African Rainbow Minerals

Provisional Results for the financial year ended 30 June 2008

Shareholder information

Issued share capital as at 30 June 2008	211 556
Market capitalisation as at 30 June 2008	R59.2 billion
Share price as at 30 June 2008	R280.00
Daily average volume traded	329 084
Primary listing	JSE Limited
Ticker symbol	'ARI'

Forward looking statements

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

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

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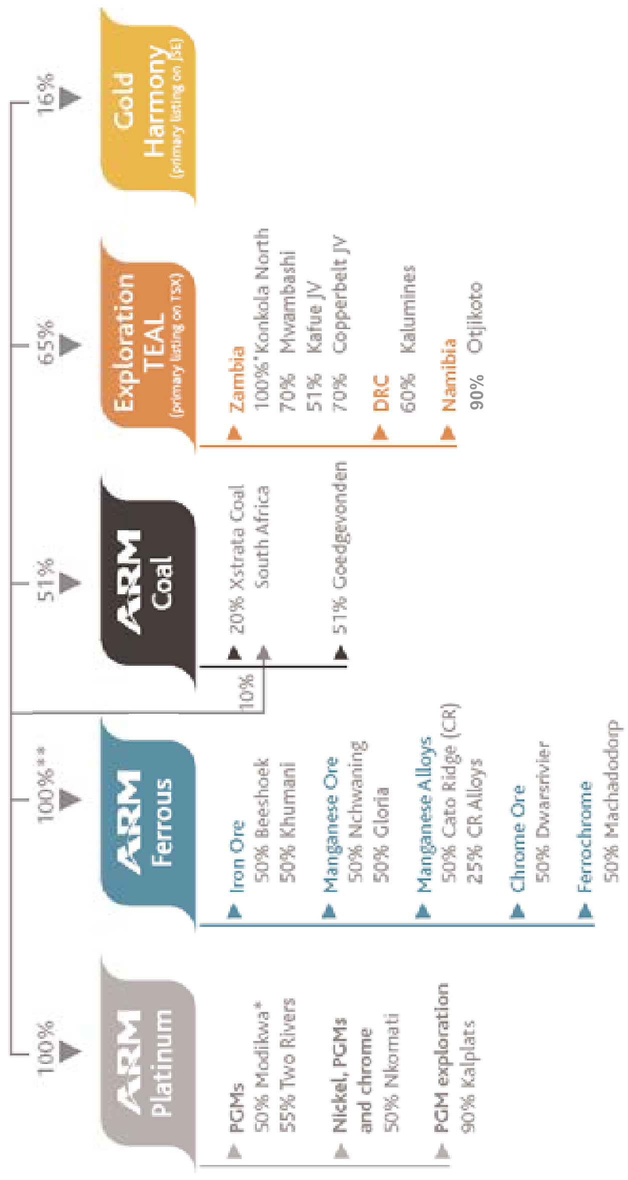
ARM ownership structure

African Rainbow Minerals



* Assets held through the ARM Mining Consortium, effective interest at 41.5%, the balance held by the local communities

** Assets held through a 50% shareholding in Assmang Limited

* Konkola North is subject to a buy-in right up to 20% (5% carried) by state-owned ZCCM Investment Holdings plc

ARM African Rainbow Minerals

Results commentary

Highlights

- Record headline earnings increase of 232% from R1.2 billion to R4.0 billion or 1 906 cents per share
- Profit from operations before exceptional items increase of 169% from R2.5 billion to R6.7 billion
- Dividend increases 167% to 400 cents per share
- Record sales volumes in manganese ore, chrome ore, PGMs and thermal coal
- Cash balances increase by R1.6 billion to R2.6 billion
- Market capitalisation increases 85% from R26 billion at F2007 year end to R48 billion at 25 August 2008
- Khumani Iron Ore mine and plant substantially commissioned on time and within budget
- Two Rivers repays bank debt well ahead of schedule

Group operational review

The Board of Directors of ARM announces exceptional results for the year ended 30 June 2008 as the Company delivers on its 2 x 2010 volume growth strategy, which coincides with record commodity prices. There have been significant increases in earnings contributions from ARM Platinum, ARM Coal and notably from ARM Ferrous. Headline earnings have increased by 232% to R4.0 billion (F2007: R1.2 billion), or 1 906 cents per share. The ARM Ferrous contribution to headline earnings attributable to ARM increased to R2.8 billion and comprises 69% (F2007: 55%) of ARM's headline earnings.

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

Operational highlights for the year include (100% basis, except for PGM production):
- 96% increase in Nkomati chrome ore sales to 1.2 million tonnes
- 60% increase in manganese ore external sales to 3.7 million tonnes
- 47% increase in domestic thermal coal sales to 13.2 million tonnes
- 8% increase in attributable PGM production to 281 337 ounces.

These provisional results for the financial year ended 30 June 2008 have been prepared in accordance with International Financial Reporting Standards ("IFRS") and the disclosures are in accordance with IAS 34: Interim Financial Reporting.

Contribution to headline earnings

Commodity group	**12 months ended 30 June**		
R million	**Reviewed 2008**	Audited 2007	% change
Platinum Group Metals	**915**	461	98
Nkomati nickel and chrome	**432**	337	28
Ferrous metals	**2 775**	665	317
Coal	**175**	1	>500
Exploration investment: TEAL	**(211)**	(126)	(67)
Corporate: finance costs	**(84)**	(81)	(4)
Corporate: other	**11**	(50)	n/a
ARM headline earnings	**4 013**	1 207	232

These excellent results have been delivered in conjunction with our partners at the various operations, namely Anglo Platinum, Assore, Impala Platinum, Norilsk Nickel and Xstrata Coal.

The production and sales volume increases are especially significant this year, given the cutbacks and load shedding the operations have experienced from electricity utility Eskom. In the event that electricity cutbacks continue, ARM operations have put various mitigating and contingency plans in place at all operations to ensure minimal impact on volume production and sales.

Part of ARM's strategy is to ensure the efficiency and cost competitiveness of all its operations. ARM is aiming to maintain and target its production costs to be positioned at the bottom 50th percentile on the global unit cost curves by 2012. Mining costs for the last year have been substantially above inflation and all operations have experienced high cost pressures, in particular relating to diesel, power, explosives, reductants, and labour. ARM has been able to temper unit cost increases by production volume increases and operational efficiencies. With the exception of iron ore, which is mainly due to transport costs, ARM's operations have managed to maintain unit cost increases at less than 10% above inflation. Despite these cost increases, ARM's EBITDA margins have improved to 57%.

ARM is particularly satisfied with the progress of its projects, all of which remain on schedule and within budget. This is being achieved despite the challenges presented by cost pressures, electricity constraints and skills shortages.

Financial commentary

Sales have doubled to R12.6 billion from the level reported for F2007 mainly as a result of increased commodity prices and sales volumes. The average Rand/US Dollar exchange rate remained fairly constant for the year at R7.30/$ (F2007: R7.20/$), although the rate fluctuated considerably during the year.

Despite the pressures of cost increases the gross profit margin has increased to 56% in F2008 from 46% in F2007. ARM's earnings before interest, tax, depreciation and amortisation excluding exceptional items and income from associate (EBITDA) was R7.2 billion which represents an increase of R4.3 billion over F2007.

