African Rainbow Minerals

Interim results

for the six months ended
31 December 2014

We do it better

Shareholder information

Issued share capital at 31 December 2014	217 437 523 shares
Market capitalisation at 31 December 2014	ZAR 25.9 billion
Market capitalisation at 31 December 2014	US$ 2.2 billion
Closing share price at 31 December 2014	R119.00
Six-month high (1 July 2014 – 31 December 2014)	R203.01
Six-month low (1 July 2014 – 31 December 2014)	R109.51
Average daily volume traded for the six months	580 339 shares
Primary listing	JSE Limited
JSE Share Code	ARI
ADR ticker symbol	AFRBY

Investor relations
Jongisa Magagula
Corporate Development and Head of Investor Relations
Telephone: +27 11 779 1300
Fax: +27 11 779 1312
E-mail: jongisa.magagula@arm.co.za

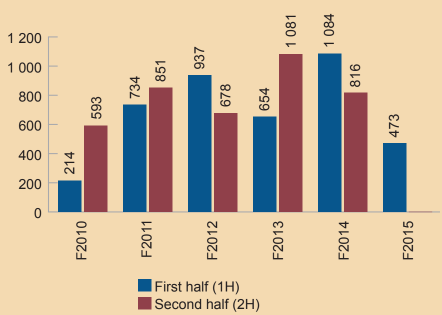
Betty Mollo
Manager: Investor Relations and Corporate Development
Telephone: +27 11 779 1300
Fax: +27 11 779 1312
E-mail: betty.mollo@arm.co.za

Company secretary
Alyson D'Oyley, BCom, LLB, LLM
Telephone: +27 11 779 1300
Fax: +27 11 779 1318
E-mail: alyson.doyley@arm.co.za

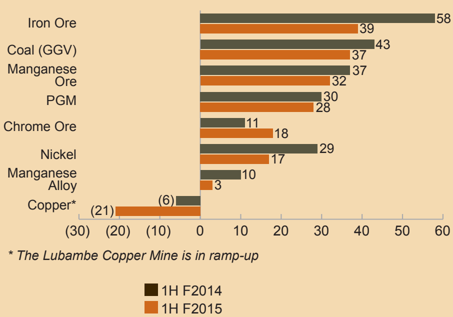
Salient features

- Headline earnings decreased by 56% to R1 026 million (1H F2014: R2 341 million). Headline earnings per share were 473 cents (1H F2014: 1 084 cents).
- Basic earnings were negatively impacted by exceptional items of R225 million, the largest of which related to a R222 million unrealised mark-to-market loss after tax on the Harmony investment.
- Costs were well controlled at most operations. The iron ore, manganese alloy, chrome ore and Two Rivers operations achieved below inflation increases and the coal operations achieved a decrease in production costs.
- Cash generated from non-ferrous operations increased significantly by R624 million to R1 485 million (1H F2014: R861 million) while the dividend from Assmang remained constant at R750 million.
- Lubambe Mine copper production increased to 12 563 tonnes (1H F2014: 10 567 tonnes). Ramp-up has been slower than planned and as a result changes to the mine plan are currently being considered.
- Cash operating profit at ARM Coal increased as the Tweefontein Optimisation Project ramps up.
- Two Rivers' life of mine will be increased by approximately 30 years by ARM's acquisition of the Tamboti Platinum (Pty) Ltd mining right on a property adjacent to Two Rivers and through the addition of portions of the Buffelshoek, Kalkfontein and Tweefontein farms into the Two Rivers mining area.
- Review of the manganese alloy smelter at Machadodorp Works has been completed. The current operating furnace at Machadodorp will be stopped and placed on care and maintenance at the end of April 2015.
- ARM and Assore reached an in principle agreement on ARM's disposal of its effective 50% interest in the Dwarsrivier Chrome Mine to Assore.

Headline earnings per share (cents)



EBITDA margins by commodity (%)



ARM operational review

The ARM Board of Directors (the Board) announces headline earnings of R1 026 million for the six months ended 31 December 2014 (1H F2015). These headline earnings are 56% lower than the previous corresponding period mainly as a result of a decline in US Dollar commodity prices which was partially offset by a weakening of the Rand compared to the US Dollar.

ARM is responding to the current commodity cycle by:
- Reviewing all non-performing operations;
- Focusing on reducing capital expenditure;
- Improving operational efficiencies;
- Reducing costs;
- Targeting a decrease in corporate office costs;
- Curtailing exploration expenditure; and
- Improving cash flow by optimising working capital management.

Headline earnings by division

	six months ended 31 December		
R million	**2014**	2013	% change
Platinum Group Metals	**176**	206	(15)
Nickel	**101**	157	(36)
ARM Platinum	**277**	363	(24)
ARM Ferrous*	**833**	2 153	(61)
ARM Coal	**(10)**	(34)	71
ARM Copper	**(233)**	(122)	(91)
ARM Exploration	**(40)**	(24)	(67)
Gold	**–**	–	
Corporate and other*	**199**	5	>250
ARM headline earnings	**1 026**	2 341	(56)

**Includes IFRS 11 adjustments related to ARM Ferrous.*

These results have been achieved in conjunction with ARM's partners at the various operations, Anglo American Platinum Limited (Anglo Platinum), Assore Limited (Assore), Impala Platinum Holdings Limited (Impala), Norilsk Nickel Africa (Pty) Ltd (Norilsk), Glencore South Africa (Glencore), Vale S.A. (Vale) and Zambian Consolidated Copper Mines Investment Holdings (ZCCM-IH).

The interim results for the six months ended 31 December 2014 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.

ARM Ferrous headline earnings, at R833 million (1H F2014: R2 153 million), were impacted by lower US Dollar commodity prices with average realised export iron ore prices decreasing 45% and average realised manganese ore prices declining 17%.

ARM Platinum headline earnings declined by 24% to R277 million mainly as a result of decreased production and high cost increases at Modikwa Mine together with lower nickel produced at Nkomati Mine due to a lower grade consistent with the mine plan. Modikwa Mine's performance was disappointing and detailed plans to improve the operational performance of the mine are being considered and will be finalised in the current financial year. Two Rivers Mine increased its contribution to headline earnings to R176 million (1H F2014: R157 million).

The headline loss from ARM Coal reduced marginally from a loss of R34 million in 1H F2014 to a loss of R10 million. This reduction was mainly due to an increase in production and a reduction in unit costs at the Goedgevonden and Participating Coal Business (PCB) operations. PCB cash operating profit increased to R182 million (1H F2014: R45 million), however, higher interest charges negatively impacted their headline earnings.

ARM Copper incurred a headline loss of R233 million (1H F2014: R122 million). Ramp-up of the Lubambe Mine has been slower than planned mainly as a result of grade dilution which has impacted production. As a result of the grade dilution and the current low copper price changes to the mine plan are being considered in order to improve profitability, reduce capital requirements and optimise cash flow for the mine. The Lubambe Mine orebody is significant both in size and in grade. ARM remains committed to ramping up the mine to steady state and expects a recovery in the copper price in the medium to long term. An updated plan is expected to be approved and communicated within the 2015 financial year.

Safety

ARM maintained a good safety record in the six months under review. The number of Lost Time Injuries (LTIs) improved marginally to 58 compared to 59 in 1H F2014. The Lost Time Injury Frequency Rate (LTIFR) improved to 0.40 per 200 000 man-hours (1H F2014: 0.41 per 200 000 man-hours).

Safety achievements

- Black Rock Mine received the award for the "best improved mine" from the Department of Mineral Resources (DMR) in the Northern Cape.
- As at end December 2014, Machadodorp Works had been lost time injury free for four consecutive quarters.
- Two Rivers Mine completed two million fatality-free shifts on 5 September 2014.
- Nkomati Mine completed four million fatality-free shifts on 31 August 2014.

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

Focus on operational efficiencies

In the current environment ARM continues to reinforce its strategy of focussing on operational efficiencies to ensure that all its operations are positioned below the 50^{th} percentile of each commodity's respective cost curve. This has become challenging as cost curves shift due to lower cost production being added to global supply, especially in iron ore.

Through a number of initiatives implemented in ARM Ferrous, the iron ore, manganese alloy and chrome ore operations achieved below inflation on-mine unit production cost increases. Unit production costs at the manganese ore operations increased by 19% mainly as a result of a decrease in production of manganese units as a lower grade section was intersected at the Nchwaning III shaft.

The Black Rock Project currently underway is aimed at modernising the Black Rock Mine and increasing production from the Seam 2 resource. The project is expected to curtail cost increases bringing them in line with inflation. Establishment of key underground and surface infrastructure, being undertaken as part of the project, is expected to eliminate the need for inefficient material handling and ultimately enable the saleable production capacity of Black Rock Mine to be increased.

In ARM Platinum, Two Rivers Mine once again delivered a strong operational performance with unit costs increasing below inflation compared to 1H F2014. Modikwa Mine however experienced an 11% decrease in production and a 21% increase in unit production costs due to safety stoppages and reduced labour productivity. All aspects of the mine, especially costs and capital expenditure, are currently being reviewed. Nkomati Mine on-mine cash cost per tonne milled increased below inflation, at 3%. C1 unit cash cost net of by-products, however, increased by 15% as a result of a reduction in grade consistent with the mine plan.

ARM Coal saw a marked improvement in unit costs especially at the PCB operations as commissioning of the Tweefontein Optimisation Project (TOP) commenced. High cost underground operations at Tweefontein Mine have been closed as part of the project which has contributed to a lowering of costs. Unit costs per saleable tonne decreased by 18% at the PCB operations and by 8% at Goedgevonden Mine. As TOP ramps up, a further reduction in unit costs is expected.

Quality growth

The Black Rock Project approved by the boards of directors of ARM and Assore is progressing on schedule and on budget. This project effectively comprises two inter-linking phases; the first being modernisation of the mine and the second being an increase in the mining capacity from 3.4 million to 4.6 million tonnes per annum. The timing of capital expenditure associated with the project has been carefully considered as part of an overall capital expenditure review. Development of the project continues to be planned to align with Transnet's increase in manganese ore export capacity planned for 2019/2020.

The Sakura Ferroalloys Project in Malaysia is progressing on schedule with all major capital items for the project on site. Key personnel for the operation including the General Manager and senior management have been appointed and are now working with the project team to deliver the project. The project remains on schedule to achieve steady state production of 170 000 tonnes manganese alloy per annum by F2017.

Acquisitions and partnerships

ARM is pleased to announce a significant extension to the Two Rivers life of mine. The Two Rivers life of mine will be increased by approximately 30 years by:

- The inclusion of portions of Buffelshoek, Kalkfontein and Tweefontein farms into the Two Rivers' mining area. The previously outstanding transfer of the prospecting right from Impala to Two Rivers has been finalised. As a result ARM's shareholding in Two Rivers reduced from 55% to 51% with effect from 6 February 2015. The incorporation of these areas into the Two Rivers mining right is nearing completion.
- ARM acquired Tamboti Platinum (Pty) Ltd, the holder of a mining right over a property adjacent to Two Rivers Mine for a consideration of R400 million. Based on previous drilling results available, this acquired property adds approximately 7.45 million ounces to the Two Rivers resource. ARM is in discussions with its partner, Impala, to transfer the acquired resources into the Two Rivers mining area.

As announced on 27 February 2015, ARM and Assore reached an in principle agreement on ARM's disposal of its effective 50% interest in the Dwarsrivier Mine to Assore. Pursuant to the implementation of this transaction, Assore will own an effective 100% interest in Dwarsrivier Mine. The implementation of this transaction is subject to the execution of definitive agreements and the receipt of relevant regulatory approvals.

The current commodity environment presents opportunities for consolidation and ARM continues to assess value accretive mergers and acquisition opportunities.

Africa

The final phase of exploration on the Rovuma prospecting areas has been concluded. The Rovuma geological report is being evaluated. The way forward is currently under review with Rovuma Resources.

Changes to the Board

On 6 February 2015, ARM announced that Mr Daniel Simelane had resigned as the Chief Executive of ARM Copper and as an Executive Director of the Company, to pursue other interests.

Mr Thando Mkatshana, who was at the time Chief Executive of ARM Coal, was subsequently appointed as the Chief Executive of ARM Copper and as an Executive Director of the Company with effect from 7 February 2015. In addition, he maintains his role as Chief Executive of ARM Coal.

