)	–	**(5)**	–	**(5)**
Cash flow hedge reserve	–	1	–	**1**	–	**1**
Foreign currency translation	–	29	–	**29**	–	**29**
Total other comprehensive income	(129)	45	–	**(84)**	–	**(84)**
Total comprehensive income for the period	(129)	45	1 406	**1 322**	84	**1 406**
Six months ended 31 December 2011 restated* (Unaudited)						
Profit for the period	–	–	2 036	**2 036**	85	**2 121**
Other comprehensive income:						
Items that may be reclassified subsequently to profit or loss:						
Net impact of revaluation of listed investment	276	–	–	**276**	–	**276**
Revaluation of listed investment	321	–	–	**321**	–	**321**
Deferred tax on revaluation of listed investment	(45)	–	–	**(45)**	–	**(45)**
Foreign exchange movements on loans to a foreign Group entity	–	110	–	**110**	–	**110**
Deferred tax on foreign exchange movements on loans to a foreign Group entity	–	(18)	–	**(18)**	–	**(18)**
Cash flow hedge reserve	–	(35)	–	**(35)**	–	**(35)**
Foreign currency translation	–	20	–	**20**	–	**20**
Other	–	2	(2)	**–**	–	**–**
Total other comprehensive income	276	79	(2)	**353**	–	**353**
Total comprehensive income for the period	276	79	2 034	**2 389**	85	**2 474**

Group statement of comprehensive income (continued)

for the six months ended 31 December 2012

	Available for-sale reserve Rm	Other Rm	Retained earnings Rm	**Total share-holders of ARM Rm**	Non-controlling interest Rm	**Total Rm**
Year ended 30 June 2012 (Audited)						
Profit for the year	–	–	3 438	**3 438**	133	**3 571**
Other comprehensive income:						
Items that may be reclassified subsequently to profit or loss:						
Net impact of revaluation of listed investment	(775)	–	–	**(775)**	–	**(775)**
Revaluation of listed investment	(856)	–	–	**(856)**	–	**(856)**
Deferred tax on revaluation of listed investment	81	–	–	**81**	–	**81**
Foreign exchange movements on loans to a foreign Group entity	–	117	–	**117**	–	**117**
Deferred tax on foreign exchange movements on loans to a foreign Group entity	–	(20)	–	**(20)**	–	**(20)**
Cash flow hedge reserve	–	(11)	–	**(11)**	–	**(11)**
Foreign currency translation	–	16	–	**16**	–	**16**
Total other comprehensive income	(775)	102	–	**(673)**	–	**(673)**
Total comprehensive income for the year	(775)	102	3 438	**2 765**	133	**2 898**

** Restated after early adoption of IFRIC 20: Accounting for stripping costs in the production phase of a surface mine. (Refer note 2)*

Group statement of changes in equity
for the six months ended 31 December 2012

	Share capital and premium Rm	Available-for-sale reserve Rm	Other* Rm	Retained earnings Rm	**Total share-holders of ARM Rm**	Non-controlling interest Rm	**Total Rm**
Six months ended 31 December 2012 (Unaudited)							
Balance at 30 June 2012	3 948	139	432	18 681	**23 200**	1 205	**24 405**
Profit for the period	–	–	–	1 406	**1 406**	84	**1 490**
Other comprehensive income	–	(129)	45	–	**(84)**	–	**(84)**
Total comprehensive income for the period	–	(129)	45	1 406	**1 322**	84	**1 406**
Share-based payments	–	–	63	–	**63**	–	**63**
Share options exercised	22	–	–	–	**22**	–	**22**
Bonus and performance shares issued to employees	31	–	(31)	–	**–**	–	**–**
Dividend paid	–	–	–	(1 021)	**(1 021)**	–	**(1 021)**
Subscription by minority shareholder in Lubambe	–	–	–	–	**–**	26	**26**
Balance at 31 December 2012	4 001	10	509	19 066	**23 586**	1 315	**24 901**
Six months ended 31 December 2011 restated* (Unaudited)							
Balance at 30 June 2011	3 851	914	287	16 160	**21 212**	958	**22 170**
Profit for the period	–	–	–	2 036	**2 036**	85	**2 121**
Other comprehensive income	–	276	79	(2)	**353**	–	**353**
Total comprehensive income for the period	–	276	79	2 034	**2 389**	85	**2 474**
Share-based payments	–	–	52	–	**52**	–	**52**
Share options exercised	10	–	–	–	**10**	–	**10**
Bonus and performance shares issued to employees	46	–	(46)	–	**–**	–	**–**
Dividends paid	–	–	–	(959)	**(959)**	–	**(959)**
Part disposal of interest in Lubambe	–	–	–	37	**37**	112	**149**
Balance at 31 December 2011	3 907	1 190	372	17 272	**22 741**	1 155	**23 896**
Year ended 30 June 2012 (Audited)							
Balance at 30 June 2011 (restated)	3 851	914	287	16 160	**21 212**	958	**22 170**
Profit for the year	–	–	–	3 438	**3 438**	133	**3 571**
Other comprehensive income	–	(775)	102	–	**(673)**	–	**(673)**
Total comprehensive income for the year	–	(775)	102	3 438	**2 765**	133	**2 898**
Share-based payments	–	–	94	–	**94**	–	**94**
Share options exercised	50	–	–	–	**50**	–	**50**
Bonus and performance shares issued to employees	47	–	(47)	–	**–**	–	**–**
Dividends paid	–	–	–	(959)	**(959)**	–	**(959)**
Part disposal of interest in Lubambe	–	–	–	38	**38**	114	**152**
Other	–	–	(4)	4	**–**	–	**–**
Balance at 30 June 2012	3 948	139	432	18 681	**23 200**	1 205	**24 405**

