



**PROVISIONAL RESULTS**  
FOR THE YEAR ENDED 30 JUNE 2017

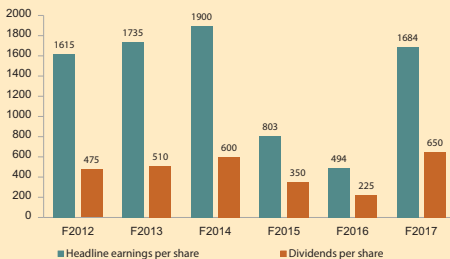


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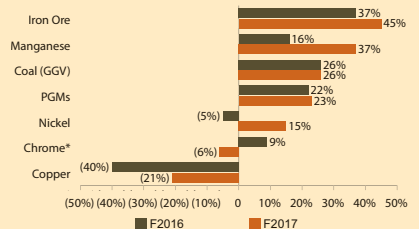
# Salient features

- **Headline earnings increased by 204% to R3 196 million (F2016: R1 051 million).** Headline earnings per share were 1 684 cents compared to 494 cents in the previous corresponding financial year.
- **Dividend declared increased by 189% to 650 cents per share (F2016: 225 cents per share).** This is the highest dividend to date and is ARM's eleventh consecutive annual dividend.
- **Basic earnings were R1 372 million (F2016: R565 million basic loss) and include:**
  - an attributable impairment previously reported in the interim results for the six months ended 31 December 2016 (1H F2017) of the Nkomati Mine assets of R711 million after tax; and
  - an attributable impairment previously reported in 1H F2017 of the Modikwa Mine assets of R734 million after tax and non-controlling interest; and
  - an attributable partial impairment reversal of the Lubambe Mine assets of R144 million after non-controlling interest following the classification of Lubambe Mine as an operation held for sale.
- **Higher US Dollar prices were realised for all the commodities in ARM's portfolio.**
- **Cost containment initiatives yielded good results.** The iron ore, manganese ore, manganese alloy, nickel, copper and Participating Coal Business (PCB) operations achieved unit production cost increases below inflation. Unit production cost increases at Modikwa and Two Rivers Mines were in line with inflation.
- **ARM's financial position has strengthened.** At 30 June 2017 ARM was in a net debt position of R1 271 million compared to net debt of R4 235 million at 30 June 2016.
- **ARM and Vale announced the disposal of their 80% interest in Lubambe Mine for a purchase consideration of US\$97 million.**
- **ARM's interest in Two Rivers will increase to 54% on execution of Two Rivers's amended mining right which is imminent.**
- **ARM and Glencore Operations South Africa are in discussions concerning the restructuring of the ARM Coal partner loans to improve ARM's debt obligations in terms of these loans.**

Headline earnings and dividends 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.

## ARM operational review

The ARM Board of Directors (the Board) announces a 204% increase in headline earnings for the financial year ended 30 June 2017 (F2017) to R3 196 million (F2016: R1 051 million). The significant increase was mainly as a result of higher US Dollar prices realised for all the commodities in ARM's portfolio relative to the previous corresponding year. During the financial year under review the Rand strengthened 6% against the US Dollar partially offsetting the positive impact of higher US Dollar commodity prices.

Dividend declared increased by 189% to 650 cents per share (F2016: 225 cents per share). This is the highest dividend to date and is ARM's eleventh consecutive annual dividend.

ARM Ferrous headline earnings increased by 157% to R3 709 million as iron ore, manganese ore and manganese alloy prices recovered. The division was able to deliver into this improved price environment realising average US Dollar prices for export iron ore that were 45% better than F2016. The average realised US Dollar price for export manganese ore was 93% higher than F2016.

ARM Platinum headline earnings improved by R360 million as each operation in the division improved its contribution to earnings. There was a significant turnaround at Nkomati Mine from a headline loss of R244 million in F2016 to headline earnings of R91 million in the year under review. Two Rivers Mine headline earnings were up 2% to R325 million (F2016: R318 million) while Modikwa Mine reported a reduced headline loss of R66 million (F2016: R84 million).

ARM Coal headline earnings of R82 million in F2017 are a significant turnaround from the headline loss of R297 million reported in F2016. The improvement was mainly due to the PCB operations which contributed R181 million headline earnings to ARM (F2016: R210 million headline loss). The Goedgevonden (GGV) Mine continued to be loss-making as operational challenges negatively impacted on sales volumes and unit costs.

The ARM Copper headline loss was R203 million (F2016: R361 million). On 15 August 2017 ARM and Vale announced the disposal of their 80% interest in the Lubambe Mine which is discussed in further detail below. The Lubambe Mine is classified as a discontinuing operation for reporting purposes.

The Corporate and other headline loss was R778 million (F2016: R301 million headline earnings) and includes a provision of R330 million for a possible settlement of the silicosis and tuberculosis class action claims and related costs.

### Headline earnings/(loss) by division/operation

R million	12 months ended 30 June		
	Reviewed 2017	Re-presented 2016	% change
<b>ARM Platinum</b>	<b>350</b>	(10)	>200
Two Rivers Mine	325	318	2
Modikwa Mine	(66)	(84)	21
Nkomati Mine	91	(244)	137
<b>ARM Ferrous</b>	<b>3 709</b>	1 441	157
Iron ore division	2 187	1 215	80
Manganese division	1 161	198	>200
Chrome division	375	55	>200
Consolidation adjustment	(14)	(27)	
<b>ARM Coal</b>	<b>82</b>	(297)	128
GGV Mine	(99)	(87)	14
PCB Operations	181	(210)	186
<b>ARM Copper*</b>	<b>(203)</b>	(361)	44
<b>ARM Strategic Services and Exploration</b>	<b>(28)</b>	(23)	(22)
Gold	64	-	
<b>Corporate and other*</b>	<b>(778)</b>	301	(>200)
<b>ARM headline earnings</b>	<b>3 196</b>	1 051	>200

\*Following the announcement of the disposal of ARM's interest in Lubambe Mine, the operation has been classified as held for sale at 30 June 2017, in terms of IFRS. As such intercompany interest accrued to ARM Company from Lubambe Mine of R219 million (F2016: R194 million) has been eliminated from both the ARM Copper and Corporate and other segments.

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 Holdings South Africa (Pty) Ltd (Glencore), Vale S.A. (Vale) and Zambian Consolidated Copper Mines Investment Holdings Plc (ZCCM-IH).

The provisional results for the year ended 30 June 2017 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 continued to focus on improving its safety performance, restructuring loss-making and cash-negative operations, maximising revenue, improving operational efficiencies and reducing unit costs, optimising capital expenditure and improving its financial position.

## **Commitment to safety and health**

ARM remains committed to creating and maintaining a safe and healthy work environment for all employees. There have been no fatalities at any of the ARM operations since May 2015, resulting in ARM being fatality-free for the past two financial years.

In the financial year under review ARM's Lost Time Injury Frequency Rate (LTIFR) improved by 14% from 0.32 per 200 000 man-hours in F2016 to 0.28 per 200 000 man-hours in F2017. The number of Lost Time Injuries (LTIs) reduced to 65 (F2016: 86) and reportable injuries reduced from 60 in F2016 to 47 in F2017.

Safety-related stoppages (i.e. Section 54 Notices) reduced to 20 from 28 in F2016.

Safety achievements in the financial year under review:

- ARM Ferrous achieved an LTIFR of 0.17 per 200 000 man-hours. This is a 23% improvement compared to F2016 and is the lowest LTIFR achieved to date by the division;
- Beeshoek Mine completed 15 000 fatality-free production shifts in November 2016;
- Black Rock Mine completed five million fatality free shifts on 11 October 2016 and received an award from the Department of Mineral Resources (DMR) as the safest underground mine in the Northern Cape region;
- Khumani Mine achieved one million fatality free shifts at the beginning of December 2016;
- ARM Platinum achieved an LTIFR of 0.38 compared to 0.44 in F2016. This represents a 14% improvement and is the lowest LTIFR achieved by ARM Platinum to date;
- Modikwa Mine achieved four million fatality-free shifts in July 2017; and
- Nkomati Mine achieved a full financial year without a lost time injury.

*Safety figures and statistics are reported on a 100% basis and exclude the ARM Coal operations.*

*F2016 safety statistics include Dwarsrivier Mine.*

## **Restructuring loss-making operations**

### **Lubambe Mine**

Following announcements that the Lubambe Mine was under review, ARM announced on 15 August 2017 that an agreement for the disposal of ARM's and Vale's 80% interest in Lubambe Mine to EMR Capital had been concluded. The interest sold includes the equity holding in Lubambe Mine as well as loans to Lubambe Mine.

The purchase consideration for the 80% interest is US\$97 million. The final amount receivable is subject to, amongst others, the following adjustments which will be finalised on completion of the disposal:

- Settlement of Lubambe Mine's general banking facility; and
- Additional funding provided to Lubambe Mine by ARM and Vale between 1 May 2017 and the completion date.

Completion of the disposal is subject to the fulfilment of conditions precedent.

The buyer, EMR Capital, is a specialist resources private equity management firm with a proven investment track record spanning over 20 years.

### **Nkomati Mine**

Nkomati Mine contributed headline earnings of R91 million for the financial year under review. As previously reported, the mine is entering a challenging period for the next three years which is expected to negatively impact volumes, operating and capital costs. Waste stripping is being accelerated in order to open up ore reserves to gain increased mining flexibility while the pit requires piling work on the Western section to improve slope stability due to saprolite slumping in the area. The Eastern section of the pit has lower grade ore resulting in a reduction in the forecast production volumes for the next three years. Nkomati Mine has maintained its on-mine unit production costs (excluding capitalised waste stripping) below R300 per tonne for the last six years and has limited scope to reduce on-mine unit costs any further.

The abovementioned operational challenges coupled with a subdued short-term outlook for nickel and chrome prices are expected to negatively impact the mine's future cash flows. The mine has considered a number of alternatives to minimise funding requirements from partners. ARM is concerned about the outlook for nickel prices in the short-term but remains positive on the medium- to long-term outlook. ARM is engaging our partner on the best way forward for the mine and various options are being considered.

## Modikwa Mine

The Modikwa Mine headline loss reduced by 21% to R66 million when compared to the corresponding previous financial year (F2016: R84 million). PGMs produced at the mine increased by 3% as the head grade and plant recoveries improved. Unit cost per PGM ounce increased below inflation at 3%. Despite these improvements Modikwa remained loss-making and is also likely to require further funding support from the partners.

Interventions are under way to improve the mine's profitability and cash flow generation. These include the cessation of mining in areas that are producing at a loss.

In the fourth quarter of the 2017 financial year Modikwa Mine reported improvement in tonnes milled, production volumes and unit costs which positions the mine well for the coming financial year. Unit production costs for the fourth quarter were R1 174 per tonne milled, compared to R1 265 per tonne milled reported for F2017.

The mine is continuing with the deepening of the North Shaft and sinking of the new South 2 Shaft. ARM and Anglo Platinum are aligned to optimise the associated capital expenditure due to the low platinum price environment and are focused on returning the operation to profitability.

## ARM Coal

ARM and Glencore Operations South Africa are in discussions concerning the restructuring of the ARM Coal partner loans to improve ARM's debt obligations in terms of these loans.

### Improving operational efficiencies and reducing unit production costs

Positioning all operations below the 50<sup>th</sup> percentile of the respective global commodity cost curve remains a key part of ARM's strategy.

Two Rivers Mine's unit production costs on a Rand per 6E ounce increased by 10% from F2016 as production volumes decreased owing to a reduction in head grade due to mining of split reef in the South of the mine. Undercutting of the lower grade ore and scalping of waste rock on surface are some of the measures implemented to improve the Two Rivers Mine head grade. Two Rivers received consent during August 2017 i) to transfer the Tamboti rights to it, and ii) to have its mining right amended accordingly. The amended mining right will be issued to Two Rivers imminently at which point ARM's interest in Two Rivers will increase to 54%.

Nkomati Mine achieved a decrease in on-mine unit production costs to R284 per tonne milled. C1 unit cash costs, net of by-products, increased by 15% due to lower nickel volumes produced and increased waste stripping.

On-mine unit production costs at GGV Mine increased by 35% as a result of lower production volumes, low availability of equipment and additional expenditure to increase in-pit stock levels due to waste stripping being behind schedule.

### Improving the financial position

The cash dividend received from Assmang increased significantly to R2 488 million in the financial year under review. This, along with other cash generated, enabled ARM to fully repay its corporate borrowing facility. The consolidated net debt of R4 235 million at 30 June 2016 reduced to net debt of R1 271 million as at 30 June 2017. The ARM Ferrous attributable cash and cash equivalents balance at 30 June 2017 was R3 165 million (F2016: R2 399 million).

### 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 2016, other than depletion due to continued mining activities at the operations with the exception of:

- Dwarsrivier Mine Mineral Resources and Reserves which are no longer reported by ARM after completion of the disposal of ARM's interest to Assore in July 2016.
- The UG2 Mineral Reserves (Proved and Probable) at Two Rivers Mine which decreased from 43.25 million tonnes at 3.56g/t (6E) in 2016 to 33.25 million tonnes at 3.47g/t (6E) in 2017. The net loss in tonnage and 6E ounces is primarily due to the mining depletion during the Financial Year 2016/2017, undercut mining in the split reef area, a reduction in the mining height in some areas as a result of remodelling and the mining design changes in the faulted area on the North Decline area.

An updated Mineral Resources and Reserves Statement will be issued in the 2017 Integrated Annual Report to be published in October 2017.

## Financial commentary

Following the announcement of the disposal of ARM's and Vale's 80% interest in Lubambe Copper Mine, Lubambe Mine has been classified as held for sale at 30 June 2017 and is disclosed as a discontinuing operation in terms of International Financial Reporting Standards. The F2016 Income Statement has therefore been re-presented.

Completion of the disposal is subject to the fulfilment of conditions precedent.

Headline earnings from continuing operations for the financial year to 30 June 2017 of R3 399 million were 141% higher than the prior year headline earnings (F2016: R1 412 million). This equates to headline earnings per share from continuing operations of R17.91 (F2016: R6.63 per share).