The effective tax rate decreased to 30% in F2008, from 36% in the previous financial year, largely due to income from associate and exceptional items included in earnings not attracting tax charges. In addition, the corporate tax rate was reduced this year by 1% to 28% effective 1 July 2007. This resulted in a once-off gain of R34 million in F2008 arising from the revision of the closing balance of the deferred tax liability at 30 June 2007.

Basic earnings for the financial year are R4.5 billion (F2007: R1.2 billion) and include a R135 million gain from the receipt of the final tranche payment on the 2005 sale of 50% of Nkomati Nickel to Norilsk Nickel. It also includes an exceptional credit relating to TEAL (R34 million net gains on asset sales less impairments) and ARM Coal (R317 million profit on the asset swap involving the Douglas Tavistock Joint Venture (DTJV)).

The ARM Coal results include provisional purchase price allocations and thus the fair value of the net assets acquired is still provisional at 30 June 2008 and are only expected to be finalised during the last quarter of 2008. When these calculations are finalised they may result in changes to the ARM Coal results including the exceptional profit on the asset swap transaction of R317 million reflected in the current results. Any such changes will be included in the June 2009 results.

The smelter accident at Cato Ridge in February 2008 has resulted in reduced production of ferromanganese alloys. To date the insurers are still busy with their investigation and no accounting for possible recoveries is made. Any insurance claim that may become receivable could significantly impact the headline earnings of ARM and an announcement will be made when certainty around the issue is achieved. Included in the ARM Ferrous results is an attributable asset impairment of R9 million for the write down of the carrying value of the No. 6 furnace as well as a R37 million expense for fixed costs incurred during the furnace downtimes.

The TEAL results were fully absorbed by ARM in this period with no allocation to minorities. The total expense incurred by TEAL amounted to R211 million for F2008. Since the year end ARM has extended its guarantee to TEAL by $35 million to support a total loan facility of $85 million and in addition has agreed to provide TEAL with financial support to 30 September 2009 amounting to R385 million. During the year TEAL has published good drilling results at all project areas. TEAL is refocusing exploration on the copper projects in Zambia and the DRC. This will require significantly more drilling for definition of the ore bodies and the preparation of feasibility studies.

The ARM balance sheet remains robust with cash and cash equivalents increasing by R1.6 billion to R2.6 billion while gross borrowings have remained constant. The net debt to equity ratio is 8% (F2007: 27%). Included in borrowings are loans from partners amounting to R1.5 billion (Xstrata loans to ARM Coal: R847 million; Implats loan to Two Rivers: R635 million) which, if disregarded, results in ARM having a net cash position of R174 million at 30 June 2008 as compared to a net debt position the previous year of R1.9 billion. The Two Rivers project loan of R650 million at F2007 year-end has been repaid well ahead of schedule, 20 months after the commencement of commercial production, due to strong operating cash flow exceeding capital expenditure at the operation.

Due to increased management fees received from Assmang, corporate expenditure, excluding finance costs, is a positive contribution to headline earnings of R11 million from a negative R50 million in F2007. Since the year end ARM has received a substantial final dividend of R750 million from Assmang.

Safety and health

As a responsible South African corporate citizen, the health and safety of ARM's employees are of paramount importance. Our performance in this area over the reporting period has been mixed: we have made some progress in certain areas but there is still room for improvement in other areas.

Regrettably, nine fatalities occurred during the last financial year (one person at Two Rivers Platinum Mine, one person at the Goedgevonden Coal Project and seven people at Cato Ridge Ferromanganese Works). This compares to one fatality recorded during the previous financial year. The Company extends its sincere condolences to the families, friends and colleagues of the deceased.

The number of ARM employees (including contractors) has increased from 13 632 to 17 936 over the last year. One hundred and eleven reportable accidents were recorded in ARM during the year compared to seventy four recorded during the previous financial year. An average of 40.6 million man hours were worked at an average of 9.5 hours per shift, totalling 4.3 million shifts worked during the year. The number of lost-time injuries (LTIs) increased from 157 in the previous financial year to 247 in the financial year ended June 2008. The number of lost days increased from 2 395 to 3 230 in the period reported. The increase in lost time injuries as well as fatalities is a concern. There has been an increase in activities due to projects and expansions resulting in the total number of persons (both employees and contractors) employed at ARM operations have increased 62% over three years. Accordingly we have restructured our Safety, Health and Environment (SHEQ) department at ARM corporate level.

Among the most significant safety achievements in ARM are that three of ARM's operations have achieved more than One Million Fatality Free Shifts. On 25 August 2007, Black Rock Manganese Mines achieved the milestone of completing Two Million Fatality Free Shifts. On 14 February 2008, Modikwa Platinum Mine achieved Three Million consecutive Fatality Free Shifts, accumulated over a 22 month period. On 23 May 2008 Machadodorp Works achieved One Million Fatality Free Shifts.

All the Assmang operations conduct medical surveillance of employees in accordance with relevant legislation. At Cato Ridge Works the medical surveillance programme has been reviewed with the assistance of medical experts to ensure the correct procedures are used to diagnose manganism. The Department of Labour is conducting an inquiry into the possible incidence of manganism which is currently in progress and a final outcome is expected in the near future.

ARM Ferrous

The ARM Ferrous operations, which are held through ARM's 50% investment in Assmang Limited (Assmang) consist of three divisions: iron ore, manganese and chrome.

F2008 has been a successful year for the Ferrous Division as evidenced by the exceptional increase in headline earnings of 317% to R2 775 million attributable to ARM. Assmang achieved record revenue due to higher US Dollar prices in all commodities as well as increased sales volumes. Of particular significance was the substantial increase in the US Dollar manganese ore and alloy prices, which materially exceeded 80% year on year.

Assmang headline earnings contribution

100% basis	12 months ended 30 June		
R million	**2008**	2007	% change
Iron ore division	**780**	679	15
Manganese division	**4 087**	576	610
Chrome division	**683**	76	799
Total	**5 550**	1 331	317
Headline earnings attributable to ARM (50%)	**2 775**	665	317

The manganese operations, both ore and alloys, performed exceptionally due to the significant increase in prices. The manganese headline earnings were split between manganese ore and manganese alloy which contributed 75% and 25% respectively in 2008.

The manganese ore operations were able to further leverage off high manganese ore prices by increasing volumes (60%). Due to the implementation of innovative ideas, the manganese mines sold 1.4 million tonnes more than guaranteed logistic allocations, of which 760 thousand tonnes were road hauled to the Richards Bay port (>1 000 km). Assmang is dependent on rail and port logistic capacity to sell its product locally and globally.

The performance of the Ferrous Division was however marred by the unfortunate Cato Ridge Works accident which disrupted production. This was mainly attributable to the explosion at the No. 6 Furnace which took place on 24 February 2008 and the subsequent closure of the other furnaces. Five of the six furnaces were recommissioned by the year end while the No. 6 Furnace is in the process of being rebuilt and is planned to be commissioned in November 2008. Stock was sold to achieve contractual sales where possible. The impact of the production losses is expected to continue into F2009 until the No. 6 Furnace is fully operational.

The majority of the increased profitability in the chrome division was from the Machadodorp charge chrome operations, which was able to increase production by 19%. It was able to operate at 100% electricity consumption while Cato Ridge was operating at below 90% electricity consumption. Machadodorp has also benefited from previously invested capital to improve the efficiency of the smelting operations.