** Restated after early adoption of IFRIC 20: Accounting for stripping costs in the production phase of a surface mine. (Refer note 2)*

Group statement of cash flows

for the six months ended 31 December 2012

	Note	Unaudited Six months ended 31 December 2012 Rm	Restated* 2011 Rm	Audited Year ended 30 June 2012 Rm
CASH FLOW FROM OPERATING ACTIVITIES				
Cash receipts from customers		**8 540**	8 487	17 883
Cash paid to suppliers and employees		**(6 875)**	(5 814)	(11 914)
Cash generated from operations	9	**1 665**	2 673	5 969
Interest received		**89**	95	214
Interest paid		**(54)**	(36)	(106)
Dividends received		**32**	38	64
Dividend paid		**(1 021)**	(959)	(959)
Taxation paid		**(350)**	(631)	(1 294)
Net cash inflow from operating activities		**361**	1 180	3 888
CASH FLOW FROM INVESTING ACTIVITIES				
Additions to property, plant and equipment to maintain operations		**(778)**	(419)	(1 180)
Additions to property, plant and equipment to expand operations		**(1 272)**	(1 561)	(2 866)
Proceeds on disposal of property, plant and equipment		**19**	1	1
Investment in associate		**(53)**	(16)	(23)
Investments in Richards Bay Coal Terminal		**(13)**	(9)	(17)
Decrease/(increase) in loans and long-term receivables		**7**	(10)	8
Net cash outflow from investing activities		**(2 090)**	(2 014)	(4 077)
CASH FLOW FROM FINANCING ACTIVITIES				
Proceeds on exercise of share options		**22**	10	50
Proceeds on subscription by minority shareholder in Lubambe		**26**	86	–
Long-term borrowings raised		**901**	165	501
Long-term borrowings repaid		**(110)**	(98)	(294)
Increase/(decrease) in short-term borrowings		**143**	(110)	(78)
Net cash inflow from financing activities		**982**	53	179
Net decrease in cash and cash equivalents		**(747)**	(781)	(10)
Cash and cash equivalents at beginning of period		**3 227**	3 227	3 227
Foreign currency translation on cash balances		**6**	19	10
Cash and cash equivalents at end of period	3	**2 486**	2 465	3 227
Cash generated from operations per share (cents)		**774**	1 254	2 794

** Restated after early adoption of IFRIC 20: Accounting for stripping costs in the production phase of a surface mine. (Refer note 2)*

Notes to the financial statements

for the six months ended 31 December 2012

1 STATEMENT OF COMPLIANCE

The consolidated Group financial statements for the half-year ended 31 December 2012 have been prepared in accordance with International Financial Reporting Standards (IFRS) of the International Accounting Standards Board (IASB), the SAICA Financial Reporting Guides as issued by the Accounting Practices Committee and Financial Reporting Pronouncements as issued by the Financial Reporting Standards Council, requirements of the South African Companies Act, 2008 as amended, and the Listings Requirements of the JSE Limited.

BASIS OF PREPARATION

The consolidated Group financial statements for the half-year ended 31 December 2012 have been prepared on the historical cost basis, except for certain financial instruments, which includes listed investments, that are fairly valued by marking to market. The accounting policies used are consistent with those in the most recent annual financial statements except for those listed below and comply with IFRS and are in terms of the disclosure requirements of IAS 34 – Interim Financial Reporting.