The Board declared its eleventh consecutive annual dividend of R6.50 per share (F2016: R2.25 per share) after the financial year-end.

ARM's basic earnings from continuing operations for F2017 were R1 431 million (F2016: R1 199 million) and were negatively impacted by:

- an attributable impairment previously reported in the interim results for the six months ended 31 December 2016 (1H F2017) of the Nkomati Mine assets of R711 million after tax;
- an attributable impairment previously reported in 1H F2017 of the Modikwa Mine assets of R734 million after tax and non-controlling interest; and
- an attributable impairment loss of R373 million within the Assmang joint venture related to the sale of Dwarsrivier.

F2016 special items amounted to a R1 616 million loss after tax and non-controlling interest, largely relating to attributable discontinuing operation (impairment of Lubambe Copper Mine assets of R1 404 million after non-controlling interest). Additional special items are set out in note 4 to the financial statements. The reconciliation of basic earnings to headline earnings is provided in note 5 to the financial statements.

Sales from continuing operations for the year were unchanged at R8.16 billion (F2016: R8.16 billion).

Most operations have achieved unit production cost increases that are either at or lower than inflation.

The positive impact of higher realised US Dollar prices for all the commodities in ARM's portfolio was partially offset by the strengthening of the Rand against the US Dollar. The F2017 average Rand/US Dollar exchange rate of R13.60/US\$ was 6% stronger than the average of R14.51/US\$ for F2016. For reporting purposes, the closing exchange rate was R13.05/US\$ (30 June 2016: R14.68/US\$).

Earnings before interest, tax, depreciation and amortisation (EBITDA) from continuing operations, excluding special items and income from associates and joint ventures, were R922 million (F2016: R1 415 million), which is 35% lower than F2016, largely as a result of unrealised foreign exchange losses in the Corporate segment of R270 million (F2016: R347 million unrealised foreign exchange gains) and the recognition of R330 million in F2017 for a possible settlement of the silicosis and tuberculosis class action claims and related costs.

Segmental EBITDA margins are reflected in the graph on page 12.

Income from joint venture amounts to R3 265 million, which includes the negative impact of special items, and is 151% higher than the R1 301 million reported in F2016.

Detailed segmental headline earnings contribution analysis is provided in note 2 to the financial statements.

- The ARM Ferrous contribution to headline earnings amounted to R3 709 million (F2016: R1 441 million). This increase of 157% compared to F2016 is largely due to higher US Dollar commodity prices. The iron ore division contributed R2 187 million (F2016: R1 215 million), while the manganese division contributed R1 161 million (F2016: R198 million) to the ARM group headline earnings.
- ARM Platinum's headline earnings contribution, which includes the results of Nkomati Mine, was R350 million (F2016: R10 million loss). The increased contribution is primarily due to the positive earnings contribution from Nkomati Mine of R91 million (F2016: R244 million headline loss).
- ARM Coal contributed headline earnings of R82 million (F2016: R297 million headline loss) largely as a result of the headline earnings contribution of the PCB Coal business of R181 million (F2016: R210 million headline loss), partially offset by higher finance charges in GGV and PCB.
- The ARM Copper segment result was a headline loss of R203 million (F2016: R361 million). This result includes interest of R56 million (F2016: R36 million) on the shareholder loan. The translation of the F2017 Income Statement to Rand was calculated at the F2017 average exchange rate of R13.60/US\$ (F2016: R14.51/US\$).
- The ARM Strategic Services and Exploration segment costs were R28 million (F2016: R23 million).
- The ARM Corporate, other companies and consolidation segment reflects a headline loss of R778 million for the year

(F2016: R301 million earnings). This is largely due to unrealised foreign exchange losses on US Dollar loans made by ARM to Lubambe Mine, which entity's functional currency is the US Dollar, resulting from the Rand versus the US Dollar exchange rate strengthening from R14.68/US\$ at 30 June 2016 to R13.05/US\$ at 30 June 2017. The ARM Company loans to Lubambe Mine amounted to US\$183 million at 30 June 2017 (30 June 2016: US\$158 million). Also included in the ARM Corporate, other companies and consolidation segment headline loss is a provision of R330 million for the possible settlement of the silicosis and tuberculosis class action claims and related costs. As a consequence of the progress made by the industry working group on occupational lung disease (of which ARM is party) in the negotiations between the group and affected stakeholders, ARM is now in a position to reliably estimate within an acceptable range the Company's share of a possible settlement of the class action claims and related costs. The nominal amount of the provision is R417 million. Refer to note 14 in the financial results for further details.

At 30 June 2017 cash and cash equivalents from continuing operations amounted to R1 488 million (F2016: R1 289 million). This excludes the attributable cash and cash equivalents held at ARM Ferrous (50% of Assmang) of R3 165 million (F2016: R2 399 million).

As previously reported, the ARM BBEE Trust ("the Trust") was restructured in April 2016 and is now consolidated into the ARM results. As a result of this, the ARM consolidated cash and cash equivalents and borrowings include the Trust cash and borrowings.

Total borrowings at 30 June 2017 were R2 759 million (F2016: R5 551 million). There is no debt at ARM Ferrous (F2016: nil). The decrease in total borrowings is largely due to a reduction in the amount owing on the ARM corporate facility to nil at 30 June 2017 (30 June 2016: R1 400 million) which was achieved by applying the cash dividends received from Assmang to repay the ARM corporate facility. Details of long- and short-term borrowings are reflected in note 8 to the financial statements.

As per the Statement of Financial Position, the consolidated net debt amounts to R1 271 million (overdrafts, short-term and long-term borrowings less cash and cash equivalents) and is lower in comparison to the net debt position of R4 235 million at 30 June 2016. Details of cash and borrowings are set out in notes 7 and 8 to the financial statements.

Cash generated from operations increased by R386 million to R1 611 million (F2016: R1 225 million) after a R274 million increase in working capital (F2016: R80 million increase). The cash dividends received from the Assmang joint venture amounted to R2 488 million (F2016: R875 million).

Cash spent on capital expenditure increased by R97 million to R949 million (F2016: R852 million). Attributable capital expenditure at the Assmang joint venture reduced to R1 361 million (F2016: R1 422 million).

Consolidated ARM total assets of R32 billion (30 June 2016: R35 billion) include the decreased mark-to-market valuation of ARM's investment in Harmony Gold Mining Company Limited (Harmony) of R1 380 million (F2016: R3 339 million) at a share price of R21.68 per share (30 June 2016: R52.47 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 are accounted for, net of deferred capital gains tax, through the Statement of Comprehensive Income. Dividends from Harmony are recognised in the ARM Income Statement on the last day of registration following dividend declaration.

Events after the reporting date are set out in note 18 to the financial statements. Since the year-end ARM received a dividend of R1 000 million from Assmang.



## ARM Ferrous

ARM Ferrous headline earnings increased 157% to R3 709 million (F2016: R1 441 million) mainly driven by a significant increase in the iron ore, manganese ore and manganese alloy US Dollar prices. These increases were partially offset by a 6% strengthening of the Rand versus the US Dollar.

For the financial year ended 30 June 2017, the average market price for 62% iron ore fines (CIF North China) increased 37% to US\$69.41/t compared to the corresponding comparative period. Average manganese ore prices were also up with the Platts Index for 44% manganese ore (CIF Tianjin) increasing by 102% from US\$2.86 per manganese tonne unit (mtu) to US\$5.77/mtu. Global demand and prices for manganese alloy also increased during the financial year under review.

The mines were able to deliver into this improved price environment, realising average US Dollar prices that were 43% and 93% better for exported iron ore and manganese ore, respectively.

In addition to improved realised prices, disciplined unit production cost containment and increased volumes at the iron ore and manganese alloy operations also contributed to higher earnings.

## ARM Ferrous headline earnings/(loss) by division

12 months ended 30 June			
R million	Reviewed 2017	Audited 2016	% change
Iron ore division	4 373	2 429	80
Manganese division	2 322	396	>200
Chrome division	749	111	>200
Total (100% basis)	7 444	2 936	154
ARM share	3 723	1 468	154
Consolidation adjustments	(14)	(27)	
<b>Headline earnings attributable to ARM</b>	<b>3 709</b>	<b>1 441</b>	<b>157</b>

ARM Ferrous iron ore sales volumes were up 2% to 17.3 million tonnes of which 14.1 million tonnes were sold into the export market and 3.2 million tonnes sold locally.

Khumani Mine production volumes increased 6% to a record 14.5 million tonnes. The increased volumes were achieved through better in-pit blending of ore together with improvements in the beneficiation plant's availability, performance and maintenance planning. Khumani Mine also completed and successfully commissioned an ultra-fines recovery circuit in March 2017, to recover an additional 250 thousand tonnes of ultra-fine iron ore product per annum. The circuit is now fully operational.

Beeshoek Mine volumes increased marginally to 3.2 million tonnes as the mine continued to deliver as per the off-take agreement with a South African steel producer.

Manganese ore production volumes increased by 5% to 3.07 million tonnes despite Nchwaning 2 Shaft being out of commission for six months of the F2017 financial year as the modernisation and upgrading of Black Rock Mine continued. During this six months, teams from Nchwaning 2 were re-deployed to Gloria Mine. The newly refurbished Nchwaning 2 Shaft was commissioned and successfully handed over to operations in January 2017. There was also an improvement to employee engagement and communication through the "Black Rock Mine Operation (BRMO) connect" project, which allowed the mine to achieve its highest level of productivity in tonnes per employee and an all-time production record in the month of June 2017.

Manganese ore sales volumes were down by 4% to 3 million tonnes, of which 2.9 million tonnes were exported and 0.1 million tonnes were sold into the local market.

Manganese alloy production at Cato Ridge Works was 5% more than in F2016 at 161 thousand tonnes due to improved availability of furnaces and a reduction in the variability of the ore from Black Rock Mine. Cato Ridge Works sales volumes increased by 7% to 168 thousand tonnes. Cato Ridge Works continued to focus on improving furnace efficiencies and operational flexibility. The fabrication of a bridge, enabling the transport of metal ladles with a slag hauler, now allows Cato Ridge Works to transfer molten metal to Cato Ridge Alloys from all operating furnaces, further enhancing flexibility. Input cost pressures have been mitigated by utilising briquettes comprising bag house dust, metal fines, carbon fines and other fine materials. These are agglomerated on site, thereby reducing the requirement for expensive ore by 10%. Further raw material trials are being done to reduce costs.

Sakura commissioned both furnaces successfully and is producing high carbon ferromanganese at levels in excess of nameplate capacity. The alloy production is also meeting customer specifications.



Machadodorp Works is currently only recovering ferrochrome from the slag dumps through the metal recovery plant, with approximately six months of processing remaining. Thereafter, the operation will recover ferromanganese slag for approximately eight months.

ARM and Assore are currently evaluating possible options for the future of Machadodorp Works.

#### Assmang sales volumes (on 100% basis)

12 months ended 30 June			
Thousand tonnes	2017	2016	% change
Iron ore*	17 275	17 008	2
Manganese ore *	2 974	3 090	(4)
Manganese alloys **	303	175	73
Charge chrome	18	15	20
Chrome ore***	-	1 147	

\* Excluding intra-group sales.

\*\* Includes Sakura Ferroalloy.

\*\*\* ARM's interest in Dwarsrivier Chrome Ore Mine was sold to Assore with effect from 1 July 2016.

#### Assmang production volumes (on 100% basis)

12 months ended 30 June			
Thousand tonnes	2017	2016	% change
Iron ore	17 714	16 727	6
Manganese ore	3 069	2 934	5
Manganese alloys	403	204	98
Charge chrome	11	15	(27)
Chrome ore*	-	1 200	

\* ARM's interest in Dwarsrivier Chrome Ore Mine was sold to Assore with effect from 1 July 2016.

All operations contained unit production costs achieving on-mine unit production cost increases below inflation.

#### ARM Ferrous cost and EBITDA margin performance

Commodity group	Unit cost of sales	On-mine unit production cost	EBITDA margin %
	% change	% change	
Iron ore	2	3	45
Manganese ore	12	1	45
Manganese alloys	5	5	4

Capital expenditure decreased by 5% to R2 817 million. This included Black Rock Mine capital expenditure of R1 614 million of which R1 066 million was for the Black Rock Project and the balance for replacement of mining equipment and fleet.

Beeshoek Mine capital expenditure was R278 million, consisting mainly of Village Pit waste removal and replacement of mining equipment. Khumani Mine capital expenditure was R994 million, consisting mainly of waste stripping at the Bruce and King pits, maximising ultra-fines recovery, replacement of mining equipment and fleet, vehicle proximity detection and purchase of an environmental off-set area.

#### ARM Ferrous capital expenditure (on 100% basis)

100% basis	12 months ended 30 June	
	Reviewed 2017	Audited 2016
R million		
Iron ore	1 169	901
Manganese	1 648	1 928
Chrome*	-	149
Total	2 817	2 978

\* ARM's interest in Dwarsrivier Chrome Ore Mine was sold to Assore with effect from 1 July 2016.

## Projects:

### Black Rock Project

The total capital requirement for the Black Rock Project has been re-evaluated and in line with the improved outlook for manganese ore prices, the scope of the project has been revised from R6.0 billion to the original approved R6.7 billion. Due to the subdued outlook in F2016 and cut-backs on capital, some of the key underground elements of the project had been delayed. All of this work has been re-commissioned and the revised timeline indicates that some of the underground installations will lag the original schedule. Currently, 80% of the capital has been spent or committed.

The primary focus of the project remains:

- The modernisation of the mine to optimise resource exploitation and to maximise utilisation of production hours, production fleet and mining equipment;
- The cost-efficient exploitation of the Seam 1 and Seam 2 manganese resources at the Nchwaning mining complex, targeting the production of high-grade manganese products;
- The 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 the flexibility within the underground operations at the Nchwaning shafts to ensure the mine can react more effectively to changes in market product requirements;
- Creating the ability to exploit the high-grade ore within Nchwaning 1; and
- Establishing the load-out capacity and efficiencies to meet the requirements as set by Transnet for the Ngqura port facility.

### Sakura Ferroalloys Project

The Sakura project was completed within the original budget of US\$328 million.

