

Interim results

for the six months ended
31 December 2015



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Shareholder information

Issued share capital at 31 December 2015	217 934 588 shares
Market capitalisation at 31 December 2015	ZAR9.5 billion
Market capitalisation at 31 December 2015	US\$0.6 billion
Closing share price at 31 December 2015	R43.45
Six-months high (1 July 2015 – 31 December 2015)	R82.95
Six-months low (1 July 2015 – 31 December 2015)	R34.90
Average daily volume traded for the six months	774 726 shares
Primary listing	JSE Limited
JSE Share Code	ARI
ADR ticker symbol	AFRBY

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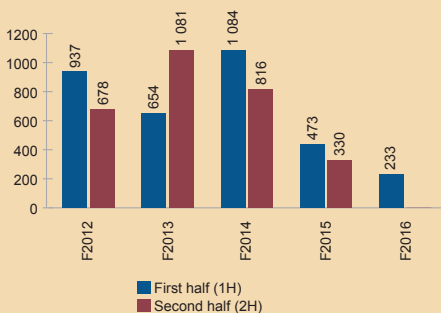
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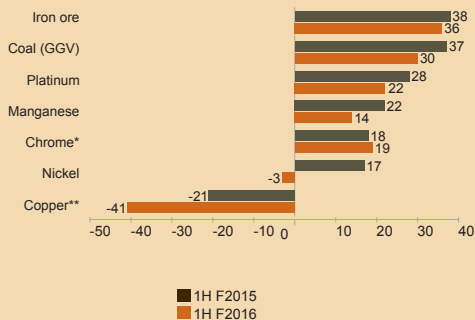
Salient features

- **Headline earnings decreased by 51% to R507 million (1H F2015: R1 026 million). Headline earnings per share were 233 cents compared to 473 cents in the corresponding period.**
- **Basic earnings were a loss of R996 million (1H F2015: R801 million basic earnings) and were impacted mainly by a R1 404 million attributable impairment of the Lubambe Copper Mine assets.**
- **Good cost reduction initiatives implemented at all operations resulted in on-mine unit costs at most operations increasing below the inflation rate.**
- **Capital expenditure reduced by 27% to R589 million (1H F2015: R810 million) while attributable capital expenditure at ARM Ferrous was R779 million (1H F2015: R802 million).**
- **ARM's financial position remains robust despite the commodity market downturn.**
- **The Lubambe Copper Mine plan is under review to reduce cash funding requirements and preserve its resource value.**
- **The Modikwa Platinum Mine recovery plan implemented at the end of F2015 is yielding positive results.**
- **Ministerial consent was received in December 2015 for the disposal of ARM's 50% shareholding in Dwarsrivier Chrome Mine. Completion of the transaction is expected to occur by 31 March 2016.**
- **ARM and Impala Platinum have agreed to increase ARM's shareholding in Two Rivers Mine from 51% to 54% upon the incorporation of the Tamboti rights into Two Rivers Mine.**
- **ARM is in the process of seeking shareholder approval to restructure the ARM BBEE Trust to ensure a permanent and sustainable funding solution for the Trust.**

Headline earnings per share (cents)



Segmental EBITDA margins (%)



* The Chrome Division includes Dwarsrivier Chrome Mine which is reflected as a discontinued operation under the ARM Ferrous segmental information.

** The Lubambe Copper Mine is under review.

ARM operational review

The ARM Board of Directors (the Board) announces headline earnings of R507 million for the six months ended 31 December 2015 (1H F2016). Headline earnings are 51% lower than the previous corresponding period largely owing to significant declines in US Dollar commodity prices for all commodities in ARM's portfolio, partly offset by the average Rand/US Dollar exchange rate weakening by 24%.

Headline earnings/(loss) by operation/division

6 months ended 31 December			
R million	2015	2014	% change
ARM Platinum	(9)	277	(103)
Two Rivers Mine	155	176	(12)
Modikwa Mine	(47)	–	–
Nkomati Mine	(117)	101	(216)
ARM Ferrous	599	833	(28)
Iron ore division	478	591	(19)
Manganese division	97	236	(59)
Chrome division	39	28	39
Consolidation adjustment	(15)	(22)	
ARM Coal	(129)	(10)	>(250)
Goedgevonden Mine	(24)	58	(141)
PCB Operations	(105)	(68)	(54)
ARM Copper	(275)	(233)	(18)
ARM Exploration	(10)	(40)	75
Gold	–	–	–
Corporate and other	331	199	66
ARM headline earnings	507	1 026	(51)

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 (Implats), Norilsk Nickel Africa (Pty) Ltd (Norilsk), Glencore Operations South Africa Proprietary Limited (Glencore), Vale S.A. (Vale) and Zambian Consolidated Copper Mines Investment Holdings (ZCCM-IH).

The interim results for the six months ended 31 December 2015 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 has responded proactively to the commodity price downturn and has implemented operating and capital cost reduction initiatives at all its operations. With commodity prices expected to remain low for longer, ARM continued to focus on improving operational efficiencies, reducing costs, deferring or curtailing capital expenditure and optimising working capital to improve profitability and cash generation. Capital expenditure reductions and deferrals have been made judiciously to ensure that the long-term value of operations is not negatively impacted.

Average realised US Dollar prices for export iron ore declined by 34% compared to 1H F2015 as concerns about continuing increases to supply and lower than expected steel demand, especially in China, negatively impacted the seaborne iron ore market. Manganese ore prices were lower due to similar supply and demand concerns. Average realised US Dollar prices for high-grade and low-grade manganese ore decreased by 32% and 30% respectively. Nickel prices fell during the last quarter resulting in the average price being 43% lower than the corresponding period. Platinum and palladium prices were 29% and 26% lower respectively. The 24% weakening of the average Rand versus US Dollar exchange rate partly offset the decline in US Dollar prices, however, Rand prices for all commodities in ARM's portfolio of commodities were lower compared to the previous corresponding six months.

Improving operational efficiencies and reducing costs

All operations continue to implement efficiency improvements and cost reduction initiatives which are yielding good results.

Khumani Mine delivered an impressive 19% decrease to on-mine unit production costs in the period under review and is on track to achieve its targeted 15% reduction to on-mine unit production costs for the financial year. On-mine unit production costs at the manganese ore operations increased by 4%, well below inflation compared to a 19% increase in the corresponding period last year. This improved cost performance was as a result of ongoing modernisation of the manganese ore operations together with a reduction in the labour force. Further costs savings are expected to be achieved through procurement and labour efficiencies.

Unit production costs at the manganese alloys operations increased above inflation as production volumes were strategically reduced. Manganese alloy production at Machadodorp Works has ceased while only three of the six furnaces are operating at Cato Ridge Works.

The platinum mines also delivered good operational performance with unit production costs per tonne at Modikwa Mine increasing by only 1% while at Two Rivers Mine increases were below inflation at 5%. Nkomati unit production costs per tonne were 8% higher, however, the mine's C1 unit cash costs net of by-products decreased by 12% relative to the corresponding period last year.

Deferring and curtailing capital expenditure

Plans to curtail capital costs have resulted in capital expenditure for 1H F2016 being reduced by 15% to R1 368 million (1H F2015: R1 612 million) on a segmental basis. A large portion of the capital expenditure related to the Black Rock Project. Details of the project's development are provided under the ARM Ferrous section of this report.

Ongoing review of operational plans

Generally, all ARM operational plans are revisited on an ongoing basis, however, there is currently higher level of scrutiny of operational plans in response to the prevailing low commodity price environment. The ongoing reviews are also to ensure that ARM continues to meet its strategic objective to have all operations positioned below the 50th percentile of each commodity's global cost curve. Global commodity cost curves are undergoing notable changes mainly as a result of increases in low cost supply, lower oil prices and changes in the currencies of commodity producing economies.

The Modikwa Mine plan was revised in F2015 to include (i) maintaining mining volumes at North 1 Shaft to 110 000 tonnes per month and (ii) depleting mineable stopes at South 1 Shaft and ramping up South 2 Shaft to 90 000 tonnes per month thereby integrating South 1 and South 2 shafts with a view to phase out South 1 Shaft. Restructuring of South 1 and South 2 shafts has already begun in the period under review to enable operational synergies and cost savings. A process is also already under way to right size the Modikwa workforce.

The Lubambe Mine is under review to reduce the funding requirements from shareholders and to preserve the value of its substantial ore resources which include the Lubambe Extension Area.

Operating safely

ARM is committed to creating and maintaining a safe and healthy work environment for all its employees. The Company's Lost Time Injuries (LTI) reduced from 58 in 1H F2015 to 44 in the period under review while the Lost Time Injury Frequency Rate (LTIFR) for 1H F2016 improved to 0.32 per 200 000 man-hours (1H F2015: 0.40).

Safety achievements in the period under review:

- Beeshoek Mine and Dwarsrivier Mine each completed three million fatality-free shifts.
- Beeshoek Mine completed 13.5 years fatality-free.
- Black Rock Mine completed four million fatality-free shifts.
- Machadodorp Works completed 27 months without a lost-time injury.
- Modikwa Mine achieved two million fatality-free shifts on 27 November 2015.
- Lubambe Mine achieved three million fatality-free shifts in November 2015.

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

ARM to increase shareholding in Two Rivers Mine

ARM and Implats have agreed to increase ARM's shareholding in Two Rivers from 51% to 54% on incorporation of the Tamboti Platinum (Pty) Ltd (Tamboti) rights into the Two Rivers mining area. Based on previous drilling results available the Tamboti rights, located adjacent to Two Rivers Mine, will add approximately 6.73 million ounces to the Two Rivers resource.

Proposed restructuring of ARM Broad-Based Economic Empowerment Trust (ARM BBEE Trust or the Trust)

On 15 February 2016 ARM announced the proposed restructuring of the ARM BBEE Trust.

During 2015, ARM provided support to the ARM BBEE Trust in the form of guarantees to support the financial covenants of the Nedbank Limited (Nedbank) loan. This was required given the fall in the ARM share price following a decline in commodity prices and the overall negative sentiment towards the mining sector. Guarantees provided by ARM amounted to R700 million which were disclosed in ARM's annual financial statements and integrated annual report for the year ended 30 June 2015 under contingent liabilities. Post 30 June 2015, the financial covenants of the Nedbank loan came under pressure once again and required that these guarantees be increased to R850 million. Harmony provides R150 million in guarantees to Nedbank in a similar manner.

The ARM BBEE Trust forms an integral part of the empowerment obligations of ARM. The current court process to determine the legal status of the "once empowered, always empowered" principle also made it necessary that ARM minimises its legal and financial exposure should this principle not be upheld by the court. The ARM Board, however, took a decision not to provide any further guarantees to the Trust, but rather to restructure the shareholding and related funding of the Trust to provide a permanent and sustainable solution.

To facilitate the unwinding of the current funding structure, ARM has entered into a repurchase agreement with the ARM BBEE Trust in terms of which, a wholly-owned subsidiary of ARM (Subco) will acquire approximately 12.7 million ARM shares held by the Trust (or 5.8% of current issued ARM shares) at a price of R51.19 per share, being the 30-day volume weighted average price of the ARM share on 10 February 2016, the last day before the agreement was reached on the transaction structure (Specific Repurchase).