The Group financial statements for the period have been prepared under the supervision of the financial director, Mr M Arnold CA(SA).

The Group has adopted the following new and revised standards and interpretations issued by the International Financial Reporting Interpretation Committee (IFRIC) of the IASB that became effective before and on 1 July 2012.

Standard	Subject
IAS 1	Presentation of other comprehensive income (Amendment)
IAS 12	Deferred tax – Recovery of an underlying asset (Amendment)

The adoption of these amendments only had a disclosure effect on the Group Statement of Comprehensive Income.

In addition the following amendments, standards or interpretations have been issued but are not yet effective. The effective date refers to periods beginning on or after, unless otherwise indicated.

Standard	Subject	Effective date
IFRS 1	First-time Adoption of International Financial Reporting Standards (Amendment)	1 January 2013
IFRS 9	Financial instruments: Classification and measurement	1 January 2015
IFRS 10	Consolidated financial statements	1 January 2013
IFRS 11	Joint Arrangements	1 January 2013
IFRS 12	Disclosure of interest in other entities	1 January 2013
IFRS 13	Fair value measurement	1 January 2013
IAS 1	Presentation of Financial statements (Amendment)	1 January 2013
IAS 12	Income taxes – Recovery of underlying assets (Amendment)	1 January 2012
IAS 16	Property, Plant and Equipment (Amendment)	1 January 2013
IAS 19	Employee benefits (Amendment)	1 January 2013
IAS 27	Separate financial statements (as revised in 2011)	1 January 2013
IAS 28	Investment in associate and Joint Ventures (as revised in 2011)	1 January 2013
IAS 32	Financial Instruments: Presentation (Amendment)	1 January 2014
IAS 34	Interim Financial Reporting (Amendment)	1 January 2013

The Group does not intend early adopting any of the above amendments, standards or interpretations.

The Group has early adopted IAS 1 – Presentation of Financial statements, which was amended as a result of the IASB's Annual improvement project in May 2012. The amendment clarified the requirements for certain disclosures and comparative information and as a result of this no notes are presented with regards to the third statement of financial position.

The Group has early adopted IFRIC 20 – Accounting for stripping costs in the production phase of a surface mine.

This interpretation is effective for annual periods commencing on or after 1 January 2013, which would ordinarily mean it would apply to the Group from the year ending 30 June 2013, however the Group has elected to early adopt this interpretation and apply it for the year ended 30 June 2012. In accordance with the transitional provision of the interpretation, the requirements were applied retrospectively to production stripping costs incurred on or after 1 July 2010 (commencement of the comparative financial period). The interpretation now clarifies that an entity can recognise production stripping costs of a surface mining operation as part of a stripping activity asset if certain requirements as per the IFRIC 20 are met. Refer to note 2 for details of the financial effect of early adoption of this interpretation.

Notes to the financial statements

for the six months ended 31 December 2012

2 FINANCIAL EFFECT OF EARLY ADOPTION OF IFRIC 20 – ACCOUNTING FOR STRIPPING COSTS IN THE PRODUCTION PHASE OF A SURFACE MINE

As stated in the 30 June 2012 financial results, ARM previously expensed all production phase stripping costs as incurred and did not capitalise any as deferred stripping assets. Accordingly, the adoption of IFRIC 20 did not have any impact on the opening balances in respect of the financial year ended 30 June 2011. The effect on the financial year ended 30 June 2011 was disclosed in the 30 June 2012 Integrated Annual report.

Adopting IFRIC 20 had the following impact on the Group's profit before income taxes, net profit after income taxes, and the statement of financial position as at and for the period ended 31 December 2011:

Income statement for the six months ended 31 December 2011	**Pre-tax Rm**	**Tax effect Rm**	**Post-tax Rm**
Increase due to the reversal of certain production phase stripping costs previously expensed	112	(31)	81
Change in inventory valuation as a result of capitalised stripping costs changing the value of cost per tonne	(16)	4	(12)
Decrease due to depreciation of the stripping activity asset	(22)	6	(16)
Net increase in profit	74	(21)	53

Statement of financial position as at 31 December 2011	**As previously reported Rm**	**Effect of adoption of IFRIC 20 Full year to June 2011 as reported in June 2012 Rm**	**Six months to December 2011 Rm**	**Restated after adoption of IFRIC 20 Rm**
Property, plant and equipment	16 959	84	90	17 133
Inventories	2 506	(7)	(16)	2 483
Deferred taxation	3 842	22	21	3 885
Retained earnings	(17 164)	(55)	(53)	(17 272)