Both furnaces are at full production and their performance exceeds the design capacity for high carbon ferromanganese. The agglomeration plant is operational and fine materials stockpiled on site are under trial in various recipes. This is expected to further enhance profits.

Sakura is utilising the Bintulu port as well as the newly constructed Samalaju port for import and export of raw materials and final product. The quality of Sakura's alloy has been well received in the market.

## Logistics

ARM Ferrous continued to ensure execution of its medium-term manganese export capacity allocation (MECA2) from Transnet through the ports of Saldanha and Port Elizabeth.

Due to unforeseen challenges with the load-out facility in Port Elizabeth and other operational challenges, Transnet did not perform as envisaged and ARM Ferrous supplemented rail by using road transport to the port of Durban to ensure that sales volumes could be achieved. The road haulage is at a higher cost per tonne and therefore impacted costs.

Engagements are ongoing regarding the synchronisation of the ramp-up of the Black Rock Mine with the medium- and longer-term (MECA2 and MECA3) Transnet capacity process.

Transnet enabled Khumani Mine to export 14.1 million tonnes of iron ore for F2017. A junior iron ore producer and exporter was able to export more than 1 million tonnes during the reporting period, using the Khumani Mine load-out facility.

In collaboration with Transnet, a link to the export line to Saldanha Port has been established from Beeshoek Mine for additional flexibility.

*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's attributable headline earnings increased to R350 million (F2016: R10 million headline loss). This increase was mainly as a result of improved headline earnings at Nkomati Mine, which benefited from the sharp increase in chrome prices and reported a R78 million positive mark-to-market adjustment on the realisation of the debtors at 30 June 2017 (F2016: R242 million negative adjustment). Two Rivers Mine also benefited from higher chrome prices.

### ARM Platinum attributable headline earnings/(loss)

R million	12 months ended 30 June		
	Reviewed 2017	Audited 2016	% change
Two Rivers Mine	325	318	2
Modikwa Mine	(66)	(84)	21
Nkomati Mine	91	(244)	137
<b>Total</b>	<b>350</b>	<b>(10)</b>	<b>&gt;200</b>

Average US Dollar commodity prices, particularly for palladium (27%) and chrome concentrate (65%), were higher than the corresponding period. A 6% strengthening of the Rand against the US Dollar resulted in platinum prices being slightly lower in Rand terms, compared to F2016. Due to the higher palladium content at Modikwa, the average Rand per 6E kilogram basket price increased by 6% to R334 051 (F2016: R315 748 per kilogram), whereas the average basket price at Two Rivers Mine increased by 4% to R333 749 per 6E kilogram (F2016: R320 977 per kilogram).

The tables below set out the relevant price comparison:

### Average US Dollar metal prices

Average for the 12 months ended 30 June				
		2017	2016	% change
Platinum	US\$/oz	987	953	4
Palladium	US\$/oz	734	578	27
Rhodium	US\$/oz	783	684	14
Nickel	US\$/t	9 882	9 275	7
Copper	US\$/t	5 474	4 858	13
Chrome concentrate (CIF)	US\$/t	165	100	65

### Average Rand metal prices

Average for the 12 months ended 30 June				
		2017	2016	% change
Exchange Rate	R/US\$	13.60	14.51	(6)
Platinum	R/oz	13 408	13 834	(3)
Palladium	R/oz	9 973	8 385	19
Rhodium	R/oz	10 636	9 925	7
Nickel	R/t	134 295	134 574	-
Copper	R/t	74 387	70 492	6
Chrome concentrate (CIF)	R/t	2 245	1 445	55

Lower PGM production at the Nkomati (21%) and Two Rivers (3%) mines, resulted in ARM Platinum's PGM ounces (on a 100% basis) decreasing by 4% to 815 188 6E ounces (F2016: 851 924 6E ounces). Nkomati Mine's nickel production decreased to 15 875 tonnes (F2016: 21 592 tonnes) as a result of lower tonnes mined, combined with lower grades and lower plant recoveries. Two Rivers Mine PGM production declined to 390 214 6E ounces (F2016: 400 722 6E ounces) due to a 4% reduction in head grade. Included in the Two Rivers Mine PGM production are 5 992 ounces produced through toll treating at the Modikwa Mine concentrator plant. Modikwa Mine's PGM volumes increased to 301 228 6E ounces (F2016: 293 604 6E ounces), mainly due to improved head grade and plant recovery.

Nkomati Mine's on-mine unit production costs (excluding capitalised waste stripping) were 4% lower at R284 per tonne while C1 unit cash cost net of by-products were 15% higher at US\$4.81/lb (F2016: US\$4.18/lb) of nickel produced. The increase in C1 unit cash costs was due to lower nickel produced combined with increased waste stripping costs.

At Two Rivers Mine the lower PGM production resulted in a 10% increase in unit production cash costs to R6 195 per 6E ounce (F2016: R5 624 per 6E ounce).

Unit production costs per 6E ounce at Modikwa Mine increased by 3% to R8 463 per 6E ounce (F2016: R8 244 per 6E ounce) due to restructuring initiatives implemented as well as improved PGM volumes.

Capital expenditure at ARM Platinum operations (on a 100% basis) increased to R1 273 million (F2016: R1 052 million).

As previously reported, market conditions necessitated Modikwa Mine's capital projects to be reviewed to reduce capital expenditure without adversely affecting the mine's future ability to ramp-up production. Capital expenditure reduced by 7% to R262 million (F2016: R282 million).

Of the capital spent at Two Rivers Mine, 32% is associated with fleet replacement and refurbishment. The deepening of the North decline, together with its electrical and mechanical installations, comprised 57% of the total capital expenditure.

Nkomati Mine's capital expenditure was mainly for the commencement of the construction of a second anchored pile wall (R69 million) as well as a pit proximity movement detection system (R21 million). Capitalised waste stripping cost increased by 76% to R617 million after being reduced in F2016 to preserve cash. This is required to open up the ore reserves and improve mining flexibility.

## ARM Platinum capital expenditure (on 100% basis)

R million	12 months ended 30 June	
	Reviewed 2017	Audited 2016
Modikwa	262	282
Two Rivers	293	282
Nkomati	101	137
Nkomati capitalised waste stripping	617	351
<b>Total</b>	<b>1 273</b>	<b>1 052</b>

## Two Rivers Mine

Attributable headline earnings at Two Rivers Mine increased by 2% to R325 million (F2016: R318 million).

Tonnes milled remained flat while complexity in the ore body resulted in lower mined grades leading to a 3% decrease in PGM ounces. The ore body South of the main shaft historically indicated a decline in grades. Lower grades have, however, been intersected sooner than expected due to split reef. Undercutting of the lower grade ore and scalping of waste rock on surface are some of the measures implemented to improve the Two Rivers head grade. Of the 3.5 million tonnes milled, 58 689 tonnes were toll-treated at Modikwa as part of Two Rivers' working capital reduction initiatives.

Two Rivers Mine chrome concentrate sales contributed R352 million (F2016: R130 million) to cash operating profit.

Unit production costs increased by 10% to R6 195 per 6E ounce (F2016: R5 624 per 6E ounce). Two Rivers Mine remains well in the first quartile of the global PGM cost curve. There was a 155 806 tonne decrease in the UG2 Run-of-Mine stockpile to a total of 216 752 tonnes of ore.

## Two Rivers Mine operational statistics (on 100% basis)

		12 months ended 30 June		
		2017	2016	% change
Cash operating profit	R million	1 359	1 356	-
– PGMs	R million	1 006	1 226	(18)
– Chrome	R million	352	130	170
Tonnes milled	Mt	3.50	3.51	-
Head grade	g/t, 6E	3.90	4.06	(4)
PGMs in concentrate	Ounces, 6E	390 214	400 722	(3)
Chrome concentrate sold	Tonnes	275 189	283 765	(3)
Average basket price	R/kg, 6E	333 749	320 977	4
Average basket price	US\$/oz, 6E	764	688	11
Cash operating margin	%	34	35	
Cash cost	R/kg, 6E	199 168	180 802	10
Cash cost	R/tonne	690	642	7
Cash cost	R/Pt oz	13 291	12 125	10
Cash cost	R/oz, 6E	6 195	5 624	10
Cash cost	US\$/oz, 6E	456	388	18
<b>Headline earnings attributable to ARM</b>	R million	<b>325</b>	<b>318</b>	<b>2</b>

## Modikwa Mine

Modikwa Mine's attributable headline loss reduced by 21% to a loss of R66 million (F2016: R84 million headline loss). An increase in head grade and concentrator recovery negated the lower milled tonnes, resulting in PGM volumes increasing by 3% to 301 228 6E ounces (F2016: 293 604 6E ounces).

Unit production costs increased by only 3% to R8 463 per 6E PGM ounce (F2016: R8 244 per 6E PGM ounce) mainly due to efficiency improvement initiatives at the mine.

Production ramp-up at South 2 has been slower than expected, however, an upward trend has commenced particularly in the last quarter of the financial year. The focus will remain ramp-up of production from the South 2 Shaft. Mining in areas that are producing at a loss is being stopped.

As reported in the 1H F2017 results, ARM recorded an attributable impairment of R734 million after tax and non-controlling interest of Modikwa assets during the year.

### Modikwa Mine operational statistics (on 100% basis)

12 months ended 30 June				
		2017	2016	% change
Cash operating loss	R million	(36)	(11)	>(200)
Tonnes milled	Mt	2.01	2.05	(2)
Head grade	g/t, 6E	5.43	5.27	3
PGMs in concentrate	Ounces, 6E	301 228	293 604	3
Average basket price	R/kg, 6E	334 051	315 748	6
Average basket price	US\$/oz, 6E	765	677	13
Cash operating margin	%	(1)	-	
Cash cost	R/kg, 6E	272 104	265 046	3
Cash cost	R/tonne	1 265	1 182	7
Cash cost	R/Pt oz	21 878	21 271	3
Cash cost	R/oz, 6E	8 463	8 244	3
Cash cost	US\$/oz, 6E	623	568	10
<b>Headline loss attributable to ARM</b>	R million	<b>(66)</b>	<b>(84)</b>	<b>21</b>

## Nkomati Mine

Nkomati Mine generated attributable headline earnings of R91 million (F2016: R244 million headline loss) for the financial year under review. This was mainly driven by an attributable positive mark-to-market adjustment of R78 million (F2016: R242 million negative adjustment), resulting from increased nickel and PGM prices since the date on which the sales were recognised.

Chrome concentrate sales volumes decreased by 12% to 241 265 tonnes (F2016: 272 817 tonnes), but contributed R408 million to cash operating profit due to a substantial increase in the realised Rand chrome prices. The decrease in chrome production was mainly as a result of the chrome washing plant being stopped in November 2015 due to depressed market conditions at the time. The chrome washing plant was restarted during October 2016 when market conditions improved.

Nkomati Mine's total tonnes milled decreased by 9% to 7.49 million tonnes. Nickel units produced decreased by 26% to 15 875 tonnes (F2016: 21 592 tonnes). The main reasons for this underperformance were:

- Poor mining efficiencies in the first half of the year which resulted in lower ore supply to both the PCMZ and MMZ plants. Furthermore, the mining contractor was impacted by a 15-day unprotected strike and safety stoppages which negatively affected production. Corrective action was taken with regards to the safety stoppages with changes implemented to the shift arrangements and fatigue management.
- A change in the mining sequence which was caused by insufficient waste stripping and unforeseen geotechnical challenges resulted in a decrease in the ore mined, reducing ore feed head grade and plant recoveries.
- A second pile wall construction has commenced to achieve slope stability on the Western perimeter of the open pit. This results in mining being confined to the Eastern benches only, which are lower grade. The mining of the Western benches will commence in the second half of F2018, once Pile Wall 2 construction is completed

Nkomati Mine's C1 unit cash costs net of by-products increased by 15% to US\$4.81/lb (F2016: US\$4.18/lb) largely due to the decrease in nickel units produced. Higher volumes of waste stripping resulted in unit production costs per tonne milled (including capitalised waste stripping) increasing to R367 per tonne milled.

The capitalised waste stripping is included in the on-mine production cost per tonne milled (including capitalised waste stripping costs) and the C1 cash unit cost net of by-products.

As reported in the 1H F2017 results, ARM recorded an attributable impairment of R711 million after tax of Nkomati Mine assets during the year.

## Nkomati Mine operational statistics (on 100% basis)

		12 months ended 30 June		
		2017	2016	% change
Cash operating profit / (loss)	R million	660	(112)	>200
– Nickel	R million	252	(232)	>200
– Chrome	R million	408	120	>200
Cash operating margin	%	17	(2)	
Tonnes milled	Mt	7.49	8.24	(9)
Head grade	% nickel	0.30	0.36	
Nickel on-mine cash cost per tonne milled	R/tonne	284	295	(4)
Nickel on-mine cash cost per tonne milled (including capitalised waste stripping costs)	R/tonne	367	338	9
Cash cost net of by-products*	US\$/lb	4.81	4.18	15
<b>Contained metal</b>				
Nickel	Tonnes	15 875	21 592	(26)
PGMs	Ounces	123 745	157 598	(21)
Copper	Tonnes	7 637	9 893	(23)
Cobalt	Tonnes	813	1 065	(24)
Chrome concentrate sold	Tonnes	241 265	272 817	(12)
<b>Headline earnings/(loss) attributable to ARM</b>	R million	<b>91</b>	<b>(244)</b>	<b>137</b>

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

## Projects

### Modikwa Mine

In order to improve mining flexibility a decision was taken to deepen North Shaft and sink the new South 2 Shaft. The status of these projects is detailed below:

- Deepening of North Shaft – entails the deepening of North Shaft from Level 7 to Level 9 thereby establishing three new mining levels. To curtail capital expenditure, portions of this project were deferred during F2015, resulting in development being delayed at Level 9. Levels 7 and 8 are both fully equipped with all the required mining infrastructure and the chairlift installation and construction to surface was commissioned in February 2017.
- Sinking of South 2 Shaft – entails the establishment of an additional new decline shaft system South of the current South Shaft Infrastructure. The first phase of the project will enhance mining flexibility while also contributing to the overall production build-up of the mine. Phase one of the project has almost been completed and will take the production capacity to 50 000 tonnes of ore per month by 2019, whereafter the second phase will follow and increase the design capacity of this shaft system to 100 000 tonnes per month.