Furthermore, to implement a more permanent funding structure, the ARM BBEE Trust bank debt will be refinanced as part of one combined transaction through a combination of the proceeds from the Specific Repurchase, a non-recourse R300 million senior secured loan from Nedbank, a Harmony subordinated unsecured loan of R200 million and an ARM subordinated unsecured loan of approximately R800 million.

The Board believes that the Specific Repurchase and the ARM BBEE Trust Loan Refinancing is the best possible solution in the current environment for the following reasons:

- Achieves a permanent and sustainable funding solution for the Trust;
- Retains ARM's black economic empowerment shareholding above 50%; and
- Limits stress to the ARM financial position and removes the existing guarantees.

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 2015, other than depletion due to continued mining activities at the operations.

Financial commentary

Headline earnings for the six-month period to 31 December 2015 were R507 million or 51% lower than the corresponding prior period's headline earnings (1H F2015: R1 026 million). This equates to headline earnings per share of 233 cents per share (1H F2015: 473 cents per share).

At a basic earnings level a loss of R996 million was incurred for 1H F2016 (1H F2015: R801 million basic earnings). Basic earnings were negatively impacted by special items of R1 503 million after tax and non-controlling interests (1H F2015: R225 million loss after tax). The special items largely relate to an attributable impairment of the Lubambe Copper Mine assets of R1 404 million after non-controlling interest and an impairment of the underground assets at Nkomati Mine of R83 million after tax. The reconciliation of basic earnings to headline earnings is provided in note 9 to the financial statements. Basic earnings per share reduced from 369 cents per share to a basic loss of 458 cents per share.

Sales for the reporting period were 10% lower than the corresponding period last year at R4 332 million (1H F2015: R4 829 million). Sales for ARM Ferrous decreased by 12% to R4 546 million (1H F2015: R5 167 million).

The average gross profit margin decreased to 5% (1H F2015: 17%). The gross profit 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 F2016 average Rand/US Dollar of R13.61/US\$ is 24% weaker than the corresponding period average of R10.99/US\$. This significant weakening of the exchange rate partly offset the fall in US Dollar commodity prices at all operations except for Lubambe which has a US Dollar functional currency. For reporting purposes the closing exchange rate was R15.46/US\$ (1H F2015: R11.57/US\$).

ARM's earnings before interest, tax, depreciation and amortisation (EBITDA), excluding special items and income from associates and joint ventures, were R891 million (1H F2015: R1 130 million).

The income from joint venture (ARM Ferrous) was R567 million after special items and is 32% lower than the corresponding period last year (1H F2015: R830 million). The expanded segmental analysis for ARM Ferrous is included 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 R599 million (1H F2015: R833 million) largely due to a 59% decrease in the manganese (manganese ore and alloys) division contribution from R236 million to R97 million. All ARM Ferrous divisions contributed positively to headline earnings. The iron ore division contribution was R478 million (1H F2015: R591 million) despite the 33% fall in the average US Dollar prices for iron ore due to excellent cost reduction initiatives and the weaker Rand/US\$ exchange rate. Sales volumes for iron ore were 6% higher at 7.9 million tonnes.
- The ARM Platinum segment contribution, which includes the results of Nkomati, was a headline loss of R9 million (1H F2015: R277 million headline earnings). The decreased contribution is mainly due to a headline loss at Nkomati of R117 million (1H F2015: R101 million contribution) as a result of a significant fall in US Dollar nickel prices during the last quarter of the reporting period. The Two Rivers contribution remained positive at R155 million (1H F2015: R176 million). Unit cash costs increases were contained and capital expenditure was reduced at ARM Platinum.
- The ARM Coal segment result reflected a headline loss of R129 million (1H F2015: R10 million headline loss) while cash operating profit was R321 million. Goedgevonden Mine made a headline loss of R24 million (1H F2015: R58 million headline earnings) while the PCB operations headline loss increased to R105 million (1H F2015: R68 million headline loss).
- ARM Copper, which largely comprises the Vale/ARM joint venture interest in the Lubambe Mine, amounted to a headline loss of R275 million for the period (1H F2015: R233 million headline loss) which includes interest on shareholder loans of R104 million (1H F2015: R73 million). The increased loss is largely due to the 20% fall in US Dollar copper prices and the weaker average Rand versus US Dollar exchange rate at which the results are translated for consolidation purposes.
- The costs for the ARM Exploration segment reduced to R10 million (1H F2015: R40 million) as no further costs were incurred on the Rovuma project.

- The ARM Corporate, other companies and consolidation segment shows a positive contribution to headline earnings of R331 million (1H F2015: R199 million). The higher contribution is largely due to foreign exchange gains on loans made by ARM to Lubambe, resulting from the weakening of the Rand versus the US Dollar exchange rate from R12.16/US\$ at 30 June 2015 to R15.46/US\$ at 31 December 2015. The ARM Company loans to Lubambe amounted to US\$148 million at 31 December 2015 (30 June 2015: US\$133 million).

At 31 December 2015 cash and cash equivalents were R1 444 million (1H F2015: R1 976 million) the details of which are reflected in note 5 to the financial statements. This excludes the attributable cash and cash equivalents held at ARM Ferrous (50% of Assmang) of R2 036 million (1H F2015: R2 473 million).

Gross debt at the end of the period was slightly higher at R4 124 million (1H F2015: R3 920 million) of which R2 298 million (1H F2015: R2 027 million) comprises partner loans. There is no debt at ARM Ferrous (1H F2015: nil).

The net debt position at 31 December 2015 amounts to R2 680 million (1H F2015: R1 944 million). The increase was largely due to:

- increased borrowings at the Vale/ARM joint operation;
- lower cash at Nkomati Mine; and
- increased borrowings at ARM corporate.

Cash generated from operations reduced to R473 million (1H F2015: R1 485 million) largely due to an increase in working capital requirements of R256 million (1H F2015: R178 million decrease). The working capital utilisation arises mainly due to payment of short-term provisions raised at 30 June 2015. Dividends received from the Assmang joint venture were R500 million (1H F2015: R750 million).

Dividends paid to ARM shareholders in October 2015 were R761 million (1H F2015: R1 302 million).

Cash expended on capital expenditure was 19% or R133 million lower at R574 million for the period (1H F2015: R707 million). Attributable capital expenditure at the Assmang joint venture was slightly lower at R779 million (1H F2015: R802 million).

Events after the reporting date are set out in note 13 to the financial statements.

ARM Ferrous

All ARM Ferrous divisions contributed positively to headline earnings for the period. ARM Ferrous total headline earnings declined by 28%, mainly due to a significant reduction in US Dollar commodity prices which was partially offset by the weakening of the Rand versus the US Dollar exchange rate.

ARM Ferrous headline earnings

100% basis	six months ended 31 December		
R million	2015	2014	% change
Iron ore division	957	1 181	(19)
Manganese division	193	472	(59)
Chrome division	78	56	39
Total	1 228	1 709	(28)
ARM share	614	855	(28)
Consolidation adjustments	(15)	(22)	
Total per IFRS financial statements	599	833	(28)

Iron ore sales volumes, on a 100% basis, increased by 6% to 7.9 million tonnes of which 6.5 million tonnes was sold to the export market and 1.4 million to the local market. Beeshoek Mine concluded a three-year contract to supply 3 million tonnes of iron ore per annum to Arcelor Mittal South Africa.

Manganese ore production volumes were 3% higher at 1 530 million tonnes while sales volumes were 1 471 million tonnes compared to 1 422 million tonnes in 1H F2015. Export sales volumes comprised 1 433 million tonnes of the total sales while 38 thousand tonnes of the manganese ore was sold locally.

Manganese alloy sales and production volumes were negatively affected by the strategic decision to close down uneconomical furnaces at both Machadodorp and Cato Ridge Works. In comparison to the same period last year an additional two furnaces have been shut down. The only production remaining at the Machadodorp Works is the recovery of ferrochrome from the slag dump through the Metal Recovery Plant, which has approximately 18 months left. At Cato Ridge Works, only three of the six furnaces are currently producing high carbon and medium carbon ferromanganese.

ARM and Assore continue to evaluate the future of Machadodorp Works.

Chrome ore produced at Dwarsrivier Mine was 4% higher. Chrome ore sales volumes increased by 14% to 545 000 tonnes.

Assmang sales volumes

100% basis	six months ended 31 December		
Thousand tonnes	2015	2014	% change
Iron ore	7 920	7 496	6
Manganese ore*	1 471	1 422	3
Manganese alloys	80	112	(29)
Chrome ore	545	477	14

* Excluding intra-group sales.

Assmang production volumes

100% basis	six months ended 31 December		
Thousand tonnes	2015	2014	% change
Iron ore	8 643	7 967	8
Manganese ore	1 530	1 487	3
Manganese alloys	73	133	(45)
Chrome ore	529	510	4

Successful implementation of various cost reduction initiatives, together with lower stripping ratio and improved production efficiencies, resulted in Khumani Mine achieving a 19% reduction in on-mine unit production costs. On-mine unit production costs reduced from R231.90 per tonne to R187.50 per tonne.

The efficiency improvement initiatives implemented also yielded the following results:

- Optimised the value of the saleable ore by increasing lumpy ore yield and recovery from the mining pits. The lumpy yield improved from 50% to 52%.
- Increased off-grade plant yield from 60% to 63%.
- Optimised the life-of-mine pit designs, thus reducing the stripping ratio from 2.6 to 1.9 over the life of the mine.

Khumani Mine remains on track to achieve its stated target of a 15% reduction in on-mine unit production costs for the 2016 financial year.

Lower production volumes and increased stripping ratio at Beeshoek Mine resulted in a 22% increase to on-mine unit production costs. The mining schedule for Beeshoek Village Pit is continuously being reviewed to minimise waste stripping and right size its labour complement. A concerted effort is being made to significantly reduce its replacement capital.

On-mine unit production costs at the manganese operations increased by 4% in 1H F2016. A number of cost saving and efficiency initiatives were launched at the mine. Through re-deployment and various other initiatives, the operation's labour force was reduced by 750 people. The impact of these cost-saving and efficiency parameters is expected to flow through in the costs of the mine in the second half of the 2016 financial year with cost savings of 10% being targeted for the second half. Annualised cost savings of R47 million are expected to be realised by the end of the financial year through procurement efficiencies and a further annualised cost saving of R235 million is expected through an improvement in labour efficiency.

Assmang cost and EBITDA margin performance

Commodity group	Cost of sales unit cost change**	On-mine production unit cost change**	EBITDA margin
	%	%	%
Iron ore*	(2)	(12)	36
Manganese ore	10	4	17
Manganese alloys	30	16	13
Chrome Ore	26	15	19

* Excluding the Khumani Mine housing element.