Impact on the 31 December 2012 financial information

Adopting IFRIC 20 had the following impact on the Group's profit before income taxes, net profit after income taxes, and the statement of financial position as at and for the current period ended 31 December 2012:

Income statement for the six months ended 31 December 2012	**Pre-tax Rm**	**Tax effect Rm**	**Post-tax Rm**
Increase due to the reversal of certain production phase stripping costs previously expensed	**25**	**(7)**	**18**
Change in inventory valuation as a result of capitalised stripping costs changing the value of cost per tonne	**(11)**	**3**	**(8)**
Decrease due to depreciation of the stripping activity asset	**(46)**	**13**	**(33)**
Net decrease in profit	**(32)**	**9**	**(23)**

Statement of financial position as at 31 December 2012	**Effect of adoption of IFRIC 20 Rm**
Property, plant and equipment	**(21)**
Inventories	**(11)**
Deferred taxation	**9**
Retained earnings	**(23)**

Effect on per share information.

The effect of adopting IFRIC 20 on earnings per share and headline earnings per share for the six months ending 31 December 2011 and 2012 was as follows:

	2012 cents	2011 cents
Basic earnings per share (decrease)/increase	**(11)**	25
Headline earnings per share (decrease)/increase	**(11)**	25
Diluted basic earnings per share (decrease)/increase	**(11)**	25
Diluted headline earnings per share (decrease)/increase	**(11)**	25

Notes to the financial statements

for the six months ended 31 December 2012

		Unaudited Six months ended 31 December 2012 Rm	Unaudited Six months ended 31 December Restated 2011 Rm	Audited Year ended 30 June 2012 Rm
3	**CASH AND CASH EQUIVALENTS**			
	– African Rainbow Minerals Limited	**73**	174	161
	– ARM Coal Proprietary Limited	**64**	–	–
	– ARM Finance Company SA	**106**	–	107
	– Assmang Limited	**1 332**	1 357	2 160
	– ARM Platinum Proprietary Limited	**188**	291	152
	– Kingfisher Insurance Co Limited	**150**	138	146
	– Nkomati	**60**	46	43
	– Two Rivers Platinum Proprietary Limited	**9**	9	2
	– Vale/ARM joint venture	**191**	86	60
	– Venture Building Trust Proprietary Limited	**4**	6	4
	– Restricted cash	**794**	718	729
	Total as per statement of financial position	**2 971**	2 825	3 564
	Less: Overdrafts (refer note 4)	**485**	360	337
	Total as per statement of cash flows	**2 486**	2 465	3 227
4	**BORROWINGS**			
	Long-term borrowings are held as follows:			
	– African Rainbow Minerals Limited	**814**	–	–
	– ARM Finance Company SA	**608**	–	277
	– ARM Coal Proprietary Limited	**1 513**	1 676	1 604
	– ARM Platinum Proprietary Limited	**–**	1	–
	– Two Rivers Platinum Proprietary Limited	**132**	142	140
	– Vale/ARM joint venture	**303**	16	195
		3 370	1 835	2 216
	Short-term borrowings are held as follows:			
	– African Rainbow Minerals Limited	**203**	561	415
	– Anglo Platinum Limited (partner loan)	**114**	114	114
	– ARM Coal Proprietary Limited	**62**	51	14
	– Two Rivers Platinum Proprietary Limited – Bank loans and overdraft	**99**	93	93
	– Two Rivers Platinum Proprietary Limited – Impala Platinum Limited	**48**	48	48
		526	867	684
	Overdrafts are held as follows:			
	– ARM Platinum Proprietary Limited	**72**	5	57
	– Two Rivers Platinum Proprietary Limited – Bank loans and overdraft	**376**	316	245
	– Other	**37**	39	35
		485	360	337
	Overdrafts and short-term borrowings	**1 011**	1 227	1 021
	Total borrowings	**4 381**	3 062	3 237
	Interest of R8 million was capitalised for the six months ended 31 December 2012 (Six months to 31 December 2011: R3 million, Full year to 30 June 2012: R3 million)			