### Two Rivers Mine

The addition of the Tamboti mining right to the Two Rivers mining area will result in the deepening of the main decline.

The ARM Platinum division comprises:-

- Three operating mines:-
  - Modikwa – ARM Mining Consortium has an effective 41.5% interest in Modikwa where local communities hold an 8.5% effective interest. The remaining 50% is held by Rustenburg Platinum Mines.
  - Two Rivers – an ARM subsidiary in which ARM has a 51% shareholding and Implats 49%. Two Rivers received consent during August 2017 (i) to transfer the Tamboti rights to it and (ii) to have its mining right amended accordingly. The amended mining right will be issued to Two Rivers imminently at which point ARM's interest in Two Rivers will increase to 54%.
  - Nkomati – a 50:50 partnership between ARM and Norilsk Nickel Africa.
- The Kalplats Project:-
  - in which ARM Platinum holds 46% and Stella Platinum holds 44%, with Anglo American holding 10%.

## ARM Coal

ARM Coal achieved attributable headline earnings of R82 million for F2017, a R379 million improvement when compared to the headline loss of R297 million in F2016. This increase was mainly due to a 51% increase in the average realised export coal prices from US\$41 to US\$62 per tonne.

The export coal price was positively influenced by various actions taken by the Chinese government to reduce China's supply into the market, which resulted in the US Dollar prices for API4 Thermal Coal FOB Richards Bay Coal Terminal peaking at almost US\$100 per tonne during the third quarter of the 2016 calendar year. The higher prices were partially offset by a 6% strengthening of the Rand versus the US Dollar. Realised Rand prices therefore increased by 40% from R601 in F2016 to R843 per tonne in F2017.

Saleable production at GGV was slightly lower than in F2016, while additional expenditure to improve in-pit inventory levels and saleable production, resulted in on-mine saleable production unit costs being 35% higher than in F2016 due to waste stripping being behind schedule. The PCB operations performed well and achieved an increase of 13% in saleable production with only a 2% increase in on-mine saleable production unit cost.

Although export coal sales volumes decreased by 11%, export revenue increased by R572 million which more than doubled the attributable operating profit from GGV and PCB to R1 211 million (F2016: R601 million).

### ARM Coal attributable profit analysis

R million	12 months ended 30 June		
	2017	2016	% change
Cash operating profit	1 211	601	101
Less: Interest paid	(533)	(491)	(9)
Amortisation	(502)	(449)	(12)
Fair value adjustments	(62)	(74)	(16)
Profit/(loss) before tax	114	(413)	128
Tax	(32)	116	(128)
<b>Headline earnings/(loss) attributable to ARM</b>	<b>82</b>	<b>(297)</b>	<b>128</b>



## GGV Mine

Low opening in-pit stock levels at the start of F2017, resulting from low availability of drills, the dragline and the Hitachi shovel, continued to impact production negatively. This, together with excessive rain and breakdowns of major mining equipment during Q3 of F2017, resulted in a decrease in production.

Attributable operating profit of R235 million was 15% or R31 million higher than F2016, mainly due to a 15% increase in export revenue. This increase comprised a R206 million increase in revenue due to a 42% increase in realised Rand prices, partially offset by a reduction of R114 million due to a 19% decline in volumes. Run of mine coal buy-ins and contractor costs (to assist with overburden stripping) resulted in on-mine unit production costs being 35% higher than in F2016. Lower distribution costs and an increase in stock levels reduced the over-expenditure on total cost of sales to R68 million. The attributable headline loss of R99 million was 14% higher than the loss of R87 million realised in F2016. In addition to the lower volumes and higher production unit cost, finance costs were 16% higher than in the previous year.

### GGV Mine operational statistics

		12 months ended 30 June		
		2017	2016	% change
<b>Total production and sales(100% basis)</b>				
Saleable production	Mt	6.47	6.53	(1)
Export thermal coal sales	Mt	3.18	3.91	(19)
Eskom thermal coal sales	Mt	3.03	2.99	1
<b>Attributable production and sales</b>				
Saleable production	Mt	1.68	1.70	(1)
Export thermal coal sales	Mt	0.83	1.02	(19)
Eskom thermal coal sales	Mt	0.79	0.78	1
<b>Average received coal price</b>				
Export (FOB)	US\$/tonne	62.07	40.99	51
Eskom (FOT)	R/tonne	229.43	235.95	(3)
On-mine saleable production cost	R/tonne	323.20	239.00	35
<b>Cash operating profit</b>				
Total	R million	905	783	16
Attributable (26%)	R million	235	204	15
<b>Headline loss attributable to ARM</b>	R million	(99)	(87)	(14)

### GGV Mine attributable profit analysis

		12 months ended 30 June		
		Reviewed 2017	Audited 2016	% change
<b>R million</b>				
Cash operating profit		235	204	15
Less: Interest paid		(213)	(183)	(16)
Amortisation		(147)	(128)	(15)
Fair value adjustments		(12)	(15)	20
Loss before tax		(137)	(122)	(12)
Tax		38	35	9
<b>Headline loss attributable to ARM</b>		(99)	(87)	(14)

## PCB Operations

The mines comprising the PCB all performed well during F2017 and achieved increases of 4% and 13% in ROM and saleable production, respectively. Although total on-mine costs increased, the cost per saleable tonne produced increased by only 2% from R273 to R278 per tonne. The Tweefontein mine continued to benefit from feeding significant volumes of ROM coal into its plant from the raw coal stockpile, built during the construction phase of the Tweefontein Optimisation Project. The attributable cash operating profit increased by 146% from R397 million to R976 million as a result of a 31% increase in revenue, offset by an 8% increase in cost of sales. Export revenue was R480 million higher than in F2016 emanating from a 49% increase in US Dollar sales prices. A 9% decrease in sales volumes and a 6% strengthening of the Rand against the US Dollar negatively impacted the PCB result. PCB recorded attributable headline earnings of R181 million for F2017 compared to a headline loss of R210 million in F2016.

### PCB operational statistics

		12 months ended 30 June		
		2017	2016	% change
<b>Total production and sales (100% basis)</b>				
Saleable production	Mt	16.55	14.63	13
Export thermal coal sales	Mt	13.42	14.76	(9)
Eskom thermal coal sales	Mt	1.53	1.39	10
Local thermal coal sales	Mt	1.11	0.83	34
<b>Attributable production and sales</b>				
Saleable production	Mt	3.34	2.96	13
Export thermal coal sales	Mt	2.71	2.98	(9)
Eskom thermal coal sales	Mt	0.31	0.28	10
Local thermal coal sales	Mt	0.22	0.17	29
<b>Average received coal price</b>				
Export (FOB)	US\$/tonne	61.89	41.66	49
Eskom (FOT)	R/tonne	242.42	223.13	9
Local (FOR)	R/tonne	757.73	384.24	97
On-mine saleable production cost	R/tonne	277.91	272.60	2
<b>Cash operating profit</b>				
Total	R million	4 830	1 967	146
Attributable (20.2%)	R million	976	397	146
<b>Headline earnings/(loss) attributable to ARM</b>	R million	<b>181</b>	(210)	186

### PCB attributable profit analysis

		12 months ended 30 June		
R million		2017	2016	% change
Cash operating profit		976	397	146
Less: Interest paid		(320)	(308)	(4)
Amortisation		(355)	(321)	(11)
Fair value adjustments		(50)	(59)	15
Profit/(loss) before tax		251	(291)	186
Tax		(70)	81	(186)
<b>Headline earnings / (loss) attributable to ARM</b>		<b>181</b>	(210)	186

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

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

## Discontinuing operation: Lubambe Mine

ARM and Vale announced on 15 August 2017 that an agreement for the disposal of their 80% indirect interest in Lubambe Mine to EMR Capital has been concluded for a purchase consideration of US\$97 million. The indirect interest sold includes the equity holding in Lubambe Mine as well as loans to Lubambe Mine.

For the financial year under review, the ARM Copper headline loss reduced marginally from R361 million in F2016 to R203 million in F2017. The reduction was mainly due to improved realised copper prices which was offset by lower sales volumes. The decrease in volumes was in line with a decision taken in 2016 to reduce tonnes milled to 80 000 tonnes a month in order to minimise cash requirements and preserve the Lubambe Mine's reserves. Total tonnes milled for the period was therefore 21% lower at 1 013 377 tonnes (F2016: 1 277 132 tonnes).

C1 unit cash costs increased by 2% during F2017 from US2.41/lb in F2016 to US\$2.45 per pound of copper produced mainly due to the lower volumes.

During F2017 the average realised copper price of US\$5 366 per tonne was 6% higher than F2016.

### Lubambe Mine

F2017 was a year of consolidation for Lubambe where it operated at a reduced target production level of 80 000 tonnes ore per month. During F2017 Lubambe made good progress in finding sustainable solutions to the technical challenges that previously prevented the mine from ramping up production to steady state levels. The mine completed an underground water infrastructure upgrade programme which increased its underground pumping capacity from 6 million litres per day to 20 million litres per day. This allowed Lubambe to pump all its previously flooded ramps dry and recommence with development of the ramps.

Through a redesign of Ramp 1 and Ramp 2 the mine also found a sustainable solution to the weak geotechnical formation located in the footwall of the South Limb in close proximity to the ore body. Lubambe commenced with development of the updated ramps' design, and has successfully demonstrated the effectiveness of the revised ramp design. This is expected to allow Lubambe to develop the South Limb resource which accounts for approximately 50% of the total reserves of the mine in a cost effective manner.

During F2017 Lubambe achieved a total development of 6 251 metres which progressively increased over the course of the year from a low of 413 metres in July 2016 to 938 metres achieved in June 2017. The increased development profile has enabled Lubambe to increase its developed ore reserves over the duration of the year. The increase in ore reserves is expected to enable Lubambe to achieve higher ore production levels in future.

Through continued focus on quality and method improvements in long hole drilling and stoping, the mine has managed to decrease stoping dilution from over 30% to 11% over the duration of the year. This has allowed Lubambe to gradually increase its head grade milled in F2017 and achieve an overall improvement of 6% compared to F2016.

Various copper concentrator recovery optimisation initiatives were implemented during the period. These initiatives have resulted in a 4% improvement in copper recoveries in F2017 compared to F2016.

During F2017 a labour restructuring programme was successfully concluded which aligned the total labour complement with the revised lower production targets of 80 000 tonnes.

In order to preserve cash flow during F2017, capital expenditure was restricted with the majority of expenditure related to the life of mine ramp development and upgrades in underground water infrastructure.

Lubambe Mine operational statistics (100% basis)

		12 months ended 30 June		
		2017	2016	% change
Waste development	Metres	2 717	2 691	1
Ore development	Metres	3 567	4 636	(23)
Ore development	Tonnes	227 072	249 361	(9)
Ore stoping	Tonnes	777 733	971 957	(20)
Ore tonnes mined	Tonnes	1 004 805	1 221 318	(18)
Tonnes milled	Thousand	1 013 377	1 277 132	(21)
Mill head grade	% copper	2.13	2.01	6
Concentrator recovery	%	84.6	81.5	4
Copper concentrate produced	Tonnes	44 680	51 391	(13)
Copper concentrate sold	Tonnes	44 514	51 315	(13)
Average realised copper price	US\$/lb	2.43	2.29	6
C1 cash cost per pound of copper produced	US\$/lb	2.45	2.41	2
Capital expenditure	US\$000	9 804	7 993	23
<b>Contained metal</b>				
Copper produced	Tonnes	18 299	20 973	(13)
Copper sold	Tonnes	18 244	20 936	(13)
<b>Headline loss attributable to ARM</b>	<b>R million</b>	<b>(203)</b>	<b>(361)</b>	<b>44</b>

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 & Exploration

Costs for the ARM Strategic Services & Exploration Division were R28 million (F2016: R23 million).

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

## Harmony Gold Mining Company Limited (Harmony)

Harmony reported a net profit of R362 million in F2017 compared to a net profit of R949 million in F2016. Headline earnings amounted to 298 cents per share (F2016: 221 cents per share). A final dividend of 35 cents per share was declared by Harmony in respect of the year ended 30 June 2017 – a 70% increase in dividends declared year-on-year.

Harmony's revenue increased by 5% to R19.3 billion mainly as a result of year-on-year production remaining stable and the inclusion of the realised gains on the Rand gold hedges of R728 million as part of revenue. This inclusion resulted in the average gold price received being R570 164/kg (US\$1 304/oz), compared with R544 984/kg (US\$1 169/oz) in F2016, despite the rand gold spot price being flat year-on-year.

The hedging programmes realised gains of R1 747 million for F2017. Harmony's management continues to top-up these programmes as and when opportunities arise to lock in attractive margins for the business.

Harmony's total gold production increased by 181 kilograms (0.5%) to 33 836 kilograms, compared to 33 655 kilograms in F2016.

Cash operating cost increased by 11% or R1.430 billion (18%) mainly due to increases in labour costs, inflationary increases in consumables and contractors for the South African operations, as well as the inclusion of 100% of Hidden Valley's costs from November 2016.

Overall, all-in sustaining costs increased by 10% to R516 687/kg (US\$1 182/oz), compared to R467 611/kg (US\$1 003/oz) in F2016\*. Preventative maintenance was conducted at many of the South African operations in order to improve asset management and performance, which has resulted in a 36% reduction in engineering stoppages during F2017 and will benefit production performance in the future.

Harmony's results for the year ended 30 June 2017 can be viewed on Harmony's website at [www.harmony.co.za](http://www.harmony.co.za).

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

*\*The all-in sustaining costs for the year ended June 2016 were restated to include capitalised stripping.*

## Outlook

While average realised US Dollar commodity prices for F2017 were higher than in F2016 they have generally reduced from recent highs and remain volatile. In addition, although the Rand/US Dollar exchange rate strengthened during F2017 there are still divergent views on the outlook for the exchange rate.