ARM announced on 2 March 2015 that Dr M M M Bakane-Tuoane would cease to be the Lead Independent Non-executive Director of the Board effective from 2 March 2015. Dr Bakane-Tuoane was also the Chairman of both the Nomination Committee and the Non-executive Directors' Committee as required by the principles of King III: Report on Governance for South Africa 2009 ("King III"). She therefore ceased to be Chairman of the Nomination Committee and Chairman of the Non-executive Directors' Committee effective from 2 March 2015. Dr Bakane-Tuoane, an existing Remuneration Committee member, was appointed by the Board to serve the Company as the Chairman of the Remuneration Committee and continues as a member of the Nomination Committee and the Non-executive Directors' Committee.

Mr A K Maditsi, an Independent Non-executive Director of the Company, was appointed as the Lead Independent Non-executive Director of the Board as well as the Chairman of the Nomination Committee and the Chairman of the Non-executive Directors' Committee of the Company, with effect from 2 March 2015. Applying the principles of King III, Mr Maditsi ceased to be the Chairman of the Remuneration Committee of the Company with effect from 2 March 2015. Mr Maditsi will remain a member of the Remuneration Committee.

Changes to mineral resources and reserves

There has been no material change to ARM's mineral resources and reserves as disclosed in the Integrated Annual Report for the financial year ended 30 June 2014, other than depletion due to continued mining activities at the operations and the additional resources at Two River Mine.

Financial commentary

Headline earnings for the six-month period to 31 December 2014 were R1 026 million or 56% lower than the corresponding prior period's headline earnings (1H F2014: R2 341 million). This equates to headline earnings per share of 473 cents per share (1H F2014: 1 084 cents per share).

ARM's basic earnings for 1H F2015 were R801 million (1H F2014: R1 714 million) and were negatively impacted by exceptional items of R225 million after tax (1H F2014: R627 million after tax). The largest exceptional item relates to the unrealised mark-to-market loss of R222 million after tax on the Harmony investment made through the Income Statement. This accounting adjustment is made using the closing share price of Harmony at 31 December 2014. Basic earnings per share decreased by 54% to 369 cents per share (1H F2014: 794 cents per share). The reconciliation of basic earnings to headline earnings is provided in note 8 of the financial statements.

Sales for the reporting period were 5% higher than the corresponding period last year at R4 829 million (1H F2014: R4 606 million). Sales for the Assmang joint venture decreased by 26% to R5 167 million (1H F2014: R7 013 million).

The average gross profit margin has decreased to 17% (1H F2014: 22%). The margins achieved at each operation may be ascertained from the detailed segment reports provided in note 2 to the financial statements as well as in the write-ups for each operation.

The 1H F2015 average Rand/US Dollar of R10.99/US$ is 9.5% weaker than the corresponding period average of R10.04/US$. For reporting purposes the closing exchange rate was R11.57/US$ (1H 2014: R10.46/US$).

ARM's earnings before interest, tax, depreciation and amortisation (EBITDA) excluding exceptional items and income from associates and joint ventures were R1 130 million (1H F2014: R1 264 million).

The income from joint venture amounts to R830 million and is 61% lower than the corresponding period last year (1H F2014: R2 153 million). The expanded segmental analysis for ARM Ferrous is shown in note 2 to the financial statements.

The detailed segmental contribution analysis is provided in note 2 to the financial statements. Key features from the segmental contribution analyses are:

- The ARM Ferrous contribution to ARM's headline earnings declined to R833 million (1H F2014: R2 153 million) largely due to a 68% decrease in the iron ore division's contribution to R590 million. The manganese (manganese ore and alloys) division contribution reduced to R236 million (1H F2014: R327 million).
- The ARM Platinum segment contribution, which includes the results of Nkomati, was R277 million which is R86 million lower than the corresponding period (1H F2014: R363 million). The decreased contribution is mainly due to a poor operational performance from Modikwa and lower nickel produced at Nkomati as a result of a lower grade (consistent with the mine plan). The Two Rivers contribution increased by R19 million to R176 million.
- The ARM Coal segment result reflected a reduced loss of R10 million (1H F2014: R34 million loss). Goedgevonden Mine contributed decreased headline earnings of R58 million (1H F2014: R93 million) while the PCB operations loss reduced to R68 million (1H F2014: R127 million loss).
- ARM Copper which largely comprises the Vale/ARM joint venture interest in the Lubambe Copper mine and related costs amounted to a loss of R233 million for the period (1H F2014: R122 million loss) which includes interest on shareholder loans of R73 million (1H F2014: R58 million).
- The costs for the ARM Exploration segment were R40 million (1H F2014: R24 million) and includes the cost of exploration on the Rovuma project and staff costs.
- The ARM Corporate, other companies and consolidation segment shows a positive contribution to headline earnings of R199 million as compared to a positive contribution of R5 million for the previous corresponding period. The higher contribution is largely due to increased management fees earned, foreign exchange gains on loans to Lubambe and reduced finance costs.

At 31 December 2014 cash and cash equivalents increased to R1 976 million (1H F2014: R1 524 million) the details of which are reflected in note 4 of the financial statements. This excludes the attributable cash and cash equivalents held at ARM Ferrous (50% of Assmang) of R2 473 million (1H F2014: R2 646 million).

Gross debt at the end of the period was largely unchanged at R3 920 million (1H F2014: R3 854 million). There is no debt at ARM Ferrous (1H F2014: nil).

The net debt position at 31 December 2014 amounts to R1 944 million (1H F2014: R2 330 million).

Cash generated from non-ferrous operations increased by R624 million to R1 485 million (1H F2014: R861 million) and includes a reduction in working capital of R178 million (1H F2014: R671 million increase). ARM Platinum's cash generated from operations increased to R1 323 million from R663 million in the previous corresponding period. Dividends received from the Assmang joint venture were maintained at R750 million.

Dividends paid to ARM shareholders in October 2014 increased to R1.3 billion (1H F2014: R1.1 billion).

Cash capital expenditure was R707 million for the period (1H F2014: R679 million). Attributable capital expenditure at the Assmang joint venture was R802 million (1H F2014: R732 million).

During the period R400 million was spent acquiring Tamboti Platinum (Pty) Ltd, a company holding a mining right over a property adjacent to Two Rivers Mine.

Events after the reporting date are set out in note 12 to the financial statements.

ARM Ferrous

Assmang sales revenue decreased by 26% and headline earnings by 61% compared to the corresponding period last year. The lower revenue and headline earnings were mainly as a result of declining US Dollar prices for export iron ore and manganese ore. The lower US Dollar prices were partially offset by a 9.5% weakening of the Rand against the US Dollar.

Total costs were well controlled with ARM Ferrous cost of sales increasing by only 2% year-on-year.

ARM Ferrous headline earnings (on 100% basis)

	six months ended 31 December		
R million	**2014**	2013	% change
Iron ore division	**1 181**	3 644	(68)
Manganese division	**472**	655	(28)
Chrome division	**56**	37	51
Total	**1 709**	4 336	(61)
ARM share	**855**	2 168	(61)
Consolidation adjustments	**(22)**	(15)	(47)
Total per IFRS financial statements	**833**	2 153	(61)

Assmang sales volumes

100% basis	six months ended 31 December		
Thousand tonnes	**2014**	2013	% change
Iron ore*	**7 496**	7 738	(3)
Manganese ore*	**1 422**	1 411	1
Manganese alloys	**112**	117	(4)
Chrome ore*	**477**	477	–

** Excluding intra-group sales.*

ARM Ferrous iron ore sales volumes of 7.50 million tonnes were 3% lower than 1H F2014 as a result of loading problems experienced during July 2014 at the port of Saldanha and three vessels totalling 553 thousand tonnes being loaded only on 3 January 2015. Local iron ore sales of 1.47 million tonnes were 41% higher than the previous year as a result of increased sales to ArcelorMittal after start-up of their refurbished blast furnace in Newcastle.

Manganese ore sales volumes were maintained at 1.4 million tonnes through good stockpile management and co-operation with Transnet Freight Rail (TFR). Manganese alloy sales volumes decreased by 4% as a decision was taken to shut down two unprofitable furnaces at Cato Ridge Works.

Assmang remains on track to achieve iron ore sales of 16.1 million tonnes (13.7 million tonnes export sales and 2.4 million tonnes local sales) in the 2015 financial year. Total manganese ore sales are expected to be 3.2 million tonnes of which 2.6 million tonnes will be exported through the Port Elizabeth, Durban and Saldanha ports.

Assmang production volumes

100% basis	six months ended 31 December		
Thousand tonnes	**2014**	2013	% change
Iron ore	**7 967**	7 606	5
Manganese ore	**1 487**	1 727	(14)
Manganese alloys	**133**	133	–
Chrome ore	**510**	496	3

Iron ore production improved marginally as a result of an operational efficiency programme launched to increase the tonnage through the Khumani off-grade beneficiation plant. This programme resulted in a 30% improvement in the off-grade plant throughput and in a balancing of the on:off grade ratio feed to the plant with the on:off grade ratio from the Bruce and King pits.

The decline in manganese ore production was mainly due to mining being stopped in the North-West section of Nchwaning III shaft mining area where lower than expected ore grades were intersected. Infill drilling in this area continues to improve management's knowledge of the grade variations and specific geological features. The mining crews that were mining there have been redeployed to other areas of the mine. Production at Nchwaning II shaft improved and is expected to supplement the shortfall tonnage from Nchwaning III shaft.

Production of Seam 2 material at Nchwaning II shaft increased with the product being well received by customers.

Assmang cost and EBITDA margin performance

Commodity group	Unit cost of sales change %	On-mine production unit cost change %	EBITDA margin %
Iron ore*	2	2	39
Manganese ore	4	19	32
Manganese alloys	12	4	3
Chrome ore	6	4	18

** Excluding the Khumani Mine housing element.*

Through a number of initiatives implemented to improve productivity, Khumani Mine's on-mine production unit cost increase was below inflation (at 4%). Beeshoek Mine on-mine production unit costs decreased by 9% as a result of operational efficiency, increased throughput and 852 000 tonnes less waste mined.

On-mine production unit costs at Black Rock Mine increased by 19% mainly due to the lower grade manganese ore production from Nchwaning III shaft.

Unit costs to produce manganese alloys at Machadodorp Works were 16% lower than 1H F2014 due to the cost rationalisation project. Only one furnace was operational at the Machadodorp Works during the period under review. Cato Ridge Works unit cost of production increased by 14% due to the higher ore cost from Black Rock and since Cato Ridge Works already implemented its operational efficiency programme in 2013/14, the higher electricity tariff impacted directly on the unit costs.

The unit production costs at Dwarsrivier Mine increased by 4% year-on-year.

Assmang capital expenditure

100% basis	six months ended 31 December	
R million	**2014**	2013
Iron ore	**710**	902
Manganese	**849**	541
Chrome	**130**	80
Total	**1 689**	1 523

Capital expenditure at the iron ore operations was largely for 7.2 million tonnes (4.1 million tonnes more than 1H F2014) of waste removal at Beeshoek Mine's Village and East pits and 5.3 million tonnes (zero in 1H F2014) of capital waste removed from the Bruce and King pits at Khumani Mine. The iron ore capital expenditure also included the King Transnet Freight Rail mainline rail deviation, infill drilling and replacement capital.

A major portion of the manganese division capital expenditure related to the Black Rock Project. This capital expenditure was mainly to recapitalise the underground infrastructure in order to improve operational efficiencies and increase production from the Seam 2 resource at Nchwaning II shaft. The project's expenditure includes a sorting plant, development work at Nchwaning III and Nchwaning I shafts, an upgrade of Nchwaning II shaft, sinking of a ventilation shaft at Gloria Mine, infill drilling, a new load-out station and accommodation for contractors and employees who previously resided in hostels.

At Dwarsrivier Mine, the majority of the capital was spent on equipping the north shaft, trackless mechanised machines and plant upgrades.

Logistics

Assmang continues to engage with Transnet regarding manganese ore export capacity as per the interim manganese export capacity allocation (MECA2) process and is synchronising the ramp-up of the Black Rock Mine with the longer-term (MECA3) process. Transnet has received approval from the Department of Public Enterprises for the 16 million tonnes per annum expansion of the manganese export channel through a new terminal at the Port of Ngqura. Planning at this stage indicates that the export channel will be operational by the first quarter of 2019.

Beeshoek Village Pit Project

The Beeshoek Village Pit Project is in the process of being executed. Waste stripping associated with the development of the Village Pit is ahead of schedule. Additional exploration drilling work completed on the Village Pit resource has resulted in an optimised pit design which has increased the reserve base of the pit and enabled a reduction of the waste stripping ratio. The Village Pit reserve will enable Beeshoek Mine to sustain saleable production volumes of approximately 3.5 million tonnes per annum, for at least the next nine years.

As part of the Village Pit Project, Beeshoek Mine personnel were successfully relocated from the mine village to Postmasburg town. To this extent 300 houses were built and occupied within the district of the local municipality.