Assmang product sales

100% basis	12 months ended 30 June		
Thousand tonnes	**2008**	2007	% change
Iron ore	**6 581**	6 855	(4)
Manganese ore*	**3 711**	2 327	59
Manganese alloys*	**247**	251	(2)
Charge chrome	**275**	232	19
Chrome ore*	**304**	172	77

*Excluding intra-group sales

Most ferrous operations controlled costs well within plan in an environment which experienced cost escalations well above inflation. The iron ore division was the only exception due to road hauling of ore from Khumani to Beeshoek to ensure timely delivery in terms of quality of product and quantity to customers. Teething problems at Khumani Iron Ore Mine during the first eight weeks of plant ramp-up also necessitated transporting more ore to Beeshoek. The increased cost of reductants, specifically coke, had a significant impact on smelting costs, with coking coal prices expected to increase further by approximately 300%. The table below illustrates the percentage increase in unit costs for the division over the last financial year, with the divisional EBITDA margins.

Commodity group	**Cost increases Rand per tonne**	EBITDA margin
Iron ore	**65%**	48%
Manganese ore	**19%**	73%
Manganese alloys	**20%**	54%
Charge chrome	**18%**	42%

Most of the capital was spent on the construction of the Khumani Iron Ore Mine (R2.1 billion). Capital spent rebuilding and upgrading the furnaces at Cato Ridge Works amounted to R102 million. Capital was also spent at all operations on the replacement of equipment, the construction of housing facilities and environmental related upgrades. The table below sets out the capital expenditure at Assmang for the year.

Assmang capital expenditure

100% basis	12 months ended 30 June	
R million	**2008**	2007
Iron ore	**2 231**	1 735
Manganese	**511**	297
Chrome	**158**	199
Total	**2 900**	2 231

Khumani Iron Ore Mine

ARM Ferrous completed the Khumani mine and plant construction on schedule to reach full production by 2010 and within budget. The plant, having been substantially commissioned in June 2008, is on track. The completion of the construction of the 10 million tonne per annum Khumani Iron Ore Mine is expected during the first quarter of 2009. This year the focus is on the ramp-up of the new mine and the reduction of volumes at Beeshoek. Transnet is also ramping up the total iron ore railway line capacity. A pre-feasibility study for the expansion to the

16 and 20 Mtpa mine has been completed. The results from this pre-feasibility study indicate a very viable project. The feasibility study will be completed during the second quarter of 2009.

ARM Platinum

ARM Platinum consists of interests in three operating mines, Modikwa Platinum Mine, Two Rivers Platinum Mine and Nkomati Mine. ARM has an effective 41.5% interest in Modikwa Platinum Mine while the local communities hold an 8.5% effective interest. The remaining 50% is held by Anglo Platinum. Two Rivers Platinum Mine is owned 55% by ARM and its Joint Venture partner, Impala Platinum, owns 45%. Nkomati Mine is a 50:50 partnership with Norilsk Nickel.

ARM Platinum's operations performed exceptionally well in the year under review with continued profitability growth at all three operations. ARM Platinum's headline earnings increased by 69% to R1 347 million driven by production growth and strong PGM and chrome prices. At ARM Platinum's PGM operations, tonnes milled increased 11% to 4.8 million (F2007: 4.3 million) resulting in a 9.5% increase in attributable PGM production to 260 930 ounces in concentrate. The Nkomati chrome ore sales have increased 96% to 1.1 million tonnes.

Modikwa improved mining flexibility by converting to a strike mining layout. In particular UG2 production volumes have improved steadily and the Merensky trial mining project is ramping up to 15 000 tpm. During F2008, 140 000 tonnes of Merensky ore at an average grade of 2.37 g/t was milled on a trial basis. Merensky mining is expected to continue at 15 000 tpm for F2009. The steady improvement in production experienced in F2008 is expected to continue in F2009 and it is anticipated that a pre-feasibility study, which may lead to the expansion of the operations, will be completed in F2009.

Two Rivers continued to ramp up during the year at its Main Decline, reaching full underground production capacity (185 000 tpm) during March 2008. The North Decline achieved steady state production (40 000 tpm) in January 2008, six months ahead of target. Unit costs increased 38% to R340 (F2007: R246) per tonne milled. The F2007 unit cost has been adjusted for stockpile capitalisation costs to be comparable with the F2008 unit cost. During some months, more than 260 000 tonnes were produced from underground. The plant throughput has exceeded design capacity since April 2008. At year-end the surface stockpile of ore was at 189 767 tonnes. Current output will be sustained and process optimisation will continue with an expected 3-5% recovery improvement toward the end of F2009.

At Nkomati, the spot US Dollar nickel price was 25% lower than in the previous financial year, negatively impacting profitability. Due to a revenue recognition timing difference, the actual received nickel price was significantly lower than spot prices. The mine is now virtually transformed from an underground mine to an opencast mine. This also results in a significant grade reduction since the MSB is depleted and the MMZ orebody is currently being mined. There was a significant increase in both volumes and price for chrome ore which contributed 57% to the operating profits of Nkomati. This has resulted in an improved C1 cash cost of $(4.45)/lb.

At Nkomati, since start-up, the metal recoveries on the 100 ktpm plant were lower than expected, mainly due to the following contributors:

- High variability feed to the concentrator
- Higher than anticipated levels of alteration of sulphide ore in one of the pits
- Mill running time compromised by mill liners and associated breakdowns.

The key to enhance recoveries is to improve the upfront knowledge of the ore before it is processed. Capabilities to perform floatability tests and evaluations are being established.

ARM Platinum's attributable PGM production (including Nkomati) for F2008 increased by 7.6% to 281 337 ounces of PGMs.

ARM Platinum experienced above inflation cost increases in F2008 from consumables (diesel, electricity, steel and explosives) and labour (including contractors) which contributed approximately 83% to total mine operating costs.

Total capital expenditure in the division amounted to R1.3 billion (R668 million attributable), for the expansion of all the operations.

The increase in capital expenditure at Modikwa is mainly attributable to the deepening and equipping of North Shaft to Level 6 and the acquisition of new mechanised mining fleet. The capital expenditure at Two Rivers is for the completion of the mine and the North Decline. At Nkomati, capital expenditure was spent mainly on the expansion project, firstly for the 100 000 tpm interim plant and then for the 375 000 tpm MMZ plant, and will continue to increase as building of the project continues.

ARM Platinum capital expenditure

100% basis	12 months ended 30 June	
R million	**2008**	2007
Modikwa	**379**	204
Two Rivers	**357**	464
Nkomati	**565**	398
Total	**1 301**	1 066

Modikwa operational statistics

		12 months ended 30 June		
100% basis		**2008**	2007	% change
Cash operating profit	R million	**1 837**	923	99
Tonnes milled	Mt	**2.46**	2.32	6
Head grade (4E)	g/t	**4.44**	4.37	2
PGMs in concentrate	Ounces	**294 721**	274 174	7
Average basket price (4E)	R/kg	**382 377**	277 701	38
Cash operating margin	%	**58**	47	24
Cash cost (4E)	R/kg	**144 334**	126 632	(14)
Cash cost	R/tonne	**538**	476	(13)
Cash cost	R/Pt oz	**9 882**	8 917	(11)
Cash cost	R/PGM oz	**4 489**	4 037	(11)
Headline earnings attributable to ARM	R million	**480**	181	165

Two Rivers operational statistics

		12 months ended 30 June		
100% basis		**2008**	2007	% change
Cash operating profit	R million	**1 485**	945	57
Tonnes milled	Mt	**2.37**	2.04	16
Head grade (6E)	g/t	**4.00**	4.24	(6)
PGMs in concentrate	Ounces	**206 491**	184 099	12
Average basket price	R/kg	**362 935**	268 928*	(35)
Cash operating margin	%	**63**	69	(9)
Cash cost (6E)	R/kg	**125 319**	87 906	(43)
Cash cost	R/tonne	**340**	246**	(38)
Cash cost	R/Pt oz	**8 161**	5 724**	(43)
Cash cost	R/PGM oz	**3 898**	2 734**	(43)
Headline earnings attributable to ARM (55%)	R million	**435**	280	55

* Amended basket price for 2007, previously published number was 4E, now 6E.