** Brackets refer to a decrease in unit costs while no brackets refer to an increase in unit costs in the above table.

ARM Ferrous' capital expenditure (on 100% basis) was R1.63 billion (1H F2015: R1.69 billion). This capital expenditure includes R936 million which was spent on the Black Rock Project.

Beeshoek Mine's capital expenditure for the first six months of F2016 mainly comprised of the Village Pit waste stripping, new load and haul equipment and the last phase of the relocation of the Village infrastructure. This project will increase the life-of-mine from 2 to 10 years and will enable Beeshoek Mine to supply the product qualities to Arcelor Mittal South Africa, as contracted.

Khumani Mine's capital expenditure mainly related to waste stripping, infill drilling, the purchase of mining equipment and water infrastructure.

The Black Rock Project, currently in progress, represented the majority of the division's capital expenditure. Other capital items at Black Rock included underground mining equipment, water storage dams and various risk mitigating projects.

Dwarsrivier Mine's capital expenditure mainly comprised of equipping the North Shaft underground development and the installation of new equipment in the beneficiation plant.

ARM Ferrous management team continues to critically review all capital expenditure programmes and is implementing a number of value-adding efficiency and cost-saving initiatives in response to the current challenges facing the global mining industry.

ARM Ferrous capital expenditure by division

100% basis	six months ended 31 December	
R million	2015	2014
Iron ore	518	710
Manganese	1 049	849
Chrome	66	130
Total	1 633	1 689

Logistics

An agreement was reached with Transnet regarding the manganese ore export capacity as per the mine plan. All manganese ore export volumes are now transported by rail, either to Saldanha or Port Elizabeth port. No manganese ore volumes are transported by road.

ARM Ferrous continues to experience good service levels on its 14 million tonnes per annum iron ore export supply route from Transnet.

Projects

Beeshoek Village Pit

The Village Pit capital project is progressing according to schedule and within budget. The waste stripping program will see the first ore being produced from Village Pit in April 2016. The Village Pit projects extend the life-of-mine for Beeshoek from 2 to 10 years at a sustainable production rate of 3 million tonnes per annum.

An ore supply agreement to Arcelor Mittal South Africa has been secured for the next three years to the end of December 2018, which supports the development of the Village Pit.

The mining schedules for Village Pit are currently under review to align the mining programme to the production output of 3 million tonnes per annum planned for Beeshoek Mine, but also to ensure that the Village Pit is exploited effectively and that waste stripping rates are minimised and product qualities are sustained.

The overall capital required for the project is reviewed on a continuous basis to ensure that the project objectives and activities are continuously calibrated with the changes and challenges experienced within the iron ore market.

Black Rock Project

The objectives and capital schedule of the Black Rock Project is reviewed continuously to ensure that the project is aligned with the challenges experienced within the manganese ore market, i.e. the low manganese ore price environment, as well as the current over-supply of ore, experienced mainly as producers oversupplied carbonate ore into the market.

As a result of the review process the capital requirement for the Black Rock Project has been reduced from R6.7 billion to R6.0 billion. Most of the underground development work that would have been executed by specialist contractors will now be executed by Black Rock Mine, thus reducing the cost of this development and deferring the capital expenditure over a three-year period. The management structures for the project have also been reviewed and streamlined to ensure the cost efficient execution of the project. A portion of the scope of the project originally planned and scheduled has been deferred, as part of the continuous review, which resulted in the deferment of approximately R100 million for the next 12 months.

The project is approximately 64% complete and good progress has been made with the construction of additional surface infrastructure. The underground development and infrastructure, as well as the sinking of a new ventilation shaft is proceeding according to plan. The preparation work for the shutdown to upgrade Nchwaning 2 shaft is progressing well and all indications are that the planned shutdown, of four months, will proceed as planned. There will be sufficient stockpiles to maintain sales volumes during the shutdown.

Primary focus of the project remains:

- Modernisation of the mine to optimise resource exploitation and to maximise utilisation of production hours, production fleet and mining equipment.
- Cost efficient exploitation of Seam 1 and Seam 2 manganese resources at the Nchwaning mining complex, targeting the production of high-grade manganese products.
- Modernisation of the surface plant infrastructure to ensure the cost efficient processing and separation of the various high-grade manganese products from the two Seams.

- Creating flexibility within the underground operations at the Nchwaning Shafts to ensure that the mine can effectively react to changes in market product requirements.
- Creating the ability to exploit the high-grade ore within Nchwaning 1.
- Establishment of the load-out capacity and efficiency required to meet the requirements as set by Transnet for the Nqura port facility.

Sakura Ferroalloys Project

Construction of the Sakura furnace complex in Eastern Malaysia is progressing well and cold commissioning activities are underway on the raw material handling and furnace sub-systems. Operational teams are preparing for hot commissioning activities across the plant. All raw materials have been delivered to site for first production. It is anticipated that both furnaces will reach full production as planned, in the last quarter of the current calendar year. The project remains within budget in USD terms.

Sakura is currently utilising the Bintulu port until the Samalaju port is completed.

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

ARM Platinum achieved good operational performance, delivering increased production combined with exceptional cost control, at all three operations.

The significant downturn in world metal markets during the six months under review had a substantial, negative financial impact. While Two Rivers Mine generated a profit, losses were recorded by both Modikwa and Nkomati mines. The sharp decline in US Dollar commodity prices during the reporting period resulted in an attributable headline loss for ARM Platinum of R9 million (1H F2015: R277 million headline earnings).

US Dollar prices were significantly lower than the corresponding period but a 24% weakening of the Rand against the US Dollar provided some cushioning, resulting in the average Rand basket prices for Modikwa and Two Rivers decreasing by approximately 11% to R301 574/kg (1H F2015: R340 452/kg) and by 12% to R303 612/kg (1H F2015: R346 072/kg) respectively.

The tables below set out the relevant price comparison:

Average US Dollar metal prices

Average for the six months ended 31 December				
		2015	2014	% change
Platinum	US\$/oz	948	1 332	(29)
Palladium	US\$/oz	610	825	(26)
Rhodium	US\$/oz	721	1 188	(39)
Gold	US\$/oz	1 114	1 242	(10)
Nickel	US\$/t	9 732	16 935	(43)
Copper	US\$/t	4 940	6 746	(27)
Chrome concentrate (CIF)	US\$/t	109	148	(26)

Average Rand metal prices

Average for the six months ended 31 December				
		2015	2014	% change
Exchange rate	R/US\$	13.61	10.99	24
Platinum	R/oz	12 901	14 638	(12)
Palladium	R/oz	8 308	9 071	(8)
Rhodium	R/oz	9 819	13 053	(25)
Gold	R/oz	15 167	13 645	11
Nickel	R/t	132 456	186 119	(29)
Copper	R/t	67 234	74 136	(9)
Chrome concentrate (CIF)	R/t	1 639	1 623	1

PGM production (on 100% basis including Nkomati) increased by 10% to 437 207 6E ounces (1H F2015: 396 813 6E ounces). Nkomati's nickel production increased by 9% to 11 554 tonnes (1H F2015: 10 587 tonnes), while copper production increased by 14%, mainly as a result of a 7% increase in head grade.

Nkomati Mine's C1 unit cash cost net of by-products decreased by 12% to US\$4.40/lb (1H F2015: US\$5.00/lb) of nickel produced.

Two Rivers Mine managed to keep its unit cash cost well under control at R5 368/6E PGM ounce (1H F2015: R5 376/6E PGM ounce). Modikwa Mine's unit cash cost reduced by 1% to R7 970/6E PGM ounce (1H F2015: R8 029/6E PGM ounce) due to an 8% increase in PGM production.

ARM and Implats have agreed to increase ARM's shareholding in Two Rivers Mine by 3% from 51% to 54% on incorporation of the Tamboti rights into Two Rivers Mine. Based on previous drilling results available, the Tamboti property, located adjacent to Two Rivers Mine, will add approximately 6.73 million 6E PGM ounces to the Two Rivers resource.

ARM Platinum capital expenditure

100% basis	six months ended 31 December	
	2015	2014
Modikwa	195	418
Two Rivers	180	156
Nkomati	108	66
Nkomati capitalised waste stripping	220	176
Total	703	816

Capital expenditure at ARM Platinum operations (on 100% basis) was R703 million (R442 million attributable).

As previously reported, market conditions necessitated Modikwa's capital projects to be reviewed with the view to reduce capital expenditure without adversely affecting the mine's future ability to ramp-up production. During F2015, the following actions were implemented:

- Deferral of capital expenditure at North Shaft;
- Restructuring of the South 1 and South 2 shafts to enable operational synergies and cost savings; and
- Continuation of the capital project at South 2 to improve mining flexibility – stoping commenced in June 2015 and project completion is expected in May 2016.

The above steps have reduced capital spending at Modikwa by 53% to R195 million (1H F2015: R418 million) during the period under review.

Of the capital spent at Two Rivers, 45% is associated with fleet replacement and refurbishment. The deepening of the Main and North declines, together with its electrical and mechanical installations, comprised 42% of the total capital expenditure.

Nkomati Mine's major capital expenditure items include a new cleaner bank for the MMZ plant (R58 million), and the installation of an anchored pile wall (R15 million). Due to the sharp decline in base metal prices, capital spending at Nkomati has been reduced substantially in the latter part of the reporting period while a revised production profile (reduced waste stripping) was implemented at the same time (refer to Nkomati section below).

Modikwa Mine

Implementation of a recovery plan at Modikwa Mine, which focuses on operational and labour efficiencies, enforcing discipline and increasing availability of face length, all of which will enhance mining flexibility, commenced at the end of F2015. The recovery plan has started showing results, with Modikwa delivering an 8% increase in PGM ounces when compared with the previous reporting period. Modikwa Mine's attributable headline loss for the period is R47 million (1H F2015: break-even), a direct result of an 11% decline in the average Rand basket price as well as the provision of an amount of R22 million for restructuring costs.

A 6% increase in milled tonnes, combined with a 1% increase in head grade, resulted in PGM production increasing by 8% to 149 326 6E ounces (1H F2015: 138 482 6E ounces). Consequently, unit costs decreased by 1% to R7 970 per 6E PGM ounce (1H F2015: R8 029 per 6E PGM ounce).

To mitigate the effect of the unfavourable market conditions and ensure the long-term viability of Modikwa, the mine has initiated Voluntary Separation as well as a Section 189 process, which will result in a reduction in labour.

Modikwa Mine operational statistics

100% basis		six months ended 31 December		
		2015	2014	% change
Cash operating (loss)/profit	R million	(14)	82	(117)
Tonnes milled	Mt	1.03	0.98	5
Head grade	g/t, 6E	5.33	5.27	1
PGMs in concentrate	Ounces, 6E	149 326	138 482	8
Average basket price	R/kg, 6E	301 574	340 452	(11)
Average basket price	US\$/oz, 6E	689	964	(29)
Cash operating margin	%	(1)	7	
Cash cost	R/kg, 6E	256 237	258 137	(1)
Cash cost	R/tonne	1 156	1 140	1
Cash cost	R/Pt oz	20 610	20 749	(1)
Cash cost	R/oz, 6E	7 970	8 029	(1)
Cash cost	US\$/oz, 6E	586	731	(20)
Headline loss attributable to ARM	R million	(47)	—	

Two Rivers Mine

Headline earnings attributable to ARM decreased by 12%, of which 6% can be ascribed to the reduction in ARM's shareholding in Two Rivers (which fell from 55% to 51% on 6 February 2015) and 6% is a direct result of lower commodity prices. Tonnes milled was 1% higher while the head grade increased by 3%, resulting in PGMs increasing by 6% to 198 063 6E ounces.

