

“ARM’s headline earnings increased by 66% as a result of increased contributions from the iron ore, manganese ore, Two Rivers, Nkomati and Goedgevonden mines.”

Patrice Motsepe
Executive Chairman



Two Rivers Mine Plant



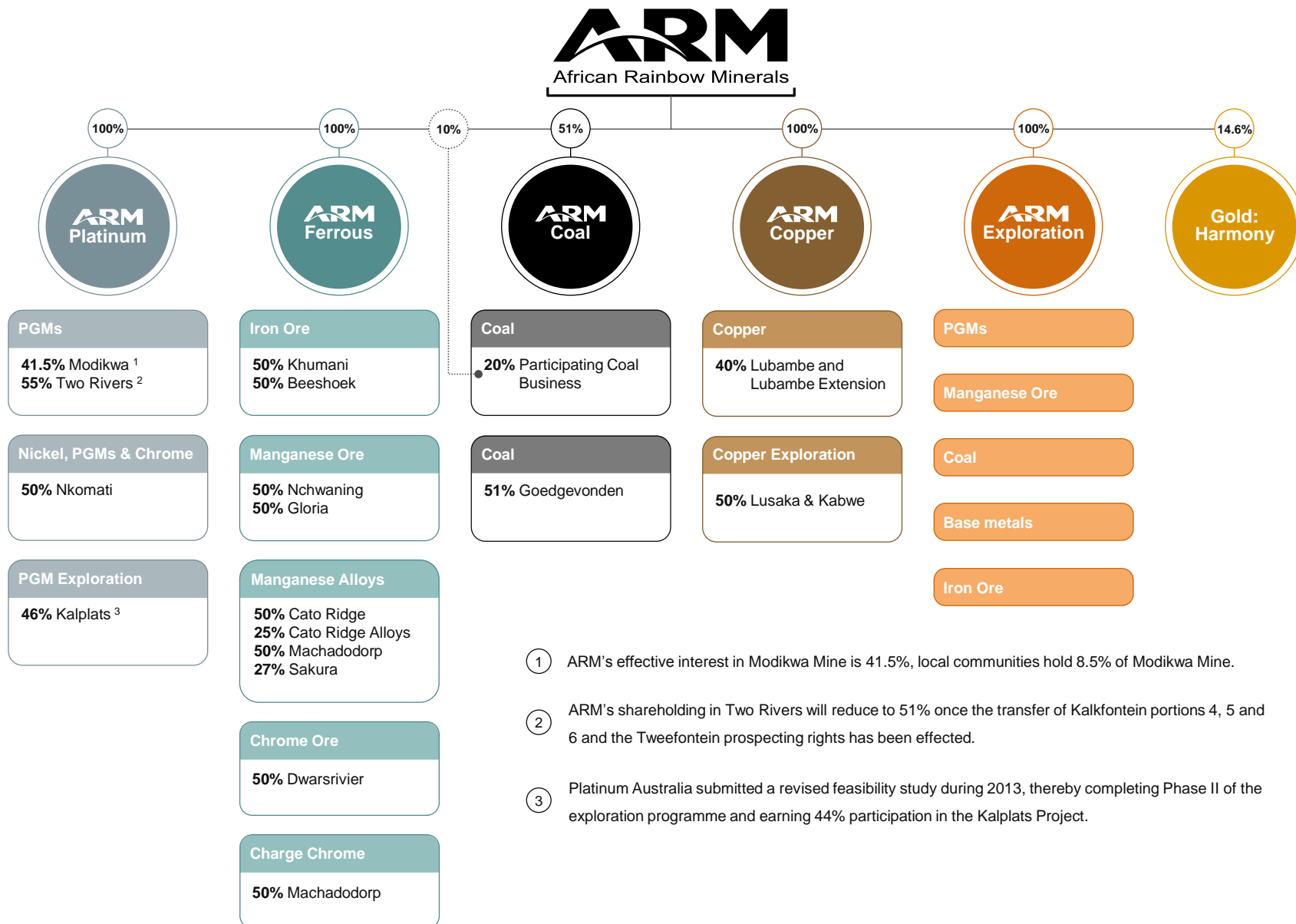
Overview and strategy

Patrice Motsepe, Executive Chairman

Disclaimer

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 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.

Group structure



**Headline earnings increased by 66% to R2.34 billion (1H F2013: R1.41 billion).
Headline earnings per share were 1 084 cents compared to 654 cents per share
in the corresponding period.**

**Basic earnings of R1.71 billion were negatively affected by exceptional items of
R627 million.**

**The largest exceptional item related to a R510 million unrealised mark-to-
market loss on the Harmony investment.**

ARM Ferrous' contribution to headline earnings increased by 108% from R1.04 billion (restated) to R2.15 billion mainly as a result of:

- higher US Dollar prices realised for iron ore and**
- a weaker Rand.**

ARM Platinum's contribution to headline earnings increased from R299 million to R363 million.

The increase was achieved despite lower US Dollar PGM and nickel prices.

Increased sales volumes were achieved in:

- iron ore
- PGMs
- nickel
- manganese alloys
- export coal from Goedgevonden
- chrome concentrate and
- copper.

**Decrease in unit production costs achieved at Nkomati Nickel Mine.
Cost increases at Dwarsrivier and Two Rivers were lower than inflation.**

Update on growth projects

Lubambe Copper Mine:

- the concentrate specification issues have been resolved.
- challenges with the late commissioning of the vertical shaft have also been resolved.

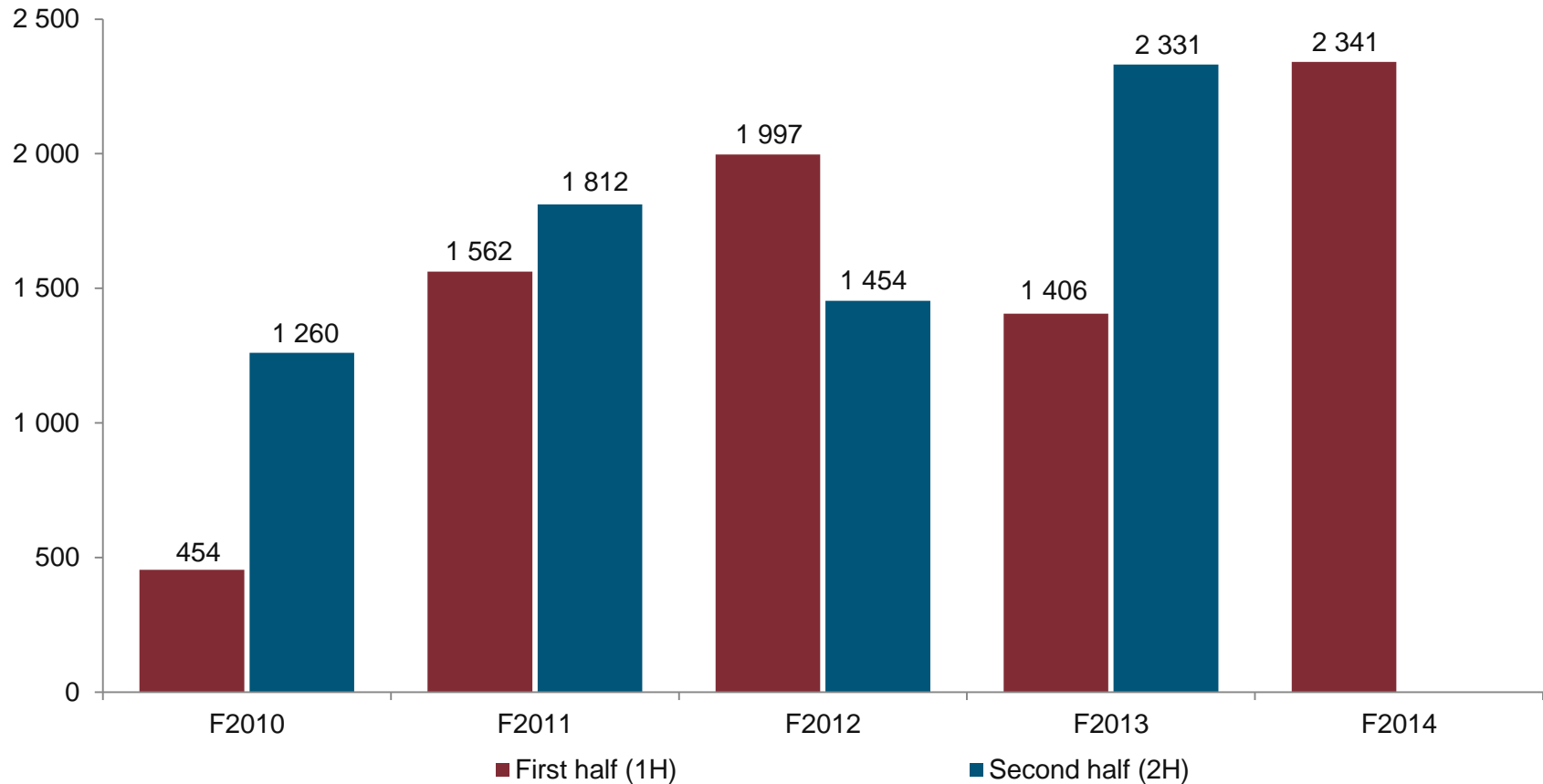
Earthworks have commenced at the Sakura manganese alloy smelting project.

ARM managed operations completed 23 months without a fatality.

The Lost Time Injury Frequency Rate (LTIFR) remained constant at 0.41 per 200 000 man-hours compared to the corresponding period.

Headline earnings

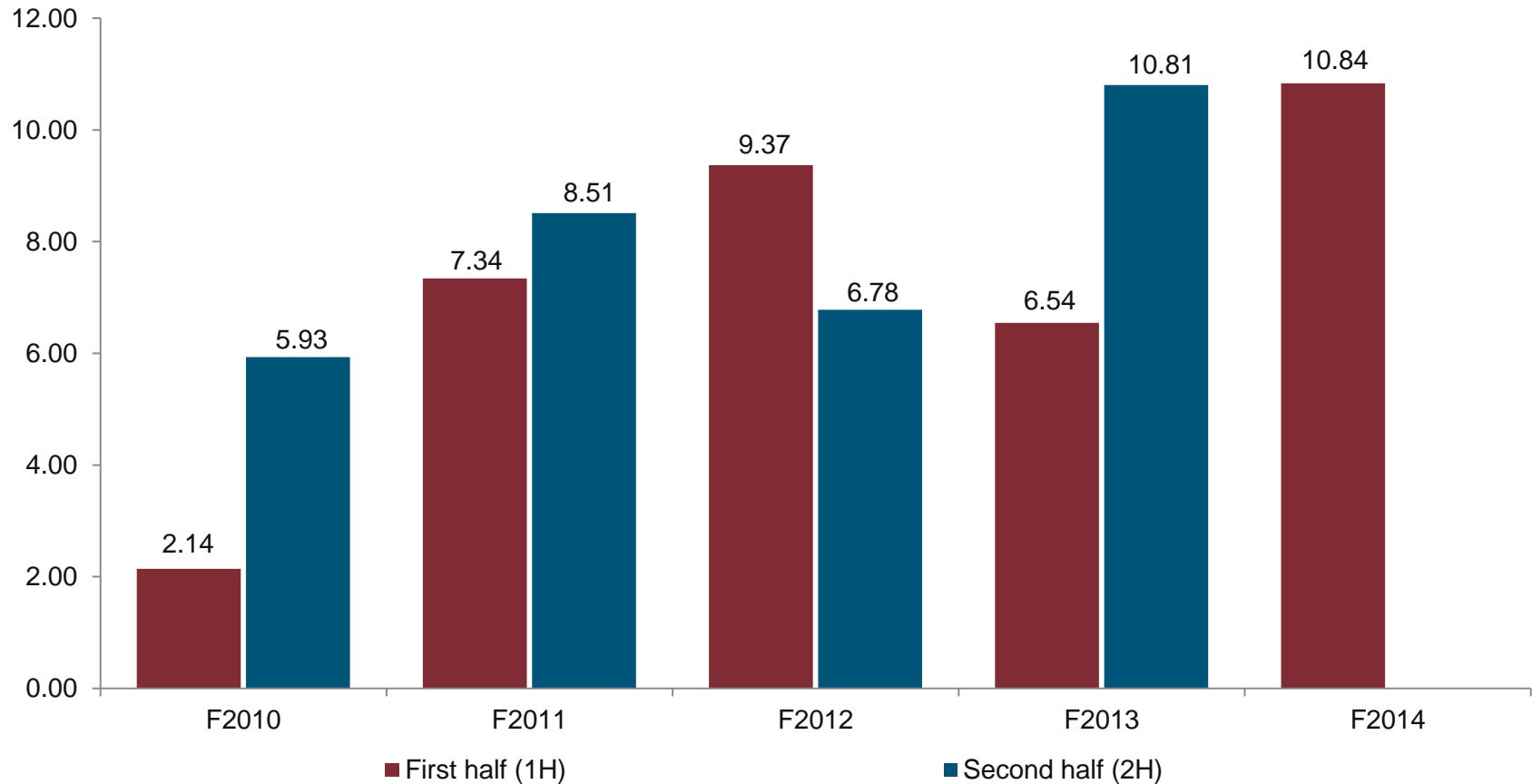
Headline earnings (R million)



Headline earnings increased by 66% compared to the corresponding period.