Notes to the financial statements

for the six months ended 31 December 2012

		Unaudited Six months ended 31 December 2012 Rm	Restated 2011 Rm	Audited Year ended 30 June 2012 Rm
5	**EXCEPTIONAL ITEMS**			
	Profit/(loss) on sale of property, plant and equipment	**–**	1	(2)
	Reversal/(impairments) of property, plant and equipment	**–**	1	(68)
	Exceptional items per income statement	**–**	2	(70)
	Profit on sale of property, plant and equipment in Associate -– ARM Coal	**–**	52	52
	Total exceptional items	**–**	54	(18)
	Taxation accounted for in associate	**–**	(15)	(14)
	Taxation	**–**	–	19
	Total amount adjusted for headline earnings	**–**	39	(13)
6	**HEADLINE EARNINGS**			
	Basic earnings per income statement	**1 406**	2 036	3 438
	(Reversal)/impairment of property, plant and equipment	**–**	(1)	68
	(Profit)/loss on sale of property, plant and equipment	**–**	(1)	2
	Profit on sale of property, plant and equipment in Associate – ARM Coal	**–**	(52)	(52)
		1 406	1 982	3 456
	Taxation	**–**	15	(5)
	Headline earnings	**1 406**	1 997	3 451
7	**TAXATION**			
	South African normal tax – current year	**355**	718	1 184
	– mining	**290**	649	1 043
	– non-mining	**65**	69	141
	– prior year	**–**	–	69
	Deferred tax – current year	**273**	313	329
	Foreign taxes	**–**	–	1
	Secondary Tax on Companies	**–**	50	50
		628	1 081	1 633

Notes to the financial statements

for the six months ended 31 December 2012

		Unaudited Six months ended 31 December 2012 Rm	Restated 2011 Rm	Audited Year ended 30 June 2012 Rm
8	**MINERAL ROYALTY TAXATION**			
	Included in other operating expenses are amounts relating to ARM's attributable portion of mineral royalty taxes paid.			
	Assmang Limited	**119**	187	438
	ARM Mining Consortium Limited	**3**	3	3
	ARM Coal Proprietary Limited	**1**	1	1
	Nkomati	**4**	4	7
	Two Rivers Platinum Proprietary Limited	**44**	27	43
	Total	**171**	222	492
9	**CASH GENERATED FROM OPERATIONS**			
	Cash generated from operations before working capital movement	**3 192**	3 805	7 158
	Working capital changes	**(1 527)**	(1 132)	(1 189)
	Movement in receivables	**(790)**	(784)	(528)
	Movement in payables and provisions	**(358)**	(34)	(286)
	Movement in inventories	**(379)**	(314)	(375)
	Cash generated from operations (per statement of cash flows)	**1 665**	2 673	5 969
10	**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	**2 869**	4 143	3 580
	– not contracted for	**342**	536	419
	Total commitments	**3 211**	4 679	3 999

Contingent liabilities

Shareholders are advised that there have been no significant changes to the contingent liabilities of the Group as disclosed in the 30 June 2012 annual report.

PRIMARY SEGMENTAL INFORMATION

		ARM Platinum Rm	ARM Ferrous Rm	ARM Coal Rm	ARM Copper Rm	ARM Exploration Rm	Corporate and other* Rm	Gold Rm	**Total Rm**
11	**Six months ended 31 December 2012 (Unaudited)**								
	Sales	3 107	5 273	465	–	–	–	–	**8 845**
	Cost of sales	(2 428)	(3 548)	(361)	–	–	20	–	**(6 317)**
	Other operating income	24	105	23	2	–	244	–	**398**
	Other operating expenses	(141)	(396)	(1)	(29)	(36)	(262)	–	**(865)**
	Segment result	562	1 434	126	(27)	(36)	2	–	**2 061**
	Income from investments	8	57	–	–	–	26	32	**123**
	Finance cost	(20)	(9)	(39)	–	–	(36)	–	**(104)**
	Finance cost Impala Platinum Limited: Shareholders loan Two Rivers	(2)	–	–	–	–	–	–	**(2)**
	Finance cost ARM: Shareholders loan Two Rivers	(2)	–	–	–	–	–	–	**(2)**
	Income from associate	–	–	42	–	–	–	–	**42**
	Taxation	(154)	(421)	(24)	–	–	(29)	–	**(628)**
	Non-controlling interest	(93)	–	–	6	–	3	–	**(84)**
	Contribution to earnings	299	1 061	105	(21)	(36)	(34)	32	**1 406**
	Contribution to headline earnings	299	1 061	105	(21)	(36)	(34)	32	**1 406**
	Other information:								
	Segment assets, including investment in associate	9 516	15 139	3 757	2 775	–	1 213	4 709	**37 109**
	Investment in associate	–	–	1 449	–	–	–	–	**1 449**
	Segment liabilities	1 795	1 443	1 791	554	–	2 365	–	**7 948**
	Unallocated – deferred taxation and taxation								**4 260**
	Consolidated total liabilities								**12 208**
	Cash generated from operations	265	1 281	162	(54)	(36)	47	–	**1 665**
	Cash in/(out) flow from operating activities	203	1 129	163	(55)	(36)	(1 075)	32	**361**
	Cash outflow from investing activities	(334)	(1 200)	(72)	(479)	–	(5)	–	**(2 090)**
	Cash (out)/in flow from financing activities	(54)	–	(23)	121	–	938	–	**982**
	Capital expenditure	401	1 115	13	486	–	4	–	**2 019**
	Amortisation and depreciation	328	430	52	2	–	2	–	**814**
	EBITDA	890	1 864	178	(25)	(36)	4	–	**2 875**