Cost control measures resulted in unit costs remaining flat at R5 368 per 6E ounce (1H F2015: R5 376 per 6E ounce). There was an approximate 21 000 tonne increase in the UG2 Run of Mine stockpile to a total of 504 835 tonnes of ore (1H F2015: 483 411 tonnes). Two Rivers has entered into a toll treatment agreement with Modikwa to process some of its stockpile material, thereby enhancing its working capital.

Two Rivers Mine increased chrome concentrate sales by 27% to 140 870 tonnes, contributing R80 million (1H F2015: R61 million) to cash operating profit (on 100% basis).

Two Rivers Mine operational statistics

100% basis		six months ended 31 December		
		2015	2014	% change
Cash operating profit	R million	645	744	(13)
– PGMs	R million	566	683	(17)
– Chrome	R million	80	61	31
Tonnes milled	Mt	1.70	1.69	1
Head grade	g/t, 6E	4.09	3.97	3
PGMs in concentrate	Ounces, 6E	198 063	187 291	6
Chrome concentrate sold	Tonnes	140 870	111 104	27
Average basket price	R/kg, 6E	303 612	346 072	(12)
Average basket price	US\$/oz, 6E	694	979	(29)
Cash operating margin	%	35	40	
Cash cost	R/kg, 6E	172 594	172 837	(0)
Cash cost	R/tonne	626	597	5
Cash cost	R/Pt oz	11 582	11 530	0
Cash cost	R/oz, 6E	5 368	5 376	(0)
Cash cost	US\$/oz, 6E	394	489	(19)
Headline earnings attributable to ARM	R million	155	176	(12)

Nkomati Mine

A 30% decline in the average Rand nickel price resulted in an attributable headline loss of R117 million (1H F2015: R101 million headline earnings) for the period under review. Chrome concentrate sales increased by 4% to 195 583 tonnes (1H F2015: 188 079 tonnes), contributing R130 million to cash operating profit (1H F2015: R117 million).

Nkomati Mine's tonnes milled increased by 7% to 4.19 million tonnes. This, combined with a 7% increase in the average head grade, resulted in nickel units produced increasing by 9% to 11 554 tonnes (1H F2015: 10 587 tonnes), while copper production increased by 14% and PGM production by 26%.

Nkomati Mine's C1 unit cash costs net of by-products decreased by 12% to US\$4.40/lb (1H F2015: US\$5.00/lb) as a result of higher volumes produced, the weakening of the R/US\$ exchange rate and increased by-product credits. Unit cost per tonne milled increased 8% to R313 per tonne (1H F2015: R291 per tonne).

The 8% increase in unit cost per tonne milled is mainly due to the new mining contractor ramping up tonnes mined from 11.4 million tonnes in 1H F2015 to 15.3 million tonnes in 1H F2016.

During December 2015, a restructuring and cash preservation plan was implemented by introducing the following measures:

- Stop all mining in the loss making underground operation;
- Cut-back on waste stripping for a period of four months, resulting in a maximum of 1.5 million tonnes mined per month. The reduction in waste stripping will not affect the milling profile;
- Initiation of Voluntary Separation and a Section 189 process to reduce the labour force;
- Termination of all incentive schemes;
- Termination of the services of all non-core contractors; and
- Cease all non-core operating costs and capital expenditure.

Nkomati Mine operational statistics

100% basis		six months ended 31 December		
		2015	2014	% change
Cash operating (loss)/profit	R million	(132)	447	(130)
— Nickel Mine	R million	(261)	330	(179)
— Chrome Mine	R million	130	117	11
Cash operating margin	%	(6)	17	
Tonnes milled	Mt	4.19	3.92	7
Head grade	% nickel	0.39	0.36	
Nickel on-mine cash cost per tonne milled	R/tonne	313	291	8
Cash cost net of by-products*	US\$/lb	4.40	5.00	(12)
Contained metal				
Nickel	Tonnes	11 554	10 587	9
PGMs	Ounces	89 818	71 040	26
Copper	Tonnes	5 250	4 625	14
Cobalt	Tonnes	552	556	(1)
Chrome concentrate sold	Tonnes	195 583	188 079	4
Headline (loss)/earnings attributable to ARM	R million	(117)	101	(216)

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

The ARM Platinum division comprises:

- *Three operating mines:*
 - o *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.*
 - o *Two Rivers – an incorporated joint venture with Implats, with ARM holding 51% and Implats 49%. ARM and Implats have agreed to increase ARM's shareholding in Two Rivers by 3% from 51% to 54% on incorporation of the Tamboti rights into Two Rivers Mine.*
 - o *Nkomati – a 50:50 partnership between ARM and Norilsk Nickel Africa.*
- *Two prospecting rights:*
 - o *The "Kalplats prospecting right" in which ARM Platinum holds 46% and Platinum Australia (PLA) holds 44%, with Anglo American holding 10%.*
 - o *The "Kalplats Extended Area prospecting right" in which ARM Platinum and PLA each have a 50% interest.*

ARM Coal

The continued oversupply of the seaborne thermal coal resulted in US Dollar coal prices declining by 24% compared to 1H F2015 and, although the Rand weakened by 24% in the period under review in comparison to the average for 1H F2015, the Rand price realised for export coal was 7% lower than in 1H F2015. The cash operating profit for 1H F2016 was R77 million lower than 1H F2015, mainly due to the decline in revenue.

Overall cost of sales was in line with 1H F2015 but cost control at all operations yielded a commendable reduction in operational costs and a 2% reduction in on-mine unit costs. The headline loss of R129 million for the six months was R119 million higher than the previous corresponding period, mainly due to the decline in the operating profit, higher interest and an increase in the amortisation charge.

ARM Coal cash operating profit was R321 million for the reporting period (1H F2015: R398 million).

ARM Coal attributable profit analysis

R million	six months ended 31 December		
	2015	2014	% change
Cash operating profit	321	398	(19)
Less: Interest paid	(240)	(189)	(27)
Amortisation	(223)	(198)	(13)
Fair value adjustments	(36)	(24)	(50)
Loss before tax	(178)	(13)	>(250)
Less: Tax	49	3	>250
Headline loss attributable to ARM	(129)	(10)	>(250)

Goedgevonden Mine

The saleable production is 24% lower than the first six months of the previous financial year due to mining entering a localised, geological, mineralisation discontinuity and thinning of coal seams (Pre-Karoo area) which was necessary to mine through in order to maintain the strip mining continuation. The Pre-Karoo area impacted both the coal quantity per area as well as the quality thus impacting the yield. Mining through this area is completed and it is the only Pre-Karoo occurrence that has been identified on the reserves. A 10-day wage negotiation related strike that affected major coal producers also contributed to the decline in production.

The attributable cash operating profit of R126 million was R90 million lower than 1H F2015 resulting mainly from a decline of 33% in export sales volumes and 26% reduction in US Dollar prices. These lower prices and sales volumes resulted in a decrease of R276 million in revenue which was, to some extent, offset by the weaker Rand, and higher Eskom sales volumes and prices.

Cost of sales was R43 million lower than 1H F2015, mainly due to savings in on-mine costs and distribution costs. Although on-mine costs were R30 million lower than the previous reporting period, on-mine costs per saleable tonne was 14% higher as a result of the decrease in production volumes. The lower operating profit and increase in finance costs resulted in Goedgevonden Mine reflecting a headline loss of R24 million for 1H F2016 compared to headline earnings of R58 million for 1H F2015.

Goedgevonden Mine operational statistics

six months ended 31 December				
		2015	2014	% change
Total production sales (100% basis)				
Saleable production	Mt	3.33	4.40	(24)
Export thermal coal sales	Mt	1.98	2.97	(33)
Eskom thermal coal sales	Mt	1.77	1.20	48
Attributable production and sales				
Saleable production	Mt	0.87	1.14	(24)
Export thermal coal sales	Mt	0.51	0.77	(34)
Eskom thermal coal sales	Mt	0.46	0.31	48
Average received coal price				
Export (FOB)	US\$/tonne	43.54	59.05	(26)
Eskom (FOT)	R/tonne	251.81	194.97	29
On-mine saleable cost	R/tonne	215.50	189.10	14
Cash operating profit				
Total	R million	483	830	(42)
Attributable (26%)	R million	126	216	(42)
Headline (loss)/earnings attributable to ARM	R million	(24)	58	(141)

Goedgevonden Mine attributable profit analysis

six months ended 31 December			
R million	2015	2014	% change
Cash operating profit	126	216	(42)
Less: Interest paid	(89)	(63)	(41)
Amortisation	(62)	(61)	(2)
Fair value adjustments	(8)	(11)	27
Profit before tax	(33)	81	(141)
Less: Tax	9	(23)	139
Headline (loss)/earnings attributable to ARM	(24)	58	(141)

Participating Coal Business (PCB)

The mines comprising the PCB business reflected a 6% increase in saleable production for the half year aided by the commissioning of the Tweefontein Optimisation Project (TOP).

The attributable cash operating profit increased from R182 million to R195 million as a result of a 9% increase in revenue offset by a 6% increase in cost of sales. Export revenue was R341 million higher due to higher sales volumes and the weaker Rand. A 23% decline in export prices, however, impacted negatively on profit by R254 million.

Even with an increase in production volumes total on-mine costs, in absolute terms, decreased by R37 million. On-mine unit costs per saleable tonne decreased by 14% from R341 to R293 per tonne.

Total distribution costs were higher than 1H F2015 due to an increase of 17% in export volumes and the amortisation charge increased by 26% resulting mainly from the commissioning of the TOP Project. PCB recorded a headline loss of R105 million for 1H F2016 which is R37 million higher than the headline loss in 1H F2015 due to an increase in finance costs and amortisation.

The TOP Project is fully commissioned and the conversion from predominantly underground mining to opencast mining is completed. The conversion has resulted in a reduction in a on-mine production costs per tonne to R293.20 per tonne, 14% lower than the previous corresponding period.