** Adjustment for stockpile tonnages; previously quoted figures excluded capitalised cost of treated stockpile tonnages to the value of +- R110 million.

Nkomati operational statistics

		12 months ended 30 June		
100% basis		**2008**	2007	% change
Cash operating profit	R million	**1 192**	1 011	18
Cash operating profit – Nickel Mine	R million	**518**	934	(45)
Cash operating profit – Chrome Mine	R million	**674**	77	774
Cash operating margin	%	**60**	71	(16)
Tonnes milled	Thousand	**1 070**	318	237
Head grade	% nickel	**0.70**	1.57	(56)
Stockpile tonnes – MMZ	Thousand	**17**	137	(88)
Stockpile tonnes – Chrome Fines	Thousand	**2 320**	670	246
Nickel on-mine cash cost per tonne treated	R/tonne	**339**	503	33
Chrome on-mine cash cost per tonne produced	R/tonne	**351**	368	5
C1 cash cost net of by-products	US$/lb	**(4.45)**	(1.10)	304
Contained metal				
Nickel	Tonnes	**5 136**	4 418	16
PGMs	Ounces	**40 813**	46 101	(11)
Copper	Tonnes	**2 605**	2 788	(7)
Cobalt	Tonnes	**276**	208	33
Chrome ore sold	Thousand tonnes	**1 146**	584	96
Headline earnings attributable to ARM (50%)	R million	**432**	337	28

Nkomati Nickel Large Scale Expansion Project

The Nkomati Large Scale Expansion Project is progressing on schedule and within budget. Total funds committed on the Large Scale Expansion Project amount to R1.8 billion or 55% of the R3.2 billion capex.

The chrome concentrator plant to treat the chips and fines is scheduled to be commissioned in September 2008. The large 375 000 tpm MMZ is scheduled to be commissioned in Q4 F2009. The existing 100 000 tpm plant will then be upgraded to 250 000 tpm for PCMZ treatment plant with a chrome recovery plant on the tailings section for commissioning in 2011.

Eskom has approved the electrical power requirements for the expansion project at the end of June 2008 and a Budget Proposal was presented to the Nkomati JV for approval. However, notice was given of a delay in supplying this power and various contingencies have been evaluated as stand-by supply for 12 to 18 months.

Kalplats Joint Venture

The Kalplats projects are located in the North West Province, 330 kilometres west of Johannesburg comprising two joint ventures with Platinum Australia (PLA). ARM Platinum's current interest in the "Kalplats Platinum Project" is 90% and PLA can earn up to 49% in the project by completing a bankable feasibility study.

During the year, PLA completed a total of 48 390 metres of drilling. Geological modelling and the updating of the mineral resources for the individual deposits has been ongoing in preparation for pit optimisation and mine design. Metallurgical test work, engineering and process plant design are also being carried out as part of the bankable feasibility study, which is expected to be completed during F2009. Latest results at 11 August 2008 indicates further wide zones of target grade mineralisation including 22 metres at 6.58g/t 3E PGM at the Crux deposit.

At the Kalplats "extended area project", the first phase of exploration work comprising a detailed aeromagnetic survey over the entire strike length of the extended area was completed in August 2007. The second phase, which involves extensive soil geochemical sampling, was completed during F2008. This will be followed by drilling of targets identified during the initial phases of work.

Please refer to company website for further details www.platinumaus.com.au.

ARM Coal

ARM's economic interest in Xstrata Coal South Africa (XCSA) as at 30 June 2008 is 20,2%. ARM Coal holds a 20% participating interest in Xstrata's South African Coal Operations which consists of 12 mines all situated in Mpumalanga, as well as a 51% interest in the Goedgevonden Coal (GGV) project situated near Ogies in Mpumalanga. ARM holds 51% of ARM Coal as well as a 10% direct investment in Xstrata's South African Coal Operations.

Headline earnings contribution from ARM Coal increased from R1 million to R175 million in F2008. Operating margins have increased to 37% (F2007: 27%) driven by strong local and international prices.

Total saleable production attributable to ARM Coal increased by 16% for the year under review. Sales volume from Goedgevonden increased due to additional sales to Eskom. The coal operations did not experience any load shedding from Eskom as it requires the coal from our operations to fuel power stations. During the 2008 financial year approximately 51% of ARM Coal's production was exported. Despite substantial increases in diesel and consumables the coal operation managed to contain the increase in on-mine cost per tonne to 1%.

XCSA owned a 16% share in the Douglas Tavistock Joint Venture which was managed by Billiton Energy Coal South Africa (BECSA). An agreement was structured from January 2008 for a separation effected by the transfer to XCSA of a discrete portion of the resources and equipment reflecting a 16% share of the DTJV, allowing Xstrata to separately and independently manage the resources. This will result in BECSA and XCSA operating discrete coal mining areas for their own account. The resources that are proposed will be adjacent to the existing ATCOM operations. XCSA plans to mine these resources using conventional open cut means (dragline and truck/shovel), upgrade the under utilised ATCOM plants to process the additional production and utilise the existing ATCOM train loading facilities. This is expected to result in significant optimisation and synergy benefits for XCSA.

ARM Coal operational statistics

		12 months ended 30 June		
100% basis		**2008**	2007	% change
Total production and sales				
Saleable production	Million tonnes	**25.3**	23.1	9
Export thermal coal sales	Million tonnes	**13.7**	13.6	1
Domestic thermal coal sales	Million tonnes	**13.2**	9.0	47
Attributable production and sales				
Saleable production	Million tonnes	**5.2**	4.5	16
Export thermal coal sales	Million tonnes	**2.8**	3.0	(7)
Domestic thermal coal sales	Million tonnes	**2.8**	1.7	65
Average received coal price				
Export (FOB)	US$/tonne	**58.5**	44.5	31
Domestic (FOR)	R/tonne	**104.3**	70.0	49
On mine saleable cost	R/tonne	**148.4**	147.9	(1)
Cash operating profit				
Total	R million	**2 620**	1 387	89
Attributable	R million	**540**	268	101
Headline earnings attributable to ARM		**175**	1	>500

Earnings from the coal division attributable to ARM are negatively impacted by a number of accounting issues:

– the IFRS accounting requirement related to imputed interest on the Xstrata debt facilitation
– additional amortisation at the ARM level provided as a result of the IFRS purchase price allocation rules

Headline earnings reconciliation to operating profit – attributable to ARM

	12 months ended 30 June 2008	2007
ARM attributable headline earnings reported	175	1
Add: additional amortisation	21	37
Imputed interest on Xstrata R4 billion debt facilitation	30	27
Less: Taxation	(15)	(19)
ARM attributable headline earnings excluding IFRS adjustment	211	46
Add: Normal interest	82	70
Normal amortisation	190	132
Taxation	57	20
ARM's attributable operating profit	540	268
ARM's share of distributable cashflow	155*	21

*Subject to ARM Coal board approval

Goedgevonden Thermal Coal Project

The Goedgevonden Project is progressing well and as at 30 June 2008 about 72% of the total project costs had been committed. Commissioning of the Coal Handling Preparation Plant (CHPP) is expected to commence during the first half of F2009. Work at the Richards Bay Coal Terminal (RBCT) phase V expansion commenced during the financial year under review and is expected to be completed during the first half of the 2009 calendar year. Negotiations with Eskom on the pricing terms for 3.5 Mtpa local sales contract are in progress.