** Corporate, other companies and consolidation adjustments.*

Notes to the financial statements

for the six months ended 31 December 2012

PRIMARY SEGMENTAL INFORMATION (continued)

	ARM Platinum Rm	ARM Ferrous Rm	ARM Coal Rm	ARM Copper** Rm	ARM Exploration Rm	Corporate and other* Rm	Gold Rm	Total Rm
11 **Six months ended 31 December 2011 (Unaudited) Restated**								
Sales	2 491	5 830	400	–	–	–	–	**8 721**
Cost of sales	(2 059)	(3 018)	(310)	–	–	22	–	**(5 365)**
Other operating income	37	325	6	–	–	177	–	**545**
Other operating expenses	(198)	(354)	(1)	(18)	(54)	(118)	–	**(743)**
Segment result	271	2 783	95	(18)	(54)	81	–	**3 158**
Income from investments	14	46	–	–	–	43	38	**141**
Finance cost	(22)	(6)	(51)	–	–	8	–	**(71)**
Finance cost Impala Platinum Limited: Shareholders loan Two Rivers	(2)	–	–	–	–	–	–	**(2)**
Finance cost ARM: Shareholders loan Two Rivers	(3)	–	–	–	–	–	–	**(3)**
Finance cost: Shareholders loan ARM	–	–	–	(17)	–	–	–	**(17)**
Loss from associate***	–	–	(6)	–	–	–	–	**(6)**
Exceptional items	1	1	–	–	–	–	–	**2**
Taxation	(84)	(849)	(13)	(3)	–	(132)	–	**(1 081)**
Non-controlling interest	(87)	–	–	8	–	(6)	–	**(85)**
Contribution to earnings	88	1 975	25	(30)	(54)	(6)	38	**2 036**
Contribution to headline earnings	87	1 974	(12)	(30)	(54)	(6)	38	**1 997**
Other information:								
Segment assets, including investment in associate	8 780	13 505	3 531	1 364	–	1 216	6 045	**34 441**
Investment in associate	–	–	1 306	–	–	–	–	**1 306**
Segment liabilities	1 849	1 236	1 880	166	–	1 161	–	**6 292**
Unallocated – deferred taxation and taxation								**4 253**
Consolidated total liabilities								**10 545**
Cash generated from operations	552	1 948	177	(52)	(54)	102	–	**2 673**
Cash in/(out) flow from operating activities	526	1 436	182	(49)	(54)	(899)	38	**1 180**
Cash outflow from investing activities	(444)	(1 035)	(60)	(473)	–	(2)	–	**(2 014)**
Cash (out)/in flow from financing activities	(85)	(13)	(125)	102	–	174	–	**53**
Capital expenditure	455	977	74	479	–	2	–	**1 987**
Amortisation and depreciation	257	259	52	2	–	3	–	**573**
EBITDA	528	3 042	147	(16)	(54)	84	–	**3 731**

* *Corporate, other companies and consolidation adjustments.*

** *With effect from 1 July 2011 ARM Copper comprises the development of the Lubambe Copper Mine and copper exploration cost in Zambia and the DRC.*

*** *Exceptional gain included in loss from associate – R37 million*

Notes to the financial statements

for the six months ended 31 December 2012

PRIMARY SEGMENTAL INFORMATION (continued)