Participating Coal Business operational statistics

		six months ended 31 December		
		2015	2014	% change
Total production sales (100% basis)				
Saleable production	Mt	6.78	6.38	6
Export thermal coal sales	Mt	6.95	5.96	17
Eskom thermal coal sales	Mt	0.67	0.89	(25)
Local thermal coal sales	Mt	0.44	0.65	(32)
Attributable production and sales				
Saleable production	Mt	1.37	1.29	6
Export thermal coal sales	Mt	1.40	1.20	17
Eskom thermal coal sales	Mt	0.14	0.18	(22)
Local thermal coal sales	Mt	0.09	0.13	(31)
Average received coal price				
Export (FOB)	US\$/tonne	44.68	57.99	(23)
Eskom (FOT)	R/tonne	230.74	213.89	8
Local (FOR)	R/tonne	428.75	327.73	31
On-mine saleable cost	R/tonne	293.20	341.23	(14)
Cash operating profit				
Total	R million	966	899	7
Attributable (20.2%)	R million	195	182	7
Headline loss attributable to ARM	R million	(105)	(68)	(54)

Participating Coal Business attributable profit analysis

	six months ended 31 December		
R million	2015	2014	% change
Cash operating profit	195	182	7
Less: Interest paid	(151)	(126)	(20)
Amortisation	(161)	(137)	(18)
Fair value adjustments	(28)	(13)	(115)
Loss before tax	(145)	(94)	(54)
Less: Tax	40	26	54
Headline loss attributable to ARM	(105)	(68)	(54)

Projects

Tweefontein Optimisation Project (TOP)

The project has been commissioned and the production ramp up is in line with the plan. Operations are expected to reach the steady state production rate by the end of this financial year.

Construction progress is at 97% with only minor, non-production areas which include the diversion of the provisional road still having to be completed. The project still has cost savings of R600 million.

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

ARM Copper's attributable operating loss increased by 13% to R 234 million mainly as a result of the continued decline in the copper price coupled with lower copper production volumes. Production volumes at the mine were negatively impacted by power shortages in Zambia and wage related industrial action.

The average copper price dropped by 25% from US\$6 807 per tonne in 1H F2015 to US\$5 081 per tonne in 1H F2016. Post the reporting period, the price deteriorated further to a low of US\$4 400/tonne in January 2016. The decline in the copper price contributed a revenue reduction of US\$20.2 million compared to the previous comparable period. Seven production days were lost during July 2015 following a wage-related strike while electrical power supply disruption resulted in 10 days of production being lost during the reporting period.

The improvement in head grade and plant recoveries, which commenced in the last quarter of F2015, have continued. The improvement in head grade is mostly due to a reduction in stoping and development dilution brought about by technical mining changes implemented during the last year.

Despite lower volumes, the mine managed to reduce C1 unit production costs by 23% to US\$2.39/lb (1H F2015: US\$3.10/lb) following the closure of the vertical shaft and mining being focussed only on the East Limb area together with the implementation of efficiency improvement measures.

ARM Copper headline loss increased to R275 million from R233 in 1H F2015.

The outlook for the copper price in the short to medium term has also declined substantially in the last six months. The indications are that low prices are expected to persist for longer than was initially projected. As a result of the reduction in copper prices, a reduction in planned copper production volumes and the application of higher discount rates in the valuation of the Lubambe Mine the evaluation of the carrying value of assets at Lubambe Mine resulted in an attributable impairment provision of R1 404 million after non-controlling interest.

Lubambe Mine operational statistics

		six months ended 31 December		
100% basis		2015	2014	% change
Waste development	Metres	2 081	2 701	(23)
Ore development	Metres	2 792	2 809	(1)
Ore development	Tonnes	173 167	156 009	11
Ore stoping	Tonnes	548 114	727 225	(25)
Ore tonnes mined	Tonnes	721 281	883 234	(18)
Tonnes milled	Thousand	715 007	859 979	(17)
Mill head grade	% copper	2.00	1.83	9
Concentrator recovery	%	81.1	80.0	1
Copper concentrate produced	Tonnes	28 598	29 879	(4)
Copper concentrate sold	Tonnes	28 550	30 299	(6)
Average realised copper price	US\$/lb	2.30	2.88	(20)
C1 cash cost per pound of copper produced	US\$/lb	2.39	3.11	(23)
Capital expenditure	US\$000	7 443	22 775	(67)
Contained metal				
Copper produced	Tonnes	11 711	12 563	(7)
Copper sold	Tonnes	11 714	12 718	(8)
Headline loss attributable to ARM (40%)	R million	(275)	(233)	(18)

Lubambe Copper Mine

The decision taken in the last quarter of F2015 to stop mining of the South Limb and to only mine the East Limb has had a positive impact on the mine in view of the increased head grade and recoveries despite the reduction on the tonnes milled. The tonnes milled was reduced by 17% to 715 007 tonnes but the contained copper produced was only reduced by 4%. This is due to a 9% increase in copper head grade and a 1% improvement in copper concentrator recoveries.

The adaptation to the mining method implemented during 2H F2015 is delivering favourable results with improvements in mining dilution contributing to the 9% increase in copper head grade. The revised mining method enables better development placement within the orebody and also facilitates parallel drilling which enables improved extraction, reduced dilution and lower drilling and explosives costs.

Improvements in production costs have been progressing month by month and give a positive indication that long-term sustainable unit production costs could be achieved. Overall, cash costs per tonne milled has reduced by 14% from US\$100/tonne milled in 1H F2015 to US\$86/tonne milled in 1H F2016. This improvement, combined with the increase in head grade, culminated in the 23% reduction in C1 unit cost from US\$3.10/lb to US\$2.39/lb.

Notwithstanding the progress made in the reduction of costs, the effect of the sustained lower copper prices has necessitated further production curtailment. The mine is under review to minimise cash requirements and preserve the value of its resources.

Lubambe Extension Project

The hydrogeological hole drilled has been put on hold until an opportune time when the copper price has recovered.

ARM owns 100% of ARM Copper. ARM Copper owns 50% of the Vale/ARM joint venture. The effective interest of ARM in the Lubambe Copper Mine is 40% as ZCCM-IH has a 20% shareholding.

ARM Strategic Services and Exploration

The Strategic Services and Exploration division undertakes information technology, technical support, strategic support, project development, exploration and new business opportunity evaluations.

Costs for the ARM Strategic Services & Exploration division were reduced by 75% to R10 million (1H F2015: R40 million).

Projects

The Projects Development team works closely with the operating divisions to manage major capital projects. Projects currently under development include the Black Rock Mine efficiency and modernisation project. The project is on schedule and there are no major concerns.

The other major project underway is the Sakura Ferroalloys Project. The project is post-peak construction and cold commissioning has started.

Exploration and New Business

ARM has established a focused team to identify new mineral business opportunities for sustainable and value enhancing development. The team also continues to assess a number of acquisition opportunities in this regard.

Harmony Gold Mining Company Limited (Harmony)

Harmony's headline loss for the six months ended 31 December 2015 reduced by 41% to R449 million (1H F2015: R763 million). In the second quarter of the 2016 financial year Harmony reported a headline profit of R74 million.

Harmony's revenue increased by 10% quarter on quarter as a result of the 3% increase in gold volumes sold to 8 999kg and a 7% increase in the average gold price received at R507 490/kg in the December 2015 quarter.

The company's production costs decreased by 5% to R3.28 billion in the December 2015 quarter. The decrease is mainly a result of the decrease in electricity costs of R189 million due to the higher, winter electricity price tariffs included in the September 2015 quarter.

In the December 2015 quarter, Harmony repaid R1.12 billion of its debt. Repayments consisted of US\$50 million on Harmony's US\$250 million Revolving Credit Facility and R400 million on the company's R1.3 billion facility.

On 15 February 2016, Harmony announced the results of the Golpu Stage 1 Feasibility and Stage 2 Prefeasibility studies and declared updated Resources and Reserves for the Golpu project. Harmony, who owns 50% of the asset, described the Golpu porphyry as a world-class resource due to its size, high grades, long-life and low operating costs. The design of the mine is expected to allow optionality and flexibility to scale the operation up with a relatively low capital investment in response to increasing commodity prices.

The Stage 1 project capital, on a 100% basis, is estimated at US\$2.6bn, yielding an internal rate of return of 16%. Harmony is continuing to engage with key stakeholders, including the PNG national government, the Morobe provincial government, landowners and community representatives in order to ensure clear alignment on the project objectives with affected stakeholders.

The ARM Statement of Financial Position, as at 31 December 2015, reflects a mark-to-market investment in Harmony of R993 million (1H F2015: R1 375 million) at a share price of R15.60 per share (1H F2015: R21.61 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 2015 can be viewed on Harmony's website at www.harmony.co.za.

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

Outlook

The significant fall in US Dollar commodity prices continued during the reporting period as producers took longer than anticipated to remove high-cost production across most commodities. Since the end of the reporting period there have, however, been increasing indications of further cuts to mining production and closures of operations globally.

For the short to medium term, notwithstanding that commodity prices appear to be stabilising at current levels, ARM is guiding its operations to continue with cost cutting initiatives, technical innovation and capital expenditure reviews to ensure that operational profits and cash flows are optimised and that where shareholder funding is required, this is minimised.

ARM is critically reviewing non-performing operations and assessing whether these have potential to achieve improved results in the future, especially those operations which are positioned above the 50th percentile of the global cost curve.

With relatively low gearing and an attractive long-life asset portfolio, ARM is well positioned to continue assessing opportunities to grow.

ARM invests into mines for the long term and has long-life mines. ARM is positive about a future recovery in commodity prices and therefore believes that all steps taken now to improve productivity, unit costs and profitability will position the company well into the future.

Review by independent auditors

The financial results for the six months ended 31 December 2015 have not been reviewed or audited by the Company's registered auditors, Ernst & Young Inc.

Signed on behalf of the Board:

P T Motsepe
Executive Chairman

M P Schmidt
Chief Executive Officer

Johannesburg
11 March 2016



Financial statements

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Group statement of financial position

as at 31 December 2015

		Unaudited Six months ended 31 December		Audited Year ended 30 June
	Note	2015 Rm	2014 Rm	2015 Rm
ASSETS				
Non-current assets				
Property, plant and equipment	3	11 155	12 733	12 218
Intangible assets		143	156	149
Deferred tax assets		565	438	565
Loans and long-term receivables		43	53	48
Financial assets		–	2	1
Investment in associate		1 258	1 199	1 363
Investment in joint venture	4	14 161	14 385	14 094
Other investments		1 172	1 556	1 178
		28 497	30 522	29 616
Current assets				
Inventories		844	893	852
Trade and other receivables		2 729	3 043	2 542
Taxation		5	1	3
Financial assets		2	–	1
Cash and cash equivalents	5	1 444	1 976	2 257
		5 024	5 913	5 655
Assets held for sale	6	–	12	12
Total assets		33 521	36 447	35 283
EQUITY AND LIABILITIES				
Capital and reserves				
Ordinary share capital		11	11	11
Share premium		4 210	4 178	4 183
Other reserves		1 158	1 099	1 212
Retained earnings		18 161	20 810	20 113
Equity attributable to equity holders of ARM		23 540	26 098	25 519
Non-controlling interest		999	1 528	1 386
Total equity		24 539	27 626	26 905
Non-current liabilities				
Long-term borrowings	7	2 767	2 363	2 511
Non-current financial liabilities		–	7	–
Deferred tax liabilities		1 984	1 936	1 970
Long-term provisions		630	630	656
		5 381	4 936	5 137
Current liabilities				
Trade and other payables		1 872	1 977	1 452
Short-term provisions		303	302	322
Taxation		69	41	96
Current financial liabilities		–	8	–
Overdrafts and short-term borrowings – interest-bearing	7	1 357	1 557	1 371
		3 601	3 885	3 241
Total equity and liabilities		33 521	36 447	35 283