The Goedgevonden Project remains on schedule and within budget, for ramp-up to full production to 6.7 mtpa thermal coal sales by 2011. The 3.2 Mtpa RBCT entitlement has been secured for the export sales.

The new order mining rights over the Goedgevonden property were granted and notarially executed during the year under review.

Harmony Gold Mining Company Limited (Harmony)

In its 2007 notice to shareholders, Harmony set out a number of interventions to address the various operational challenges faced by the group. At its results announcement on 15 August 2008, the company announced that this process had delivered moderately successful results, characterised by restructuring of the Harmony asset portfolio, and restoring the operations to profitability. The process is a long-term one, and management will continue to keep a watchful eye on its investment, as the company repositions itself as a globally competitive company.

Harmony reported total headline earnings for the year ended 30 June 2008 of 127 cents per share (30 June 2007: earnings of 53 cents per share), and an increase in cash operating profit of 26% from continuing operations to R2 537 million (30 June 2007: R2 016 million). Gold production from continuing operations for the year was 11% lower at 48 227 kilograms (30 June 2007: 54 340 kilograms), with cash costs for the year 25% higher at R138 319/kg.

The ARM balance sheet at 30 June 2008 reflects a marked-to-market investment in Harmony of R6 045 million which is based on a Harmony share price of R95 (F2007: R100). Changes in the value of the investment in Harmony are accounted for by ARM through the statement of changes in equity net of deferred capital gains tax. The investment reflected at market value in the balance sheet represents 10% of ARM's market capitalisation of R59 billion at 30 June 2008.

Harmony's results for the quarter and financial year ended 30 June 2008 can be viewed on the company's website at www.harmony.co.za

TEAL Exploration & Mining Incorporated

TEAL is a Toronto Stock Exchange listed mineral development and exploration company with development projects and exploration areas in the Democratic Republic of Congo (DRC), Zambia, Namibia and Mozambique.

ARM's investment in TEAL at its market value represents 2% of ARM's market capitalisation of R59 billion at 30 June 2008.

The Konkola North Copper Project in Zambia comprises a large section of the mining licence area referred to as Area "A" as well as the South and East Limb areas, that are located on the northern portion of the property. On Area "A" TEAL has published an increased resource estimation, which defined a total inferred resource of 219 500 million tonnes at 2.64% total copper. TEAL is further evaluating the resources in Area "A" and seven boreholes of an 18 000 metre exploration drilling programme on Area "A" have been completed.

The feasibility study, which is based on an operation to exploit the South and East Limb, is being revised to include the upgraded resource base, which totals 51 million tonnes at a grade of 2.35% copper. This resource will now be used for mine planning and scheduling and the updated feasibility study will also include a review of capital and operating costs and the effects of the recently promulgated Zambian mining tax legislation. The finalisation of the revised feasibility study is expected by early next year.

TEAL has announced a first phase resource estimation for the Lupoto Copper Project, which forms part of TEAL's 60% owned Kalumines mining licence area in the DRC, which is as follows:

- Indicated Resources: 15.09 mt @ 2.32% TCu,1.83% ASCu,0.15% Co, and
- Inferred Resources: 9.13 mt @ 2.09% TCu, 1.73% ASCu.

For the financial year ended 30 June 2008, 46 404 tonnes of copper concentrates were produced and realised at the small scale open pit mine at Lupoto. From this mine approximately 800 000 tonnes of material, including 455 955 tonnes grading between 4% and 6% copper, has been stockpiled.

TEAL has also announced an increase in the indicated gold resource of the Otjikoto Gold Project in Namibia, from 460 000 ounces to 1.05 million ounces of gold, equating to 23.3 million tonnes grading 1.40 g/t. An additional 877 000 ounces is contained in the inferred category at a grade of 1.41 g/t. The total resource is approximately 1.9 million ounces.

TEAL's detailed results, which were released on 29 August 2008, can be viewed at www.tealmining.com.

Dividend

The accelerated growth in ARM's operational cash flows during F2008 has resulted in a marked improvement in its net debt position.

Accordingly, the Board of Directors has decided to declare an increased dividend of 400 cents per share which represents a 167% increase over the maiden dividend in F2007. This dividend is covered 4.77 times by headline earnings. This dividend is especially significant given the Company's continued capital investment programme, having invested R2.8 billion in capital projects over the period, with a further R11 billion planned over the next three years, signalling ARM's healthy growth profile across commodity groups.

The last day to trade in ARM shares to participate in this dividend (cum-dividend) will be Thursday, 18 September 2008 and ARM shares will trade ex-dividend from Friday, 19 September 2008. The record date will be Friday, 26 September 2008 with payment of the dividend occurring on Monday, 29 September 2008.

No dematerialisation or rematerialisation of share certificates may occur between Friday, 19 September and Friday, 26 September 2008, both days inclusive.

Outlook

The recent slowdown in global economic growth does not in our opinion imply the cessation of growth. The massive industrialisation of China is expected to continue albeit at a slightly slower rate. Nevertheless, commodities have come under pressure underlining the importance for high margin operations.

As ARM starts the new financial year, we remain confident that the company will continue to be well positioned in terms of our commodity mix, our excellent long-life low-cost operations, our future projects and expansion prospects, as well as access to resources in a region of the world which is renowned for its dominance in a number of these commodities.

Review by independent auditors

The financial information has been reviewed by Ernst & Young Incorporated whose unqualified review opinion is available for inspection at the Company's registered office.

The annual report containing a detailed review of the operations of the company together with the audited financial statements will be posted to shareholders toward the end of October 2008.