Black Rock Project

The Black Rock Project will recapitalise and expand the Black Rock Mine and is in the process of being executed. The project is on schedule and within budget. Progress so far includes upgrades to ventilation systems, the building of contractor accommodation, erection of additional water storage capacity and construction of the new ventilation shaft at Gloria Mine.

Capital expenditure approved for the project is R6.7 billion with funds committed to 31 December 2014 totalling R3.4 billion and funds spent totalling R1.5 billion to date.

Sakura Ferroalloys Project

All the major items of equipment for the Sakura Ferroalloys Project in Malaysia are on site. The steel furnace shells have been completed and the raw materials tunnel is ready to be equipped. The turnkey contractor, Metix, continues to perform against the main project milestones. The project remains on schedule to achieve steady state production of 170 000 tonnes per annum in F2017. The general manager and senior management team for the operation have been appointed and are focused on delivering the operations readiness plans including the appointment of all staff needed to work in the key operational disciplines. The major logistics contracts have been put in place and the Bintulu Port Agreement for raw material and final product shipments has been negotiated. The furnace raw materials recipes are finalised and contracts are being negotiated with the relevant parties.

To date, partners in the Sakura Ferroalloys Project have contributed 90% of the equity commitment for the project. (Assmang's total contribution was US$160.86 million).

Initiatives to deal with the current commodity environment

The ARM Ferrous division is responding to the fall in commodity prices through a number of division wide initiatives including:

- Review and reduction of capital expenditure at all operations and renewed focus on operational efficiency and elimination of bottlenecks.
- Reduction of operating costs at the Black Rock Mine. Future measures will form the subject of consultations with trade unions at the mine and may include redeployment of employees and possible reduction of the workforce size.
- Timing of capital expenditure for the Black Rock Project is being reviewed to closely match the expected increase in Transnet Freight Rail's capacity of the manganese export channels.
- The review of the manganese alloy smelter at Machadodorp Works has been completed, with the conclusion that manganese alloy cannot continue to be produced sustainably at this operation. The current furnace will therefore be stopped and placed on care and maintenance at the end of April 2015. Production of ferrochrome will continue from the metal recovery plant only (where entrapped metal is recovered from historical ferrochrome slag).

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

While ARM Platinum's realised Rand metal prices were higher than the previous corresponding period, lower production at Modikwa and Nkomati, together with high-cost increases at Modikwa, resulted in a 24% decrease in headline earnings to R277 million (1H F2014: R363 million). Two Rivers performed well, generating a 12% increase in headline earnings.

PGM production (on 100% basis including Nkomati) decreased 7% to 396 813 6E ounces (1H F2014: 426 695 6E ounces). Nkomati's nickel production decreased by 11% to 10 587 tonnes (1H F2014: 11 859 tonnes) mainly as a result of a lower head grade consistent with the mine plan.

US Dollar prices for platinum and copper were lower than the corresponding period but higher US Dollar prices for palladium, rhodium and nickel together with a 9% weakening of the Rand against the US Dollar resulted in the average basket prices for Modikwa and Two Rivers increasing by approximately 10% to R340 452/kg (1H F2014: R305 767/kg) and R346 072/kg (1H F2014: R315 316/kg) respectively.

The tables below set out the relevant price comparison:

Average US Dollar metal prices

		six months ended 31 December		
		2014	2013	% change
Platinum	US$/oz	**1 332**	1 424	(6)
Palladium	US$/oz	**825**	724	14
Rhodium	US$/oz	**1 188**	937	27
Nickel	US$/t	**16 935**	13 935	22
Copper	US$/t	**6 746**	7 177	(6)
Chrome concentrate (CIF)	US$/t	**148**	133	11

Average Rand metal prices

		six months ended 31 December		
		2014	2013	% change
Platinum	R/oz	**14 638**	14 301	2
Palladium	R/oz	**9 071**	7 267	25
Rhodium	R/oz	**13 053**	9 403	39
Nickel	R/t	**186 119**	139 910	33
Copper	R/t	**74 136**	72 061	3
Chrome concentrate (CIF)	R/t	**1 623**	1 333	22

Nkomati Mine's unit cost increased by 3% to R291 per tonne (1H F2014: R283 per tonne) while the C1 unit cash cost net of by-products, increased by 15% to US$5.00/lb (1H F2014: US$4.35/lb), a direct result of lower nickel units and by-products produced. Two Rivers Mine managed to keep its unit cash cost well under control with only a 4% increase to R5 376/6E PGM ounce (1H F2014: R5 153/6E PGM ounce). Modikwa Mine's unit cash cost increased by 21% to R8 029/6E PGM ounce (1H F2014: R6 639/6E PGM ounce) due to an 11% decrease in production.

ARM Platinum capital expenditure

100% basis	six months ended 31 December	
R million	**2014**	2013
Modikwa	**418**	320
Two Rivers	**156**	138
Nkomati	**242**	182
Total	**816**	640

Capital expenditure at ARM Platinum operations (on 100% basis) was R816 million (R486 million attributable). Modikwa's major capital items related to the deepening of North shaft, the sinking of South 2 shaft, and mining fleet refurbishments. The capital projects at Modikwa are currently under review to determine the most viable way forward.

Of the capital spent at Two Rivers, 28% is associated with fleet replacement and refurbishment. The deepening of the Main and North declines, together with its electrical and mechanical installations, contributed 43% to the total capital expenditure. The balance was for additional housing facilities and to sustain operations. Nkomati Mine's capital expenditure relates to capitalised waste stripping costs (73%), fleet replacements to sustain operations.

Modikwa Mine

Due to decreased production output stemming from seven safety stoppages, an extended break during December 2014 and labour inefficiencies, Modikwa Mine's attributable headline earnings decreased by R49 million resulting in break-even headline earnings for the period under review.

A 12% reduction in milled tonnes resulted in PGM production declining by 11% to 138 482 6E ounces (1H F2014: 154 911 6E ounces). Consequently unit costs increased by 23% to R1 140 per tonne milled (1H F2014: R929 per tonne milled) and by 21% to R8 029 per 6E PGM ounce (1H F2014: R6 639 per 6E PGM ounce).

A recovery plan has been developed and is being evaluated. Execution of this plan is expected to enhance efficiencies and head grade whilst simultaneously reducing cash costs. The senior management team on the mine has been replaced, with a new General Manager and Financial Manager appointed in March 2015.

Modikwa Mine operational statistics

100% basis		six months ended 31 December		
		2014	2013	% change
Cash operating profit	R million	**82**	226	(64)
Tonnes milled	Mt	**0.98**	1.11	(12)
Head grade	g/t, 6E	**5.27**	5.31	(1)
PGMs in concentrate	Ounces, 6E	**138 482**	154 911	(11)
Average basket price	R/kg, 6E	**340 452**	305 767	11
Average basket price	US$/oz, 6E	**964**	947	2
Cash operating margin	%	**7**	18	
Cash cost	R/kg, 6E	**258 137**	213 441	21
Cash cost	R/tonne	**1 140**	929	23
Cash cost	R/Pt oz	**20 749**	17 067	22
Cash cost	R/oz, 6E	**8 029**	6 639	21
Cash cost	US$/oz, 6E	**731**	661	11
Headline earnings attributable to ARM (41.5%)	R million	**–**	49	–

Two Rivers Mine

Headline earnings at Two Rivers Mine increased by 12% while tonnes milled increased by 2%, PGM ounces decreased by 3% as a result of a lower feed grade and increased concentrate stock as at the end of December 2014.

Unit cost increased below inflation (4%) to R5 376 per 6E ounce (1H F2014: R5 153 per 6E ounce). There was a 181 084 tonne increase in the UG2 run of mine stockpile to a total of 483 411 tonnes of ore (1H F2014: 302 327 tonnes).

Two Rivers Mine increased chrome concentrate sales by 154% to 111 104 tonnes, contributing R61 million (1H F2014: R17 million) to cash operating profit.

Two Rivers Mine operational statistics

100% basis		six months ended 31 December		
		2014	2013	% change
Cash operating profit	R million	**744**	641	16
– PGMs	R million	**683**	624	9
– Chrome	R million	**61**	17	>250
Tonnes milled	Mt	**1.69**	1.66	2
Head grade	g/t, 6E	**3.97**	4.01	(1)
PGMs in concentrate	Ounces, 6E	**187 291**	193 503	(3)
Chrome concentrate sold	Tonnes	**111 104**	43 787	154
Average basket price	R/kg, 6E	**346 072**	315 316	10
Average basket price	US$/oz, 6E	**979**	977	–
Cash operating margin	%	**40**	38	
Cash cost	R/kg, 6E	**172 837**	165 667	4
Cash cost	R/tonne	**597**	602	(1)
Cash cost	R/Pt oz	**11 530**	11 068	4
Cash cost	R/oz, 6E	**5 376**	5 153	4
Cash cost	US$/oz, 6E	**489**	513	(5)
Headline earnings attributable to ARM (55%)	R million	**176**	157	12

Nkomati Mine

Nkomati Mine's total ore tonnes mined increased by 5%, however, a 7% decrease in the average head grade resulted in nickel units produced of 10 587 tonnes, 11% lower than the previous period. The lower head grade is due to the mining of lower grade areas in the open pit, consistent with the mining plan. Attributable headline earnings decreased by 36% to R101 million (1H F2014: R157 million). Chrome concentrate sales increased by 60% to 188 079 tonnes (1H F2014: 117 211 tonnes).

Nkomati Mine's C1 unit cash costs net of by-products increased by 15% to US$5.00/lb (1H F2014: US$4.35/lb), a direct result of the lower nickel output. Unit cost per tonne milled increased by 3% to R291 per tonne (1H F2014: R283 per tonne).

Nkomati Mine operational statistics

100% basis		six months ended 31 December		
		2014	2013	% change
Cash operating profit	R million	**447**	748	(40)
– Nickel Mine	R million	**330**	695	(53)
– Chrome Mine	R million	**117**	53	121
Cash operating margin	%	**17**	30	
Tonnes milled	Thousand	**3.92**	3.96	(1)
Head grade	% nickel	**0.36**	0.39	(8)
Nickel on-mine cash cost per tonne milled	R/tonne	**291**	283	3
Cash cost net of by-products*	US$/lb	**5.00**	4.35	15
Contained metal				
Nickel	Tonnes	**10 587**	11 859	(11)
PGMs	Ounces	**71 040**	78 280	(9)
Copper	Tonnes	**4 625**	5 171	(11)
Cobalt	Tonnes	**556**	593	(6)
Chrome concentrate sold	Tonnes	**188 079**	117 211	60
Headline earnings attributable to ARM (50%)	R million	**101**	157	(36)

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

Modikwa Mine Recapitalisation Project

The North Shaft deepening project and construction, together with development and construction of the South 2 Project is on schedule and on budget. These projects are currently under review to determine the most viable way forward in light of the challenging environment.

Two Rivers Mine Extension of Life

The acquisition of the Prospecting Right from Impala in respect of portions of the farms Kalkfontein, Tweefontein and Buffelshoek is complete. The incorporation of these areas into the mining right of Two Rivers is nearing completion.

The ARM Platinum division comprises:

- *Three operating mines:*
  - *Modikwa – ARM Mining Consortium has an effective 41.5% interest in Modikwa where local communities hold an 8.5% effective interest. The remaining 50% is held by Anglo American Platinum.*
  - *Two Rivers – an incorporated joint venture with Impala, with ARM holding 51% and Impala 49%. ARM's shareholding in Two Rivers reduced from 55% to 51% after the reporting period (6 February 2015).*
  - *Nkomati – a 50:50 partnership between ARM and Norilsk Nickel Africa.*
- *Two projects:*
  - *The "Kalplats Platinum Project" in which ARM Platinum holds 46%, Platinum Australia (PLA) 44% and Anglo American 10%.*
  - *The "Kalplats Extended Area Project" in which ARM Platinum and PLA each have a 50% interest.*

ARM Coal

The ARM Coal headline loss reduced relative to the previous corresponding period to R10 million (1H F2014: R34 million loss). Total attributable cash operating profit improved by 45% to R398 million (1H F2014: R275 million).

At Goedgevonden Mine feed to the plant and saleable production increased by 21% and 17% respectively. Run of mine (ROM) and saleable production at PCB increased by 7% with the partial commissioning of the Tweefontein Optimisation Project (TOP). ARM Coal saleable coal produced therefore increased by 10% and a decrease in unit production costs was achieved at all the ARM Coal operations.

Attributable export sales volumes were 26% higher. Realised US Dollar prices however declined from US$74.40 per tonne to US$58.58 per tonne which resulted in a R312 million reduction in the attributable export revenue. This was offset to an extent by a weaker Rand/US Dollar exchange rate which contributed R132 million to revenue.