Group income statement

for the six months ended 31 December 2015

		Unaudited Six months ended 31 December		Audited Year ended 30 June 2015
	Note	2015 Rm	2014 Rm	2015 Rm
Revenue		4 708	5 210	10 227
Sales		4 332	4 829	9 263
Cost of sales		(4 124)	(4 011)	(7 854)
Gross profit		208	818	1 409
Other operating income		925	576	1 225
Other operating expenses		(760)	(785)	(1 594)
Profit from operations before special items		373	609	1 040
Income from investments		87	76	192
Finance costs		(153)	(74)	(250)
Loss from associate		(105)	(68)	(186)
Income from joint venture*	4	567	830	1 289
Profit before taxation and special items		769	1 373	2 085
Special items	8	(1 855)	(273)	(1 659)
(Loss)/profit before taxation		(1 086)	1 100	426
Taxation	10	(189)	(208)	(353)
(Loss)/profit for the period		(1 275)	892	73
Attributable to:				
Non-controlling interest		(279)	91	(31)
Equity holders of ARM		(996)	801	104
		(1 275)	892	73
Additional information				
Headline earnings (R million)	9	507	1 026	1 744
Headline earnings per share (cents)		233	473	803
Basic (loss)/earnings (R million)		(996)	801	104
Basic (loss)/earnings per share (cents)		(458)	369	48
Diluted headline earnings per share (cents)		232	470	799
Diluted basic (loss)/earnings per share (cents)		(455)	367	48
Number of shares in issue at end of period (thousands)		217 935	217 438	217 491
Weighted average number of shares in issue (thousands)		217 550	217 023	217 232
Weighted average number of shares used in calculating fully diluted earnings per share (thousands)		218 650	218 315	218 222
Net asset value per share (cents)		10 801	12 003	11 733
EBITDA (R million)		891	1 130	2 087
Dividend declared after year-end (cents)		—	—	350

* Impairment included in income from joint venture R44 million before tax of R12 million (1H 2015: Rnil; F2015: R406 million before tax of R114 million).

Group statement of comprehensive income

for the six months ended 31 December 2015

	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 2015						
(Unaudited)						
Loss for the period	–	–	(996)	(996)	(279)	(1 275)
Other comprehensive income that may be reclassified to the income statement in subsequent periods:						
Revaluation of listed investment*	1	–	–	1	–	1
Deferred tax on above	–	–	–	–	–	–
Net impact of above	1	–	–	1	–	1
Foreign currency translation reserve movement	–	(121)	–	(121)	–	(121)
Total other comprehensive income/(loss)	1	(121)	–	(120)	–	(120)
Total comprehensive income/(loss) for the period	1	(121)	(996)	(1 116)	(279)	(1 395)
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 (loss)/income	(272)	67	–	(205)	–	(205)
Total comprehensive (loss)/income for the year	(272)	67	801	596	91	687
Year ended 30 June 2015 (Audited)						
Profit for the year	–	–	104	104	(31)	73
Other comprehensive income that may be reclassified to the income statement in subsequent periods:						
Revaluation of listed investment	(990)	–	–	(990)	–	(990)
Deferred tax on above	184	–	–	184	–	184
Reclassification to income statement	656	–	–	656	–	656
Deferred tax on above	(122)	–	–	(122)	–	(122)
Net impact of revaluation of listed investment	(272)	–	–	(272)	–	(272)
Foreign currency translation reserve movement	–	104	–	104	–	104
Total other comprehensive (loss)/income	(272)	104	–	(168)	–	(168)
Total comprehensive (loss)/income for the year	(272)	104	104	(64)	(31)	(95)

* The fair value of the available-for-sale listed investment is determined with reference to the market share price.

Group statement of changes in equity

for the six months ended 31 December 2015

	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 2015 (Unaudited)							
Balance at 30 June 2015	4 194	–	1 212	20 113	25 519	1 386	26 905
Loss for the period	–	–	–	(996)	(996)	(279)	(1 275)
Other comprehensive income/(loss)	–	1	(121)	–	(120)	–	(120)
Total comprehensive income/(loss) for the period	–	1	(121)	(996)	(1 116)	(279)	(1 395)
Share-based payments	–	–	93	–	93	–	93
Bonus and performance shares issued to employees	27	–	(27)	–	–	–	–
Dividend paid	–	–	–	(761)	(761)	–	(761)
Dividend paid to Impala Platinum	–	–	–	–	–	(108)	(108)
Changes due to insurance restructuring – net of tax	–	–	–	(195)	(195)	–	(195)
Balance at 31 December 2015	4 221	1	1 157	18 161	23 540	999	24 539
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 (loss)/income	–	(272)	67	–	(205)	–	(205)
Total comprehensive (loss)/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
Year ended 30 June 2015 (Audited)							
Balance at 30 June 2014	4 119	272	986	21 311	26 688	1 511	28 199
Profit/(loss) for the year	–	–	–	104	104	(31)	73
Other comprehensive (loss)/income	–	(272)	104	–	(168)	–	(168)
Total comprehensive (loss)/income for the year	–	(272)	104	104	(64)	(31)	(95)
Share-based payments	–	–	193	–	193	–	193
Share options exercised	30	–	–	–	30	–	30
Bonus and performance shares issued to employees	45	–	(45)	–	–	–	–
Dividend paid	–	–	–	(1 302)	(1 302)	–	(1 302)
Dividend paid to Impala Platinum	–	–	–	–	–	(277)	(277)
Dilution in Two Rivers	–	–	(26)	–	(26)	183	157
Balance at 30 June 2015	4 194	–	1 212	20 113	25 519	1 386	26 905

Group statement of cash flows

for the six months ended 31 December 2015

		Unaudited Six months ended 31 December		Audited Year ended 30 June
	Note	2015 Rm	2014 Rm	2015 Rm
CASH FLOW FROM OPERATING ACTIVITIES				
Cash receipts from customers		4 655	5 578	11 093
Cash paid to suppliers and employees		(4 182)	(4 093)	(8 585)
Cash generated from operations	11	473	1 485	2 508
Interest received		65	64	120
Interest paid		(32)	(55)	(109)
Dividends received		–	–	1
Dividends received from joint venture	4	500	750	1 500
Dividends paid to non-controlling interest – Impala Platinum		(108)	(74)	(277)
Dividend paid		(761)	(1 302)	(1 302)
Taxation paid		(126)	(198)	(386)
Net cash inflow from operating activities		11	670	2 055
CASH FLOW FROM INVESTING ACTIVITIES				
Additions to property, plant and equipment to maintain operations		(538)	(689)	(1 212)
Additions to property, plant and equipment to expand operations		(36)	(18)	(64)
Proceeds on disposal of property, plant and equipment		30	2	5
Additional investment in associate		–	–	(282)
Investment in subsidiary		–	(400)	(400)
Investment in insurance cell		–	(25)	(25)
Investments in Richards Bay Coal Terminal		(7)	(21)	(26)
Decrease in loans and long-term receivables		6	21	24
Net cash outflow from investing activities		(545)	(1 130)	(1 980)
CASH FLOW FROM FINANCING ACTIVITIES				
Proceeds on exercise of share options		–	32	30
Long-term borrowings raised		300	–	–
Long-term borrowings repaid		(55)	(54)	(36)
Short-term borrowings repaid		(216)	(112)	(298)
Net cash inflow/(outflow) from financing activities		29	(134)	(304)
Net decrease in cash and cash equivalents		(505)	(594)	(229)
Cash and cash equivalents at beginning of period		1 445	1 669	1 669
Foreign currency translation on cash balances		(18)	(1)	5
Cash and cash equivalents at end of period	5	922	1 074	1 445
Cash generated from operations per share (cents)		217	684	1 155

Notes to the financial statements

for the six months ended 31 December 2015

1. STATEMENT OF COMPLIANCE

The Group financial statements for the six months ended 31 December 2015 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 2015 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 no new and revised standards and interpretations issued by the International Financial Reporting Interpretation Committee (IFRIC) of the IASB during the period under review.

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 2018
IFRS 16	Leases	1 January 2019
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 2015

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.

	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
2. SEGMENTAL INFORMATION								
2.1 Primary segmental information								
Six months ended 31 December 2015 (Unaudited)								
Sales	3 620	4 546	424	288	–	8 878	(4 546)	4 332
Cost of sales	(3 281)	(3 775)	(414)	(429)	17	(7 882)	3 758	(4 124)
Other operating income	70	190	49	–	768	1 077	(152)	925
Other operating expenses	(231)	(262)	(2)	(93)	(434)	(1 022)	262	(760)
Segment result	178	699	57	(234)	351	1 051	(678)	373
Income from investments	17	96	2	–	68	183	(96)	87
Finance cost	(18)	(18)	(92)	(6)	67	(67)	18	(49)
Finance cost ZCCM:								
Shareholders' loan Vale/ARM joint venture	–	–	–	(18)	–	(18)	–	(18)
Finance cost ARM:								
Shareholders' loan Vale/ARM joint venture	–	–	–	(86)	–	(86)	–	(86)
Loss from associate	–	–	(105)	–	–	(105)	–	(105)
Income from joint venture***	–	25	–	–	–	25	542	567
Special items	(116)	(44)	–	(1 755)	16	(1 899)	44	(1 855)
Taxation	(15)	(176)	9	–	(177)	(359)	170	(189)
Profit/(loss) after tax	46	582	(129)	(2 099)	325	(1 275)	–	(1 275)
Non-controlling interest	(138)	–	–	420	(3)	279	–	279
Consolidation adjustment	–	(15)	–	–	15	–	–	–
Contribution to earnings	(92)	567	(129)	(1 679)	337	(996)	–	(996)
Contribution to headline earnings	(9)	599	(129)	(275)	321	507	–	507
Other information:								
Segment assets including investment in associate and joint venture	10 387	18 197	3 322	1 889	3 762	37 557	(4 036)	33 521
Investment in associate			1 258			1 258		1 258
Investment in joint venture							14 161	14 161
Segment liabilities	1 847	1 363	1 697	1 280	2 105	8 292	(1 363)	6 929
Unallocated – Deferred taxation and taxation						4 726	(2 673)	2 053
Consolidated total liabilities						13 018	(4 036)	8 982
Cash generated/(utilised) from operations	279	1 060	188	(99)	105	1 533	(1 060)	473
Cash inflow/(outflow) from operating activities	72	1 031	206	(101)	(666)	542	(531)	11
Cash (outflow)/inflow from investing activities	(385)	(980)	(157)	(33)	30	(1 525)	980	(545)
Cash (outflow)/inflow from financing activities	(57)	–	(56)	43	99	29	–	29
Capital expenditure	442	779	105	41	1	1 368	(779)	589
Amortisation and depreciation	329	511	70	116	3	1 029	(511)	518
EBITDA	507	1 210	127	(118)	354	2 080	(1 189)	891

There were no significant inter-company sales.