As a result of the abovementioned volatility there remains an increased degree of forecasting risk in the mining industry. The ARM response to this uncertainty in prices and exchange rate is to:

- continue addressing operations that are loss-making and require shareholder funding;
- improve operational efficiencies; and
- contain and reduce unit costs, at operations.

In addition, capital allocation to new projects is reviewed rigorously to ensure that funding is only applied to projects which are expected to provide returns in excess of ARM's risk adjusted hurdle rates.

ARM remains confident in the long-term outlook for commodities and as a result of its robust Statement of Financial Position, which is relatively ungeared, ARM continues to pursue both internal and external growth opportunities.

## Dividends

The Board has approved and declared an annual dividend of 650 cents per share (gross) in respect of the year ended 30 June 2017 (F2016: 225 cents per share). The amount to be paid is approximately R1 422 million.

This dividend is consistent with ARM's commitment, as a globally competitive company, to pay dividends while retaining the ability to fund efficiency improvements and sustaining production.

The dividend will be subject to Dividend Withholding Tax. In accordance with paragraphs 11.17(a) (i) to (x) and 11.17(c) of the JSE Listings Requirements the following additional information is disclosed:

- The dividend has been declared out of income reserves;
- The South African Dividends Tax ("Dividends Tax") rate has increased from 15% to 20%;
- The gross local dividend amount is 650 cents per ordinary share for shareholders exempt from the Dividends Tax;
- The net local dividend amount is 520.00000 cents per share for shareholders liable to pay the Dividends Tax;
- As at the date of this declaration ARM has 218 702 457 ordinary shares in issue; and
- ARM's income tax reference number is 9030/018/60/1.

A gross dividend of 650 cents per ordinary share, being the dividend for the year ended 30 June 2017 has been declared payable on Monday, 2 October 2017 to those shareholders recorded in the books of the Company at the close of business on Friday, 29 September 2017. The dividend is declared in the currency of South Africa. Any change in address or dividend instruction to apply to this dividend must be received by the Company's transfer secretaries or registrar not later than Tuesday, 26 September 2017. The last day to trade ordinary shares cum dividend is Tuesday, 26 September 2017. Ordinary shares trade ex-dividend from Wednesday, 27 September 2017. The record date is Friday, 29 September 2017 whilst the payment date is Monday, 2 October 2017.

No dematerialisation or rematerialisation of share certificates may occur between Wednesday, 27 September 2017 and Friday, 29 September 2017, both dates inclusive.

## Review by independent external auditors

The financial information has been reviewed by the external auditors, Ernst & Young Inc. (the partner in charge is L I N Tomlinson CA (SA)), whose unqualified review report is available for inspection at the Company's registered office. The auditor's report does not necessarily report on all the information contained in this financial results announcement. Shareholders are therefore advised that, in order to obtain a full understanding of the nature of the auditor's engagement, they should obtain a copy of the auditor's report together with the accompanying financial information from the Company's registered office.

The Integrated Annual Report containing a detailed review of the operations of the Company together with the audited financial statements will be distributed to shareholders in November 2017.

Any reference to future financial performance included in these results has not been reviewed nor reported on by ARM's external auditors.

Signed on behalf of the Board:

**P T Motsepe**  
*Executive Chairman*

**M P Schmidt**  
*Chief Executive Officer*

Johannesburg

7 September 2017











# Financial statements

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## Group statement of financial position

at 30 June 2017

	Notes	Reviewed F2017 Rm	Audited F2016 Rm
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, plant and equipment	3	7 801	10 966
Intangible assets		130	137
Deferred tax assets		656	151
Loans and long-term receivables		34	40
Investment in associate		1 334	1 153
Investment in joint venture	6	14 860	14 623
Other investments		1 573	3 521
		<b>26 388</b>	<b>30 591</b>
<b>Current assets</b>			
Inventories		663	759
Trade and other receivables		2 096	2 453
Taxation		6	4
Financial assets		–	1
Cash and cash equivalents	7	1 488	1 316
		<b>4 253</b>	<b>4 533</b>
<b>Assets held for sale</b>	<b>12</b>	<b>1 605</b>	<b>3</b>
<b>Total assets</b>		<b>32 246</b>	<b>35 127</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Capital and reserves</b>			
Ordinary share capital		11	11
Share premium		4 279	4 217
Treasury shares	11	(2 405)	(2 405)
Other reserves		1 326	3 395
Other reserves discontinuing operation	12	730	–
Retained earnings		19 556	18 601
<b>Equity attributable to equity holders of ARM</b>		<b>23 497</b>	<b>23 819</b>
Non-controlling interest		543	762
<b>Total equity</b>		<b>24 040</b>	<b>24 581</b>
<b>Non-current liabilities</b>			
Long-term borrowings	8	2 002	4 171
Deferred tax liabilities		1 297	2 014
Long-term provisions		1 166	665
		<b>4 465</b>	<b>6 850</b>
<b>Current liabilities</b>			
Trade and other payables		1 307	1 787
Short-term provisions		393	355
Taxation		112	174
Overdrafts and short-term borrowings	8	757	1 380
		<b>2 569</b>	<b>3 696</b>
<b>Liabilities directly associated with assets held for sale</b>	<b>12</b>	<b>1 172</b>	<b>–</b>
<b>Total equity and liabilities</b>		<b>32 246</b>	<b>35 127</b>

# Group income statement

for the year ended 30 June 2017

	Notes	Reviewed F2017 Rm	Re-presented* F2016 Rm
<b>Continuing operations</b>			
Revenue		9 019	9 019
<b>Sales</b>		<b>8 158</b>	8 164
Cost of sales		(6 951)	(7 353)
<b>Gross profit</b>		<b>1 207</b>	811
Other operating income		757	1 140
Other operating expenses		(1 750)	(1 298)
<b>Profit from operations before special items</b>		<b>214</b>	653
Income from investments		238	160
Finance costs		(423)	(313)
Profit/(loss) from associate		181	(210)
Income from joint venture **		3 265	1 301
<b>Profit before taxation and special items</b>		<b>3 475</b>	1 591
Special items before tax	4	(2 322)	(106)
<b>Profit before taxation from continuing operations</b>		<b>1 153</b>	1 485
Taxation	9	409	10
<b>Profit for the year from continuing operations</b>		<b>1 562</b>	1 495
<b>Discontinuing operations</b>			
<b>Loss for the year from discontinuing operation</b>		<b>(130)</b>	(2 252)
<b>Profit/(loss) for the year</b>		<b>1 432</b>	(757)
<b>Attributable to :</b>			
Equity holders of ARM			
Profit for the year from continuing operations		1 431	1 199
Loss for the year from discontinuing operation		(59)	(1 764)
<b>Basic earnings/(loss) for the year</b>		<b>1 372</b>	(565)
Non-controlling interest			
Profit for the year from continuing operations		131	296
Loss for the year from discontinuing operation		(71)	(488)
		60	(192)
<b>Profit/(loss) for the year</b>		<b>1 432</b>	(757)
* Re-presented as a result of IFRS 5 – Non-current Assets Held for Sale accounting for Lubambe. Refer note 12.			
** Impairments included in income from joint venture of R470 million before tax of R27 million (F2016: R202 million before tax of R56 million).			
<b>Earnings per share</b>			
	5		
Basic earnings/(loss) per share (cents)		723	(265)
Basic earnings per share from continuing operations (cents)		754	563
Basic loss per share from discontinuing operation (cents)		(31)	(828)
Diluted basic earnings/(loss) per share (cents)		703	(262)
Diluted basic earnings per share from continuing operations (cents)		733	556
Diluted basic loss per share from discontinuing operation (cents)		(30)	(818)

## Group statement of comprehensive income

for the year ended 30 June 2017

	Available- for-sale reserve Rm	Other Rm	Retained earnings Rm	Total Shareholders of ARM Rm	Non- controlling interest Rm	Total Rm
<b>For the year ended 30 June 2016</b>						
<b>Re-presented</b>						
Profit for the year to 30 June 2016 from continuing operations	–	–	1 199	1 199	296	1 495
Loss for the year to 30 June 2016 from discontinuing operations	–	–	(1 764)	(1 764)	(488)	(2 252)
Loss for the year to 30 June 2016	–	–	(565)	(565)	(192)	(757)
Other comprehensive income that may be reclassified to the income statement in subsequent periods						
Revaluation of listed investment*	2 347	–	–	2 347	–	2 347
Deferred tax on above	(448)	–	–	(448)	–	(448)
Deferred tax rate change	35	–	–	35	–	35
Net impact of revaluation of listed investment	1 934	–	–	1 934	–	1 934
Foreign currency translation reserve movement continuing operations	–	188	–	188	–	188
Foreign currency translation reserve movement discontinuing operations	–	(87)	–	(87)	–	(87)
Total other comprehensive income	1 934	101	–	2 035	–	2 035
<b>Total comprehensive income/(loss) for the year</b>	<b>1 934</b>	<b>101</b>	<b>(565)</b>	<b>1 470</b>	<b>(192)</b>	<b>1 278</b>
<b>For the year ended 30 June 2017 (Reviewed)</b>						
Profit for the year to 30 June 2017 from continuing operations	–	–	1 431	1 431	131	1 562
Loss for the year to 30 June 2017 from discontinuing operation	–	–	(59)	(59)	(71)	(130)
Profit for the year to 30 June 2017	–	–	1 372	1 372	60	1 432
Other comprehensive income that may be reclassified to the income statement in subsequent periods						
Revaluation of listed investment*	(1 959)	–	–	(1 959)	–	(1 959)
Deferred tax on above	439	–	–	439	–	439
Net impact of revaluation of listed investment	(1 520)	–	–	(1 520)	–	(1 520)
Foreign currency translation reserve movement continuing operations	–	(365)	–	(365)	–	(365)
Foreign currency translation reserve movement discontinuing operation	–	403	–	403	–	403
Total other comprehensive (loss)/income	(1 520)	38	–	(1 482)	–	(1 482)
<b>Total comprehensive (loss)/income for the year</b>	<b>(1 520)</b>	<b>38</b>	<b>1 372</b>	<b>(110)</b>	<b>60</b>	<b>(50)</b>

\* Share price of Harmony decreased from R52.47 per share at 30 June 2016 to R21.68 at 30 June 2017 and increased from R15.59 at 30 June 2015 to R 52.47 per share at 30 June 2016. Investment in Harmony is based on a level 1 fair value hierarchy level.



## Group statement of changes in equity

for the year ended 30 June 2017

	Share capital and premium Rm	Treasury shares Rm	Available-for-sale reserve Rm	Other* Rm	Retained earnings Rm	Total Shareholders of ARM Rm	Non-controlling interest Rm	Total Rm
<b>Balance at 30 June 2015 (Audited)</b>	4 194	–	–	1 212	20 113	<b>25 519</b>	1 386	<b>26 905</b>
Total comprehensive income/(loss) for the year	–	–	1 934	101	(565)	<b>1 470</b>	(192)	<b>1 278</b>
Loss for the year to 30 June 2016	–	–	–	–	(565)	<b>(565)</b>	(192)	<b>(757)</b>
Other comprehensive income	–	–	1 934	101	–	<b>2 035</b>	–	<b>2 035</b>
Bonus and performance shares issued to employees	34	–	–	(34)	–	–	–	–
Changes due to insurance restructuring – net of tax **	–	–	–	–	(195)	<b>(195)</b>	–	<b>(195)</b>
Dividend paid	–	–	–	–	(761)	<b>(761)</b>	–	<b>(761)</b>
Dividend paid to Impala Platinum	–	–	–	–	–	–	(370)	<b>(370)</b>
Restructuring of ARM BBEE Trust	–	(2 405)	–	–	–	<b>(2 405)</b>	(62)	<b>(2 467)</b>
Share-based payments	–	–	–	191	–	<b>191</b>	–	<b>191</b>
Transfer	–	–	–	(9)	9	–	–	–
<b>Balance at 30 June 2016 (Audited)</b>	4 228	(2 405)	1 934	1 461	18 601	<b>23 819</b>	762	<b>24 581</b>
Total comprehensive (loss)/income for the year	–	–	(1 520)	38	1 372	<b>(110)</b>	60	<b>(50)</b>
Profit for the year to 30 June 2017	–	–	–	–	1 372	<b>1 372</b>	60	<b>1 432</b>
Other comprehensive (loss)/income	–	–	(1 520)	38	–	<b>(1 482)</b>	–	<b>(1 482)</b>
Bonus and performance shares issued to employees	62	–	–	(58)	–	<b>4</b>	–	<b>4</b>
Dividend paid	–	–	–	–	(426)	<b>(426)</b>	–	<b>(426)</b>
Dividend paid to Impala Platinum	–	–	–	–	–	–	(279)	<b>(279)</b>
Share-based payments	–	–	–	201	–	<b>201</b>	–	<b>201</b>
Dividend reserve reversed in ARM BBEE Trust	–	–	–	–	9	<b>9</b>	–	<b>9</b>
<b>Balance at 30 June 2017 (Reviewed)</b>	4 290	(2 405)	414	1 642	19 556	<b>23 497</b>	543	<b>24 040</b>

\* Other reserves consist of the following:

	F2017 Rm	F2016 Rm	F2015 Rm
Dilution in Two Rivers	(26)	(26)	(26)
Foreign currency translation on loans – discontinuing operation	61	61	61
Foreign currency translation reserve – Assmang	(121)	103	–
Foreign currency translation reserve – other entities	28	164	77
Foreign currency translation reserve – discontinuing operation	669	266	355
General reserve	28	28	28
Insurance contingency	–	5	14
Premium paid on purchase of non-controlling interest	(14)	(14)	(14)
Share-based payments	1 017	874	717
<b>Total</b>	<b>1 642</b>	<b>1 461</b>	<b>1 212</b>

\*\* Reversal of the inter-company elimination as a result of insurance restructuring.