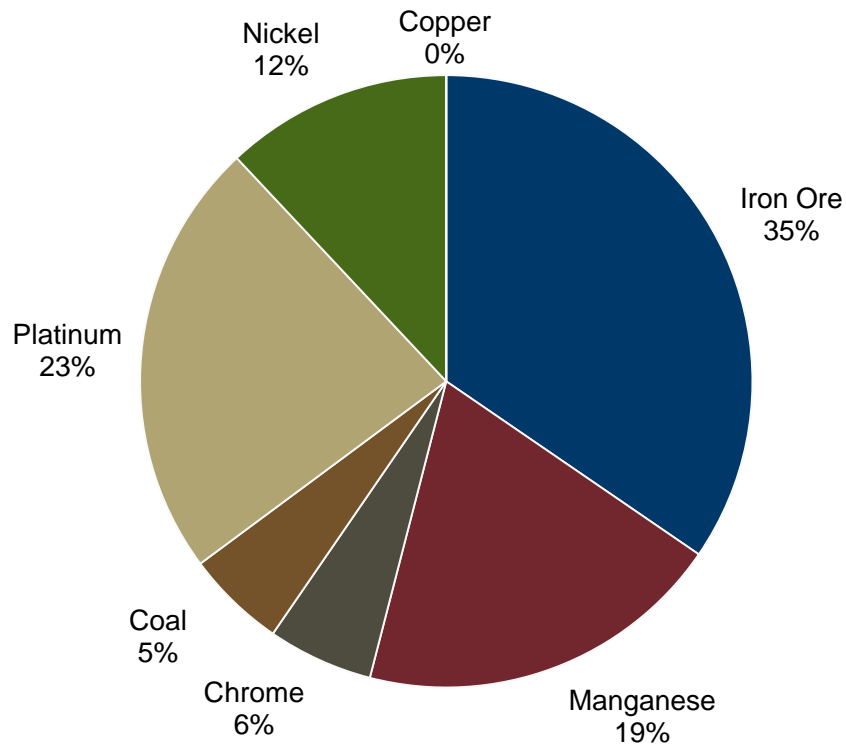
Headline earnings per share

Headline earnings per share (Rands)

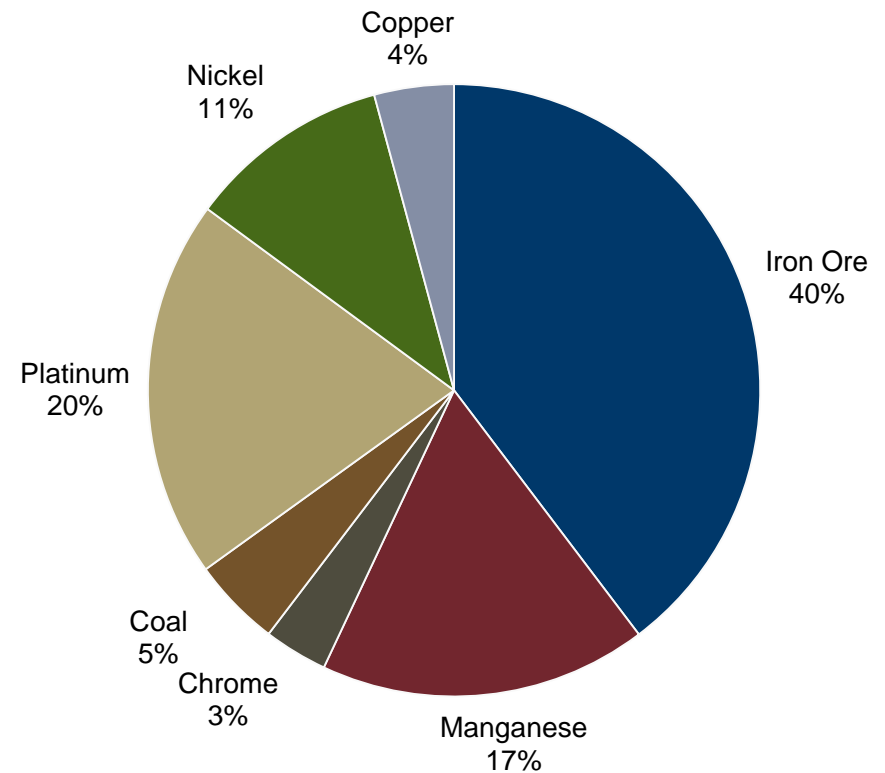


Sales composition: segmental analysis

1H F2013 sales split



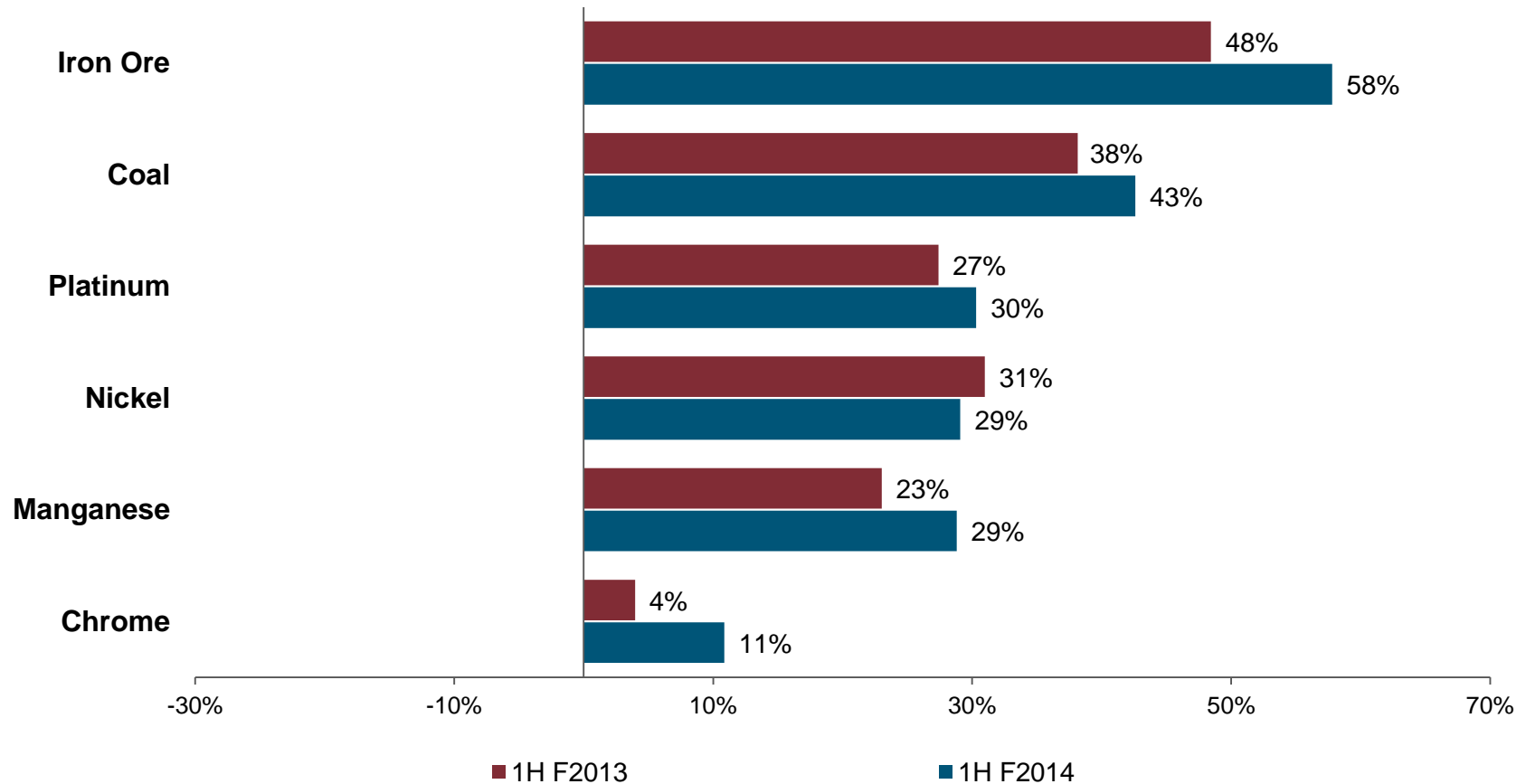
1H F2014 sales split



Iron ore and copper sales contribution increased.

EBITDA margins

EBITDA margins by commodity



EBITDA margins have improved.
The copper mine is not reflected as it is in early stage ramp-up.