Signed on behalf of the board:

PT Motsepe
Executive Chairman

AJ Wilkens
Chief Executive Officer

Johannesburg
1 September 2008

Financial Statements

Contents

Group Balance Sheet

as at 30 June 2008

		Reviewed 2008 Rm	Audited 2007 Rm
ASSETS			
Non-current assets			
Property, plant and equipment		9 024	6 892
Investment property		12	12
Intangible assets		215	217
Deferred tax assets		20	–
Inventories		178	–
Investment in associates		1 298	857
Other investments		6 055	6 391
		16 802	14 369
Current assets			
Inventories		1 231	853
Trade and other receivables		4 150	1 859
Taxation		14	–
Held for sale assets		21	–
Cash and cash equivalents	5	2 660	1 063
		8 076	3 775
Total assets		24 878	18 144
EQUITY AND LIABILITIES			
Capital and reserves			
Ordinary share capital		11	10
Share premium		3 733	3 667
Other reserves		1 366	1 604
Retained earnings		9 766	5 597
Shareholders' interest in capital and reserves		14 876	10 878
Minority interest		800	340
Total shareholders' interest		15 676	11 218
Non–current liabilities			
Long-term borrowings – interest bearing	6	2 254	2 741
Deferred tax liabilities		2 154	1 410
Long-term provisions		324	178
		4 732	4 329
Current liabilities			
Trade and other payables		1 515	999
Short-term provisions		184	97
Taxation		1 047	198
Overdrafts and short-term borrowings – interest bearing	7	1 724	1 303
		4 470	2 597
Total equity and liabilities		24 878	18 144

Group Income Statement

for the year ended 30 June 2008

		Reviewed 2008 Rm	Audited 2007 Rm
Revenue		**12 919**	6 308
Sales		**12 590**	6 152
Cost of sales		**(5 516)**	(3 341)
Gross profit		**7 074**	2 811
Other operating income		**460**	222
Other operating expenses		**(856)**	(552)
Profit from operations before exceptional items		**6 678**	2 481
Income from investments		**168**	51
Finance costs		**(438)**	(370)
Income from associate		**461**	16
Profit before taxation and exceptional items		**6 869**	2 178
Exceptional items	3	**162**	14
Profit before taxation		**7 031**	2 192
Taxation		**(2 084)**	(781)
Profit for the period		**4 947**	1 411
Attributable to:			
Minority interest		**460**	191
Equity holders of ARM		**4 487**	1 220
		4 947	1 411

Additional information:

Headline earnings (R million)	4	**4 013**	1 207
Headline earnings per share (cents)		**1 906**	580
Basic earnings per share (cents)		**2 093**	586
Diluted basic earnings per share (cents)		**1 872**	577
Diluted headline earnings per share (cents)		**1 874**	571
Number of shares in issue at end of year (thousands)		**211 556**	209 730
Weighted average number of shares in issue (thousands)		**210 580**	208 115
Weighted average number of shares used in calculating diluted earnings per share (thousands)		**214 347**	211 523
EBITDA (R million)		**7 229**	2 887
Dividend declared after year end (cents per share)		**400**	150

Statement of Changes in Equity

for the year ended 30 June 2008

Group	Share capital and premium Rm	Revaluation of listed investments Rm	Other* Rm	Retained earnings Rm	Total shareholders of ARM Rm	Total minority interest Rm	**Total Rm**
Balance at 30 June 2006 (Audited)	3 567	2 219	88	4 376	10 250	143	**10 393**
Revaluation of listed investments	–	(880)	–	–	(880)	–	**(880)**
Deferred tax on revaluation of listed investment	–	128	–	–	128	–	**128**
Net impact of revaluation of listed investment	–	(752)	–	–	(752)	–	**(752)**
Profit for the period	–	–	–	1 220	1 220	191	**1 411**
Share based payments	–	–	48	–	48	6	**54**
Share options exercised	110	–	–	–	110	–	**110**
Realignment of currency	–	–	1	–	1	–	**1**
Other	–	–	–	1	1	–	**1**
Balance at 30 June 2007 (Audited)	3 677	1 467	137	5 597	10 878	340	**11 218**
Revaluation of listed investments	–	(335)	–	–	(335)	–	**(335)**
Deferred tax on revaluation of listed investment	–	58	–	–	58	–	**58**
Net impact of revaluation of listed investment	–	(277)	–	–	(277)	–	**(277)**
Profit for the period	–	–	–	4 487	4 487	460	**4 947**
Share based payments	–	–	74	–	74	–	**74**
Share options exercised	67	–	–	–	67	–	**67**
Realignment of currency	–	–	(6)	–	(6)	–	**(6)**
Minorities bought out in Copperbelt venture	–	–	(29)	–	(29)	–	**(29)**
Dividend paid	–	–	–	(315)	(315)	–	**(315)**
Other	–	–	–	(3)	(3)	–	**(3)**
Balance at 30 June 2008 (Reviewed)	3 744	1 190	176	9 766	14 876	800	**15 676**

* *Other reserves consist of an insurance contingency of R8 million (2007: R8 million; 2006: R8 million), general reserve of R32 million (2007: R32 million; 2006: R32 million), share based payments of R167 million (2007: R93 million; 2006: R45 million); foreign currency translation reserve of R-2 million (2007: R4 million; 2006: R3 million), minorities bought out in Copperbelt venture R-29 million (2007: R nil ; 2006: R nil).*

Group Cash Flow Statement

for the year ended 30 June 2008

	Reviewed 2008 Rm	Audited 2007 Rm
CASH FLOW FROM OPERATING ACTIVITIES		
Cash receipts from customers	10 876	5 672
Cash paid to suppliers and employees	(5 701)	(3 135)
Cash generated from operations	5 175	2 537
Interest received	166	49
Interest paid	(412)	(295)
Dividend received	21	–
Dividend paid	(315)	–
Taxation paid	(466)	(317)
Net cash inflow from operating activities	4 169	1 974
CASH FLOW FROM INVESTING ACTIVITIES		
Additions to property, plant and equipment to maintain operations	(1 194)	(913)
Additions to property, plant and equipment to expand operations	(1 465)	(946)
Proceeds on disposal of property, plant and equipment	28	7
Investment in associate	–	(841)
Proceeds on disposal of 50% of Nkomati – final tranche payment	135	2
Proceeds on sale of interest in Otjikoto	32	–
Proceeds on sale of interest in Zambian properties	37	–
Net cash outflow from investing activities	(2 427)	(2 691)
CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds on exercise of share options	66	110
Long-term borrowings raised	558	1 453
Long-term borrowings repaid	(804)	(73)
Increase/(decrease) in short-term borrowings	5	72
Net cash inflow/(outflow) from financing activities	(175)	1 562
Net increase in cash and cash equivalents	1 567	845
Cash and cash equivalents at beginning of year	1 039	193
Foreign currency translation on cash balance	(12)	1
Cash and cash equivalents at end of year	2 594	1 039

Notes to the Financial Statements

for the year ended 30 June 2008

1 BASIS OF PREPARATION

The consolidated provisional results have been prepared on an historical cost convention, as modified by the revaluation of available-for-sale financial assets, and financial assets and financial liabilities (including derivative instruments) at fair value through the income statement or the statement of changes in equity.

The financial information for the year ended 30 June 2008 has been prepared adopting the same accounting policies used in the most recent annual financial statements and which comply with International Financial Reporting Standards and comply with the disclosure requirements of IAS 34: Interim Financial Reporting.

The following new and revised accounting standards were adopted by ARM but have had no impact on the provisional financial statements.

IAS 1: Amendment on capital disclosure
IFRS 7: Financial instruments: disclosure
IFRIC 10: Interim reporting and impairment
IFRIC 11: Amendment to IFRS 2: Group and treasury share transactions.

2 SEGMENTAL INFORMATION

Primary segmental information

Business segments

For management purposes, the group is organised into four major operating divisions. The operating divisions are ARM Platinum (which includes platinum and nickel), ARM Ferrous, ARM Coal and ARM Exploration. ARM has a strategic holding in Harmony (gold).

Platinum comprises Two Rivers Platinum Mine as a 55 percent subsidiary and ARM Mining Consortium Limited through which ARM holds an effective 41.5 percent interest in the Modikwa Platinum Mine.

Nickel comprises Nkomati Mine as a 50 percent joint venture for both its nickel and chrome operations.