ARM Coal attributable profit analysis

	six months ended 31 December		
R million	**2014**	2013	% change
Cash operating profit	**398**	275	45
Less: Interest paid	**(189)**	(127)	(49)
Amortisation	**(198)**	(178)	(11)
Fair value adjustments	**(24)**	(15)	(60)
Profit before tax	**(13)**	(45)	71
Less: Tax	**3**	11	(73)
Headline loss attributable to ARM	**(10)**	(34)	71

Goedgevonden Coal Mine

Goedgevonden Mine produced outstanding production results for 1H F2015. An 18% increase in run of mine production and a 21% increase in the feed to plant resulted in a 17% increase in saleable production and a 9% reduction in on-mine production cost per saleable tonne.

Export sales volumes increased by 39% due to an improvement in rail performance by Transnet Freight Rail (TFR). Eskom however curtailed buying of additional coal, resulting in a 34% reduction in Eskom sales.

Goedgevonden Mine attributable revenue was R27 million higher as a combined result of increased export sales volumes and a weaker Rand/US Dollar exchange rate which was partially offset by a decline in US Dollar export coal prices.

Total on-mine production costs increased by 6%, however, due to the increased production, unit on-mine costs per saleable tonne decreased by 9% to R189 per tonne. Higher export volumes gave rise to an increase of R49 million in distribution costs.

Goedgevonden Mine headline earnings decreased by 38% from R93 million to R58 million due to a 6% reduction in cash operating profits together with an increase in interest paid (as the interest holiday on the project facility expired on 30 September 2014). The depreciation charge was R30 million higher due to an increase in the asset base and higher production and sales volumes which are used to determine the depreciation charge.

Goedgevonden Mine operational statistics

		six months ended 31 December		
		2014	2013	% change
Total production sales				
Saleable production	Mt	**4.40**	3.77	17
Export thermal coal sales	Mt	**2.97**	2.13	39
Eskom thermal coal sales	Mt	**1.20**	1.81	(34)
Attributable production and sales				
Saleable production	Mt	**1.14**	0.98	16
Export thermal coal sales	Mt	**0.77**	0.55	40
Eskom thermal coal sales	Mt	**0.31**	0.47	(34)
Average received coal price				
Export (FOB)	US$/tonne	**59.05**	79.98	(26)
Eskom (FOT)	R/tonne	**194.97**	195.74	–
On-mine saleable cost	R/tonne	**189.10**	207.20	(9)
Cash operating profit				
Total	R million	**830**	883	(6)
Attributable (26%)	R million	**216**	230	(6)
Headline earnings attributable to ARM	R million	**58**	93	(38)

Goedgevonden Mine attributable profit analysis

	six months ended 31 December		
R million	**2014**	2013	% change
Cash operating profit	**216**	230	(6)
Less: Interest paid	**(63)**	(43)	(47)
Amortisation	**(61)**	(48)	(27)
Fair value adjustments	**(11)**	(8)	(38)
Profit before tax	**81**	131	(38)
Less: Tax	**(23)**	(38)	39
Headline earnings attributable to ARM	**58**	93	(38)

Participating Coal Business (PCB)

PCB attributable cash operating profit increased from R45 million to R182 million and the headline loss reduced from R127 million in 1H F2014 to R68 million in the period under review. Interest paid was R42 million higher than 1H F2014 due to increased borrowings to fund the TOP project. Depreciation increased by R13 million compared to H1 F2014 due to an increase in the asset base as well as an increase in production and sales volumes which are used to determine the depreciation charge.

Attributable export revenue was R81 million higher due to a 20% increase in export coal volumes and the weaker Rand/US Dollar exchange rate. These were partially offset by a decrease in the US Dollar prices of coal. Revenue realised from domestic sales was some R37 million higher than 1H F2014 due to higher volumes and Eskom prices.

Despite the closure of some high cost underground operations, all production indicators were higher in 1H F2015. ROM production from TOP is progressing to a steady state level resulting in PCB producing 7% more ROM volume than in 1H F2014. The increased ROM production has resulted in the stockpile increasing approximately 1 million tonnes since June 2014. This increased ROM stockpile was in preparation for the commissioning of the Coal Handling and Processing Plant (CHPP) which commenced during the last quarter of the 2014 calendar year and has contributed towards an increase of 7% in total saleable production from PCB. The on-mine saleable cost per tonne decreased by 18% from R417 per tonne to R341 per tonne as a result of the increase in production and a 13% reduction in total on-mine costs.

Participating Coal Business operational statistics

		six months ended 31 December		
		2014	2013	% change
Total production sales				
Saleable production	Mt	**6.38**	5.98	7
Export thermal coal sales	Mt	**5.96**	4.97	20
Eskom thermal coal sales	Mt	**0.89**	0.78	14
Local thermal coal sales	Mt	**0.65**	0.22	195
Attributable production and sales				
Saleable production	Mt	**1.29**	1.21	7
Export thermal coal sales	Mt	**1.20**	1.00	20
Eskom thermal coal sales	Mt	**0.18**	0.16	13
Local thermal coal sales	Mt	**0.13**	0.04	225
Average received coal price				
Export (FOB)	US$/tonne	**57.99**	67.78	(14)
Eskom (FOT)	R/tonne	**213.89**	201.83	6
Local (FOR)	R/tonne	**327.73**	347.04	(6)
On-mine saleable cost	R/tonne	**341.23**	417.44	(18)
Cash operating profit				
Total	R million	**899**	223	303
Attributable (20.2%)	R million	**182**	45	304
Headline loss attributable to ARM	R million	**(68)**	(127)	46

Participating Coal Business attributable profit analysis

	six months ended 31 December		
R million	**2014**	2013	% change
Cash operating profit	**182**	45	>250
Less: Interest paid	**(126)**	(84)	(50)
Amortisation	**(137)**	(130)	(5)
Fair value adjustments	**(13)**	(7)	(86)
Loss before tax	**(94)**	(176)	47
Less: Tax	**26**	49	(47)
Headline loss attributable to ARM	**(68)**	(127)	46

Tweefontein Optimisation Project

TOP comprises opencast operations which includes the mining of some old underground operations and the construction of the new and more efficient CHPP.

The mining operations will employ truck and shovel and dragline equipment. The truck and shovel operations have already been fully commissioned and the dragline is being refurbished for commissioning in the first quarter of the 2015 calendar year. The project has provided new job opportunities with the majority of the labour coming from the local communities.

Commissioning of the plant started in the last quarter of 2014 and will be put through performance testing throughout the first quarter of 2015. The new large and efficient CHPP is replacing three old and less efficient plants and will result in a further 3% to 5% improvement on coal recovery. A reduction of two-thirds in plant labour complement is expected to be realised. The new rapid train load out facility will be replacing the front end loaders and is expected to reduce train loading time by an average of six hours. This will result in a saving on TFR rates as well as getting preference on train allocation.

As at 31 December 2014, 87% of the total project costs had been committed and almost 80% actually spent. The project is progressing on schedule for full implementation by next financial year with an expected saving of at least R300 million against the project budget.

Initiatives to deal with the current commodity environment

The operations are progressing well with efficiency improvements and production cost reduction. The following have been realised:

- Closure of high cost underground operations at Tweefontein and reduction of underground shifts with just over 100 employees taking pension or severance packages, while others have been redeployed.
- A decrease in waste stripping costs together with the replacement of contractors by permanent employees for some functions resulted in costs reducing by more than 15%.
- Capital expenditure of all operations has been critically reviewed and has resulted in deferment of over R300 million of capital expenditure at PCB.

ARM's economic interest in PCB is 20.2%. PCB consists of two large mining complexes situated in Mpumalanga. ARM has a 26% effective interest in the Goedgevonden Mine situated near Ogies in Mpumalanga.

Attributable refers to 20.2% of PCB whilst total refers to 100%.

ARM Copper

Lubambe Copper Mine

Longitudinal Room and Pillar (LRP) stoping is currently the only mining method being used at the Lubambe Mine and at the end of December 2014 24 stopes were being mined. Valuable practical experience, regarding the mining of the ore body, is still being gained and constant refinements are being put in place to improve extraction percentage and reduce dilution.

Operational statistics

		six months ended 31 December		
100% basis		**2014**	2013	% change
Waste development	Metres	**2 701**	5 861	(54)
Ore development	Metres	**2 809**	4 281	(34)
Ore development	Tonnes	**156 009**	220 516	(29)
Ore stoping	Tonnes	**727 225**	436 394	67
Ore tonnes mined	Tonnes	**883 234**	656 910	34
Tonnes milled	Thousand	**859 979**	716 005	20
Mill head grade	% copper	**1.83**	1.97	(7)
Concentrator recovery	%	**80.0**	75.04	
Copper concentrate produced	Tonnes	**29 879**	25 167	19
Copper concentrate sold	Tonnes	**30 299**	33 607	(10)
Contained metal				
Copper produced	Tonnes	**12 563**	10 567	19
Copper sold	Tonnes	**12 718**	14 325	(11)
Headline loss attributable to ARM (40%)*	R million	**(233)**	(122)	(91)

** The headline loss is after deducting attributable interest on shareholders' loans of R73 million (1H F2014: R58 million).*

The Lubambe Mine ore tonnes mined from stoping showed a good increase when compared to the previous period. The grade from stoping and development declined by 7% due to marginally lower grade areas being mined together with an increase in dilution in the flatter dipping stopes. To counter this, there has been a slight adaptation to the mining method to enable better development placement within the orebody which then facilitates parallel drilling aimed at improving extraction and reducing dilution. This change is in progress and grade improvements are expected to be seen shortly with full head grade recovery by the end of 2015.

Concentrate production is within contract specification of the Zambian smelters to which Lubambe is delivering concentrate. The plant recoveries are in line with the design parameters and increased to 80%.

Lubambe Copper Mine was planned to ramp-up to full production during the 2015 financial year. In the last nine months waste development was negatively affected by a kaolin intrusion in one of the main access ramps. This intrusion resulted in poor ground conditions which necessitated rehabilitation work lasting three months. Fissure water also flowed into ramp 4 slowing down the required development rate. Both these ramps are now fully rehabilitated and advancing at the required rates.

The sand zone on the South Limb is still hampering the rate of ore access from the main ramps in this area and the sand zone variability makes mining through it slow and expensive. An exercise is currently underway to evaluate the impact of the slower development rates on the ramp-up profile and how best to approach the extraction strategy. The expectation is to complete the full evaluation by the end of March 2015.

Since the start of the new financial year, the copper price deteriorated by 33% from a high of US$7 225 per tonne of copper in July 2014 to US$5 428 per tonne in January 2015. With this fall in copper prices and market expectations that a recovery will take a few years, the main focus on the mine is to consolidate production and reduce further funding requirements in a sustainable manner. This approach will give the operation the ability to focus on optimum ore extraction, correct dewatering procedures, efficiencies and effectiveness which will stand the mine in good stead into the future. The revised plan is expected to be finalised by the end of the 2015 financial year.

A significant change to the taxation of mining companies in Zambia was announced by the Zambian Government during the reporting period. As a result of this announcement, Lubambe Mine will now pay a royalty tax of 8% as a final tax. The mining industry is engaged with the Zambian Government on a number of aspects of the new tax regime.

The Lubambe Extension Project

The geohydrological borehole has been completed. Further study work in this area has been deferred as a temporary measure to conserve cash flows.

ARM Copper owns 50% of the Vale/ARM joint venture. The Vale/ARM joint venture then owns 80% of the Lubambe Mine and ZCCM-IH has a 20% shareholding.

ARM Strategic Services and Exploration

ARM Strategic Services and Exploration expenditure was R40 million (1H F2014: R24 million).

The agreement with Rovuma Resources is ongoing. ARM agreed to continue with the option for a fourth year (commencing April 2014) and to fund exploration costs at the cost of approximately US$6 million. Exploration to end December 2014 has intersected substantial thickness of copper, zinc, gold and silver sulphides with a strike of 2.5 kilometres. The way forward on this opportunity is currently under review with Rovuma Resources.

The Strategic Services team continued to provide project management and technical services for the Black Rock and Sakura Ferroalloys projects.

ARM Strategic Services and Exploration is cognisant of the current environment and have implemented cost-cutting initiatives which include the reduction of the team size. In addition, no new exploration opportunities will be pursued. The team's efforts will be focused instead on assisting the ARM operations improve operational efficiencies and on merger and acquisition opportunities.

Harmony Gold Mining Company Limited (Harmony)

Harmony reported a headline loss of R763 million for the six months ended 31 December 2014 (1H F2014: R71 million loss).