ARM strategy



Owner operator

Entrepreneurial
management

Profit focused

Partner of choice

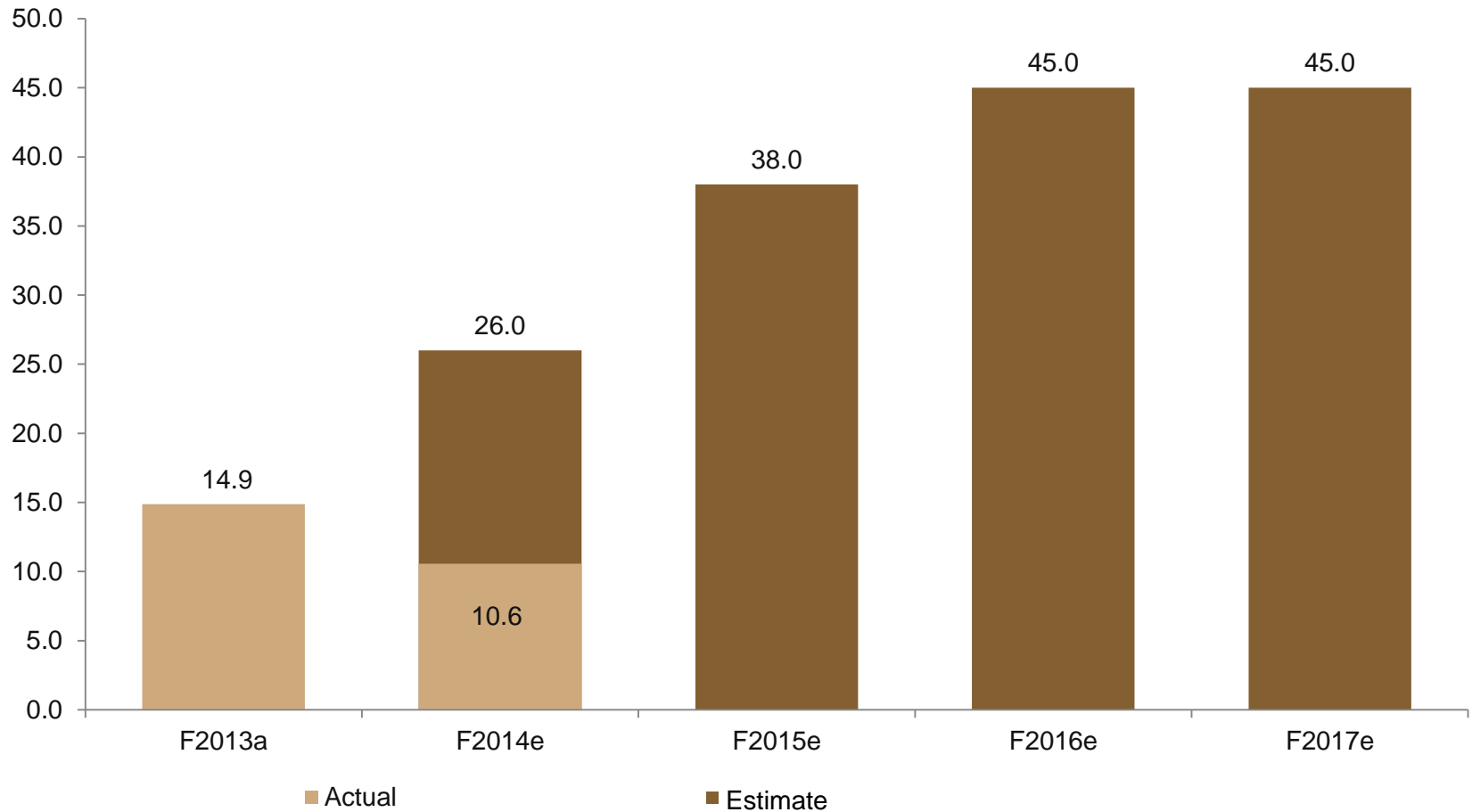
Employer of choice

World-class
management team

Responsible community
development

Lubambe Mine ramp-up

Copper produced (thousand tonnes)



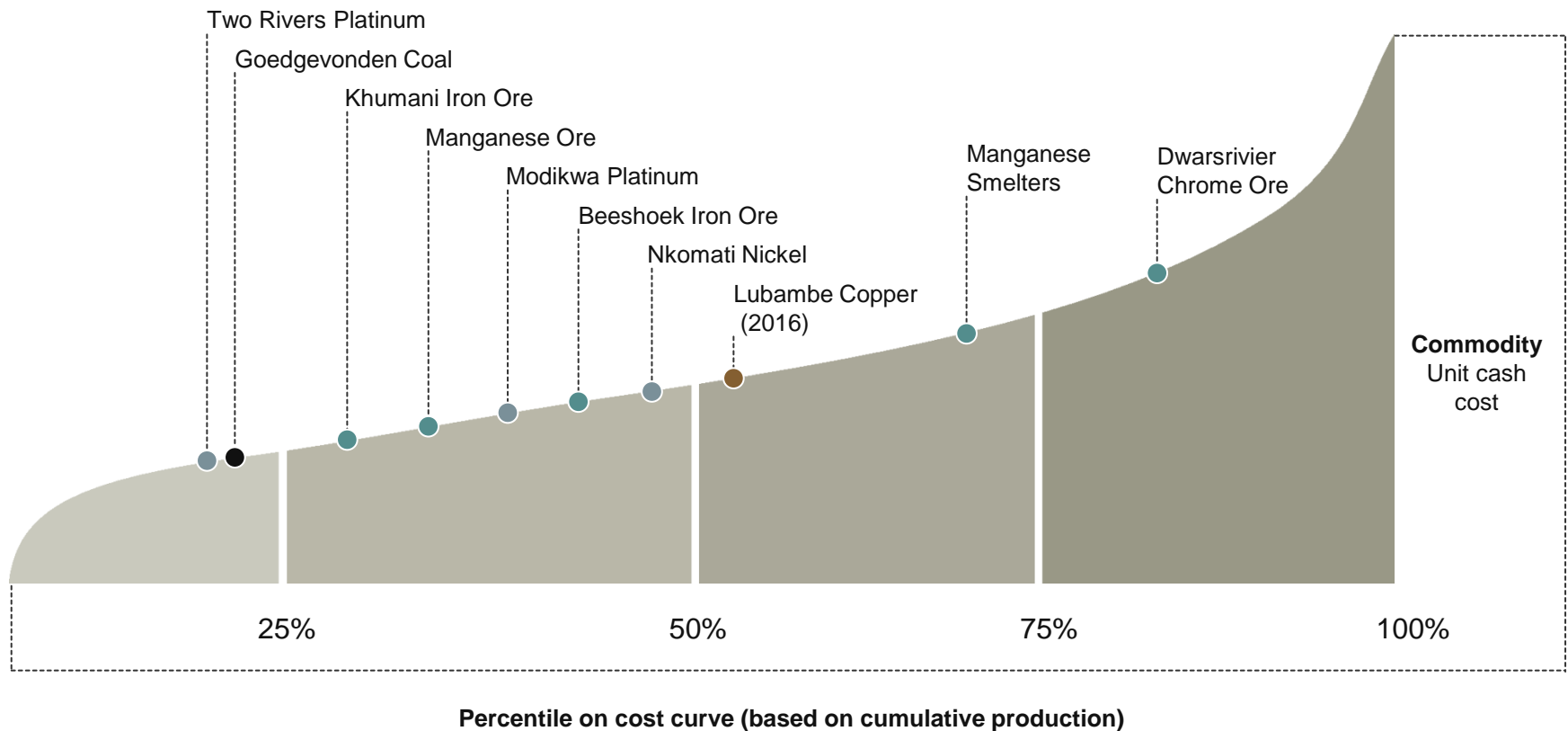
Steady state production is expected in F2016.

Quality growth opportunities

- Manganese ore expansion beyond 3 mtpa
- Iron ore expansion
- Expansion of Modikwa Platinum Mine
- Lubambe Copper Extension
- Exploration with Rovuma Resources
- Thermal coal projects

Operational efficiencies

ARM's objective is to have its operations below the 50th percentile on the global cost curve.



ARM Exploration continues with base metal exploration in Northern Mozambique.

ARM Exploration is investigating and evaluating brownfields exploration opportunities in several African countries.

Mergers and Acquisitions

ARM continues to evaluate value adding acquisitive growth opportunities.

ARM's strong financial status, positions it favourably to pursue value adding acquisitive growth.

Global commodity prices and currencies remain volatile.

The Chinese economy remains supportive of demand for the commodities that ARM produces.

The South African mining industry is being challenged by rising costs for labour, fuel and electricity.

ARM is focussing on containing costs to ensure that its operations continue to be positioned below the 50th percentile of the global cost curves.



Aerial view of Lubambe Copper Mine



Operational review

Mike Schmidt, Chief Executive Officer

Divisional headline earnings

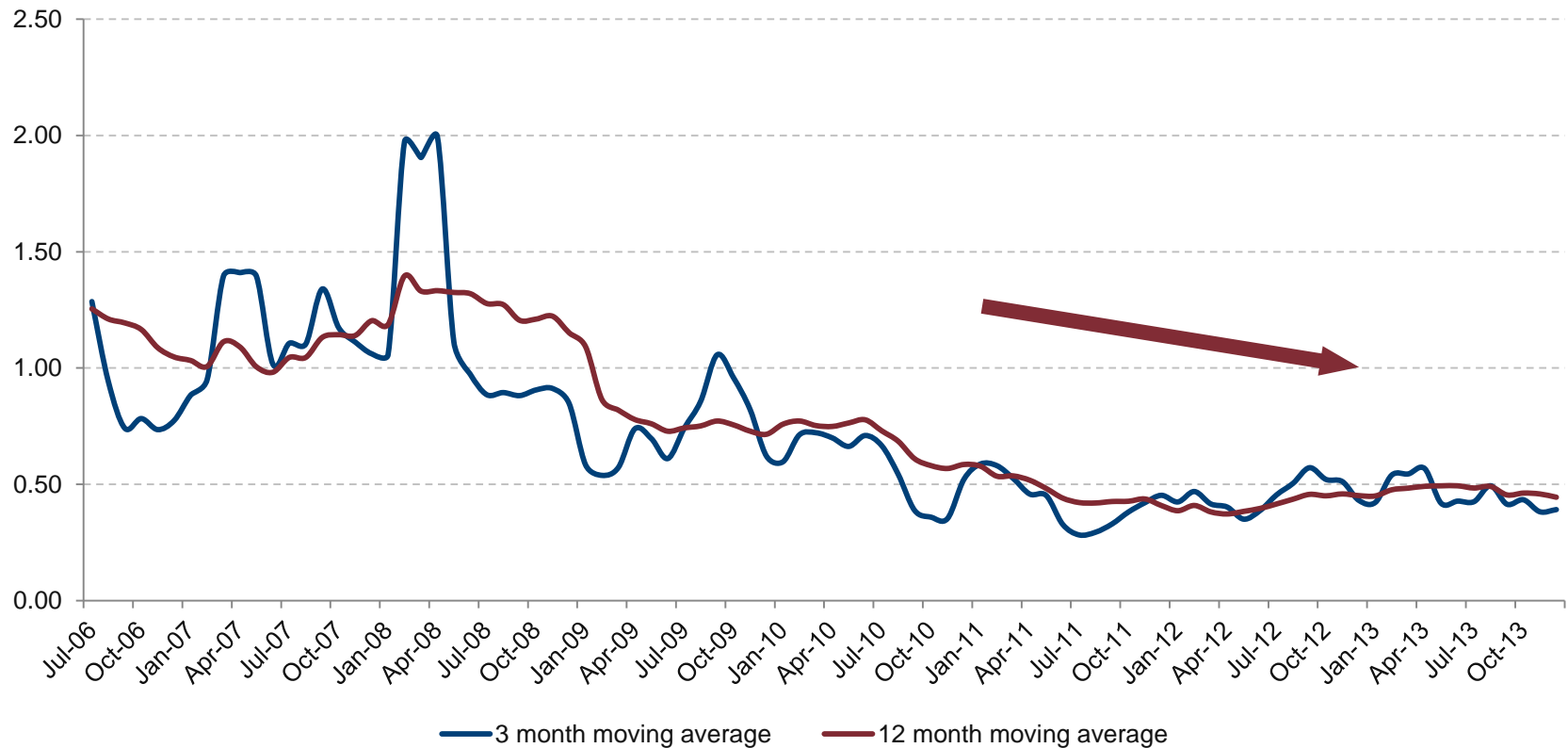
Contribution to headline earnings (R million)

Commodity	Six months ended 31 December		
	2013	2012	% change
Platinum Group Metals	206	152	36
Nkomati Nickel and Chrome	157	147	7
Ferrous Metals*	2 153	1 035	108
Coal	(34)	105	(132)
Copper	(122)	(21)	>(250)
Exploration	(24)	(36)	33
Gold	-	32	-
Corporate and Other*	5	(8)	-
ARM Headline Earnings	2 341	1 406	66

* Includes IFRS 11 adjustments related to ARM Ferrous.