* Refer note 2.6 for more detail on the ARM Ferrous segment.

** Includes IFRS 11 adjustments related to ARM Ferrous.

*** Impairment included in income from joint venture R44 million before tax of R12 million.

Notes to the financial statements

for the six months ended 31 December 2015

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.

	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
2. SEGMENTAL INFORMATION								
(continued)								
2.2 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
Special items	–	(4)	–	–	(273)	(277)	4	(273)
Taxation	(164)	(354)	(23)	(3)	(9)	(553)	345	(208)
Profit/(loss) after tax	421	852	(10)	(291)	(80)	892	–	892
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 associate						1 199		1 199
Investment in joint venture							14 385	14 385
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/(utilised) 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

There were no significant inter-company sales.

* Refer note 2.7 for more detail on the ARM Ferrous segment.

** Includes IFRS 11 adjustments related to ARM Ferrous.

Notes to the financial statements

for the six months ended 31 December 2015

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.

	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
2. SEGMENTAL INFORMATION								
(continued)								
2.3 Year ended 30 June 2015								
(Audited)								
Sales	7 444	10 561	1 025	794	–	19 824	(10 561)	9 263
Cost of sales	(6 128)	(7 790)	(842)	(906)	54	(15 612)	7 758	(7 854)
Other operating income	175	132	95	4	862	1 268	(43)	1 225
Other operating expenses	(537)	(875)	(5)	(249)	(803)	(2 469)	875	(1 594)
Segment result	954	2 028	273	(357)	113	3 011	(1 971)	1 040
Income from investments	39	218	–	–	153	410	(218)	192
Finance cost	(52)	(29)	(144)	(13)	118	(120)	29	(91)
Finance cost ZCCM:								
Shareholders' loan Vale/ARM joint venture	–	–	–	(27)	–	(27)	–	(27)
Finance cost ARM:								
Shareholders' loan Vale/ARM joint venture	–	–	–	(132)	–	(132)	–	(132)
Loss from associate	–	–	(186)	–	–	(186)	–	(186)
Income form joint venture**	–	51	–	–	–	51	1 238	1 289
Special items	–	(415)	–	(1 003)	(656)	(2 074)	415	(1 659)
Taxation	(274)	(523)	(36)	(7)	(20)	(860)	507	(353)
Profit/(loss) after tax	667	1 330	(93)	(1 539)	(292)	73	–	73
Non-controlling interest	(262)	–	–	302	(9)	31	–	31
Consolidation adjustment	–	(41)	–	–	41	–	–	–
Contribution to earnings	405	1 289	(93)	(1 237)	(260)	104	–	104
Contribution to headline earnings	405	1 588	(93)	(430)	274	1 744	–	1 744
Other information:								
Segment assets including investment in associate	10 372	18 574	3 746	3 010	4 061	39 763	(4 480)	35 283
Investment in associate			1 363			1 363		1 363
Investment in joint venture							14 094	14 094
Segment liabilities	1 864	1 946	1 736	1 077	1 635	8 258	(1 946)	6 312
Unallocated – Deferred taxation and taxation						4 705	(2 639)	2 066
Consolidated total liabilities						12 963	(4 585)	8 378
Cash inflow/(outflow) from operating activities	1 479	2 967	372	(95)	(1 201)	3 522	(1 467)	2 055
Cash outflow from investing activities	(808)	(1 966)	(488)	(256)	(428)	(3 946)	1 966	(1 980)
Cash (outflow)/inflow from financing activities	(67)	–	(52)	2	(187)	(304)	–	(304)
Capital expenditure	933	1 830	259	302	2	3 326	(1 830)	1 496
Amortisation and depreciation	668	936	139	232	8	1 983	(936)	1 047
Impairment	–	406	–	980	–	1 386	(406)	980
EBITDA	1 622	2 964	412	(125)	121	4 994	(2 907)	2 087

There were no significant inter-company sales.

* Includes IFRS 11 adjustments related to ARM Ferrous.

** Impairment included in income from joint venture R406 million before tax of R114 million.

Notes to the financial statements

for the six months ended 31 December 2015

Additional information (continued)

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

Platinum	Two Rivers Rm	Modikwa Rm	Nkomati Rm	ARM Platinum Rm
2. SEGMENTAL INFORMATION (continued)				
2.4 Six months ended 31 December 2015 (Unaudited)				
Sales	1 865	588	1 167	3 620
Cost of sales	(1 351)	(657)	(1 273)	(3 281)
Other operating income	9	9	52	70
Other operating expenses	(100)	(22)	(109)	(231)
Segment result	423	(82)	(163)	178
Income from investments	6	4	7	17
Finance cost	(10)	(2)	(6)	(18)
Special items	–	–	(116)	(116)
Taxation	(116)	23	78	(15)
Profit/(loss) after tax	303	(57)	(200)	46
Non-controlling interest	(148)	10	–	(138)
Contribution to earnings	155	(47)	(200)	(92)
Contribution to headline earnings	155	(47)	(117)	(9)
Other information:				
Segment assets	4 145	3 206	3 036	10 387
Segment liabilities	858	354	635	1 847
Cash inflow/(outflow) from operating activities	206	(127)	(7)	72
Cash outflow from investing activities	(124)	(98)	(163)	(385)
Cash outflow from financing activities	(44)	–	(13)	(57)
Capital expenditure	180	98	164	442
Amortisation and depreciation	139	62	128	329
EBITDA	562	(20)	(35)	507
2.5 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)
Profit after tax	320	–	101	421
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

Notes to the financial statements

for the six months ended 31 December 2015

Additional information (continued)

Analysis of the ARM Ferrous segment on a 100% basis.

	Iron ore division Rm	Manga- nese division Rm	Continued operation Chrome division Rm	Continued operation ARM Ferrous Total Rm	Discon- tinued operation Chrome division Rm	ARM Ferrous Total Rm	ARM share Rm	*IFRS Adjust- ment Rm	Total per IFRS financial state- ments Rm
2. SEGMENTAL INFORMATION (continued)									
2.6 Six months ended 31 December 2015 (Unaudited)									
Sales	5 126	3 016	61	8 203	890	9 093	4 546	(4 546)	–
Other operating income	230	227	6	463	9	472	190	(190)	–
Other operating expenses	(324)	(201)	(11)	(536)	(80)	(616)	(262)	262	–
Operating profit	1 068	202	23	1 293	106	1 399	699	(699)	–
Contribution to earnings and total comprehensive income	956	130	4	1 090	74	1 164	582	(15)	567
Contribution to headline earnings	957	193	4	1 154	74	1 228	614	(15)	599
Other information:									
Segment assets	25 001	10 926	357	36 284	1 184	37 468	18 197	(4 036)	14 161
Segment liabilities	5 605	2 077	215	7 897	477	8 374	1 363	(1 363)	–
Cash inflow from operating activities	809**	118	–	927	136	1 063	1 031	(1 031)	–
Cash outflow from investing activities	(586)	(1 308)	–	(1 894)	(66)	(1 960)	(980)	980	–
Capital expenditure	518	1 049	–	1 567	66	1 633	779	(779)	–
Amortisation and depreciation	779	224	–	1 003	52	1 055	511	(511)	–
EBITDA	1 847	426	23	2 296	158	2 454	1 210	(1 210)	–
Additional information for ARM Ferrous at 100%									
Non-current assets									
Property, plant and equipment						21 057		(21 057)	–
Investment in joint venture						2 625		(2 625)	–
Other non-current assets						905		(905)	–
Current assets									
Inventories						4 422		(4 422)	–
Trade and other receivables						2 738		(2 738)	–
Financial asset						79		(79)	–
Cash and cash equivalents						4 071		(4 071)	–
Asset held for sale						1 571		(1 571)	–
Non-current liabilities									
Other non-current liabilities						6 107		(6 107)	–
Current liabilities									
Trade and other payables						1 070		(1 070)	–
Short-term provisions						470		(470)	–
Taxation						129		(129)	–
Liabilities directly associated with asset held for sale						598		(598)	–

* Includes consolidation and IFRS 11 adjustments.

** Dividend paid amounting to R1 billion included in cash flows from operating activities.

Notes to the financial statements

for the six months ended 31 December 2015

Additional information (continued)

Analysis of the ARM Ferrous segment on a 100% basis.

	Iron ore division Rm	Manga- nese division Rm	Continued operation Chrome division Rm	Continued operation ARM Ferrous Total Rm	Discon- tinued operation Chrome division Rm	ARM Ferrous Total Rm	ARM share Rm	*IFRS Adjust- ment Rm	Total per IFRS financial state- ments Rm
2. SEGMENTAL INFORMATION (continued)									
2.7 Six months ended 31 December 2014 (Unaudited)									
Sales	5 757	3 868	18	9 643	690	10 333	5 167	(5 167)	—
Other operating income	276	133	1	410	4	414	76	(76)	—
Other operating expenses	(682)	(254)	—	(936)	(87)	(1 023)	(380)	380	—
Operating profit	1 478	656	8	2 142	76	2 218	1 109	(1 109)	—
Contribution to earnings and total comprehensive income	1 174	473	6	1 653	50	1 703	852	(22)	830
Contribution to headline earnings	1 181	472	6	1 659	50	1 709	855	(22)	833
Other information:									
Segment assets	25 480	11 625	118	37 223	972	38 195	18 608	(4 223)	14 385
Segment liabilities	5 748	2 547	16	8 311	410	8 721	1 591	(1 591)	—
Cash inflow/(outflow) from operating activities	663**	632	(18)	1 277	(188)	1 089	1 307	(1 307)	—
Cash outflow from investing activities	(835)	(1 187)	—	(2 022)	(97)	(2 119)	(1 072)	1 072	—
Capital expenditure	710	849	—	1 559	130	1 689	802	(802)	—
Amortisation and depreciation	751	209	—	960	43	1 003	491	(491)	—
EBITDA	2 229	865	8	3 102	119	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)	—
Liabilities directly associated with asset held for sale									

* Includes consolidation and IFRS 11 adjustments.

** Dividend paid amounting to R 1 billion included in cash flows from operating activities.

Notes to the financial statements

for the six months ended 31 December 2015

Additional information (continued)

ARM Corporate as presented in the table on page 74 is analysed further into the Corporate and other, ARM Exploration and Gold segments.

Primary segmental information	ARM Exploration Rm	Corporate* and other Rm	Gold Rm	Total ARM Corporate Rm
2. SEGMENTAL INFORMATION (continued)				
2.8 Six months ended 31 December 2015 (Unaudited)				
Cost of sales	–	17	–	17
Other operating income	–	768	–	768
Other operating expenses	(10)	(424)	–	(434)
Segment result	(10)	361	–	351
Income from investments	–	68	–	68
Finance cost	–	67	–	67
Special items	–	16	–	16
Taxation	–	(177)	–	(177)
(Loss)/profit after tax	(10)	335	–	325
Non-controlling interest	–	(3)	–	(3)
Consolidation adjustment	–	15	–	15
Contribution to earnings	(10)	347	–	337
Contribution to headline earnings	(10)	331	–	321
Other information:				
Segment assets	–	2 769	993	3 762
Segment liabilities	–	2 105	–	2 105
Cash (utilised)/generated from operations	(10)	115	–	105
Cash outflow from operating activities	(10)	(656)	–	(666)
Cash inflow from investing activities	–	30	–	30
Cash inflow from financing activities	–	99	–	99
Capital expenditure	–	1	–	1
Amortisation and depreciation	–	3	–	3
EBITDA	(10)	364	–	354

* Corporate, other companies and consolidation adjustments.