Harmony's revenue for the six-month period increased 1% to R8 146 million (1H F2014: R8 089 million) mainly as a result of a higher realised Rand gold price. Gold produced and gold sold decreased by 7% and 3% respectively while cash operating costs increased by 13%.

Harmony announced the results of the updated Golpu prefeasibility study (PFS) on 15 December 2014. Emphasis in preparing the PFS was to create flexibility to allow the size of the project to be adapted to different levels of gold and copper prices and phase the development of Golpu. The updated study reduces the capital of the project, lowers operating costs and improves the rate of return on the project. Harmony intends to fund the earlier stages of the project from internal cash flows, and is reviewing other options for the latter stages.

The ARM Statement of Financial Position as at 31 December 2014 reflects a mark-to-market investment in Harmony of R1 375 million at a share price of R21.61 per share (1H F2014: R25.90 per share). Changes in the value of the investment in Harmony, to the extent that they represent a significant or prolonged decline below the cost of the investment, are adjusted through the Income Statement, net of tax. Gains above the cost are accounted for, net of deferred capital gains tax, through the Statement of Comprehensive Income. Dividends are recognised in the ARM Income Statement on the last day of registration following dividend declaration.

Harmony's results for the six months ended 31 December 2014 can be viewed on Harmony's website at **www.harmony.co.za**.

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

Outlook

ARM is invested into mining for the long term and understands that within that longer period commodity prices are cyclical. ARM's strategy is developed to focus on the long term while still allowing short and medium term interventions to address cyclical issues when necessary.

ARM is responding proactively to the current challenges in the mining industry. These are largely characterised by declines in US Dollar commodity prices, cost pressures and labour issues.

The key areas under review by ARM include:
- Restructuring of existing mining plans to optimise profitability from operations under the prevailing business circumstances;
- Improving productivity at all operations;
- Reviewing all capital allocations and reducing or deferring capital expenditure;
- Reducing costs at both operational and corporate level;
- Using technology to enhance efficiencies;
- Focusing on maintaining/improving planned cash flows by the abovementioned methods and also by increasing focus on working capital management;
- Maintaining good labour and stakeholder relations at all operations; and
- Considering the curtailment or exit from operations which are not profitable.

The global economy which utilises ARM's commodities continues to show different growth rates. The Chinese economy continues to grow significantly in absolute terms, however, given the larger base is slowing down in percentage terms. The US economy has continued to improve while growth in Europe and Japan is expected to recover gradually.

The current business environment is expected to remain challenging for the next two to three years and as a result the key focus for ARM is to maintain a prudent approach to managing its businesses, maximising cash flows while continuing to consider value enhancing merger and acquisition opportunities, particularly in platinum and copper.

Review by independent auditors

The financial results for the six months ended 31 December 2014 have not been reviewed or audited by the Company's registered auditors, Ernst & Young Inc. Any forward-looking information contained in this announcement has not been reviewed or reported on by ARM's external auditors.

Signed on behalf of the Board:

P T Motsepe
Executive Chairman

M P Schmidt
Chief Executive Officer

Johannesburg
16 March 2015

NOTES

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Financial statements

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Group statement of financial position

as at 31 December 2014

	Note	Unaudited Six months ended 31 December 2014 Rm	2013 Rm	Audited Year ended 30 June 2014 Rm
ASSETS				
Non-current assets				
Property, plant and equipment		**12 733**	11 647	11 752
Investment property		**–**	12	12
Intangible assets		**156**	171	166
Deferred tax assets		**438**	426	381
Loans and long-term receivables		**53**	75	73
Financial assets		**2**	3	2
Investment in associate		**1 199**	1 211	1 267
Investment in joint venture	3	**14 385**	13 909	14 305
Other investments		**1 556**	1 779	2 119
		30 522	29 233	30 077
Current assets				
Inventories		**893**	1 101	934
Trade and other receivables		**3 043**	2 864	3 292
Taxation		**1**	3	5
Cash and cash equivalents	4	**1 976**	1 524	2 150
		5 913	5 492	6 381
Assets held for sale	5	**12**	–	–
Total assets		**36 447**	34 725	36 458
EQUITY AND LIABILITIES				
Capital and reserves				
Ordinary share capital		**11**	11	11
Share premium		**4 178**	4 079	4 108
Other reserves		**1 099**	875	1 258
Retained earnings		**20 810**	19 736	21 311
Equity attributable to equity holders of ARM		**26 098**	24 701	26 688
Non-controlling interest		**1 528**	1 563	1 511
Total equity		**27 626**	26 264	28 199
Non-current liabilities				
Long-term borrowings	6	**2 363**	3 148	2 420
Non-current financial liabilities		**7**	–	–
Deferred tax liabilities		**1 936**	1 829	1 911
Long-term provisions		**630**	608	558
		4 936	5 585	4 889
Current liabilities				
Trade and other payables		**1 977**	1 817	1 741
Short-term provisions		**302**	278	479
Taxation		**41**	75	68
Current financial liabilities		**8**	–	–
Overdrafts and short-term borrowings	6	**1 557**	706	1 082
		3 885	2 876	3 370
Total equity and liabilities		**36 447**	34 725	36 458

Group income statement

for the six months ended 31 December 2014

	Note	Unaudited Six months ended 31 December 2014 Rm	2013 Rm	Audited Year ended 30 June 2014 Rm
Revenue		**5 210**	4 983	10 863
Sales		**4 829**	4 606	10 004
Cost of sales		**(4 011)**	(3 582)	(7 531)
Gross profit		**818**	1 024	2 473
Other operating income		**576**	499	961
Other operating expenses		**(785)**	(743)	(1 763)
Profit from operations before exceptional item		**609**	780	1 671
Income from investments		**76**	52	119
Finance costs		**(74)**	(120)	(259)
Loss from associate*		**(68)**	(240)	(374)
Income from joint venture**	3	**830**	2 153	3 549
Profit before taxation and exceptional items		**1 373**	2 625	4 706
Exceptional items	7	**(273)**	(631)	(616)
Profit before taxation		**1 100**	1 994	4 090
Taxation	9	**(208)**	(164)	(546)
Profit for the period		**892**	1 830	3 544
Attributable to:				
Non-controlling interest		**91**	116	255
Equity holders of ARM		**801**	1 714	3 289
		892	1 830	3 544

	Note	2014	2013	2014
Additional information				
Headline earnings (R million)	8	**1 026**	2 341	4 108
Headline earnings per share (cents)		**473**	1 084	1 900
Basic earnings (R million)		**801**	1 714	3 289
Basic earnings per share (cents)		**369**	794	1 521
Diluted headline earnings per share (cents)		**470**	1 076	1 886
Diluted basic earnings per share (cents)		**367**	788	1 510
Number of shares in issue at end of period (thousands)		**217 438**	216 462	216 748
Weighted average number of shares in issue (thousands)		**217 023**	215 971	216 268
Weighted average number of shares used in calculating fully diluted earnings per share (thousands)		**218 315**	217 492	217 784
Net asset value per share (cents)		**12 003**	11 411	12 313
EBITDA (R million)		**1 130**	1 264	2 620
Dividend declared after year-end (cents)		**–**	–	600

* *Impairment included in loss from associate Rnil (1H 2014: R113 million; F2014: R132 million).*

** *Impairment included in income from joint venture Rnil (1H 2014: Rnil: F2014: R187 million).*

Group statement of comprehensive income

for the six months ended 31 December 2014

	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 2014 (Unaudited)						
Profit for the period	–	–	801	**801**	91	**892**
Other comprehensive income that may be reclassified to the income statement in subsequent periods:						
Reclassification adjustment due to impairment of available-for-sale listed investment	(334)	–	–	**(334)**	–	**(334)**
Deferred tax on above	62	–	–	**62**	–	**62**
Net impact of above	(272)	–	–	**(272)**	–	**(272)**
Foreign currency translation reserve movement	–	67	–	**67**	–	**67**
Total other comprehensive income	(272)	67	–	**(205)**	–	**(205)**
Total comprehensive income for the period	(272)	67	801	**596**	91	**687**
Six months ended 31 December 2013 (Unaudited)						
Profit for the period	–	–	1 714	**1 714**	116	**1 830**
Other comprehensive income that may be reclassified to the income statement in subsequent periods:						
Sale of subsidiary	–	(5)	–	**(5)**	–	**(5)**
Cash flow hedge reserve	–	31	–	**31**	–	**31**
Foreign currency translation reserve movement	–	57	–	**57**	–	**57**
Total other comprehensive income	–	83	–	**83**	–	**83**
Total comprehensive income for the period	–	83	1 714	**1 797**	116	**1 913**
Year ended 30 June 2014 (Audited)						
Profit for the year	–	–	3 289	**3 289**	255	**3 544**
Other comprehensive income that may be reclassified to the income statement in subsequent periods:						
Revaluation of listed investment	334	–	–	**334**	–	**334**
Deferred tax on above	(62)	–	–	**(62)**	–	**(62)**
Net impact of revaluation of listed investment	272	–	–	**272**	–	**272**
Cash flow hedge reserve	–	31	–	**31**	–	**31**
Foreign currency translation reserve movement	–	73	–	**73**	–	**73**
Total other comprehensive income	272	104	–	**376**	–	**376**
Total comprehensive income for the year	272	104	3 289	**3 665**	255	**3 920**

Group statement of changes in equity

for the six months ended 31 December 2014

	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 2014 (Unaudited)							
Balance at 30 June 2014	4 119	272	986	21 311	**26 688**	1 511	**28 199**
Profit for the period	–	–	–	801	**801**	91	**892**
Other comprehensive income	–	(272)	67	–	**(205)**	–	**(205)**
Total comprehensive income for the period	–	(272)	67	801	**596**	91	**687**
Share-based payments	–	–	84	–	**84**	–	**84**
Share options exercised	32	–	–	–	**32**	–	**32**
Bonus and performance shares issued to employees	38	–	(38)	–	**–**	–	**–**
Dividend paid	–	–	–	(1 302)	**(1 302)**	–	**(1 302)**
Dividend paid to Impala Platinum	–	–	–	–	**–**	(74)	**(74)**
Balance at 31 December 2014	4 189	–	1 099	20 810	**26 098**	1 528	**27 626**
Six months ended 31 December 2013 (Unaudited)							
Balance at 30 June 2013	4 007	–	769	19 294	**24 070**	1 393	**25 463**
Profit for the period	–	–	–	1 714	**1 714**	116	**1 830**
Other comprehensive income	–	–	83	–	**83**	–	**83**
Total comprehensive income for the period	–	–	83	1 714	**1 797**	116	**1 913**
Share-based payments	–	–	70	–	**70**	–	**70**
Share options exercised	36	–	–	–	**36**	–	**36**
Bonus and performance shares issued to employees	47	–	(47)	–	**–**	–	**–**
Dividend paid	–	–	–	(1 102)	**(1 102)**	–	**(1 102)**
Dividend paid to Impala Platinum	–	–	–	–	**–**	(45)	**(45)**
Acquisition of non-controlling interest in Kalumines	–	–	–	(170)	**(170)**	99	**(71)**
Balance at 31 December 2013	4 090	–	875	19 736	**24 701**	1 563	**26 264**
Year ended 30 June 2014 (Audited)							
Balance at 30 June 2013	4 007	–	769	19 294	**24 070**	1 393	**25 463**
Profit for the year	–	–	–	3 289	**3 289**	255	**3 544**
Other comprehensive income	–	272	104	–	**376**	–	**376**
Total comprehensive income for the year	–	272	104	3 289	**3 665**	255	**3 920**
Share-based payments	–	–	167	–	**167**	–	**167**
Share options exercised	62	–	–	–	**62**	–	**62**
Bonus and performance shares issued to employees	50	–	(50)	–	**–**	–	**–**
Dividend paid	–	–	–	(1 102)	**(1 102)**	–	**(1 102)**
Dividend paid to Impala Platinum	–	–	–	–	**–**	(236)	**(236)**
Acquisition of non-controlling interest in Kalumines	–	–	–	(170)	**(170)**	99	**(71)**
Sale of subsidiary	–	–	(4)	–	**(4)**	–	**(4)**
Balance at 30 June 2014	4 119	272	986	21 311	**26 688**	1 511	**28 199**