Improvement in safety record

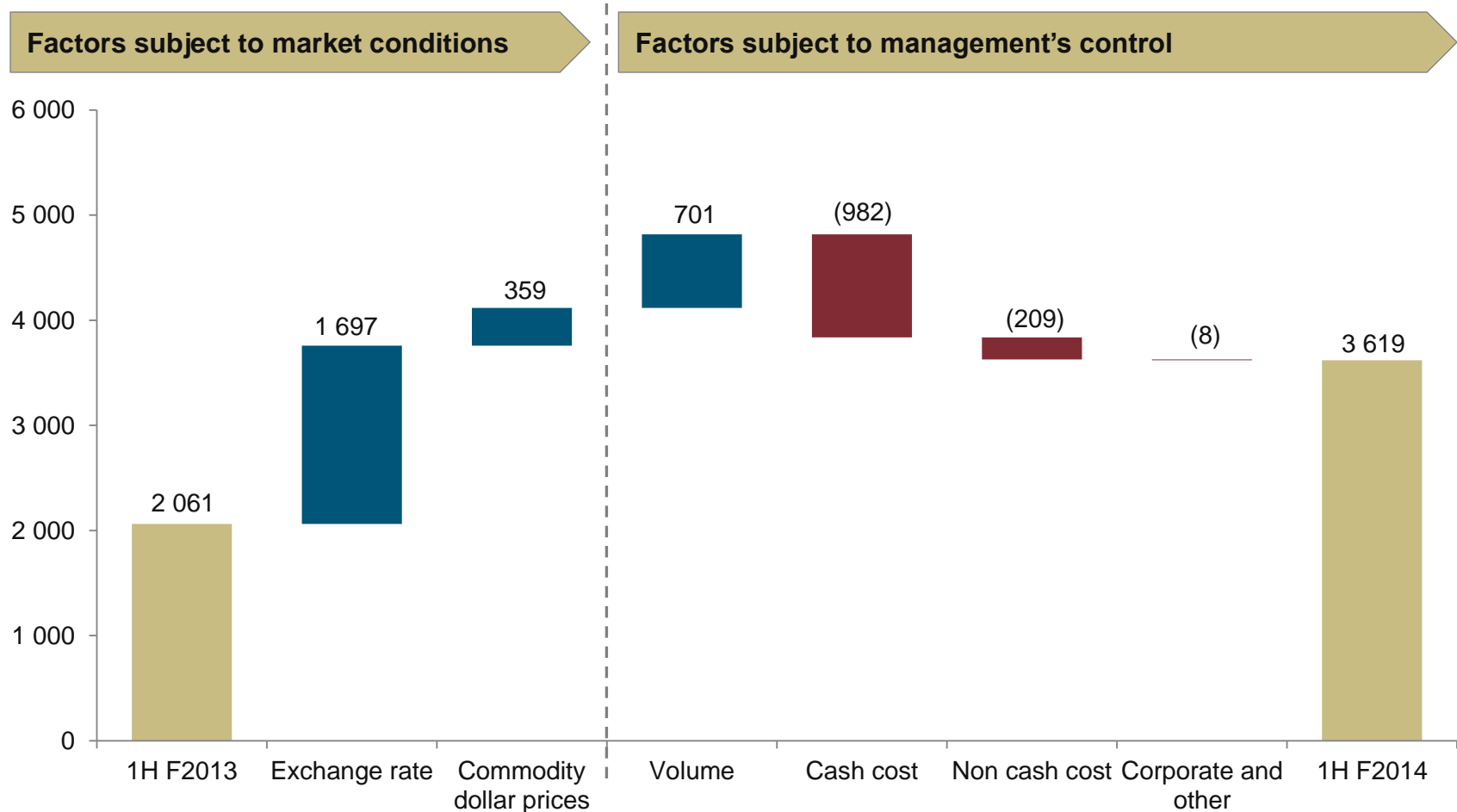
Lost Time Injury Frequency Rate (LTIFR) per 200 000 man hours worked



No fatalities on ARM managed mines in 1H F2014

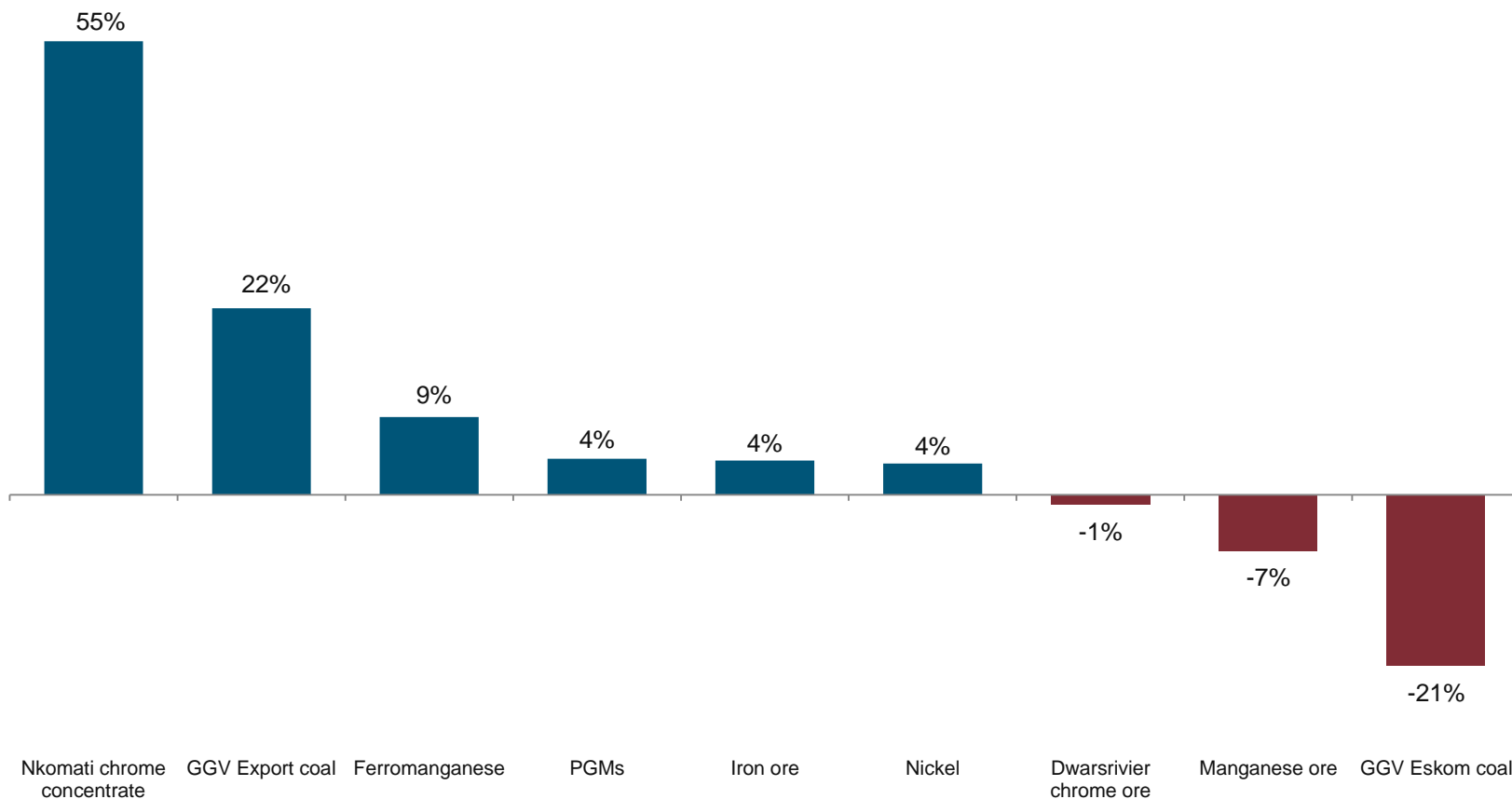
Segmental profit variance analysis

Unaudited profit variance analysis – Profit from operations before exceptional items (R million)



Changes in sales volumes

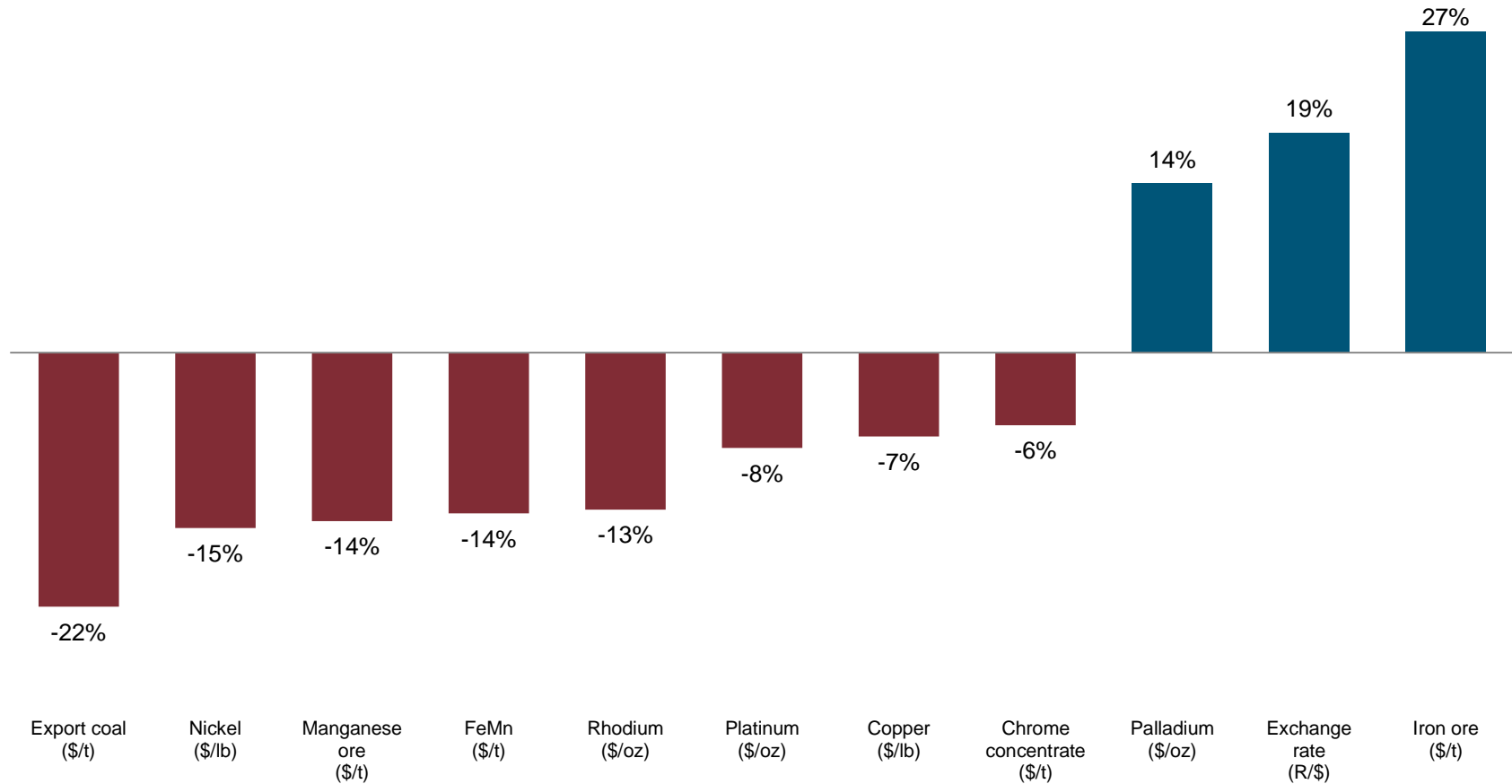
1H F2014 vs. 1H F2013 sales volumes % change



Copper sold for 1H F2014 was 14 325 tonnes.