Notes to the financial statements

for the six months ended 31 December 2015

Additional information (continued)

ARM Corporate as presented in the table on page 75 is analysed further into the Corporate and other, ARM Exploration and Gold segments.

	ARM Exploration Rm	Corporate* and other Rm	Gold Rm	Total ARM Corporate Rm
2. SEGMENTAL INFORMATION (continued)				
2.9 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
Special items	–	–	(273)	(273)
Taxation	–	(60)	51	(9)
(Loss)/profit after tax	(40)	182	(222)	(80)
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 (utilised)/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 2015

Additional information (continued)

ARM Corporate as presented in the table on page 76 is analysed further into the Corporate and other, ARM Exploration and Gold segments.

	ARM Exploration Rm	Corporate* and other Rm	Gold Rm	Total ARM Corporate Rm
2. SEGMENTAL INFORMATION (continued)				
2.10 Year ended 30 June 2015 (Audited)				
Cost of sales	–	54	–	54
Other operating income	–	862	–	862
Other operating expenses	(50)	(753)	–	(803)
Segment result	(50)	163	–	113
Income from investments	–	153	–	153
Finance cost	–	118	–	118
Special items	–	–	(656)	(656)
Taxation	–	(142)	122	(20)
(Loss)/profit after tax	(50)	292	(534)	(292)
Non-controlling interest	–	(9)	–	(9)
Consolidation adjustment	–	41	–	41
Contribution to earnings	(50)	324	(534)	(260)
Contribution to headline earnings	(50)	324	–	274
Other information:				
Segment assets	–	3 069	992	4 061
Segment liabilities	–	1 635	–	1 635
Cash outflow from operating activities	(50)	(1 151)	–	(1 201)
Cash outflow from investing activities	–	(428)	–	(428)
Cash outflow from financing activities	–	(187)	–	(187)
Capital expenditure	–	2	–	2
Amortisation and depreciation	–	8	–	8
EBITDA	(50)	171	–	121

* Corporate, other companies and consolidation adjustments.

Notes to the financial statements

for the six months ended 31 December 2015

3. PROPERTY, PLANT AND EQUIPMENT

At 31 December 2015 an impairment of Lubambe Copper Mine assets was recognised largely as a result of (i) a decline in the forecast of the short to medium term copper price (ii) a revision to the mine plan and (iii) an increase in the discount rate used in the valuation of the mine. ARM's attributable share of the impairment amounted to R1 404 million. For the impairment calculation a pre-tax discounted rate of 24.43% and the following real term copper prices were used.

	2H F2016	F2017	F2018	F2019	Long-term
US\$/tonne	4 569	4 615	4 939	5 427	6 369

	Unaudited Six months ended 31 December 2015 Rm	2014 Rm	Audited Year ended 30 June 2015 Rm
--	--	------------	--

4. 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

14 094 14 305 14 305

Income for the period

582 852 1 330

Consolidation adjustments

(15) (22) (41)

Net income for the period

567 830 1 289

Less: Dividends received for the period

(500) (750) (1 500)

Closing balance

14 161 14 385 14 094

Refer to notes 2.1, 2.2, 2.3, 2.6 and 2.7 for further detail relating to the ARM Ferrous segment.

5. CASH AND CASH EQUIVALENTS

– African Rainbow Minerals Limited

234 288 909

– ARM Finance Company SA

22 102 11

– ARM Coal Proprietary Limited

– – 1

– ARM Platinum Proprietary Limited

24 17 23

– Kingfisher Insurance Co Limited

69 119 121

– Nkomati

14 200 195

– Two Rivers Platinum Proprietary Limited

21 285 12

– Vale/ARM joint venture

26 34 25

– Venture Building Trust Proprietary Limited

6 3 2

– Restricted cash*

1 028 928 958

Total as per statement of financial position

1 444 1 976 2 257

Less overdrafts (refer note 7)

522 902 812

Total as per statement of cash flows

922 1 074 1 445

* Includes amount relating to an insurance captive cell (R702 million; 1H 2015: R620 million; F2015: R633 million). The remaining amount relates largely to rehabilitation trust funds at respective operations.

6. ASSETS HELD FOR SALE

– 12 12

During the reporting period the investment property was sold.

Notes to the financial statements

for the six months ended 31 December 2015

	Unaudited Six months ended 31 December		Audited Year ended 30 June
	2015 Rm	2014 Rm	2015 Rm
7. BORROWINGS			
Long-term borrowings are held as follows:			
– African Rainbow Minerals Limited	300	–	–
– ARM Finance Company SA	309	567	426
– ARM Coal Proprietary Limited (partner loan)	1 364	1 220	1 428
– Nkomati	29	–	46
– Two Rivers Platinum Proprietary Limited	33	61	37
– Vale/ARM joint operation	20	10	28
– Vale/ARM joint operation (partner loan)	712	505	546
	2 767	2 363	2 511
Short-term borrowings are held as follows:			
– African Rainbow Minerals Limited	1	–	–
– Anglo American Platinum Limited (partner loan)	114	114	114
– ARM Coal Proprietary Limited (partner loan)	108	188	32
– ARM Finance Company SA	448	289	328
– Nkomati	13	–	14
– Two Rivers Platinum Proprietary Limited	48	64	52
– Vale/ARM joint operation	103	–	19
	835	655	559
Overdrafts are held as follows:			
– African Rainbow Minerals Limited	1	346	290
– ARM Mining Consortium Limited	37	80	93
– Two Rivers Platinum Proprietary Limited	311	287	226
– Vale/ARM joint operation	153	169	183
– Other	20	20	20
	522	902	812
Overdrafts and short-term borrowings	1 357	1 557	1 371
Total borrowings	4 124	3 920	3 882

Notes to the financial statements

for the six months ended 31 December 2015

	Unaudited Six months ended 31 December		Audited Year ended 30 June 2015
	2015 Rm	2014 Rm	2015 Rm
8. SPECIAL ITEMS			
Impairment of property, plant and equipment – Lubambe	(1 755)	–	(980)
Impairment of property, plant and equipment – Nkomati	(116)	–	–
Unrealised impairment on available-for-sale listed investment – Harmony	–	(273)	(656)
Profit/(loss) on sale of property, plant and equipment	16	–	(23)
Special items per income statement before taxation effect	(1 855)	(273)	(1 659)
Impairment of property, plant and equipment accounted for directly in joint venture – Assmang	(44)	–	(406)
Loss on sale of property, plant and equipment accounted for directly in joint venture – Assmang	–	(4)	(9)
Special items before taxation effect	(1 899)	(277)	(2 074)
Taxation accounted for in joint venture – impairment at Assmang	12	–	114
Taxation accounted for in joint venture – loss on sale at Assmang	–	1	2
Taxation on impairment of available-for-sale listed investment – Harmony	–	51	122
Taxation on impairment – Nkomati	33	–	–
Special items after taxation effect	(1 854)	(225)	(1 836)
Non-controlling interest – Lubambe impairment	351	–	196
Total amount adjusted for headline earnings	(1 503)	(225)	(1 640)
9. HEADLINE EARNINGS			
Basic (loss)/earnings attributable to equity holders of ARM	(996)	801	104
Impairment of property, plant and equipment – Lubambe	1 755	–	980
Impairment of property, plant and equipment – Nkomati	116	–	–
Unrealised impairment on available-for-sale listed investment – Harmony	–	273	656
Impairment of property, plant and equipment in joint venture – Assmang	44	–	406
(Profit)/loss on sale of property, plant and equipment	(16)	–	23
Loss on sale of property, plant and equipment in joint venture – Assmang	–	4	9
	903	1 078	2 178
Taxation accounted for directly in associate and joint venture	(12)	(1)	(116)
Taxation on impairment of available-for-sale listed investment – Harmony	–	(51)	(122)
Taxation on impairment – Nkomati	(33)	–	–
	858	1 026	1 940
Non-controlling interest – Lubambe impairment	(351)	–	(196)
Headline earnings	507	1 026	1 744
10. TAXATION			
South African normal tax – current year	99	175	418
– mining	77	164	319
– non-mining	22	11	99
– prior year	–	–	(4)
Deferred tax – current year	90	31	(63)
Foreign taxes	–	2	2
	189	208	353

Notes to the financial statements

for the six months ended 31 December 2015

	Unaudited Six months ended 31 December		Audited Year ended 30 June
	2015 Rm	2014 Rm	2015 Rm
11. CASH GENERATED FROM OPERATIONS			
Cash generated from operations before working capital movement	729	1 307	2 345
Working capital changes	(256)	178	163
Movement in inventories	43	49	96
Movement in payables and provisions	(197)	(211)	(754)
Movement in inventories	(102)	340	821
Cash generated from operations (per statement of cash flows)	473	1 485	2 508
12. 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	111	213	239
– not contracted for	2	77	9
Total commitments	113	290	248
Shareholders are advised that further to the disclosure made regarding contingent liabilities of the Group in the 30 June 2015 integrated annual report, guarantees provided by ARM to the ARM Broad-Based Economic Empowerment Trust (ARM BBEE Trust) increased to R850 million by 31 December 2015.			
There have been no further significant changes in the contingent liabilities of the Group as disclosed in the 30 June 2015 integrated annual report.			
13. EVENTS AFTER REPORTING DATE			
Subsequent to the end of the reporting period ARM has proposed a restructuring of the ARM BBEE Trust which will include a repurchase of 12 717 328 ARM shares from the ARM BBEE Trust, the advance of a subordinated unsecured loan of approximately R800 million by ARM to the ARM BBEE Trust and the removal of the R850 million guarantee. This proposed restructuring was fully described by the company in the SENS announcement on 15 February 2016.			

NOTES

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NOTES

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Contact details and administration

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

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Transfer secretaries

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Forward-looking statements

Certain statements in this report constitute forward-looking statements that are neither reported financial results nor other historical information. They include but are not limited to statements that are predictions of or indicate future earnings, savings, synergies, events, trends, plans or objectives. Such forward-looking statements may or may not take into account and may or may not be affected by known and unknown risks, uncertainties and other important factors that could cause the actual results, performance or achievements of the Company to be materially different from the future results, performance or achievements expressed or implied by such forward-looking statements. Such risks, uncertainties and other important factors include among others: economic, business and political conditions in South Africa; decreases in the market price of commodities; hazards associated with underground and surface mining; labour disruptions; changes in government regulations, particularly environmental regulations; changes in exchange rates; currency devaluations; inflation and other macro-economic factors; and the impact of the HIV 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