Group statement of cash flows
for the six months ended 31 December 2014

	Note	Unaudited Six months ended 31 December 2014 Rm	2013 Rm	Audited Year ended 30 June 2014 Rm
CASH FLOW FROM OPERATING ACTIVITIES				
Cash receipts from customers		**5 578**	4 519	9 950
Cash paid to suppliers and employees		**(4 093)**	(3 658)	(7 877)
Cash generated from operations	10	**1 485**	861	2 073
Interest received		**64**	42	99
Interest paid		**(55)**	(65)	(113)
Dividends received		**–**	–	1
Dividends received from joint venture		**750**	750	1 750
Dividends paid to non-controlling interest		**(74)**	(45)	(236)
Dividend paid		**(1 302)**	(1 102)	(1 102)
Taxation paid		**(198)**	(72)	(395)
Net cash inflow from operating activities		**670**	369	2 077
CASH FLOW FROM INVESTING ACTIVITIES				
Additions to property, plant and equipment to maintain operations		**(689)**	(321)	(724)
Additions to property, plant and equipment to expand operations		**(18)**	(358)	(409)
Proceeds on disposal of property, plant and equipment		**2**	184	118
Proceeds on disposal of subsidiary		**–**	1	1
Transfer of cash on disposal of subsidiary		**–**	(16)	(16)
Investment in associate		**–**	–	(189)
Investment in subsidiary		**(400)**	–	–
Investment in insurance cell		**(25)**	–	–
Investments in Richards Bay Coal Terminal		**(21)**	(15)	(20)
Decrease in loans and long-term receivables		**21**	15	17
Net cash outflow from investing activities		**(1 130)**	(510)	(1 222)
CASH FLOW FROM FINANCING ACTIVITIES				
Proceeds on exercise of share options		**32**	36	62
Payment to non-controlling interest in Kalumines		**–**	(71)	–
Long-term borrowings repaid		**(54)**	(235)	(728)
Decrease in short-term borrowings		**(112)**	(49)	(93)
Net cash outflow from financing activities		**(134)**	(319)	(759)
Net (decrease)/increase in cash and cash equivalents		**(594)**	(460)	96
Cash and cash equivalents at beginning of period		**1 669**	1 569	1 569
Foreign currency translation on cash balances		**(1)**	4	4
Cash and cash equivalents at end of period	4	**1 074**	1 113	1 669
Cash generated from operations per share (cents)		**684**	399	959

Notes to the financial statements
for the six months ended 31 December 2014

1 STATEMENT OF COMPLIANCE

The Group financial statements for the six months ended 31 December 2014 are prepared in accordance with and contain the information required by IAS 34 – Interim Financial Reporting and comply with International Financial Reporting Standards (IFRS) and Interpretations of those standards, as adopted by the International Accounting Standards Board (IASB), requirements of the South African Companies Act 2008, the SAICA Financial Reporting Guides as issued by the Accounting Practices Committee and Financial Pronouncements as issued by the Financial Reporting Standards Council and the Listings Requirements of the JSE Limited.

BASIS OF PREPARATION

The Group financial statements for the six months ended 31 December 2014 have been prepared on the historical cost basis, except for certain financial instruments, which include listed investments, that are fairly valued by mark-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. 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 on or before 1 July 2014.

Standard	Subject	Effective date
IFRS 1	First-time Adoption of International Financial Reporting Standards (Annual improvement project)	1 July 2014
IFRS 2	Share-based Payments (Annual improvement project)	1 July 2014
IFRS 3	Business Combinations (Annual improvement project)	1 July 2014
IFRS 7	Financial Instruments: Disclosures (Amendment)	1 January 2014
IFRS 8	Operating Segments (Annual improvement project)	1 July 2014
IFRS 10	Consolidated Financial Statements (Amendment)	1 January 2014
IFRS 12	Disclosure of Interest in Other Entities (Amendment)	1 January 2014
IFRS 13	Fair Value Measurement (Annual improvement project)	1 July 2014
IAS 16	Property, Plant and Equipment (Annual improvement project)	1 July 2014
IAS 19	Employee Benefits (Amendment)	1 July 2014
IAS 24	Related Party Disclosure (Annual improvement project)	1 July 2014
IAS 27	Separate Financial Statements (Amendment)	1 January 2014
IAS 32	Financial Instruments Presentation – Offsetting financial assets and financial liabilities (Amendment)	1 January 2014
IAS 36	Impairment of Assets – Recoverable amount disclosure for non-financial assets of impaired assets (Amendment)	1 January 2014
IAS 39	Financial Instruments – Novation of derivatives and continuation of hedge accounting (Amendment)	1 January 2014
IAS 40	Investment Property (Annual improvement project)	1 July 2014
IFRIC 21	Levies	1 January 2014

The adoption of these amendments had no significant effect on the Group financial statements.

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 5	Non-current Asset Held for Sale and Discontinued Operations (Annual improvement project)	1 January 2016
IFRS 7	Financial Instruments: Disclosures (Annual improvement project)	1 January 2016
IFRS 9	Financial Instruments – Classification and Measurement (Amendment)	1 January 2018
IFRS 10	Consolidated Financial Statements (Amendment)	1 January 2016
IFRS 11	Accounting for Acquisitions of Interest in Joint Operations (Amendment)	1 January 2016
IFRS 12	Disclosure of Interest in Other Entities (Amendment)	1 January 2016
IFRS 14	Regulatory Deferral Accounts	1 January 2016
IFRS 15	Revenue from Contracts with Customers	1 January 2017
IAS 16 and IAS 38	Clarification of Acceptable Methods of Depreciation and Amortisation (Amendment)	1 January 2016
IAS 16 and IAS 41	Agriculture: Bearer Plants (Amendment)	1 January 2016
IAS 1	Disclosure initiative (Amendment)	1 January 2016
IAS 19	Employee Benefits (Annual improvement project)	1 January 2016
IAS 27	Separate Financial Statements – Equity method (Amendment)	1 January 2016
IAS 28	Investment in Associates and Joint Ventures (Amendment)	1 January 2016
IAS 34	Interim Financial Reporting (Annual improvement project)	1 January 2016

The Group does not intend early adopting any of the above amendments, standards or interpretations.
The impact of the above standards or interpretations are still being assessed.

Notes to the financial statements

for the six months ended 31 December 2014

For management purposes the Group is organised into operating divisions. The operating divisions are ARM Platinum (which includes platinum and nickel), ARM Ferrous, ARM Coal, ARM Copper, Corporate and other, ARM Exploration, and Gold. Corporate and other, ARM Exploration and Gold are included in ARM Corporate in the table below.

2. SEGMENTAL INFORMATION

	ARM Platinum Rm	ARM Ferrous Rm	ARM Coal Rm	ARM Copper Rm	ARM Corporate Rm	**Total Rm**	*IFRS Adjust-ment Rm	**Total per IFRS financial state-ments Rm**
Primary segmental information Six months ended 31 December 2014 (Unaudited)								
Sales	3 820	5 167	574	435	–	**9 996**	(5 167)	**4 829**
Cost of sales	(3 051)	(3 754)	(455)	(516)	22	**(7 754)**	3 743	**(4 011)**
Other operating income	106	76	21	2	405	**610**	(34)	**576**
Other operating expenses	(289)	(380)	(2)	(128)	(366)	**(1 165)**	380	**(785)**
Segment result	586	1 109	138	(207)	61	**1 687**	(1 078)	**609**
Income from investments	19	105	–	–	57	**181**	(105)	**76**
Finance cost	(20)	(17)	(57)	(8)	84	**(18)**	17	**(1)**
Finance cost ZCCM: Shareholders' loan Vale/ARM joint venture	–	–	–	(13)	–	**(13)**	–	**(13)**
Finance cost ARM: Shareholders' loan Vale/ARM joint venture	–	–	–	(60)	–	**(60)**	–	**(60)**
Loss from associate	–	–	(68)	–	–	**(68)**	–	**(68)**
Income from joint venture	–	13	–	–	–	**13**	817	**830**
Exceptional items	–	(4)	–	–	(273)	**(277)**	4	**(273)**
Taxation	(164)	(354)	(23)	(3)	(9)	**(553)**	345	**(208)**
Non-controlling interest	(144)	–	–	58	(5)	**(91)**	–	**(91)**
Consolidation adjustment	–	(22)	–	–	22	**–**	–	**–**
Contribution to earnings	277	830	(10)	(233)	(63)	**801**	–	**801**
Contribution to headline earnings	277	833	(10)	(233)	159	**1 026**	–	**1 026**
Other information:								
Segment assets including investment in associate and joint venture	10 869	18 608	3 158	3 775	4 260	**40 670**	(4 223)	**36 447**
Investment in joint venture						**–**	14 385	**14 385**
Investment in associate			1 199			**1 199**		**1 199**
Segment liabilities	2 393	1 591	1 690	935	1 826	**8 435**	(1 591)	**6 844**
Unallocated – Deferred taxation and taxation						**4 609**	(2 632)	**1 977**
Consolidated total liabilities						**13 044**	(4 223)	**8 821**
Cash generated from operations	1 323	1 490	170	(34)	26	**2 975**	(1 490)	**1 485**
Cash inflow/(outflow) from operating activities	1 141	1 307	173	(63)	(1 331)	**1 227**	(557)	**670**
Cash outflow from investing activities	(443)	(1 072)	(118)	(146)	(423)	**(2 202)**	1 072	**(1 130)**
Cash outflow from financing activities	(43)	–	(55)		(36)	**(134)**	–	**(134)**
Capital expenditure	486	802	177	146	1	**1 612**	(802)	**810**
Amortisation and depreciation	331	491	72	115	3	**1 012**	(491)	**521**
EBITDA	917	1 600	210	(92)	64	**2 699**	(1 569)	**1 130**

** Includes IFRS 11 adjustments related to ARM Ferrous.*

Notes to the financial statements

for the six months ended 31 December 2014

For management purposes the Group is organised into operating divisions. The operating divisions are ARM Platinum (which includes platinum and nickel), ARM Ferrous, ARM Coal, ARM Copper, Corporate and other, ARM Exploration, and Gold. Corporate and other, ARM Exploration and Gold are included in ARM Corporate in the table below.

2. SEGMENTAL INFORMATION (continued)

	ARM Platinum Rm	ARM Ferrous Rm	ARM Coal Rm	ARM Copper Rm	ARM Corporate Rm	**Total Rm**	*IFRS Adjust-ment Rm	**Total per IFRS financial state-ments Rm**
Six months ended 31 December 2013 (Unaudited)								
Sales	3 571	7 013	547	488	–	**11 619**	(7 013)	**4 606**
Cost of sales	(2 747)	(3 690)	(386)	(462)	23	**(7 262)**	3 680	**(3 582)**
Other operating income	35	105	17	–	417	**574**	(75)	**499**
Other operating expenses	(162)	(569)	(1)	(110)	(470)	**(1 312)**	569	**(743)**
Segment result	697	2 859	177	(84)	(30)	**3 619**	(2 839)	**780**
Income from investments	15	100	–	–	37	**152**	(100)	**52**
Finance cost	(19)	(12)	(46)	(6)	9	**(74)**	12	**(62)**
Finance cost ZCCM: Shareholders' loan Vale/ARM joint venture	–	–	–	(9)	–	**(9)**	–	**(9)**
Finance cost ARM: Shareholders' loan Vale/ARM joint venture	–	–	–	(49)	–	**(49)**	–	**(49)**
Loss from associate**	–	–	(240)	–	–	**(240)**	–	**(240)**
Income from joint venture	–	7	–	–	–	**7**	2 146	**2 153**
Exceptional items	–	–	–	(10)	(621)	**(631)**	–	**(631)**
Taxation	(193)	(786)	(38)	–	72	**(945)**	781	**(164)**
Non-controlling interest	(137)	–	–	26	(5)	**(116)**	–	**(116)**
Consolidation adjustment	–	(15)	–	–	15	**–**	–	**–**
Contribution to earnings	363	2 153	(147)	(132)	(523)	**1 714**	–	**1 714**
Contribution to headline earnings	363	2 153	(34)	(122)	(19)	**2 341**	–	**2 341**
Other information:								
Segment assets including investment in associate and joint venture	10 336	17 940	2 949	3 649	3 882	**38 756**	(4 031)	**34 725**
Investment in joint venture						**–**	13 909	**13 909**
Investment in associate			1 211			**1 211**		**1 211**
Segment liabilities	1 909	1 486	1 528	1 025	2 095	**8 043**	(1 486)	**6 557**
Unallocated – Deferred taxation and taxation						**4 452**	(2 548)	**1 904**
Consolidated total liabilities						**12 495**	(4 034)	**8 461**
Cash generated from operations	663	2 480	272	(31)	(43)	**3 341**	(2 480)	**861**
Cash inflow/(outflow) from operating activities	546	1 803	272	(31)	(1 168)	**1 422**	(1 053)	**369**
Cash outflow from investing activities	(388)	(1 041)	(40)	(63)	(19)	**(1 551)**	1 041	**(510)**
Cash (outflow)/inflow from financing activities	(48)	–	(235)	(71)	35	**(319)**	–	**(319)**
Capital expenditure	389	732	58	247	3	**1 429**	(732)	**697**
Amortisation and depreciation	371	428	56	55	2	**912**	(428)	**484**
EBITDA	1 068	3 287	233	(29)	(28)	**4 531**	(3 267)	**1 264**

* *Includes IFRS 11 adjustments related to ARM Ferrous.*

** *Impairment included in loss from associate R113 million.*

Notes to the financial statements

for the six months ended 31 December 2014

For management purposes the Group is organised into operating divisions. The operating divisions are ARM Platinum (which includes platinum and nickel), ARM Ferrous, ARM Coal, ARM Copper, Corporate and other, ARM Exploration, and Gold. Corporate and other, ARM Exploration and Gold are included in ARM Corporate in the table below.