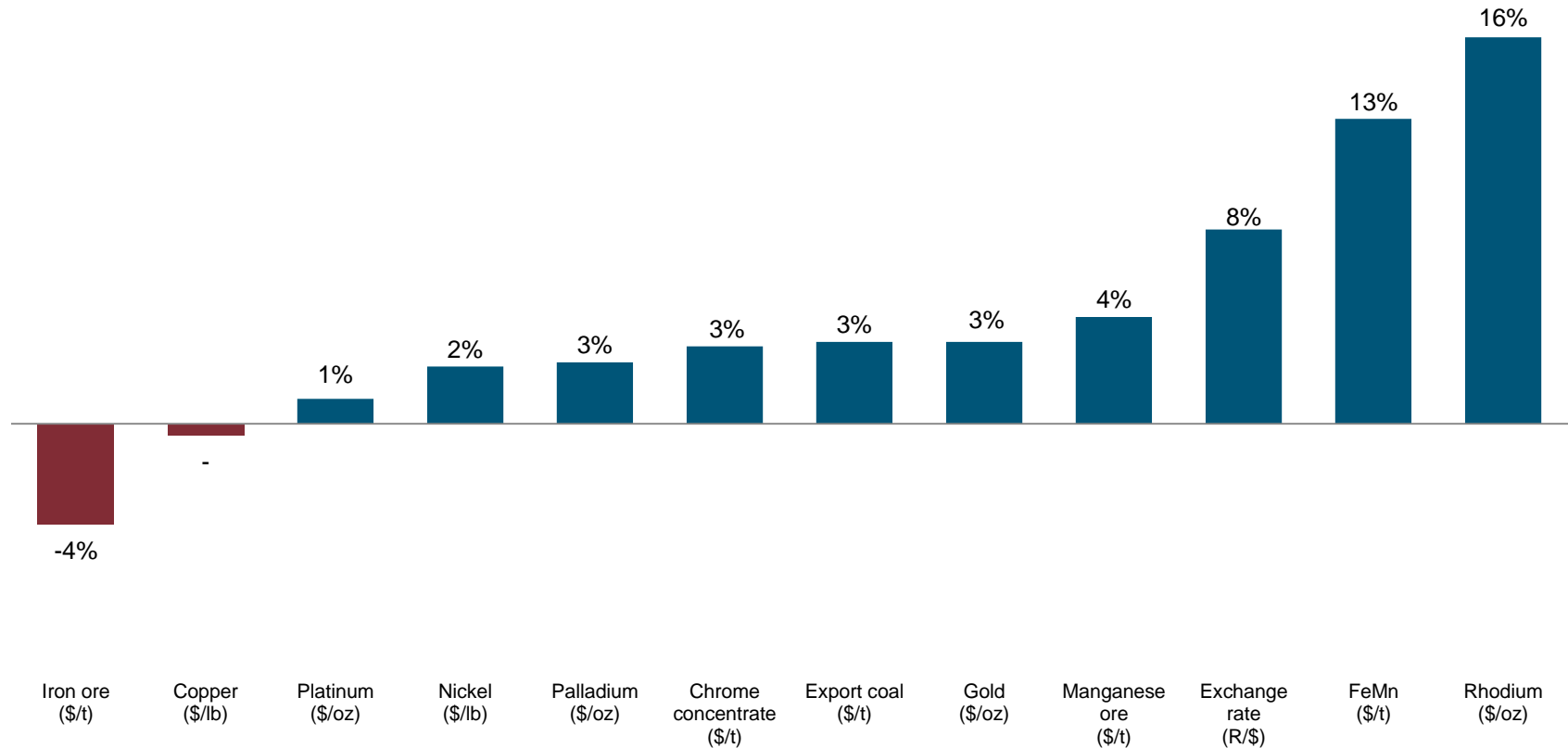
Changes in US Dollar realised prices

1H F2014 vs. 1H F2013 realised prices % change



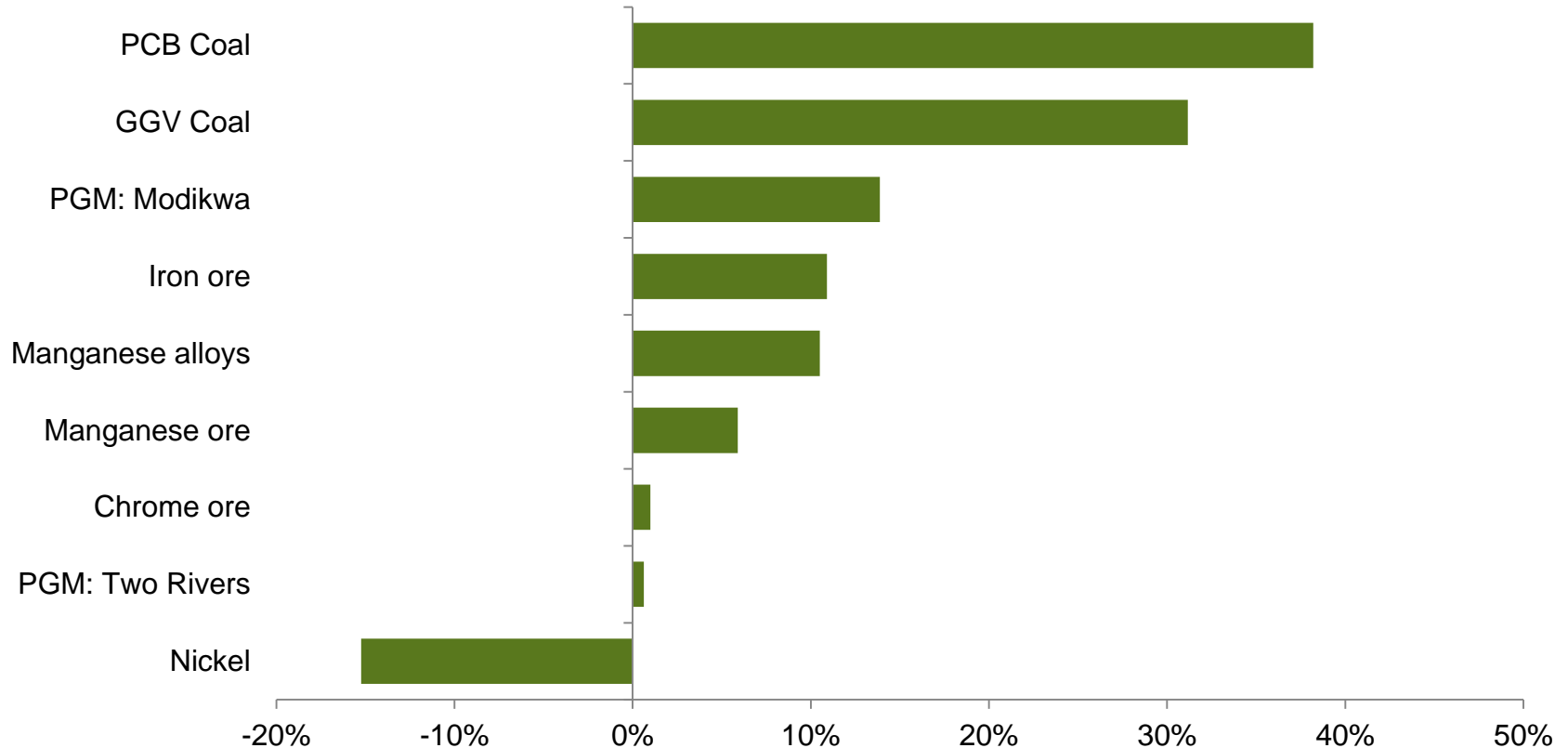
Spot price comparison to 1H F2014

Spot prices on 26 February 2014 vs. 1H F2014 realised prices % change



Unit cost changes by commodity

1H F2014 vs. 1H F2013 on-mine production unit cost % change

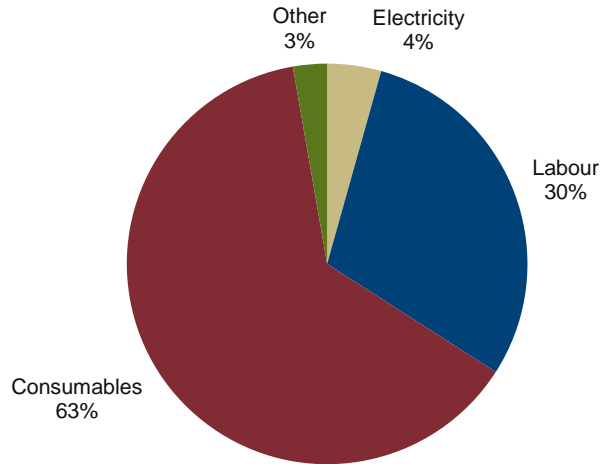


Nkomati C1 cash cost net of by products decreased 15% to \$4.35/lb produced

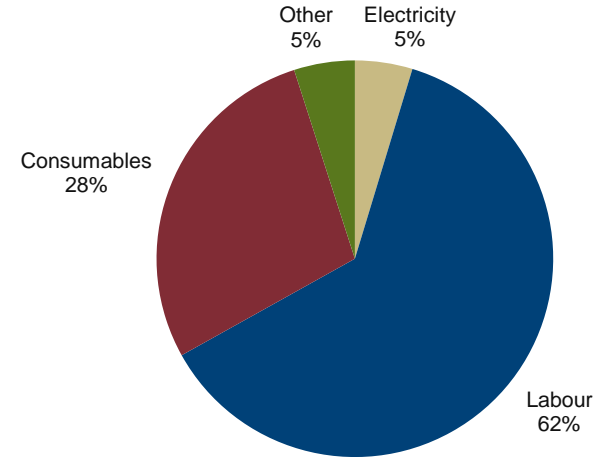
COSTS ANALYSIS

ARM Ferrous

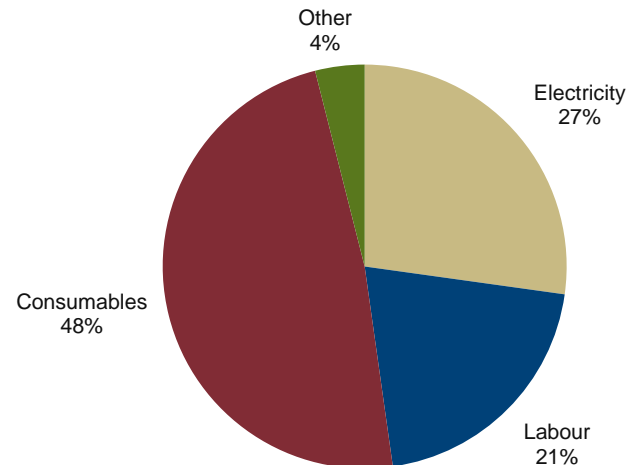
Iron ore operations