## Group statement of cash flows

for the year ended 30 June 2017

	Notes	Reviewed F2017 Rm	Audited F2016 Rm
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>			
Cash receipts from customers		9 779	9 671
Cash paid to suppliers and employees		(8 168)	(8 446)
Cash generated from operations	10	1 611	1 225
Interest received		122	111
Interest paid		(247)	(163)
Dividends received from joint venture	6	2 488	875
Dividend paid to non-controlling interest - Impala Platinum		(279)	(370)
Dividend paid to shareholders		(426)	(761)
Taxation paid		(401)	(308)
<b>Net cash inflow from operating activities</b>		<b>2 868</b>	<b>609</b>
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>			
Additions to property, plant and equipment to maintain operations		(949)	(804)
Additions to property, plant and equipment to expand operations		–	(48)
Dividends received from investments		64	1
Proceeds on disposal of property, plant and equipment		7	36
Proceeds on disposal of investment		238	8
Investment in RBCT		(6)	(10)
ARM BBEE Trust cash consolidated following trust restructuring		–	10
Loans and receivables received		6	8
<b>Net cash outflow from investing activities</b>		<b>(640)</b>	<b>(799)</b>
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>			
Proceeds on exercise of share options		4	–
Long-term borrowings raised		–	1 463
Long-term borrowings repaid		(1 475)	(881)
Repurchase of ARM shares	11	–	(651)
Short-term borrowings repaid		(394)	(489)
<b>Net cash outflow from financing activities</b>		<b>(1 865)</b>	<b>(558)</b>
<b>Net increase/(decrease) in cash and cash equivalents</b>			
Cash and cash equivalents at beginning of year		363	(748)
Foreign currency translation on cash balance		667	1 445
		1	(30)
<b>Cash and cash equivalents at end of year</b>	7	<b>1 031</b>	<b>667</b>
Cash generated from operations per share (cents)		849	575

# Notes to the financial statements

for the year ended 30 June 2017 (Reviewed)

## 1 STATEMENT OF COMPLIANCE

The Group provisional financial statements have been prepared in accordance with the framework concepts and the measurement and recognition requirements of International Financial Reporting Standards (IFRS), the SAICA Financial Reporting Guides as issued by the Accounting Practices Committee and Financial Pronouncements as issued by the Financial Reporting Standards Council and contains the information required by IAS 34 - Interim Financial Reporting, requirements of the South African Companies Act and the Listings Requirements of the JSE Limited.

### BASIS OF PREPARATION

The Group provisional results for the year under review have been prepared under the supervision of the financial director Mr M Arnold CA (SA). The Group provisional financial statements have been prepared on the historical cost basis, except for certain financial instruments that are fairly valued. The accounting policies used are in terms of IFRS and are consistent with those in the most recent annual financial statements.

The Group has adopted the following new and revised standards and interpretations issued by the IASB that became effective.

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 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
IAS 16 and IAS 38	Clarification of Acceptable Methods of Depreciation and Amortisation (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 adoption of these had no significant effect on the Group financial statements.

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

IAS 7	Disclosure initiative (Amendment)	1 January 2017
IAS 12	Income taxes (Amendment)	1 January 2017
IAS 28	Investment in associates and joint ventures – clarification that measuring investees at fair value through profit or loss is an investment – by – investment choice	1 January 2018
IFRS 1	First-time adoption of International Financial Reporting Standards – Deletion of short-term exemptions for first-time adopters	1 January 2018
IFRS 2	Share-based payment (Amendment)	1 January 2018
IFRS 4 and IFRS 9	Applying IFRS 9 Financial Instruments with IFRS 4 Insurance Contracts – Amendments to IFRS 4	1 January 2018
IFRS 9	Financial Instruments – Classification and Measurement (Amendment)	1 January 2017
IFRS 12	Disclosure of Interest in Other Entities – Clarification of the scope of the disclosure requirements in IFRS 12 (Annual improvement project)	1 January 2017
IFRS 15	Revenue from Contracts with Customers	1 January 2018
IFRS 16	Leases	1 January 2019
IFRS 17	Insurance Contracts	1 January 2018
IFRIC 22	Foreign currency transactions and Advance Consideration	1 January 2018
IFRIC 23	Uncertainty over Income Tax Treatments	1 January 2018

New accounting standards and amendments issued to accounting standards and interpretations which are relevant to ARM, but not yet effective on 30 June 2017, have not been adopted.

## Notes to the financial statements

for the year ended 30 June 2017

ARM continuously evaluates the impact of these standards and amendments, the most prominent being IFRS 9 *Financial Instruments*, IFRS 15 *Revenue from Contracts with Customers* and IFRS 16 *Leases*. In summary the following are the current expectations in relation to IFRS 9, IFRS 15 and IFRS 16.

### **IFRS 9 Financial Instruments**

ARM has decided not to adopt IFRS 9 until it becomes mandatory for annual periods beginning on or after 1 January 2018 (i.e. for the financial year beginning 1 July 2018 for ARM). The actual impact of adopting IFRS 9 on ARM's financial statements is not currently known and cannot be reliably estimated as the impact will be dependent on the financial instruments that ARM holds and economic conditions prevailing at that time as well as accounting elections and judgements which ARM make in the future. The new standard may require ARM to revise its accounting processes and internal controls related to reporting financial instruments and these possible changes have not yet been ascertained. ARM has embarked on the process of determining the impact that the new impairment model, on the basis of expected credit losses, will have on the impairment provisions. As part of this process ARM will finalise the impairment methodologies that it will apply under IFRS 9. Disclosure requirements and changes in presentation are expected to change the nature and an extent of ARM's disclosures about its financial instruments, particularly in the year of the adoption of the new standard. ARM is in the process of identifying changes to systems and controls which may be necessary to capture the required data.

### **IFRS 15 Revenue from Contracts with Customers**

The standard is effective for annual periods beginning on or after 1 January 2018 (i.e. for the financial year beginning 1 July 2018 for ARM). ARM has developed a detailed project plan for the implementation of IFRS 15 and in line with this plan is in the process of:

- identifying all significant contracts with customers, in the various entities in the group, in line with the IFRS 15 five-step model;
- engaging its various partners on their interpretation of the various contracts;
- evaluating practical expedients to be used;
- evaluating the changes required to controls, Information Technology systems and processes relating to revenue; and
- evaluating whether a full retrospective or a modified retrospective transition will be adopted – this will be determined once the impact of the various contracts are ascertained.

The new standard may well have an impact on revenue recognised arising from any or all of these contracts. The impact has not yet been ascertained but this is expected to be done in the first half of the 2018 financial year.

### **IFRS 16 Leases**

The standard is effective for annual periods beginning on or after 1 January 2019. Early adoption is permitted provided that IFRS 15 is adopted at or before the date of initial application of IFRS 16. ARM continues with the initial assessment of the potential impact of this standard on ARM's financial statements but has not yet reached a conclusion if this standard will be early adopted with the implementation of IFRS 15. ARM must still make a decision on the transition method to be applied as well as the practical expedients to be used, if elected.

# Notes to the financial statements

for the year ended 30 June 2017

## 2 PRIMARY SEGMENTAL INFORMATION

### Business segments

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

Attributable	Continuing operations					Total Rm	IFRS Adjust ment** Rm	Total per IFRS financial statements Rm	Discontinuing operation ARM Copper Rm
	ARM Platinum Rm	ARM Ferrous* Rm	ARM Coal Rm	ARM Corporate Rm	Total Rm				
<b>2.1 Year to 30 June 2017 (Reviewed)</b>									
Sales	7 247	13 140	911	–	21 298	(13 140)	8 158	600	
Cost of sales	(6 097)	(7 405)	(866)	40	(14 328)	7 377	(6 951)	(601)	
Other operating income	78	35	37	595	745	12	757	4	
Other operating expenses	(276)	(1 214)	(4)	(1 470)	(2 964)	1 214	(1 750)	(238)	
<b>Segment result</b>	952	4 556	78	(835)	4 751	(4 537)	214	(235)	
Income from investments	30	537	–	208	775	(537)	238	–	
Finance cost	(70)	(48)	(215)	(138)	(471)	48	(423)	(19)	
Finance cost ZCCM:									
Shareholders' loan Vale/ARM joint operation	–	–	–	–	–	–	–	(56)	
Finance cost ARM:									
Shareholders' loan Vale/ARM joint operation***	–	–	–	–	–	–	–	–	
Profit from associate	–	–	181	–	181	–	181	–	
Income from joint venture****	–	(23)	–	–	(23)	3 288	3 265	–	
Special items before tax	(2 243)	(471)	–	(79)	(2 793)	471	(2 322)	180	
Taxation	376	(1 272)	38	–	(858)	1 267	409	–	
<b>(Loss)/profit after tax</b>	(955)	3 279	82	(844)	1 562	–	1 562	(130)	
Non-controlling interest	(140)	–	–	9	(131)	–	(131)	71	
Consolidation adjustment	–	(14)	–	14	–	–	–	–	
<b>Contribution to basic earnings</b>	(1 095)	3 265	82	(821)	1 431	–	1 431	(59)	
<b>Contribution to headline earnings</b>	350	3 709	82	(742)	3 399	–	3 399	(203)	

\* Refer to ARM Ferrous segment note 2.3 and note 6 for more detail.

\*\* Included IFRS 11 – Joint Arrangements – adjustments related to ARM Ferrous.

\*\*\* Intercompany interest of R219 million receivable by ARM Corporate and accrued by ARM Copper is presented in terms of IFRS 5

\*\*\*\* Impairments included in income from joint venture R470 million before tax of R27 million.

## Notes to the financial statements

for the year ended 30 June 2017

Attributable	Continuing operations						IFRS Adjust-ment**	Total per IFRS financial statements	Discontinuing operation ARM Copper
	ARM Platinum Rm	ARM Ferrous* Rm	ARM Coal Rm	ARM Corporate Rm	Total Rm				
<b>Year to 30 June 2017 (Reviewed)</b>									
<b>Other information</b>									
Segment assets, including investment in associate	8 234	19 249	3 785	3 763	<b>35 031</b>	(4 389)	<b>30 642</b>	1 604	
Investment in associate			1 334		<b>1 334</b>		<b>1 334</b>		
Investment in joint venture						14 860	<b>14 860</b>		
Segment liabilities	1 819	1 617	1 848	1 958	<b>7 242</b>	(1 617)	<b>5 625</b>	1 172	
Unallocated liabilities (tax and deferred tax)					<b>4 181</b>	(2 772)	<b>1 409</b>		
Consolidated total liabilities					<b>11 423</b>	(4 389)	<b>7 034</b>		
Cash inflow/(outflow) generated from operations	1 419	4 933	222	54	<b>6 628</b>	(4 933)	<b>1 695</b>	(84)	
Cash inflow/(outflow) from operating activities	868	4 396	222	(555)	<b>4 931</b>	(1 908)	<b>3 023</b>	(155)	
Cash (outflow)/inflow from investing activities	(727)	(1 142)	(181)	300	<b>(1 750)</b>	1 142	<b>(608)</b>	(32)	
Cash outflow from financing activities	(15)	–	(40)	(1 806)	<b>(1 861)</b>	–	<b>(1 861)</b>	(4)	
Capital expenditure	783	1 361	196	2	<b>2 342</b>	(1 361)	<b>981</b>	41	
Amortisation and depreciation (Impairment)/reversal before tax	546	913	159	3	<b>1 621</b>	(913)	<b>708</b>	107	
	(2 243)	(470)	–	–	<b>(2 713)</b>	470	<b>(2 243)</b>	180	
EBITDA	1 498	5 469	237	(832)	<b>6 372</b>	(5 450)	<b>922</b>	(128)	

There were no significant inter-company sales.

\* Refer to ARM Ferrous segment note 2.3 and note 6 for more detail.

\*\* Includes IFRS 11 – Joint Arrangements – adjustments related to ARM Ferrous.

# Notes to the financial statements

for the year ended 30 June 2017

Attributable	Continuing operations						Total per	Discontinuing operation ARM Copper Rm
	ARM Platinum Rm	ARM Ferrous* Rm	ARM Coal Rm	ARM Corporate Rm	Total Rm	IFRS Adjustment** Rm	IFRS financial statements Total Rm	
<b>Primary segmental information</b>								
<b>Year to 30 June 2016 (Re-presented)</b>								
Sales	7 367	10 327	797	–	18 491	(10 327)	8 164	581
Cost of sales	(6 563)	(7 870)	(798)	37	(15 194)	7 841	(7 353)	(794)
Other operating income	33	164	70	970	1 237	(97)	1 140	8
Other operating expenses	(426)	(770)	(3)	(869)	(2 068)	770	(1 298)	(229)
<b>Segment result</b>	411	1 851	66	138	2 466	(1 813)	653	(434)
Income from investments	32	208	–	128	368	(208)	160	–
Finance cost	(48)	(31)	(188)	(77)	(344)	31	(313)	(26)
Finance cost ZCCM: Shareholders' loan Vale/ARM joint operation	–	–	–	–	–	–	–	(36)
Finance cost ARM: Shareholders' loan Vale/ARM joint operation***	–	–	–	–	–	–	–	–
Loss from associate	–	–	(210)	–	(210)	–	(210)	–
Income from joint venture****	–	(9)	–	–	(9)	1 310	1 301	–
Special items before tax	(125)	(194)	–	19	(300)	194	(106)	(1 754)
Taxation	(85)	(497)	35	71	(476)	486	10	(2)
<b>Profit/(loss) after tax</b>	185	1 328	(297)	279	1 495	–	1 495	(2 252)
Non-controlling interest	(285)	–	–	(11)	(296)	–	(296)	488
Consolidation adjustment	–	(27)	–	27	–	–	–	–
<b>Contribution to basic earnings</b>	(100)	1 301	(297)	295	1 199	–	1 199	(1 764)
<b>Contribution to headline earnings</b>	(10)	1 441	(297)	278	1 412	–	1 412	(361)

\* Refer to ARM Ferrous segment note 2.3 and note 6 for more detail.

\*\* Includes IFRS 11 – Joint Arrangements – adjustments related to ARM Ferrous.

\*\*\* Intercompany interest of R194 million receivable by ARM Corporate and accrued by ARM Copper is re-presented in terms of IFRS 5

\*\*\*\* Impairment included in income from joint venture R202 million before tax of R56 million.