		ARM Platinum Rm	ARM Ferrous Rm	ARM Coal Rm	ARM Copper Rm	ARM Explora-tion Rm	Corporate and other* Rm	Gold Rm	**Total Rm**
11	**Year ended 30 June 2012 (Audited)**								
	Sales	4 914	11 844	772	–	–	–	–	**17 530**
	Cost of sales	(4 261)	(6 690)	(557)	–	–	45	–	**(11 463)**
	Other operating income	33	435	–	23	–	368	–	**859**
	Other operating expenses	(355)	(893)	(1)	(33)	(113)	(315)	–	**(1 710)**
	Segment result	331	4 696	214	(10)	(113)	98	–	**5 216**
	Income from investments	33	124	–	–	–	58	64	**279**
	Finance cost	(47)	(14)	(103)	(34)	–	(26)	–	**(224)**
	Finance cost Impala Platinum Limited: Shareholders loan Two Rivers	(4)	–	–	–	–	–	–	**(4)**
	Finance cost ARM: Shareholders loan Two Rivers	(4)	–	–	–	–	–	–	**(4)**
	Income from associate	–	–	11	–	–	–	–	**11**
	Exceptional items	1	(71)	–	–	–	–	–	**(70)**
	Taxation	(110)	(1 292)	(32)	(5)	–	(194)	–	**(1 633)**
	Non-controlling interest	(139)	–	–	18	–	(12)	–	**(133)**
	Contribution to earnings	61	3 443	90	(31)	(113)	(76)	64	**3 438**
	Contribution to headline earnings	60	3 495	52	(31)	(113)	(76)	64	**3 451**
	Other information:								
	Segment assets, including investment in associate	8 821	14 751	3 628	2 000	–	1 248	4 868	**35 316**
	Investment in associate	–	–	1 354	–	–	–	–	**1 354**
	Segment liabilities	1 828	1 548	1 855	427	–	1 252	–	**6 910**
	Unallocated – deferred taxation and taxation								**4 001**
	Consolidated total liabilities								**10 911**
	Cash generated from operations	742	4 877	367	(48)	(113)	144	–	**5 969**
	Cash in/(out) flow from operating activities	651	3 879	368	(51)	(113)	(910)	64	**3 888**
	Cash outflow from investing activities	(828)	(2 179)	(108)	(959)	–	(3)	–	**(4 077)**
	Cash (out)/in flow from financing activities	(78)	(2)	(269)	191	–	337	–	**179**
	Capital expenditure	928	2 171	151	1 065	–	6	–	**4 321**
	Amortisation and depreciation	521	677	109	4	–	4	–	**1 315**
	Impairment	(1)	69	–	–	–	–	–	**68**
	EBITDA	852	5 373	323	(6)	(113)	102	–	**6 531**

** Corporate, other companies and consolidation adjustments.*

Notes to the financial statements

for the six months ended 31 December 2012

SEGMENTAL INFORMATION (continued)

Additional information

The ARM platinum segment is analysed further into Nkomati, Two Rivers Platinum Proprietary Limited and ARM Mining Consortium Limited which includes 50% of the Modikwa Platinum Mine.

	Platinum	Two Rivers Rm	Modikwa Rm	Nkomati Rm	**ARM Platinum Rm**
11	**Six months ended 31 December 2012 (Unaudited)**				
	Sales	1 407	640	1 060	**3 107**
	Cost of sales	(1 098)	(534)	(796)	**(2 428)**
	Other operating income	15	6	3	**24**
	Other operating expenses	(53)	(25)	(63)	**(141)**
	Segment result	271	87	204	**562**
	Income from investments	2	3	3	**8**
	Finance cost	(18)	–	(2)	**(20)**
	Finance cost Impala Platinum Limited:				
	Shareholders loan Two Rivers	(2)	–	–	**(2)**
	Finance cost ARM:				
	Shareholders loan Two Rivers	(2)	–	–	**(2)**
	Taxation	(71)	(25)	(58)	**(154)**
	Non-controlling interest	(82)	(11)	–	**(93)**
	Contribution to basic earnings	98	54	147	**299**
	Contribution to headline earnings	98	54	147	**299**
	Other information:				
	Segment assets	3 721	2 942	2 853	**9 516**
	Segment liabilities	1 023	556	216	**1 795**
	Cash inflow from operating activities	129	4	70	**203**
	Cash outflow from investing activities	(200)	(85)	(49)	**(334)**
	Cash outflow from financing activities	(54)	–	–	**(54)**
	Capital expenditure	266	86	49	**401**
	Amortisation and depreciation	165	38	125	**328**
	EBITDA	436	125	329	**890**

Notes to the financial statements

for the six months ended 31 December 2012

SEGMENTAL INFORMATION (continued)