Manganese ore operations



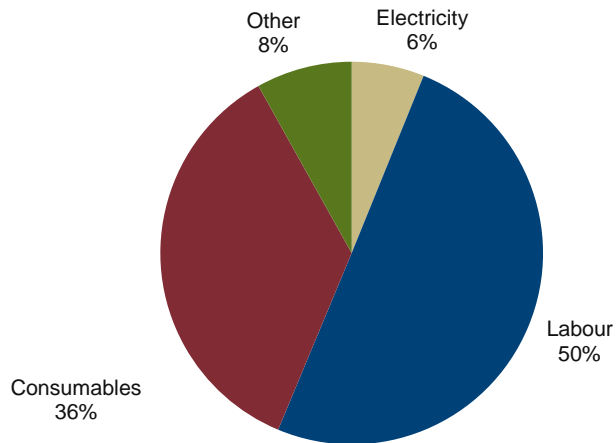
Manganese alloy operations



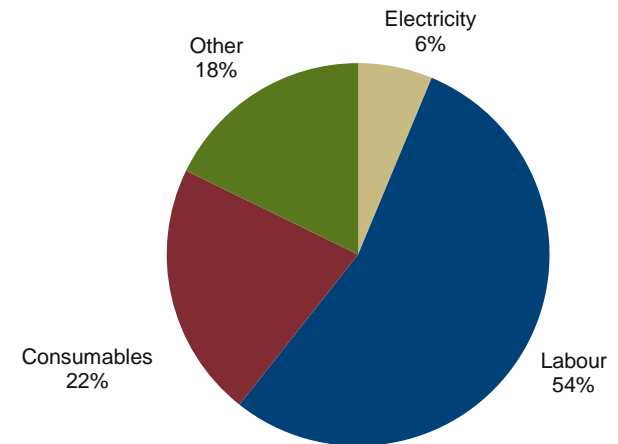
COSTS ANALYSIS

ARM Platinum

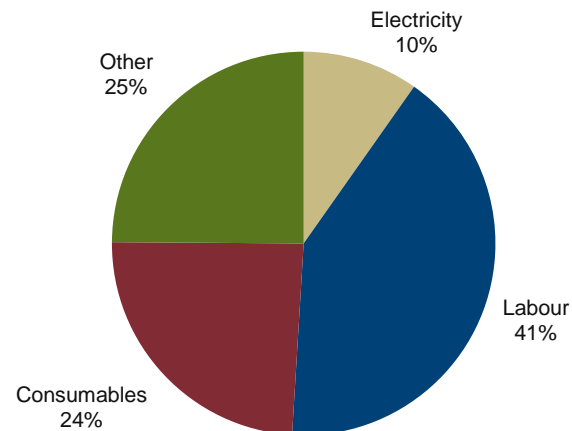
Two Rivers Platinum Mine



Modikwa Platinum Mine



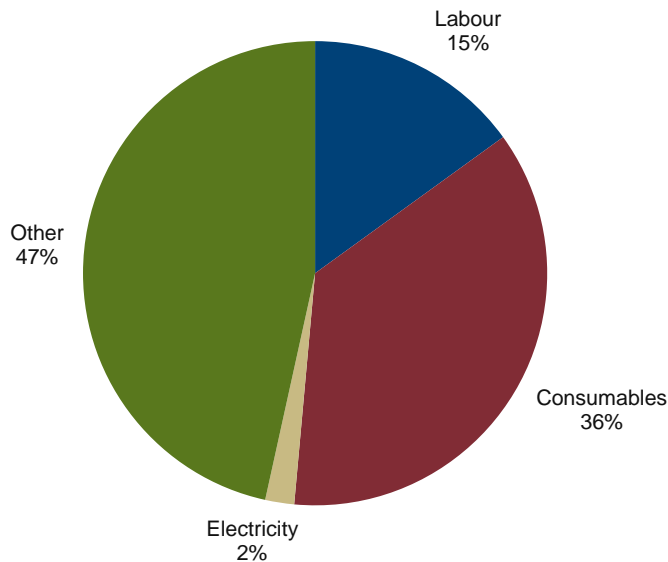
Nkomati Nickel Mine



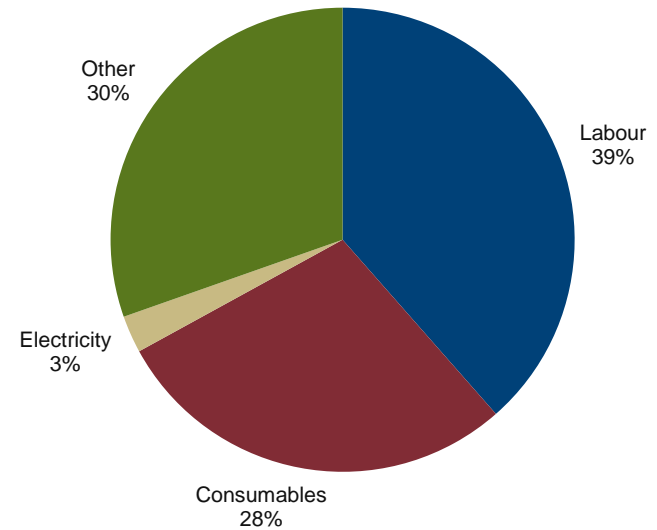
COSTS ANALYSIS

ARM Coal

Goedgevonden Mine

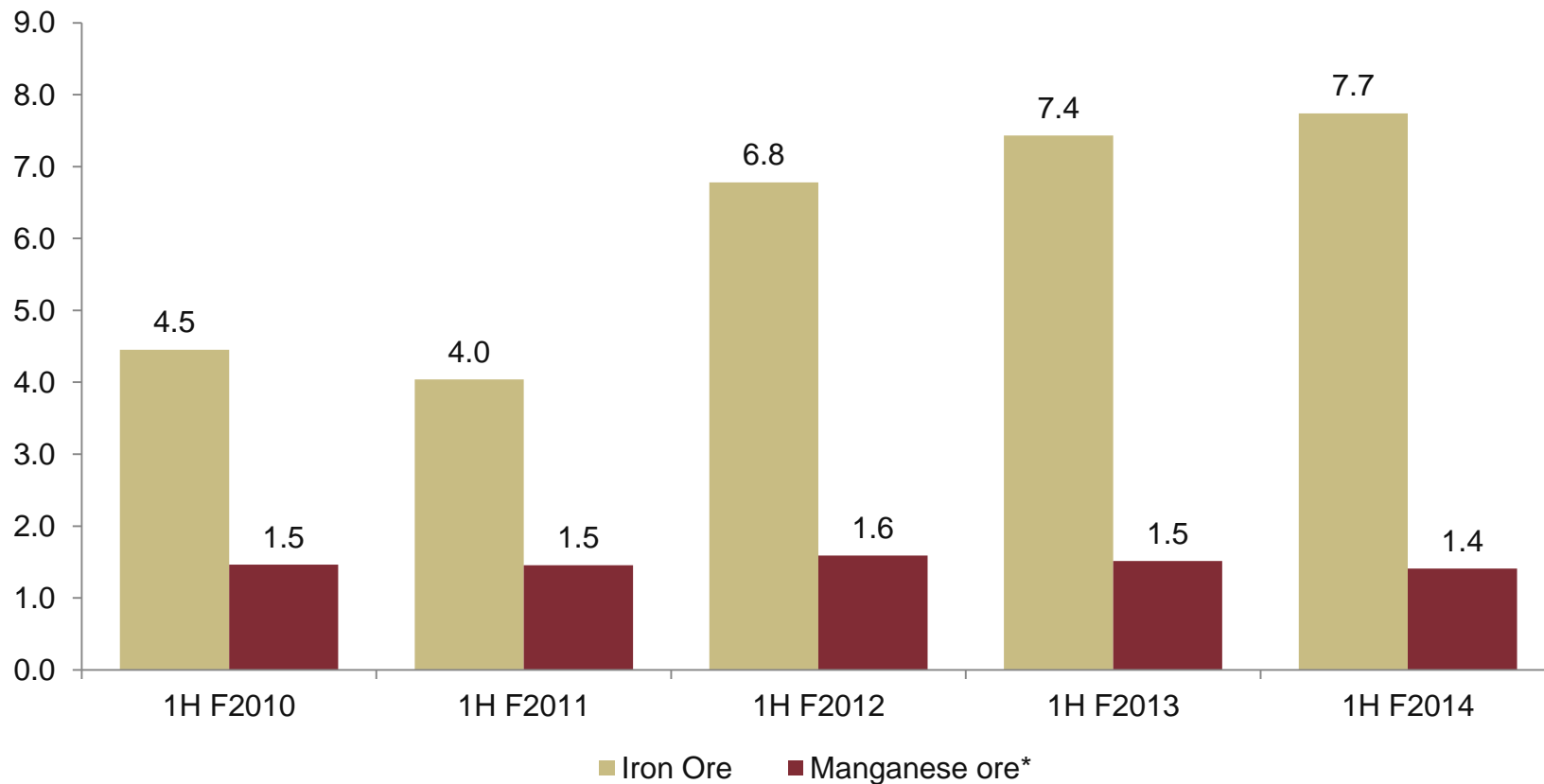


PCB operations



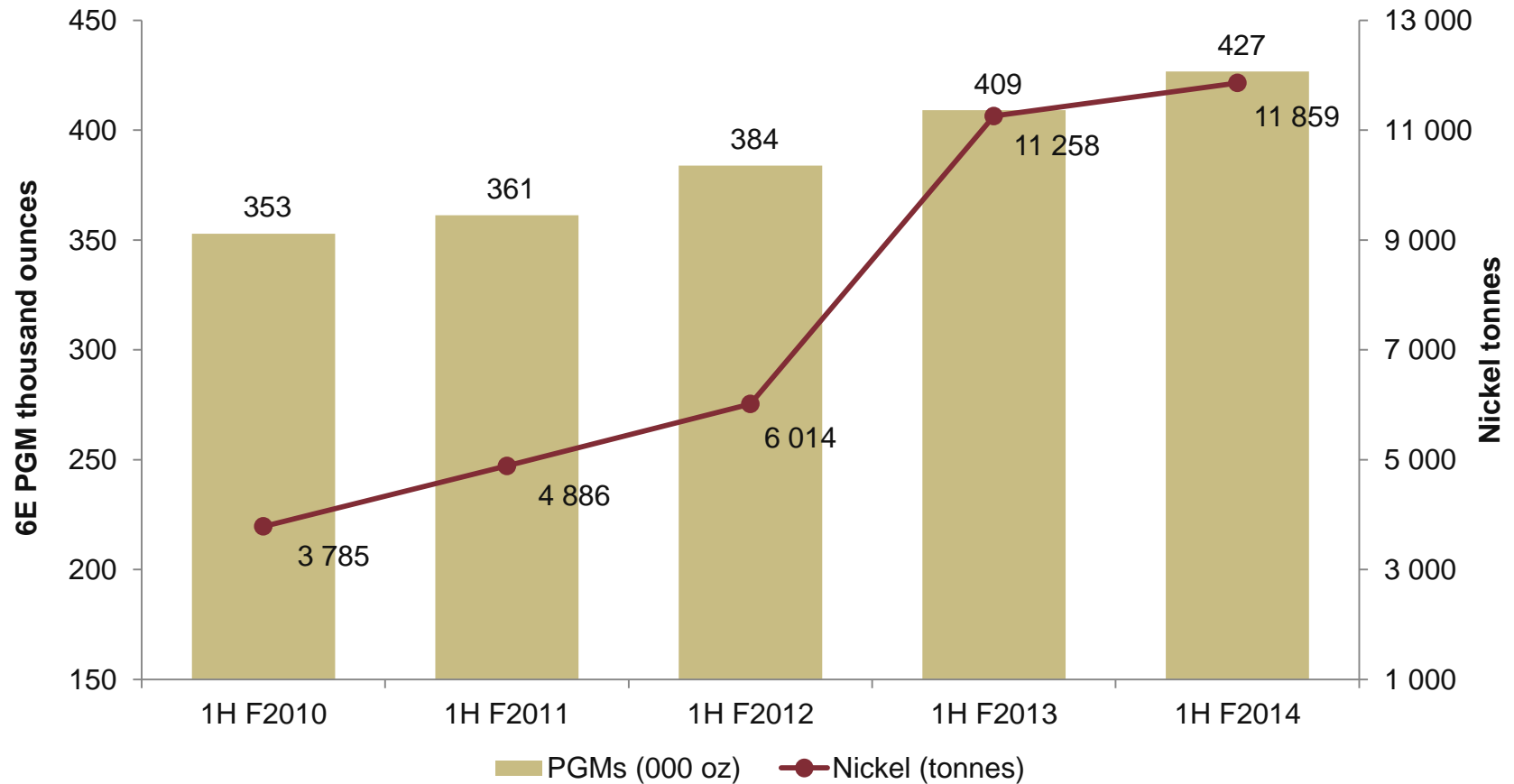
The transition of PCB from underground to open-cast mining is expected to be completed by 2016.