## Notes to the financial statements

for the year ended 30 June 2017

Other information	Continuing operations			Discontinued operation		Total Rm	IFRS Adjust ment ** Rm	Total per IFRS financial statements
	ARM Platinum Rm	ARM Ferrous* Rm	ARM Coal Rm	ARM Corporate Rm	ARM Copper Rm			Total Rm
<b>Year to 30 June 2016 (Re-presented)</b>								
Segment assets, including investment in associate	10 059	18 897	3 553	5 199	1 692	39 400	(4 273)	<b>35 127</b>
Investment in associate			1 153			1 153	–	<b>1 153</b>
Investment in joint venture							14 623	<b>14 623</b>
Segment liabilities	2 075	1 653	1 778	3 240	1 265	<b>10 011</b>	(1 653)	<b>8 358</b>
Unallocated liabilities (tax and deferred tax)						<b>4 773</b>	(2 585)	<b>2 188</b>
Consolidated total liabilities						<b>14 784</b>	(4 238)	<b>10 546</b>
Cash inflow/(outflow) generated from operations	947	2 927	241	168	(131)	<b>4 152</b>	(2 927)	<b>1 225</b>
Cash inflow/(outflow) from operating activities	331	2 588	236	(1 303)	(155)	<b>1 697</b>	(1 088)	<b>609</b>
Cash (outflow)/inflow from investing activities	(553)	(1 796)	(226)	45	(65)	<b>(2 595)</b>	1 796	<b>(799)</b>
Cash outflow from financing activities	(68)	–	–	(467)	(23)	<b>(558)</b>	–	<b>(558)</b>
Capital expenditure	667	1 422	185	3	75	<b>2 352</b>	(1 422)	<b>930</b>
Amortisation and depreciation	614	966	143	5	204	<b>1 932</b>	(966)	<b>966</b>
Impairment before tax	(122)	(202)	–	–	(1 755)	<b>(2 079)</b>	202	<b>(1 877)</b>
EBITDA	1 025	2 817	209	143	(230)	<b>3 964</b>	(2 779)	<b>1 185</b>

There were no significant inter-company sales.

\* Refer to ARM Ferrous segment note 2.3 and note 6 for more detail.

\*\* Includes IFRS 11 – Joint Arrangements – adjustments related to ARM Ferrous.



# Notes to the financial statements

for the year ended 30 June 2017

The ARM Platinum segment is analysed further into Two Rivers Platinum Mine, ARM Mining Consortium (which includes Modikwa Platinum Mine) and Nkomati Nickel Mine.

Attributable	Nkomati Rm	Two Rivers Rm	Modikwa Rm	Platinum Total Rm
<b>2.2 Year to 30 June 2017 (Reviewed)</b>				
External sales	1 995	3 996	1 256	7 247
Cost of sales	(1 840)	(2 899)	(1 358)	(6 097)
Other operating income	45	16	17	78
Other operating expenses	(80)	(168)	(28)	(276)
<b>Segment result</b>	120	945	(113)	952
Income from investments	6	14	10	30
Finance cost	(15)	(48)	(7)	(70)
Special items before tax	(988)	–	(1 255)	(2 243)
Taxation	257	(275)	394	376
<b>(Loss)/profit after tax</b>	(620)	636	(971)	(955)
Non-controlling interest	–	(311)	171	(140)
<b>Contribution to basic earnings</b>	(620)	325	(800)	(1 095)
<b>Contribution to headline earnings</b>	91	325	(66)	350
<b>Other information</b>				
Segment and consolidated assets	1 840	4 215	2 179	8 234
Segment liabilities	397	1 113	309	1 819
Unallocated liabilities (tax and deferred tax)				845
<b>Consolidated total liabilities</b>				2 664
Cash inflow/(outflow) generated from operations	284	1 244	(109)	1 419
Cash inflow/(outflow) from operating activities	283	684	(99)	868
Cash outflow from investing activities	(359)	(240)	(128)	(727)
Cash inflow/(outflow) from financing activities	42	(57)	–	(15)
Capital expenditure	359	293	131	783
Amortisation and depreciation	189	268	89	546
Impairment before tax	(988)	–	(1 255)	(2 243)
<b>EBITDA</b>	309	1 213	(24)	1 498
<b>Year to 30 June 2016 (Audited)</b>				
External sales	2 245	3 917	1 205	7 367
Cost of sales	(2 410)	(2 830)	(1 323)	(6 563)
Other operating income	4	16	13	33
Other operating expenses	(171)	(211)	(44)	(426)
<b>Segment result</b>	(332)	892	(149)	411
Income from investments	10	14	8	32
Finance cost	(13)	(31)	(4)	(48)
Special items before tax	(119)	–	(6)	(125)
Taxation	124	(254)	45	(85)
<b>(Loss)/profit after tax</b>	(330)	621	(106)	185
Non-controlling interest	–	(303)	18	(285)
<b>Contribution to basic earnings</b>	(330)	318	(88)	(100)
<b>Contribution to headline earnings</b>	(244)	318	(84)	(10)
<b>Other information</b>				
Segment and consolidated assets	2 734	4 090	3 235	10 059
Segment liabilities	683	1 016	376	2 075
Unallocated liabilities (tax and deferred tax)				1 326
<b>Consolidated total liabilities</b>				3 401
Cash (outflow)/inflow generated from operations	(6)	1 109	(156)	947
Cash (outflow)/inflow from operating activities	(1)	482	(150)	331
Cash outflow from investing activities	(241)	(175)	(137)	(553)
Cash outflow from financing activities	(17)	(51)	–	(68)
Capital expenditure	244	282	141	667
Amortisation and depreciation	227	279	108	614
Impairment before tax	(122)	–	–	(122)
<b>EBITDA</b>	(105)	1 171	(41)	1 025

## Notes to the financial statements

for the year ended 30 June 2017

	Iron ore Division Rm	Manganese Division Rm	Chrome Division Rm	Continuing operations ARM Ferrous Total Rm	Discontin- ued* operation Chrome Division Rm	ARM Total Rm	ARM share Rm	IFRS Adjust ment** Rm	Total per IFRS financial statements Rm
<b>2.3 Pro forma analysis of the ARM Ferrous segment on a 100% basis</b>									
<b>Year to 30 June 2017 (Reviewed)</b>									
Sales	15 853	10 219	208	26 280	–	26 280	13 140	(13 140)	–
Other operating income	495	130	–	625	–	625	35	(35)	–
Other operating expense	(1 900)	(1 056)	(24)	(2 980)	(4)	(2 984)	(1 214)	1 214	–
Operating profit	5 762	3 361	(9)	9 114	(4)	9 110	4 556	(4 556)	–
<b>Contribution to earnings</b>	4 373	2 182	(7)	6 548	10	6 558	3 279	(14)	3 265
<b>Contribution to headline earnings</b>	4 373	2 322	(7)	6 688	756	7 444	3 723	(14)	3 709
<b>Other information</b>									
Consolidated total assets	25 571	13 519	554	39 644	–	39 644	19 249	(4 389)	14 860
Consolidated total liabilities	5 931	2 754	414	9 099	–	9 099	1 617	(1 617)	–
Capital expenditure	1 169	1 648	–	2 817	–	2 817	1 361	(1 361)	–
Amortisation and depreciation	1 417	465	–	1 882	–	1 882	913	(913)	–
Cash inflow from operating activities	1 188***	2 627	–	3 815	–	3 815	4 396	(4 396)	–
Cash outflow from investing activities	(964)	(1 320)	–	(2 284)	–	(2 284)	(1 142)	1 142	–
EBITDA	7 179	3 826	(9)	10 996	(4)	10 992	5 469	(5 469)	–
Additional information for ARM Ferrous at 100%									
<b>Non-current assets</b>									
Property, plant and equipment						21 704		(21 704)	–
Investment in joint venture						2 527		(2 527)	–
Other non-current assets						843		(843)	–
<b>Current assets</b>									
Inventories						3 648		(3 648)	–
Trade and other receivables						4 317		(4 317)	–
Financial assets						276		(276)	–
Cash and cash equivalents						6 330		(6 330)	–
<b>Non-current liabilities</b>									
Other non-current liabilities						6 479		(6 479)	–
<b>Current liabilities</b>									
Trade and other payables						1 584		(1 584)	–
Short-term provisions						643		(643)	–
Taxation						392		(392)	–

Refer note 2.1 and note 6 for more detail on the ARM Ferrous segment.

\* This relates to the Dwarsrivier operation.

\*\* Includes consolidation and IFRS 11 – Joint Arrangements – adjustments.

\*\*\* Dividend paid amounting to R2.5 billion included in cash flows from operating activities.

# Notes to the financial statements

for the year ended 30 June 2017

	Iron ore Division Rm	Manganese Division Rm	Chrome Division Rm	Continuing operation ARM Ferrous Total Rm	Discontinued* operations Chrome Total Rm	ARM Ferrous Total Rm	ARM share Rm	IFRS Adjust- ment** Rm	Total per IFRS financial state- ments Rm
<b>Year to 30 June 2016 (Audited)</b>									
Sales	12 110	6 651	166	18 927	1 727	20 654	10 327	(10 327)	–
Other operating income	501	242	34	777	6	783	164	(164)	–
Other operating expense	(1 196)	(571)	(9)	(1 776)	(218)	(1 994)	(770)	770	–
Operating profit	2 961	581	11	3 553	149	3 702	1 851	(1 851)	–
<b>Contribution to earnings</b>	2 440	104	8	2 552	103	2 655	1 328	(27)	1 301
<b>Contribution to headline earnings</b>	2 429	396	8	2 833	103	2 936	1 468	(27)	1 441
Other information									–
Consolidated total assets	25 982	11 251	301	37 534	1 367	38 901	18 897	(4 274)	14 623
Consolidated total liabilities	5 853	2 153	223	8 229	631	8 860	1 653	(1 653)	–
Capital expenditure	901	1 928	–	2 829	149	2 978	1 422	(1 422)	–
Amortisation and depreciation	1 517	472	–	1 989	–	1 989	966	(966)	–
Cash inflow from operating activities	2 110***	1 181	–	3 291	134	3 425	2 588	(2 588)	–
Cash outflow from investing activities	(934)	(2 509)	–	(3 443)	(150)	(3 593)	(1 796)	1 796	–
EBITDA	4 478	1 053	11	5 542	149	5 691	2 817	(2 817)	–
<b>Additional information for ARM Ferrous at 100%</b>									
<b>Non-current assets</b>									
Property, plant and equipment						20 982		(20 982)	–
Investment in joint venture						3 036		(3 036)	–
Other non-current assets						901		(901)	–
<b>Current assets</b>									
Inventories						3 713		(3 713)	–
Trade and other receivables						3 558		(3 558)	–
Financial assets						72		(72)	–
Cash and cash equivalents						4 798		(4 798)	–
Asset held for sale						1 842		(1 842)	–
<b>Non-current liabilities</b>									
Other non-current liabilities						5 997		(5 997)	–
<b>Current liabilities</b>									
Trade and other payables						1 321		(1 321)	–
Short-term provisions						698		(698)	–
Taxation						213		(213)	–
Liabilities directly associated with asset held for sale						630		(630)	–

Refer note 2.1 and note 6 for more detail on the ARM Ferrous segment.

\* This relates to the Dwarsrivier operation.

\*\* Includes consolidation and IFRS 11 – Joint Arrangements – adjustments.

\*\*\* Dividend paid amounting to R1.75 billion included in cash flows from operating activities.

## Notes to the financial statements

for the year ended 30 June 2017

### 2.4 Additional information

ARM Corporate as presented in the table on pages 69 to 72 is analysed further into Corporate and other, ARM Exploration and Gold segments.

	ARM Exploration Rm	Corporate and other* Rm	Gold Rm	Total ARM Corporate Rm
<b>Year to 30 June 2017 (Reviewed)</b>				
Cost of sales	–	40		40
Other operating income	–	595		595
Other operating expenses	(28)	(1 442)		(1 470)
<b>Segment result</b>	(28)	(807)		(835)
Income from investments	–	144	64	208
Finance costs**	–	(138)		(138)
Special items before tax	–	(79)		(79)
<b>(Loss)/profit after tax</b>	(28)	(880)	64	(844)
Non-controlling interest	–	9		9
Consolidation adjustments	–	14		14
<b>Contribution to basic earnings</b>	(28)	(857)	64	(821)
<b>Contribution to headline earnings</b>	(28)	(778)	64	(742)
<b>Other information</b>				
Segment and consolidated assets	–	2 383	1 380	3 763
Segment liabilities	–	1 958		1 958
Cash outflow from operating activities	(28)	(527)		(555)
Cash inflow from investing activities	–	236	64	300
Cash outflow from financing activities	–	(1 806)		(1 806)
Capital expenditure	–	2		2
Amortisation and depreciation	–	3		3
EBITDA	(28)	(804)		(832)
<b>Year to 30 June 2016 (Audited)</b>				
Cost of sales	–	37		37
Other operating income	–	970		970
Other operating expenses	(23)	(846)		(869)
<b>Segment result</b>	(23)	161		138
Income from investments	–	128		128
Finance costs**	–	(77)		(77)
Special items before tax	–	19		19
Taxation	–	71		71
<b>(Loss)/profit after tax</b>	(23)	302		279
Non-controlling interest	–	(11)		(11)
Consolidation adjustment	–	27		27
<b>Contribution to basic earnings</b>	(23)	318		295
<b>Contribution to headline earnings</b>	(23)	301		278
<b>Other information</b>				
Segment and consolidated assets	–	1 860	3 339	5 199
Segment liabilities	–	3 240		3 240
Cash outflow from operating activities	(23)	(1 280)		(1 303)
Cash inflow from investing activities	–	45		45
Cash outflow from financing activities	–	(467)		(467)
Capital expenditure	–	3		3
Amortisation and depreciation	–	5		5
EBITDA	(23)	166		143

\* Corporate, other companies and consolidation adjustments

\*\* Intercompany interest of R219 million (F2016: R194 million) receivable by ARM Corporate and accrued by ARM Copper re-presented in terms of IFRS 5

# Notes to the financial statements

for the year ended 30 June 2017

## 3 PROPERTY, PLANT AND EQUIPMENT IMPAIRMENT

### 3.1 Nkomati Nickel Mine

a At 31 December 2016, an impairment loss of the Nkomati Nickel Mine cash generating unit was recognised, largely as a result of

- i) A revision of the mine plan with a resultant lower metal output profile.
- ii) A significant decline from the prior year forecast long-term price of nickel and a further strengthening of the R/US\$ exchange rate.