ARM Ferrous comprises Assmang as a 50 percent joint venture. Assmang comprises iron ore, manganese ore, ferromanganese, ferrochrome and chrome ore operations.

ARM Coal, a 51 percent joint venture for accounting purposes, consists of a 10.2 percent participating investment in the existing coal operations of XCSA and a 26 percent joint venture interest in the Goedgevonden mine. In addition ARM has a direct 10 percent participating investment in the coal operations of XCSA.

ARM Exploration comprises TEAL as a 64.9 percent subsidiary.

The commodity groupings predominantly reflect the risks and rewards of trading and the operating divisions are therefore identified as the primary reporting segments.

	ARM Platinum Platinum Rm	ARM Platinum Nickel Rm	ARM Ferrous Rm	ARM Coal Rm	ARM Exploration Rm	Corporate and other* Rm	Gold Rm	**Total Rm**
2.1 Year to 30 June 2008 (Reviewed)								
Total sales	3 943	998	7 418	96	147	–	–	**12 602**
Intergroup sales to ARM Ferrous	–	12	–	–	–	–	–	**12**
Sales	3 943	986	7 418	96	147	–	–	**12 590**
Cost of sales	(1 785)	(419)	(3 193)	(51)	(72)	4	–	**(5 516)**
Other operating income	6	46	217	–	–	191	–	**460**
Other operating expenses	(31)	(11)	(350)	–	(271)	(193)	–	**(856)**
Segment result	2 133	602	4 092	45	(196)	2	–	**6 678**
Income from investments	93	6	36	–	2	31	–	**168**
Finance cost	(311)	(1)	(14)	(13)	(15)	(84)	–	**(438)**
Income from associate	–	–	–	461	–	–	–	**461**
Exceptional items	–	(7)	–	–	34	135	–	**162**
Taxation	(540)	(173)	(1 346)	(1)	(2)	(22)	–	**(2 084)**
Minority interest	(460)	–	–	–	–	–	–	**(460)**
Contribution to basic earnings	915	427	2 768	492	(177)	62	–	**4 487**
Contribution to headline earnings	915	432	2 775	175	(211)	(73)	–	**4 013**
Other information								
Segment and consolidated assets	6 513	1 081	7 771	2 392	413	663	6 045	**24 878**
Segment liabilities	1 563	112	1 196	930	608	1 592	–	**6 001**
Unallocated liabilities (tax and deferred tax)								**3 201**
Consolidated total liabilities								**9 202**
Cash in/(out) flow from operating activities	1 369	518	3 005	103	(344)	(482)	–	**4 169**
Cash in/(out) flow from investing activities	(508)	(292)	(1 360)	(361)	(41)	135	–	**(2 427)**
Cash in/(out) flow from financing activities	(776)	–	(51)	274	353	25	–	**(175)**
Capital expenditure	547	292	1 394	414	130	2	–	**2 779**
Amortisation and depreciation	241	20	264	6	10	–	–	**541**
EBITDA	2 374	622	4 366	51	(186)	2	–	**7 229**

** Corporate, other companies and consolidation adjustments*

Notes to the Financial Statements *(continued)*

for the year ended 30 June 2008

SEGMENTAL INFORMATION (continued)
Primary segmental information

	ARM Platinum Platinum Rm	ARM Platinum Nickel Rm	ARM Ferrous Rm	ARM Coal Rm	ARM Exploration Rm	Corporate and other* Rm	Gold Rm	**Total Rm**
2.2 Year to 30 June 2007 (Audited)								
Total sales	2 352	707	3 064	34	–	–	–	**6 157**
Intergroup sales to ARM Ferrous	–	5	–	–	–	–	–	**5**
Sales	2 352	702	3 064	34	–	–	–	**6 152**
Cost of sales	(1 083)	(209)	(2 021)	(28)	–	–	–	**(3 341)**
Other operating income	1	14	78	–	1	128	–	**222**
Other operating expenses	(12)	(36)	(133)	–	(198)	(173)	–	**(552)**
Segment result	1 258	471	988	6	(197)	(45)	–	**2 481**
Income from investments	17	3	6	–	4	21	–	**51**
Finance cost	(255)	–	(8)	(26)	–	(81)	–	**(370)**
Income from associate	–	–	–	16	–	–	–	**16**
Exceptional items	–	–	–	–	–	14	–	**14**
Taxation	(300)	(137)	(320)	5	(1)	(28)	–	**(781)**
Minority interest	(259)	–	–	–	68	–	–	**(191)**
Contribution to basic earnings	461	337	666	1	(126)	(119)	–	**1 220**
Contribution to headline earnings	461	337	665	1	(126)	(131)	–	**1 207**
Other information								
Segment and consolidated assets	5 314	584	3 842	1 519	97	408	6 380	**18 144**
Segment liabilities	2 194	64	849	519	97	1 595	–	**5 318**
Unallocated liabilities (tax and deferred tax)								**1 608**
Consolidated total liabilities								**6 926**
Cash in/(out) flow from operating activities	770	568	979	(11)	(169)	(163)	–	**1 974**
Cash in/(out) flow from investing activities	(521)	(199)	(1 030)	(892)	(51)	2	–	**(2 691)**
Cash in/(out) flow from financing activities	212	–	244	71	66	969	–	**1 562**
Capital expenditure	566	199	1 070	74	51	1	–	**1 961**
Amortisation and depreciation	165	35	203	1	1	1	–	**406**
EBITDA	1 423	506	1 191	7	(196)	(44)	–	**2 887**

** Corporate, other companies and consolidation adjustments*

SEGMENTAL INFORMATION (continued)
Primary segmental information
The ARM platinum segment is analysed further into Two Rivers Platinum Mine and ARM Mining Consortium which includes Modikwa Platinum Mine.

	ARM Platinum		
	Two Rivers Rm	Modikwa Rm	**Total Rm**
2.3 Year to 30 June 2008 (Reviewed)			
Sales			
External sales	2 363	1 580	**3 943**
Cost of sales	(1 031)	(754)	**(1 785)**
Other operating income per income statement	6	–	**6**
Other operating expenses per income statement	(6)	(25)	**(31)**
Segment result	1 332	801	**2 133**
Income from investments	64	29	**93**
Finance cost	(268)	(43)	**(311)**
Taxation	(332)	(208)	**(540)**
Minority interest	(361)	(99)	**(460)**
Contribution to basic earnings	435	480	**915**
Contribution to headline earnings	435	480	**915**
Other information			
Segment and consolidated assets	3 487	3 026	**6 513**
Segment liabilities	1 126	437	**1 563**
Unallocated liabilities (tax and deferred tax)			**831**
Consolidated total liabilities			**2 394**
Cash in/(out) flow from operating activities	777	592	**1 369**
Cash in/(out) flow from investing activities	(355)	(153)	**(508)**
Cash in/(out) flow from financing activities	(677)	(99)	**(776)**
Capital expenditure	390	157	**547**
Amortisation and depreciation	154	87	**241**
EBITDA	1 486	888	**2 374**