Iron ore and manganese ore sales volumes on a 100% basis (million tonnes)



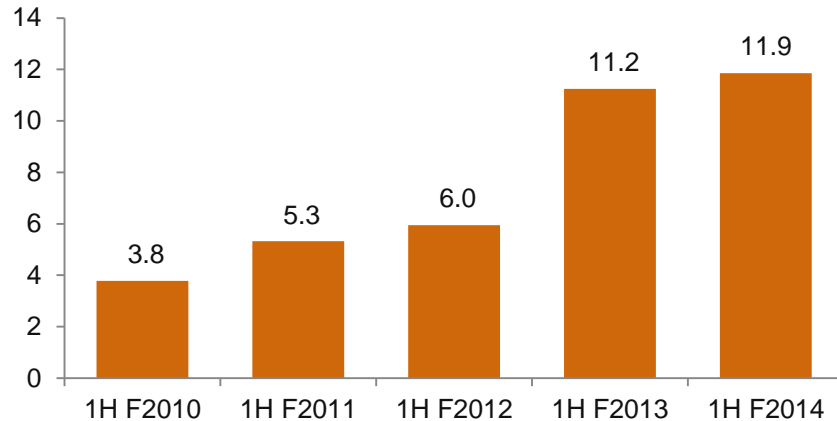
**Manganese ore sales exclude intra-group sales.*

PGM and nickel production on a 100% basis

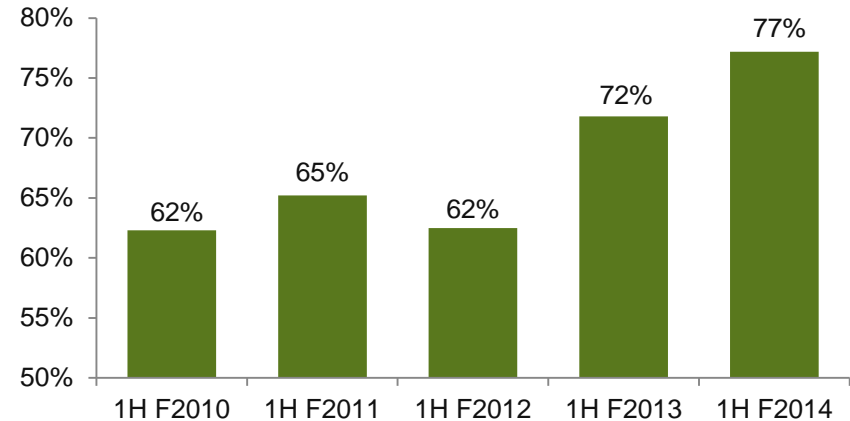


Sustained improvement in Nkomati operational performance

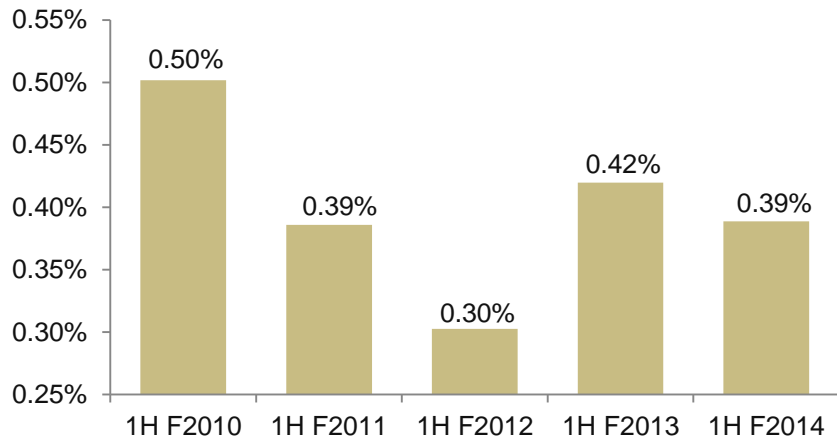
Nickel produced (thousand tonnes)



Average concentrator recoveries (%)



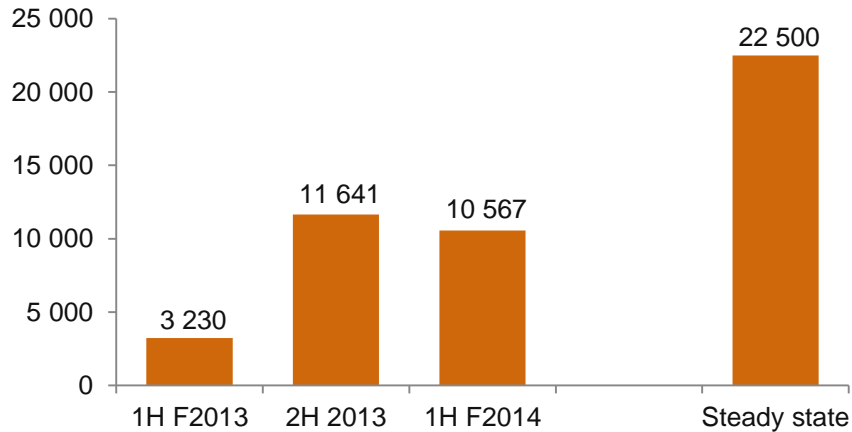
Average milling grade (% nickel content)



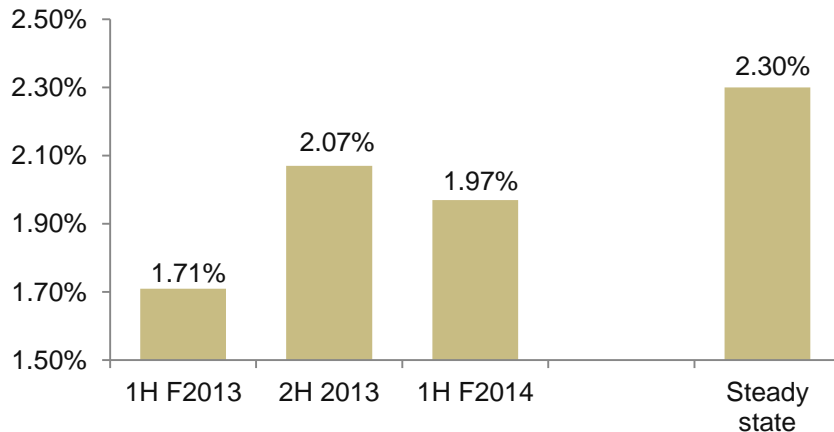
Cash operating cost		1H F2012	1H F2013	1H F2014
On-mine operating costs	US\$/lb	10.65	6.08	5.58
Off-mine operating cost	US\$/lb	3.17	2.35	2.63
PGM, copper and cobalt by-product credits	US\$/lb	(3.31)	(3.04)	(3.62)
Chrome by-product credit	US\$/lb	(0.28)	(0.26)	(0.23)
C1 cash cost net of by products	US\$/lb	10.24	5.13	4.35
On-mine cost per tonne milled	R/t	328	297	283

Lubambe Mine ramp-up

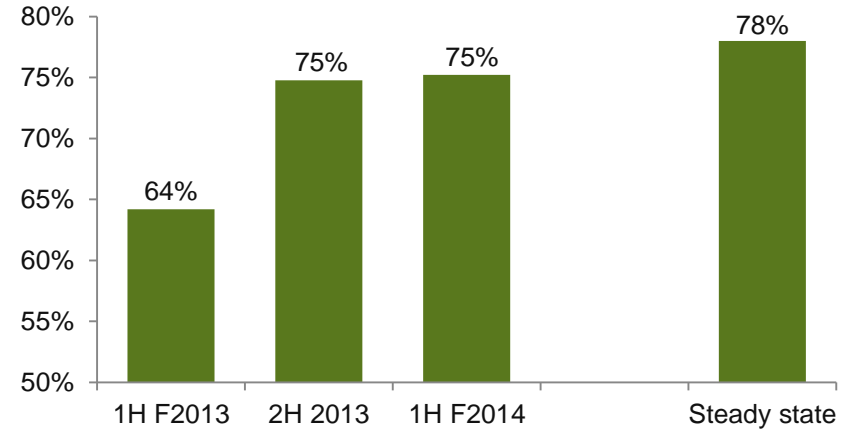
Copper produced per six months (tonnes)



Average mill head grade (% copper content)



Average concentrator recoveries (%)



Cash operating costs

		2H F2013	1H F2014	Steady State
On-mine operating costs	US\$/lb	3.10	2.62	1.35
Off-mine operating cost	US\$/lb	0.41	0.61	0.45
C1 cash cost	US\$/lb	3.51	3.23	1.80

On-mine and off-mine cost per tonne milled	US\$/t	119	107	71
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Lubambe Extension Area

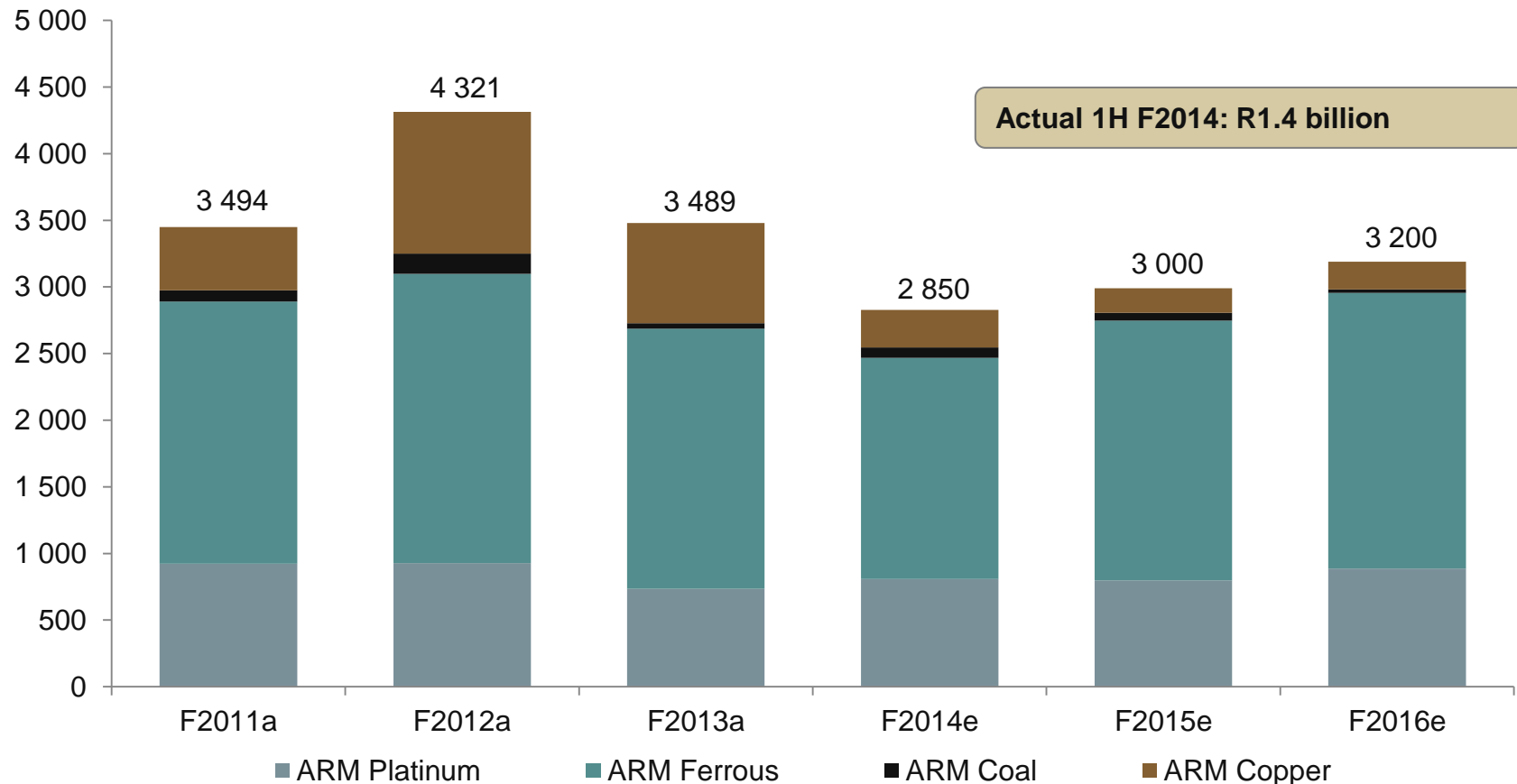
Total resource (indicated + inferred)

Description		AMEC statement Feb 2014	AMEC statement Feb 2013	Variance	% change
Resource tonnage	Mt	134.00	105.00	29.00	28
Total Copper grade	%	4.07	3.66	0.41	11
Acid soluble Copper grade	%	0.46	0.59	(0.13)	(22)
Cobalt grade	%	0.06	0.09	(0.03)	(33)
True thickness	Metres	10.43	10.74	(0.31)	(3)
Contained copper	Mt	5.46	3.84	1.62	42

There has been an increase in resource tonnes and average grade of the target area.