2. SEGMENTAL INFORMATION (continued)

	ARM Platinum Rm	ARM Ferrous Rm	ARM Coal Rm	ARM Copper Rm	ARM Corporate Rm	**Total Rm**	*IFRS Adjust-ment Rm	**Total per IFRS financial state-ments Rm**
Year ended 30 June 2014 (Audited)								
Sales	7 986	13 781	961	1 085	(28)	**23 785**	(13 781)	**10 004**
Cost of sales	(5 811)	(7 733)	(724)	(1 048)	73	**(15 243)**	7 712	**(7 531)**
Other operating income	79	176	24	36	752	**1 067**	(106)	**961**
Other operating expenses	(531)	(1 228)	(3)	(319)	(910)	**(2 991)**	1 228	**(1 763)**
Segment result	1 723	4 996	258	(246)	(113)	**6 618**	(4 947)	**1 671**
Income from investments	36	225	–	–	83	**344**	(225)	**119**
Finance cost	(51)	(27)	(89)	(2)	14	**(155)**	27	**(128)**
Finance cost ZCCM: Shareholders' loan Vale/ARM joint venture	–	–	–	(38)	–	**(38)**	–	**(38)**
Finance cost ARM: Shareholders' loan Vale/ARM joint venture	–	–	–	(93)	–	**(93)**	–	**(93)**
Loss from associate**	–	–	(374)	–	–	**(374)**	–	**(374)**
Income form joint venture***	–	11	–	–	–	**11**	3 538	**3 549**
Exceptional items	(2)	(260)	5	2	(621)	**(876)**	260	**(616)**
Taxation	(506)	(1 361)	(48)	(3)	25	**(1 893)**	1 347	**(546)**
Non-controlling interest	(319)	–	–	73	(9)	**(255)**	–	**(255)**
Consolidation adjustment	–	(35)	–	–	35	**–**	–	**–**
Contribution to earnings	881	3 549	(248)	(307)	(586)	**3 289**	–	**3 289**
Contribution to headline earnings	883	3 736	(120)	(309)	(82)	**4 108**	–	**4 108**
Other information:								
Segment assets including investment in associate and joint venture	10 807	18 749	3 468	3 530	4 348	**40 902**	(4 444)	**36 458**
Investment in joint venture						**–**	14 305	**14 305**
Investment in associate			1 267			**1 267**		**1 267**
Segment liabilities	2 280	1 936	1 636	826	1 538	**8 216**	(1 936)	**6 280**
Unallocated – Deferred taxation and taxation						**4 542**	(2 563)	**1 979**
Consolidated total liabilities						**12 758**	(4 499)	**8 259**
Cash inflow/(outflow) from operating activities	1 386	4 485	407	(158)	(1 308)	**4 812**	(2 735)	**2 077**
Cash outflow from investing activities	(690)	(2 382)	(305)	(204)	(23)	**(3 604)**	2 382	**(1 222)**
Cash outflow from financing activities	(104)	–	(152)	–	(503)	**(759)**	–	**(759)**
Capital expenditure	731	1 753	129	299	6	**2 918**	(1 753)	**1 165**
Amortisation and depreciation	650	892	117	176	6	**1 841**	(892)	**949**
Impairment	–	260	183	–	–	**443**	(260)	**183**
EBITDA	2 373	5 888	375	(70)	(107)	**8 459**	(5 839)	**2 620**

* *Includes IFRS 11 adjustments related to ARM Ferrous.*

** *Impairment included in loss from associates R132 million.*

*** *Impairment included in income from joint venture R187 million.*

Notes to the financial statements

for the six months ended 31 December 2014

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.

2. SEGMENTAL INFORMATION (continued)

Platinum	Two Rivers Rm	Modikwa Rm	Nkomati Rm	ARM Platinum Rm
Six months ended 31 December 2014 (Unaudited)				
Sales	1 873	597	1 350	**3 820**
Cost of sales	(1 336)	(598)	(1 117)	**(3 051)**
Other operating income	6	1	99	**106**
Other operating expenses	(87)	(10)	(192)	**(289)**
Segment result	456	(10)	140	**586**
Income from investments	7	3	9	**19**
Finance cost	(16)	(1)	(3)	**(20)**
Taxation	(127)	8	(45)	**(164)**
Non-controlling interest	(144)	–	–	**(144)**
Contribution to earnings	176	–	101	**277**
Contribution to headline earnings	176	–	101	**277**
Other information:				
Segment assets	4 248	3 092	3 529	**10 869**
Segment liabilities	1 053	553	787	**2 393**
Cash inflow from operating activities	551	90	500	**1 141**
Cash outflow from investing activities	(127)	(207)	(109)	**(443)**
Cash outflow from financing activities	(43)	–	–	**(43)**
Capital expenditure	156	209	121	**486**
Amortisation and depreciation	205	42	84	**331**
EBITDA	661	32	224	**917**
Six months ended 31 December 2013 (Unaudited)				
Sales	1 700	627	1 244	**3 571**
Cost of sales	(1 242)	(551)	(954)	**(2 747)**
Other operating income	11	7	17	**35**
Other operating expenses	(59)	(9)	(94)	**(162)**
Segment result	410	74	213	**697**
Income from investments	3	5	7	**15**
Finance cost	(17)	–	(2)	**(19)**
Taxation	(112)	(20)	(61)	**(193)**
Non-controlling interest	(127)	(10)	–	**(137)**
Contribution to earnings	157	49	157	**363**
Contribution to headline earnings	157	49	157	**363**
Other information:				
Segment assets	3 896	2 889	3 551	**10 336**
Segment liabilities	842	406	661	**1 909**
Cash inflow from operating activities	337	154	55	**546**
Cash outflow from investing activities	(140)	(160)	(88)	**(388)**
Cash outflow from financing activities	(48)	–	–	**(48)**
Capital expenditure	138	160	91	**389**
Amortisation and depreciation	181	41	149	**371**
EBITDA	591	115	362	**1 068**

Notes to the financial statements

for the six months ended 31 December 2014

Additional information (continued)
Pro forma analysis of the ARM Ferrous segment on a 100% basis

2. SEGMENTAL INFORMATION (continued)

	Iron ore division Rm	Manga-nese division Rm	Chrome division Rm	**Ferrous Total Rm**	**ARM share Rm**	*IFRS Adjust-ment Rm	**Total per IFRS financial state-ments Rm**
Six months ended 31 December 2014 (Unaudited)							
Sales	5 757	3 868	708	**10 333**	**5 167**	(5 167)	**–**
Other operating income	276	133	5	**414**	**76**	(76)	**–**
Other operating expenses	(682)	(254)	(87)	**(1 023)**	**(380)**	380	**–**
Operating profit	1 478	656	84	**2 218**	**1 109**	(1 109)	**–**
Contribution to earnings and total comprehensive income	1 174	473	56	**1 703**	**852**	(22)	**830**
Contribution to headline earnings	1 181	472	56	**1 709**	**855**	(22)	**833**
Other information:							
Segment assets	25 480	11 625	1 090	**38 195**	**18 608**	(4 223)	**14 385**
Segment liabilities	5 748	2 547	426	**8 721**	**1 591**	(1 591)	**–**
Cash inflow/(outflow) from operating activities	663**	632	(206)	**1 089**	**1 307**	(1 307)	**–**
Cash outflow from investing activities	(835)	(1 187)	(97)	**(2 119)**	**(1 072)**	1 072	**–**
Capital expenditure	710	849	130	**1 689**	**802**	(802)	**–**
Amortisation and depreciation	751	209	43	**1 003**	**491**	(491)	**–**
EBITDA	2 229	865	127	**3 221**	**1 600**	(1 600)	**–**
Additional information for ARM Ferrous at 100%							
Non-current assets							
Property, plant and equipment				**21 312**		(21 312)	**–**
Other non-current assets				**2 857**		(2 857)	**–**
Current assets							
Inventories				**4 963**		(4 963)	**–**
Trade and other receivables				**4 038**		(4 038)	**–**
Financial asset				**80**		(80)	**–**
Cash and cash equivalents				**4 945**		(4 945)	**–**
Non-current liabilities							
Other non-current liabilities				**6 193**		(6 193)	**–**
Current liabilities							
Trade and other payables				**1 829**		(1 829)	**–**
Short-term provisions				**416**		(416)	**–**
Taxation				**284**		(284)	**–**

* *Includes consolidation and IFRS 11 adjustments.*
** *Dividend paid amounting to R1.5 billion included in cash flows from operating activities.*

Notes to the financial statements
for the six months ended 31 December 2014

Additional information (continued)
Pro forma analysis of the ARM Ferrous segment on a 100% basis

2. SEGMENTAL INFORMATION (continued)

	Iron ore division Rm	Manga-nese division Rm	Chrome division Rm	**Ferrous Total Rm**	**ARM share Rm**	*IFRS Adjust-ment Rm	**Total per IFRS financial state-ments Rm**
Six months ended 31 December 2013 (Unaudited)							
Sales	9 222	4 022	782	**14 026**	**7 013**	(7 013)	–
Other operating income	313	98	5	**416**	**105**	(105)	–
Other operating expenses	(887)	(355)	(102)	**(1 344)**	**(569)**	569	–
Operating profit	4 753	917	47	**5 717**	**2 859**	(2 859)	–
Contribution to earnings and total comprehensive income	3 644	655	37	**4 336**	**2 168**	(15)	**2 153**
Contribution to headline earnings	3 644	655	37	**4 336**	**2 168**	(15)	**2 153**
Other information:							
Segment assets	24 894	10 908	939	**36 741**	**17 940**	(4 031)	**13 909**
Segment liabilities	5 549	2 424	331	**8 304**	**1 486**	(1 486)	–
Cash inflow from operating activities	1 576**	475	54	**2 105**	**1 803**	(1 803)	–
Cash outflow from investing activities	(795)	(1 208)	(78)	**(2 081)**	**(1 041)**	1 041	–
Capital expenditure	902	541	80	**1 523**	**732**	(732)	–
Amortisation and depreciation	596	242	38	**876**	**428**	(428)	–
EBITDA	5 349	1 159	85	**6 593**	**3 287**	(3 287)	
Additional information for ARM Ferrous at 100%							
Non-current assets							
Property, plant and equipment				**20 058**		(20 058)	–
Other non-current assets				**1 554**		(1 554)	–
Current assets							
Inventories				**4 479**		(4 479)	–
Trade and other receivables				**5 272**		(5 272)	–
Financial asset				**85**		(85)	
Cash and cash equivalents				**5 293**		(5 293)	–
Non-current liabilities							
Other non-current liabilities				**5 779**		(5 779)	–
Current liabilities							
Trade and other payables				**1 732**		(1 732)	–
Short-term provisions				**407**		(407)	–
Taxation				**386**		(386)	–

* *Includes consolidation and IFRS 11 adjustments.*
** *Dividend paid amounting to R1.5 billion included in cash flows from operating activities.*

Notes to the financial statements
for the six months ended 31 December 2014

Additional information (continued)
ARM Corporate as presented in the table on page 78 is analysed further into the Corporate and other, ARM Exploration and Gold segments.