Notes to the Financial Statements *(continued)*

for the year ended 30 June 2008

SEGMENTAL INFORMATION (continued)
Primary segmental information

	ARM Platinum Two Rivers Rm	ARM Platinum Modikwa Rm	**Total Rm**
2.4 Year to 30 June 2007 (Audited)			
Sales			
External sales	1 337	1 015	**2 352**
Cost of sales	(451)	(632)	**(1 083)**
Other operating income	1	–	**1**
Other operating expenses	(3)	(9)	**(12)**
Segment result	884	374	**1 258**
Income from investments	9	8	**17**
Finance cost	(186)	(69)	**(255)**
Taxation	(205)	(95)	**(300)**
Minority interest	(222)	(37)	**(259)**
Contribution to basic earnings	280	181	**461**
Contribution to headline earnings	280	181	**461**
Other information			
Segment and consolidated assets	3 026	2 288	**5 314**
Segment liabilities	1 714	480	**2 194**
Unallocated liabilities (tax and deferred tax)			**327**
Consolidated total liabilities			**2 521**
Cash in/(out) flow from operating activities	409	361	**770**
Cash in/(out) flow from investing activities	(419)	(102)	**(521)**
Cash in/(out) flow from financing activities	369	(157)	**212**
Capital expenditure	464	102	**566**
Amortisation and depreciation	75	90	**165**
EBITDA	959	464	**1 423**

SEGMENTAL INFORMATION (continued)
Additional information

Pro forma analysis of the Ferrous segment on a 100 percent basis

	Iron ore division Rm	Manganese division Rm	Chrome division Rm	**Total Rm**	**Attributable to ARM Rm**
2.5 Year to 30 June 2008 (Reviewed)					
Sales	2 776	9 552	2 507	**14 835**	**7 418**
Other operating income	51	320	99	**470**	**217**
Other operating expense	136	489	111	**736**	**350**
Operating profit	1 079	6 160	946	**8 185**	**4 092**
Contribution to earnings	779	4 075	681	**5 535**	**2 768**
Contribution to headline earnings	780	4 087	683	**5 550**	**2 775**
Other information					
Consolidated total assets	4 324	9 419	2 015	**15 758**	**7 771**
Consolidated total liabilities	1 735	3 226	826	**5 787**	**1 196**
Capital expenditure	2 231	511	158	**2 900**	**1 394**
Amortisation and depreciation	241	184	110	**535**	**264**
Cash in/(out) flow from operating activities	710	4 175	646	**5 531**	**3 005**
Cash in/(out) flow from investing activities	(2 080)	(488)	(151)	**(2 719)**	**(1 360)**
Cash in/(out) flow from financing activities	281	–	(384)	**(103)**	**(51)**
EBITDA	1 320	6 344	1 056	**8 720**	**4 366**
2.6 Year to 30 June 2007 (Audited)					
Sales	2 163	2 691	1 273	**6 127**	**3 064**
Other operating income	30	99	51	**180**	**78**
Other operating expense	64	123	102	**289**	**133**
Operating profit	962	895	119	**1 976**	**988**
Contribution to earnings	679	579	74	**1 332**	**666**
Contribution to headline earnings	679	576	76	**1 331**	**665**
Other information					
Consolidated total assets	3 275	2 842	1 680	**7 797**	**3 842**
Consolidated total liabilities	1 464	255	1 162	**2 881**	**849**
Capital expenditure	1 735	297	199	**2 231**	**1 070**
Amortisation and depreciation	160	150	95	**405**	**203**
Cash in/(out) flow from operating activities	994	451	284	**1 729**	**979**
Cash in/(out) flow from investing activities	(1 709)	(297)	(145)	**(2 151)**	**(1 030)**
Cash in/(out) flow from financing activities	626	–	(138)	**488**	**244**
EBITDA	1 122	1 045	214	**2 381**	**1 191**

Notes to the Financial Statements *(continued)*

for the year ended 30 June 2008

		Reviewed 2008 Rm	Audited 2007 Rm
3	**EXCEPTIONAL ITEMS**		
	Surplus on disposal of 50% of Nkomati mine; final tranche payment	135	–
	Profit on sale of interest in Otjikoto	32	–
	Profit on sale of interest in Zambian properties	46	–
	Impairments of property, plant and equipment	(51)	–
	Settlement of Chambishi disposal	–	14
	Exceptional items per income statement	162	14
	Taxation	5	(2)
	Profit on asset swap in the DTJV – ARM Coal*	317	–
	(Loss)/profit on disposal of property, plant and equipment	(10)	1
	Total exceptional items	474	13
	** Included in income from associate. The purchase price allocations for this transaction have been provisionally determined in accordance with IFRS 3 (initial business combination accounting)*		
4	**HEADLINE EARNINGS**		
	Basic earnings per income statement	4 487	1 220
	– Surplus on disposal of 50% of Nkomati mine; final tranche payment	(135)	–
	– Impairments of property, plant and equipment	51	–
	– Profit on sale of interest in Zambian properties	(46)	–
	– Profit on sale of interest in Otjikoto	(32)	–
	– Loss/(profit) on disposal of property, plant and equipment	10	(1)
	– Profit on asset swap in the DTJV – ARM Coal	(317)	–
	– Profit on disposal of Chambishi	–	(14)
		4 018	1 205
	– Taxation	(5)	2
	Headline earnings	4 013	1 207
5	**CASH AND CASH EQUIVALENTS**		
	– African Rainbow Minerals	326	136
	– Assmang	1 422	69
	– ARM Mining Consortium	509	160
	– ARM Coal	7	1
	– Nkomati	159	85
	– Two Rivers Platinum	109	442
	– TEAL	15	42
	– Other	113	128
	Total as per balance sheet	2 660	1 063
	Less: Overdrafts	66	24
	Total as per cash flow statement	2 594	1 039

		Reviewed 2008 Rm	Audited 2007 Rm
6	**LONG-TERM BORROWINGS**		
	– African Rainbow Minerals	**1 217**	1 253
	– Assmang	**14**	19
	– ARM Mining Consortium	**1**	236
	– ARM Coal	**847**	501
	– Two Rivers Platinum	**161**	732
	– TEAL	**14**	–
		2 254	2 741
7	**OVERDRAFTS AND SHORT-TERM BORROWINGS**		
	– African Rainbow Minerals	**69**	20
	– Assmang	**256**	303
	– ARM Mining Consortium	**255**	116
	– ARM Coal	**10**	–
	– TEAL	**436**	71
	– Two Rivers Platinum	**63**	168
	– Two Rivers Platinum – Impala Platinum	**635**	625
		1 724	1 303
8	**COMMITMENTS**		
	Commitments in respect of future capital expenditure, which will be funded from operating cash flows and by utilising available borrowing resources, are summarised below:		
	Commitments		
	Commitments in respect of capital expenditure:		
	Approved by directors		
	– contracted for	**1 380**	2 290
	– not contracted for	**1 325**	831
	Total commitments	**2 705**	3 121

9 **CONTINGENT LIABILITIES**

There have been no significant changes in the contingent liabilities of the group as disclosed in the 30 June 2007 annual report.

10 **EVENTS AFTER BALANCE SHEET**

Since the financial year end Harmony share price has declined to R67.00 which is R1 781 million lower, before deferred capital gains tax, than the closing market value at the balance sheet date.

The price of PGMs and nickel have dropped since year end. A 10% drop in US Dollar PGM and nickel prices equates to a negative impact of R106 million on earnings due to a reduction in the realisation of accounts receivable at the platinum and Nkomati operations.

These events are both non-adjusting post balance sheet events.

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WM Gule
MW King**
AK Maditsi**
KS Mashalane
JR McAlpine**
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**Independent non-executive

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