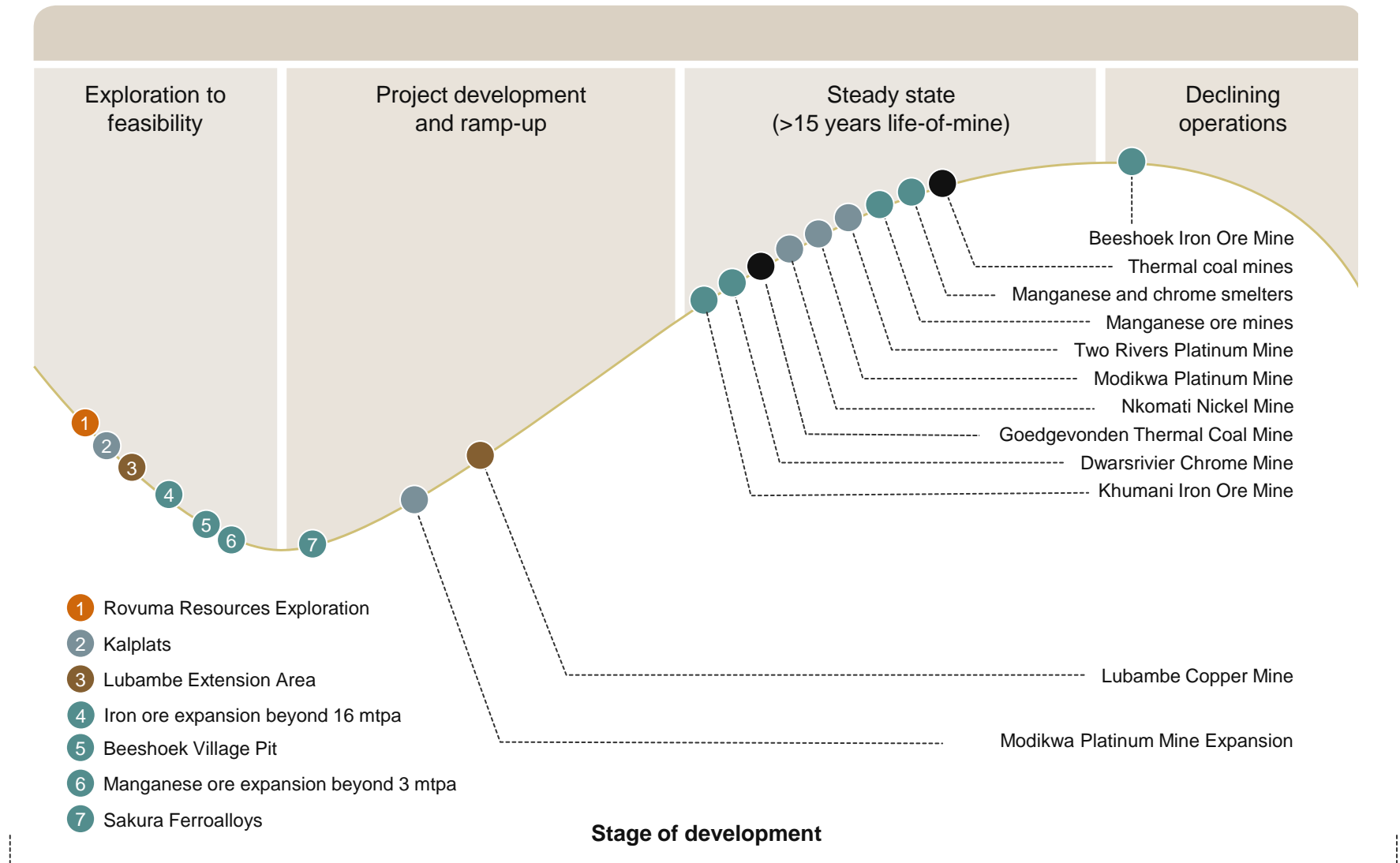
Capital expenditure: segmental analysis

Capital expenditure (R million)*



*The forecasted capital expenditure for F2015 to F2016 is an estimation based on approved projects and projects under consideration.

Projects pipeline and operations





Thank you

We do it better



Appendix

We do it better

Accounting policy change

ARM has implemented changes to its accounting policies following changes to IFRS.

The changes affect disclosures made in the financial statements but do not affect the earnings or the segmental analysis.

Accounting policy change

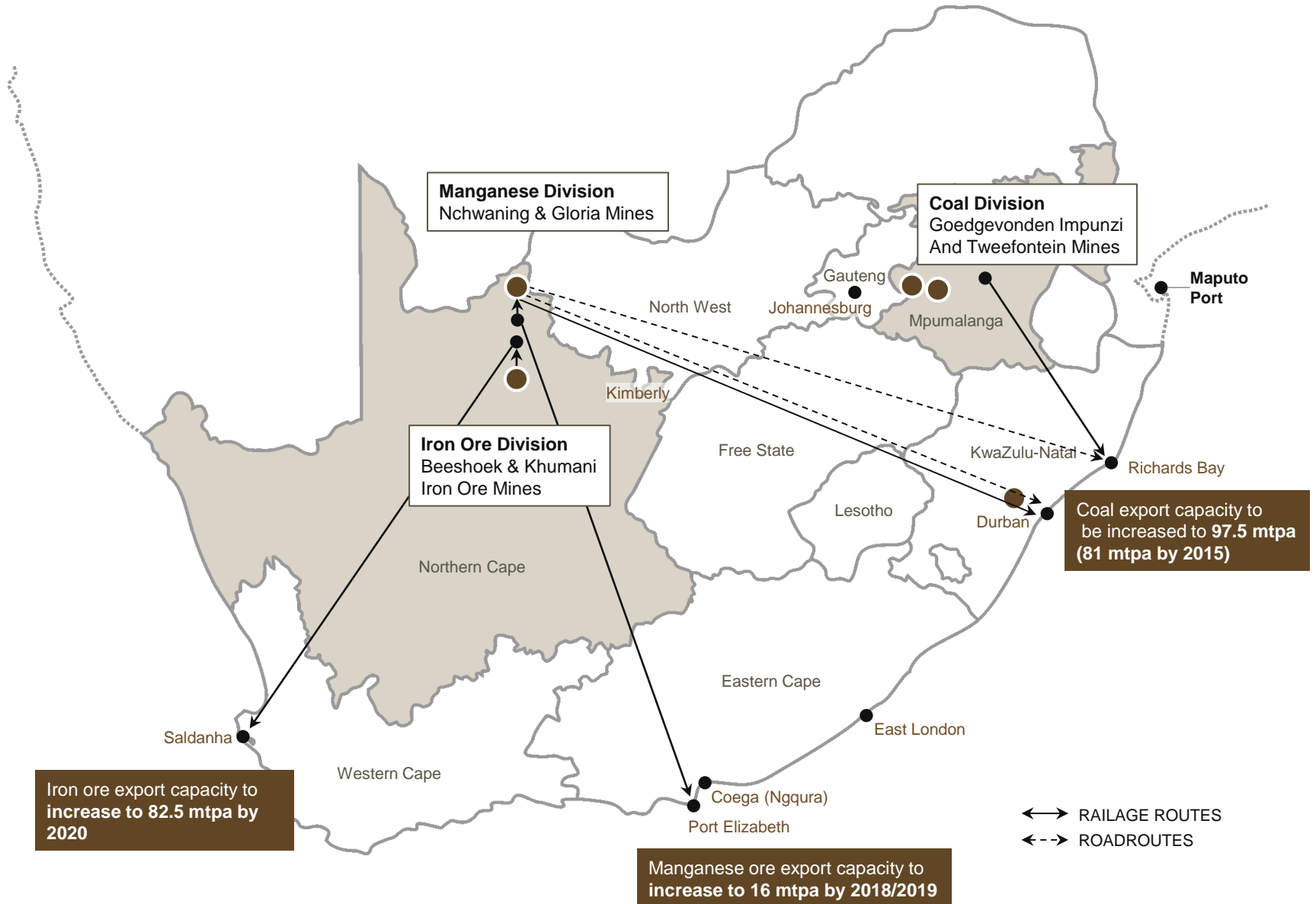
Assmang is no longer proportionately consolidated.

**ARM's share of Assmang is now disclosed as a single line item on the consolidated income statement as
"Income from joint venture"**

**ARM's share of Assmang is disclosed on the statement of financial position as
"Investment in joint venture"**

**ARM's share of Assmang is disclosed on the cash flow statement as
"Dividends received from joint venture"**

Transnet's Market Demand Strategy



Operational summary

				1H F2014	1H F2013	% change
ARM Platinum (100% basis)	Modikwa	PGMs in concentrate	Ounces, 6E	154 911	176 701	(12)
		Cash cost	R/kg, 6E	213 441	187 418	14
		Cash operating margin	%	18	20	
	Two Rivers	PGMs in concentrate	Ounces, 6E	193 503	179 513	8
		Cash cost	R/kg, 6E	165 667	164 629	1
		Cash operating margin	%	38	34	
	Nkomati	Nickel sales	Tonnes	11 859	11 258	5
		Chrome ore / concentrate sold	kt	117	76	55
		C1 cash cost net of by-products produced	US\$/lb	4.35	5.13	(15)
		Cash operating margin	%	30	33	
ARM Copper (100% basis)	Lubambe	Copper sales	Tonnes	14 325	2 874	>250
		C1 cash cost	US\$/lb	3.23	4.30	(25)
		Cash operating margin	%	-	-	
ARM Ferrous (100% basis)	Iron ore	Sales tonnes	Mt	7 738	7 433	4
		Change in costs compared to comparable period	%	11	25	
		EBITDA margin	%	13	48	
	Manganese ore	Sales tonnes (excl intra-group sales)	Mt	1 411	1 513	(7)
		Change in costs compared to comparable period	%	6	26	
		EBITDA margin	%	7	26	
	Chrome ore	Sales tonnes	kt	477	483	(1)
		Change in costs compared to comparable period	%	1	7	
		EBITDA margin	%	1	6	
	Manganese alloy	Sales tonnes (excl intra-group sales)	kt	117	107	9
		Change in costs compared to comparable period	%	11	7	
		EBITDA margin	%	12	12	
ARM Coal (100% basis)	GGV	Total saleable production	Mt	3.77	4.41	(15)
		On mine saleable cost	R/tonne	207	158	31
	PCB	Total saleable production	Mt	5.98	6.65	(10)
		On mine saleable cost	R/tonne	417	302	38