2. SEGMENTAL INFORMATION (continued)

Primary segmental information	ARM Exploration Rm	Corporate* and other Rm	Gold Rm	Total ARM Corporate Rm
Six months ended 31 December 2014 (Unaudited)				
Cost of sales	–	22	–	**22**
Other operating income	–	405	–	**405**
Other operating expenses	(40)	(326)	–	**(366)**
Segment result	(40)	101	–	**61**
Income from investments	–	57	–	**57**
Finance cost	–	84	–	**84**
Exceptional items	–	–	(273)	**(273)**
Taxation	–	(60)	51	**(9)**
Non-controlling interest	–	(5)	–	**(5)**
Consolidation adjustment	–	22	–	**22**
Contribution to earnings	(40)	199	(222)	**(63)**
Contribution to headline earnings	(40)	199	–	**159**
Other information:				
Segment assets	–	2 885	1 375	**4 260**
Segment liabilities	–	1 826	–	**1 826**
Cash generated from operations	(40)	66	–	**26**
Cash outflow from operating activities	(40)	(1 291)	–	**(1 331)**
Cash outflow from investing activities	–	(423)	–	**(423)**
Cash outflow from financing activities	–	(36)	–	**(36)**
Capital expenditure	–	1	–	**1**
Amortisation and depreciation	–	3	–	**3**
EBITDA	(40)	104	–	**64**

* *Corporate, other companies and consolidation adjustments.*

Notes to the financial statements
for the six months ended 31 December 2014

Additional information (continued)
ARM Corporate as presented in the table on page 79 is analysed further into the Corporate and other, ARM Exploration and Gold segments.

2. SEGMENTAL INFORMATION (continued)

	ARM Exploration Rm	Corporate* and other Rm	Gold Rm	**Total ARM Corporate Rm**
Six months ended 31 December 2013 (Unaudited)				
Cost of sales	–	23	–	**23**
Other operating income	–	417	–	**417**
Other operating expenses	(24)	(446)	–	**(470)**
Segment result	(24)	(6)	–	**(30)**
Income from investments	–	37	–	**37**
Finance cost	–	9	–	**9**
Exceptional items	–	6	(627)	**(621)**
Taxation	–	(45)	117	**72**
Non-controlling interest	–	(5)	–	**(5)**
Consolidation adjustment	–	15	–	**15**
Contribution to earnings	(24)	11	(510)	**(523)**
Contribution to headline earnings	(24)	5	–	**(19)**
Other information:				
Segment assets	–	2 234	1 648	**3 882**
Segment liabilities	–	2 095	–	**2 095**
Cash generated from operations	(24)	(19)	–	**(43)**
Cash outflow from operating activities	(24)	(1 144)	–	**(1 168)**
Cash outflow from investing activities	–	(19)	–	**(19)**
Cash inflow from financing activities	–	35	–	**35**
Capital expenditure	–	3	–	**3**
Amortisation and depreciation	–	2	–	**2**
EBITDA	(24)	(4)	–	**(28)**

* *Corporate, other companies and consolidation adjustments.*

Notes to the financial statements

for the six months ended 31 December 2014

Additional information (continued)
ARM Corporate as presented in the table on page 80 is analysed further into the Corporate and other, ARM Exploration and Gold segments.

2. SEGMENTAL INFORMATION (continued)

	ARM Exploration Rm	Corporate* and other Rm	Gold Rm	**Total ARM Corporate Rm**
Year ended 30 June 2014 (Audited)				
Sales	–	(28)	–	**(28)**
Cost of sales	–	73	–	**73**
Other operating income	–	752	–	**752**
Other operating expenses	(81)	(829)	–	**(910)**
Segment result	(81)	(32)	–	**(113)**
Income from investments	–	83	–	**83**
Finance cost	–	14	–	**14**
Exceptional items	–	6	(627)	**(621)**
Taxation	–	(92)	117	**25**
Non-controlling interest	–	(9)	–	**(9)**
Consolidation adjustment	–	35	–	**35**
Contribution to earnings	(81)	5	(510)	**(586)**
Contribution to headline earnings	(81)	(1)	–	**(82)**
Other information:				
Segment assets	–	2 366	1 982	**4 348**
Segment liabilities	–	1 538	–	**1 538**
Cash outflow from operating activities	(81)	(1 227)	–	**(1 308)**
Cash outflow from investing activities	–	(23)	–	**(23)**
Cash outflow from financing activities	–	(503)	–	**(503)**
Capital expenditure	–	6	–	**6**
Amortisation and depreciation	–	6	–	**6**
EBITDA	(81)	(26)	–	**(107)**

* *Corporate, other companies and consolidation adjustments.*

Notes to the financial statements

for the six months ended 31 December 2014

		Unaudited Six months ended 31 December 2014 Rm	2013 Rm	Audited Year ended 30 June 2014 Rm
3.	**INVESTMENT IN JOINT VENTURE**			
	This investment relates to ARM Ferrous and comprises Assmang as a joint venture which includes iron ore, manganese and chrome operations.			
	Opening balance	**14 305**	12 506	12 506
	Income for the period	**852**	2 168	3 584
	Consolidation adjustments	**(22)**	(15)	(35)
	Net income for the period	**830**	2 153	3 549
	Less: Dividends paid for the period	**(750)**	(750)	(1 750)
	Closing balance	**14 385**	13 909	14 305
	Refer to note 2 for further detail relating to the ARM Ferrous segment.			
4.	**CASH AND CASH EQUIVALENTS**			
	– African Rainbow Minerals Limited	**288**	100	746
	– ARM Finance Company SA	**102**	81	63
	– ARM Platinum Proprietary Limited	**17**	120	28
	– Kingfisher Insurance Co Limited	**119**	192	137
	– Nkomati	**200**	139	216
	– Two Rivers Platinum Proprietary Limited	**285**	9	9
	– Vale/ARM joint venture	**34**	66	92
	– Venture Building Trust Proprietary Limited	**3**	3	4
	– Restricted cash	**928**	814	855
	Total as per statement of financial position	**1 976**	1 524	2 150
	Less overdrafts (refer note 6)	**902**	411	481
	Total as per statement of cash flows	**1 074**	1 113	1 669
5.	**ASSETS HELD FOR SALE**	**12**	–	–
	During the reporting period the investment property situated in Marshalltown, Johannesburg was sold. The transaction and the transfer thereof is expected to be finalised by the end of the current financial year.			

Notes to the financial statements

for the six months ended 31 December 2014

		Unaudited Six months ended 31 December 2014 Rm	2013 Rm	Audited Year ended 30 June 2014 Rm
6.	**BORROWINGS**			
	Long-term borrowings are held as follows			
	– African Rainbow Minerals Limited	**–**	564	–
	– ARM Finance Company SA	**567**	774	659
	– ARM Coal Proprietary Limited (partner loan)	**1 220**	1 290	1 209
	– Two Rivers Platinum Proprietary Limited	**61**	89	88
	– Vale/ARM joint operation	**10**	–	12
	– Vale/ARM joint operation (partner loan)	**505**	431	452
		2 363	3 148	2 420
	Short-term borrowings are held as follows:			
	– African Rainbow Minerals Limited	**–**	8	–
	– Anglo Platinum Limited (partner loan)	**114**	114	114
	– ARM Coal Proprietary Limited (partner loan)	**188**	30	217
	– ARM Finance Company SA	**289**	63	191
	– Two Rivers Platinum Proprietary Limited	**64**	80	79
		655	295	601
	Overdrafts are held as follows:			
	– African Rainbow Minerals Limited	**346**	–	–
	– ARM Mining Consortium Limited	**80**	–	24
	– Two Rivers Platinum Proprietary Limited	**287**	261	300
	– Vale/ARM joint operation	**169**	120	130
	– Other	**20**	30	27
		902	411	481
	Overdrafts and short-term borrowings	**1 557**	706	1 082
	Total borrowings	**3 920**	3 854	3 502

Notes to the financial statements

for the six months ended 31 December 2014

	Unaudited Six months ended 31 December 2014 Rm	2013 Rm	Audited Year ended 30 June 2014 Rm
7. EXCEPTIONAL ITEMS			
Impairment of available-for-sale listed investment	**(273)**	(627)	(627)
(Loss)/profit on sale of property, plant and equipment	**–**	(10)	6
Profit on sale of subsidiary	**–**	6	5
Exceptional items per income statement	**(273)**	(631)	(616)
Impairment on property, plant and equipment accounted for directly in associate ARM Coal	**–**	(157)	(183)
Impairment of property, plant and equipment accounted for directly in joint venture – Assmang	**–**	–	(260)
Loss on sale of property, plant and equipment accounted for directly in joint venture – Assmang	**(4)**	–	–
Exceptional items before taxation effect	**(277)**	(788)	(1 059)
Taxation accounted for in associate – ARM Coal	**–**	44	51
Taxation accounted for in joint venture – Assmang	**1**	–	73
Taxation on impairment of available-for-sale listed investment	**51**	117	117
Taxation on other exceptional items	**–**	–	(1)
Total amount adjusted for headline earnings	**(225)**	(627)	(819)
8. HEADLINE EARNINGS			
Basic earnings per income statement	**801**	1 714	3 289
Impairment of available-for-sale listed investment	**273**	627	627
Impairment of property, plant and equipment in associate – ARM Coal	**–**	157	183
Impairment of property, plant and equipment in joint venture – Assmang	**–**	–	260
Loss/(profit) on sale of property, plant and equipment	**–**	10	(6)
Loss on sale of property, plant and equipment in joint venture – Assmang	**4**	–	–
Profit on sale of subsidiary	**–**	(6)	(5)
	1 078	2 502	4 348
Taxation accounted for directly in associate and joint venture	**(1)**	(44)	(124)
Taxation on impairment of available-for-sale listed investment	**(51)**	(117)	(117)
Taxation on other exceptional items	**–**	–	1
Headline earnings	**1 026**	2 341	4 108
9. TAXATION			
South African normal tax – current year	**175**	116	423
– mining	**164**	101	322
– non-mining	**11**	15	101
– prior year	**–**	–	8
Deferred tax – current year	**31**	48	115
Foreign taxes	**2**	–	–
	208	164	546

Notes to the financial statements

for the six months ended 31 December 2014

	Unaudited Six months ended 31 December 2014 Rm	2013 Rm	Audited Year ended 30 June 2014 Rm
10. CASH GENERATED FROM OPERATIONS			
Cash generated from operations before working capital movement	**1 307**	1 532	3 032
Working capital changes	**178**	(671)	(959)
Movement in receivables	**340**	(524)	(978)
Movement in payables and provisions	**(211)**	(158)	(160)
Movement in inventories	**49**	11	179
Cash generated from operations (per statement of cash flows)	**1 485**	861	2 073
11. 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	**213**	312	359
– not contracted for	**77**	120	7
Total commitments	**290**	432	366
Shareholders are advised that there have been no significant changes to the contingent liabilities of the Group as disclosed in the 30 June 2014 annual report other than (i) additional guarantees issued for R274 million and (ii) an attributable estimated contingent liability of R76 million at the Nkomati mine for Eskom infrastructure.			

12. EVENTS AFTER REPORTING DATE

Subsequent to the end of the reporting period the following events have occurred that do not effect the reported results but which require disclosure:

12.1 The current operating furnace at Machadodorp will be stopped at the end of April 2015. The attributable carrying value of the furnace at 31 December 2014 was R192 million.

12.2 The transfer of Kalkfontein portions 4, 5 and 6 and Tweefontein prospecting rights into the Two Rivers mining area occurred on 6 February 2015 from which date ARM's shareholding in Two Rivers reduces to 51% from 55%. Two Rivers will remain a subsidiary of ARM after the changed shareholding as all criteria for control still exist after the reduction in shareholding.

12.3 ARM and Assore have reached an in principle agreement on ARM's disposal of its effective 50% interest in the Dwarsrivier Chrome Mine to Assore. The Dwarsrivier Chrome Mine makes up the substantial portion of the Chrome Division in the ARM Ferrous segment report reflected in note 2.

NOTES

NOTES

Contact details and administration

African Rainbow Minerals Limited
Incorporated in the Republic of South Africa
Registration number 1933/004580/06
ISIN code: ZAE000054045

Registered office
ARM House
29 Impala Road
Chislehurston, Sandton, 2196
South Africa

PO Box 786136, Sandton, 2146
South Africa

Telephone: +27 11 779 1300
Fax: +27 11 779 1312

E-mail: ir.admin@arm.co.za

Website: http://www.arm.co.za

Transfer secretaries
Computershare Investor Services
Proprietary Limited
Ground Floor, 70 Marshall Street
Johannesburg, 2001

PO Box 61051, Marshalltown, 2107

Telephone: +27 11 370 5000
Telefax: +27 11 688 5222

E-mail: web.queries@computershare.co.za
Website: http://www.computershare.co.za

Sponsor
Deutsche Securities (SA) Proprietary Limited

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 and 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
P T Motsepe (Executive Chairman)
M P Schmidt (Chief Executive Officer)
F Abbott*
M Arnold
Dr M M M Bakane-Tuoane*
T A Boardman*
A D Botha*
J A Chissano (Mozambican)*
W M Gule**
A K Maditsi*
H L Mkatshana
Dr R V Simelane*
Z B Swanepoel*
A J Wilkens

* Independent Non-executive
** Non-executive

ince

African Rainbow Minerals

www.arm.co.za