	Platinum	Two Rivers Rm	Modikwa Rm	Nkomati Rm	**ARM Platinum Rm**
11	**Six months ended 31 December 2011 (Unaudited)**				
	Sales	1 200	599	692	**2 491**
	Cost of sales	(915)	(460)	(684)	**(2 059)**
	Other operating income	9	–	28	**37**
	Other operating expenses	(36)	(25)	(137)	**(198)**
	Segment result	258	114	(101)	**271**
	Income from investments	2	8	4	**14**
	Finance cost	(20)	(1)	(1)	**(22)**
	Finance cost Impala Platinum Limited:				
	Shareholders loan Two Rivers	(2)	–	–	**(2)**
	Finance cost ARM:				
	Shareholders loan Two Rivers	(3)	–	–	**(3)**
	Exceptional items	–	–	1	**1**
	Taxation	(75)	(32)	23	**(84)**
	Non-controlling interest	(72)	(15)	–	**(87)**
	Contribution to basic earnings	88	74	(74)	**88**
	Contribution to headline earnings	88	74	(75)	**87**
	Other information:				
	Segment assets	3 207	2 997	2 576	**8 780**
	Segment liabilities	893	736	220	**1 849**
	Cash inflow from operating activities	291	150	85	**526**
	Cash outflow from investing activities	(110)	(122)	(212)	**(444)**
	Cash outflow from financing activities	(72)	(10)	(3)	**(85)**
	Capital expenditure	164	123	168	**455**
	Amortisation and depreciation	127	45	85	**257**
	EBITDA	385	159	(16)	**528**

Notes to the financial statements

for the six months ended 31 December 2012

SEGMENTAL INFORMATION (continued)
Additional information

	Proforma 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
11	**Six months ended 31 December 2012 (Unaudited)**					
	Sales	6 111	3 449	985	**10 545**	**5 273**
	Other operating income	266	104	68	**438**	**105**
	Other operating expenses	(587)	(216)	(217)	**(1 020)**	**(396)**
	Operating profit/(loss)	2 361	543	(38)	**2 866**	**1 434**
	Contribution to earnings	1 731	412	(21)	**2 122**	**1 061**
	Contribution to headline earnings	1 731	411	(20)	**2 122**	**1 061**
	Other information:					
	Segment assets	20 033	9 708	1 314	**31 055**	**15 139**
	Segment liabilities	5 118	2 320	604	**8 042**	**1 443**
	Cash in/(out) flow from operating activities	391*	559	(191)	**759**	**1 129**
	Cash outflow from investing activities	(1 693)	(409)	(298)	**(2 400)**	**(1 200)**
	Cash (out)/in flow from financing activities	(414)	(62)	476	**–**	**–**
	Capital expenditure	1 610	651	61	**2 322**	**1 115**
	Amortisation and depreciation	553	247	77	**877**	**430**
	EBITDA	2 914	790	39	**3 743**	**1 864**
	Six months ended 31 December 2011 (Unaudited)					
	Sales	7 517	3 181	962	**11 660**	**5 830**
	Other operating income	468	330	53	**851**	**325**
	Other operating expenses	(645)	(165)	(99)	**(909)**	**(354)**
	Operating profit/(loss)	4 499	1 068	(1)	**5 566**	**2 783**
	Contribution to earnings	3 126	834	(10)	**3 950**	**1 975**
	Contribution to headline earnings	3 126	833	(10)	**3 949**	**1 974**
	Other information:					
	Segment assets	17 514	8 699	1 430	**27 643**	**13 505**
	Segment liabilities	4 540	2 028	616	**7 184**	**1 236**
	Cash in/(out) flow from operating activities	1 510*	571	(210)	**1 871**	**1 436**
	Cash outflow from investing activities	(1 684)	(218)	(167)	**(2 069)**	**(1 035)**
	Cash outflow from financing activities	–	–	(26)	**(26)**	**(13)**
	Capital expenditure	1 644	265	128	**2 037**	**977**
	Amortisation and depreciation	337	126	71	**534**	**259**
	EBITDA	4 836	1 194	70	**6 100**	**3 042**

** Dividend paid amounting to R1.5 billion (2011: R1 billion) included in cash flows from operating activities*

NOTES

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Contact details and administration

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Forward-looking statements

Certain statements in this report constitute forward-looking statements that are neither reported financial results nor other historical information. They 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 may or may not take into account and may or may not be affected by 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 HIV & 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.

Directors
PT Motsepe (Executive Chairman)
MP Schmidt (Chief Executive Officer)
F Abbott*
M Arnold
Dr MMM Bakane-Tuoane*
TA Boardman*
AD Botha*
JA Chissano (Mozambican)*
WM Gule
MW King*
AK Maditsi*
Dr RV Simelane*
ZB Swanepoel*
AJ Wilkens

** Independent Non-executive*

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