ARM's attributable share of the impairment charge amounted to R988 million before tax and R711 million after tax.

The recoverable amount of the cash generating unit was determined based on the value-in-use calculation performed in terms of International Financial Reporting Standards.

A pre-tax discount rate of 20.72% was used for the impairment calculation together with the following metal prices and exchange rate assumptions.

		2H F2017	F2018	F2019	F2020	Long-term
		Nominal	Nominal	Nominal	Nominal	Real
Nickel	– US\$/tonne	11 053	11 561	12 606	14 029	16 475
Platinum	– US\$/ounce	986	1 073	1 171	1 247	1 270
Palladium	– US\$/ounce	712	751	805	825	790
Gold	– US\$/ounce	1 221	1 260	1 295	1 307	1 194
Copper	– US\$/tonne	5 356	5 362	5 555	5 803	5 975
Cobalt	– US\$/lb	14.00	13.89	13.51	13.58	11.86
Chrome concentrate	– US\$/tonne	235	180	160	165	175
Exchange rate	– R/US\$	13.84	14.24	14.22	14.30	14.00

b The assets related to the underground operations at Nkomati (included in the ARM Platinum segment) were impaired following the decision to cease operations in this area.

	Reviewed F2017 Rm	Audited F2016 Rm
	–	122

At 30 June 2017 there were no further impairments.

### 3.2 Modikwa Platinum Mine

At 31 December 2016, an impairment loss of the Modikwa Platinum Mine cash generating unit attributable to ARM, was recognised largely as a result of:

- i) Lower forecast PGM output over the short to medium term;
- ii) Higher forecast unit cost of production; and
- iii) A reduction in the forecast long-term platinum price and a further strengthening of the R/US\$ exchange rate.

ARM's attributable share of the impairment amounted to R1 255 million before tax, R890 million after tax and R734 million after non-controlling interest and tax.

The recoverable amount of the cash generating unit was determined based on the value-in-use calculation performed in terms of International Financial Reporting Standards.

A pre-tax discount rate of 18.72% was used for the impairment calculation together with the following metal prices and exchange rate assumptions.

		2H F2017	F2018	F2019	F2020	Long-term
		Nominal	Nominal	Nominal	Nominal	Real
Platinum	– US\$/ounce	986	1 073	1 171	1 247	1 270
Palladium	– US\$/ounce	712	751	805	825	790
Rhodium	– US\$/ ounce	845	800	800	850	850
Gold	– US\$/ounce	1 221	1 260	1 295	1 307	1 194
Iridium	– US\$/ ounce	500	500	500	500	500
Ruthenium	– US\$/ ounce	40	40	50	50	55
Nickel	– US\$/tonne	11 053	11 561	12 606	14 029	16 475
Copper	– US\$/tonne	5 356	5 362	5 555	5 803	5 975
Cobalt	– US\$/lb	14.00	13.89	13.51	13.58	11.86
Exchange rate	– R/US\$	13.84	14.24	14.22	14.30	14.00

At 30 June 2017 there were no further impairments.

## Notes to the financial statements

for the year ended 30 June 2017

### 3.3 Lubambe Copper Mine

At 31 December 2015 an impairment of Lubambe Copper Mine (included in the ARM Copper segment) 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 discount rate of 24.43% and the following real copper prices were used.

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

The recoverable amount to determine the impairments was calculated using a combination of a value-in-use and fair value less cost to sell model. At year end there was an impairment reversal following the classification of Lubambe as an asset held for sale (refer note 12).

	Reviewed F2017 Rm	Re-presented F2016 Rm
<b>4 SPECIAL ITEMS</b>		
Profit on sale of property, plant and equipment	–	12
Profit on sale of subsidiary	–	4
Impairment loss of property, plant and equipment – Modikwa	(1 255)	–
Impairment loss of property, plant and equipment – Nkomati	(988)	(122)
Loss on disposal of investment (refer note 13)	(79)	–
<b>Special items per income statement before taxation effect</b>	<b>(2 322)</b>	<b>(106)</b>
Impairment loss on property, plant and equipment accounted for directly in joint venture – Assmang	(470)	(202)
Impairment reversal/(loss) on property, plant and equipment – Lubambe (discontinuing operation)	180	(1 755)
Profit on sale of property, plant and equipment – Lubambe (discontinuing operation)	–	1
(Loss)/profit on sale of property, plant and equipment accounted for directly in joint venture – Assmang	(1)	8
<b>Special items before taxation effect</b>	<b>(2 613)</b>	<b>(2 054)</b>
Taxation accounted for in joint venture – impairment loss at Assmang	27	56
Taxation accounted for in joint venture – profit on sale at Assmang	–	(2)
Taxation – impairment loss of Modikwa assets	365	–
Taxation – impairment loss of Nkomati assets	277	33
<b>Special items after taxation effect</b>	<b>(1 944)</b>	<b>(1 967)</b>
Non-controlling interest – impairment (reversal)/loss of assets at Lubambe (discontinuing operation)	(36)	351
Non-controlling interest – impairment loss of assets at Modikwa	156	–
<b>Total</b>	<b>(1 824)</b>	<b>(1 616)</b>

# Notes to the financial statements

for the year ended 30 June 2017

	Reviewed F2017	Re-presented F2016
<b>5 EARNINGS PER SHARE</b>		
Headline earnings (R million)	3 196	1 051
Headline earnings from continuing operations (R million)	3 399	1 412
Headline earnings from discontinuing operation (R million)	(203)	(361)
Headline earnings per share (cents)	1 684	494
Headline earnings per share from continuing operations (cents)	1 791	663
Headline loss per share from discontinuing operation (cents)	(107)	(169)
Basic earnings/(loss) per share (cents)	723	(265)
Basic earnings from continuing operations per share (cents)	754	563
Basic loss from discontinuing operation per share (cents)	(31)	(828)
Diluted headline earnings per share (cents)	1 638	487
Diluted headline earnings per share from continuing operations (cents)	1 742	654
Diluted headline loss per share from discontinuing operation (cents)	(104)	(167)
Diluted basic earnings/(loss) per share (cents)	703	(262)
Diluted basic earnings from continuing operations per share (cents)	733	556
Diluted basic loss from discontinuing operation per share (cents)	(30)	(818)
Number of shares in issue at end of year (thousands)	218 702	218 022
Weighted average number of shares in issue (thousands)	189 768	212 990
Weighted average number of shares used in calculating diluted earnings per share (thousands)	195 112	215 825
Net asset value per share (cents)	10 744	10 925
EBITDA (R million)	794	1 185
EBITDA from continuing operations (R million)	922	1 415
Dividend declared after year-end (cents per share)	650	225
<b>Reconciliation to headline earnings</b>	<b>Rm</b>	<b>Rm</b>
Basic earnings/(loss) attributable to equity holders of ARM	1 372	(565)
– (Reversal)/impairment on property, plant and equipment – Lubambe	(180)	1 755
– Impairment loss on property, plant and equipment – Modikwa	1 255	–
– Impairment loss on property, plant and equipment – Nkomati	988	122
– Impairments loss of property, plant and equipment in joint venture – Assmang	470	202
– Profit on sale of subsidiary	–	(4)
– Loss/(profit) on sale of property, plant and equipment in joint venture – Assmang	1	(8)
– Profit on sale of property, plant and equipment Lubambe – (discontinuing operation)	–	(1)
– Profit on disposal of property, plant and equipment	–	(12)
– Loss on disposal of investment	79	–
	3 985	1 489
– Taxation accounted for in joint venture – impairment at Assmang	(27)	(54)
– Taxation – impairment loss of Modikwa assets	(365)	–
– Taxation – impairment loss of Nkomati assets	(277)	(33)
	3 316	1 402
Non-controlling interest – impairment reversal/(loss) of assets at Lubambe (discontinuing operation)	36	(351)
Non-controlling interest – impairment loss of assets at Modikwa	(156)	–
Headline earnings	3 196	1 051

## Notes to the financial statements

for the year ended 30 June 2017

	Reviewed F2017 Rm	Audited F2016 Rm
<b>6 INVESTMENT IN JOINT VENTURE</b>		
The investment relates to ARM Ferrous and consists of Assmang as a joint venture which includes iron ore, manganese and chrome operations.		
Opening balance	14 623	14 094
Income for the period	3 265	1 301
Income for the period	3 279	1 328
Consolidation adjustment	(14)	(27)
Foreign currency translation reserve	(224)	103
Less: – cash dividend received for the period	(2 488)	(875)
– in specie dividend received for the period	(316)	–
Closing balance	14 860	14 623
Refer note 2.1 and 2.3 for more detail on the ARM Ferrous segment		
<b>7 CASH AND CASH EQUIVALENTS</b>		
– African Rainbow Minerals Limited	233	129
– ARM BBEE Trust	2	2
– ARM Coal Proprietary Limited	–	1
– ARM Finance Company SA	7	12
– ARM Platinum Proprietary Limited	82	32
– ARM Treasury Investments Proprietary Limited	36	35
– Two Rivers Platinum Proprietary Limited	10	12
– TEAL Minerals Barbados Incorporated*	1	–
– TEAL Exploration and Mining Barbados Incorporated*	13	–
– TEAL Exploration and Mining Incorporated*	1	–
– Vale/ARM joint operation (discontinuing operation)	–	27
– Venture Building Trust Proprietary Limited	4	2
– Restricted cash	1 099	1 064
<b>Total as per statement of financial position</b>	<b>1 488</b>	<b>1 316</b>
Less: – Overdrafts (refer note 8)	(292)	(649)
– Overdrafts relating to asset held for sale (refer note 8 and 12)	(168)	–
– Cash relating to asset held for sale (refer note 12)	3	–
<b>Total as per Group statement of Cash Flows</b>	<b>1 031</b>	<b>667</b>

\* Entities remaining after the proposed Vale/ARM discontinuing operation.



# Notes to the financial statements

for the year ended 30 June 2017

	Reviewed F2017 Rm	Audited F2016 Rm
<b>8 BORROWINGS</b>		
<b>Long – term borrowings are held as follows :</b>		
– African Rainbow Minerals Limited	–	1 400
– ARM BBEE Trust	528	501
– ARM Coal Proprietary Limited (partner loan)	1 433	1 423
– ARM Finance Company SA	–	88
– Nkomati	13	23
– Two Rivers Platinum Proprietary Limited	28	24
– Vale/ARM joint operation*		16
– Vale/ARM joint operation – ZCCM (partner loan)*		696
	<b>2 002</b>	<b>4 171</b>
<b>Short – term borrowings</b>		
– Anglo Platinum Limited (partner loan)	114	114
– ARM Coal Proprietary Limited (partner loan)	172	123
– ARM Finance Company SA	78	426
– Nkomati	64	12
– Two Rivers Platinum Proprietary Limited	37	39
– Vale/ARM joint operation*		17
	<b>465</b>	<b>731</b>
<b>Overdrafts (refer note 7)</b>		
– African Rainbow Minerals Limited	–	3
– ARM Mining Consortium Limited	–	29
– Nkomati	11	24
– Two Rivers Platinum Proprietary Limited	261	354
– Vale/ARM joint operation*		219
– Other	20	20
	<b>292</b>	<b>649</b>
<b>OVERDRAFTS AND SHORT – TERM BORROWINGS</b>	<b>757</b>	<b>1 380</b>
<b>TOTAL BORROWINGS</b>	<b>2 759</b>	<b>5 551</b>
<b>*Discontinuing operation (refer note 12)</b>		
Long-term borrowing	656	
Short-term borrowing	15	
Overdraft	168	

## Notes to the financial statements

for the year ended 30 June 2017

	Reviewed F2017 Rm	Re-presented F2016 Rm
<b>9 TAXATION</b>		
South African normal taxation		
– current year	329	290
– mining	212	243
– non-mining	117	47
– prior year	8	1
Foreign taxes	–	4
Foreign taxes discontinuing operation		(2)
Withholding tax	37	–
Deferred taxation	(783)	(303)
	(409)	(10)
<b>10 CASH GENERATED FROM OPERATIONS PER CASH FLOW (INCLUDING DISCONTINUING OPERATION) BEFORE WORKING CAPITAL MOVEMENTS</b>		
Cash generated from operations before working capital movement	1 885	1 305
Working capital changes	(274)	(80)
Movement in inventories	(51)	118
Movement in receivables	307	140
Movement in payables and provisions	(530)	(338)
	1 611	1 225
<b>11 TREASURY SHARES – RESTRUCTURING OF THE ARM BBEE TRUST</b>		
Following the restructuring of the ARM BBEE Trust, on 22 April 2016 the ARM BBEE Trust is consolidated into the ARM consolidated financial results, as ARM now controls the Trust for reporting purposes.		
The consolidation of the ARM BBEE Trust results in ARM shares bought back by Opilac, a wholly-owned subsidiary of ARM, and the remaining shares owned by the Trust, reducing the number of shares used in the calculation of headline, basic and diluted earnings per share. The number of shares in issue are however not affected.		
The treasury shares are excluded, effectively from 22 April 2016, in the weighted average and diluted average number of shares.		
The carrying value of the treasury shares are as follows:		
12 717 328 shares bought from the ARM BBEE Trust by Opilac Proprietary Limited	651	651
15 897 412 shares held in the ARM BBEE Trust	1 754	1 754
	2 405	2 405

# Notes to the financial statements

for the year ended 30 June 2017

	Reviewed F2017 Rm	Audited F2016 Rm
<b>12 ASSETS HELD FOR SALE</b>		
<b>12.1</b> Asset held for sale and discontinuing operation		
A sale agreement was entered into to sell the Lubambe operation in Zambia. The effective date for classification as asset held for sale was 9 June 2017. The assets, liabilities and certain other reserves at 30 June 2017 to be disposed of are as follows:		
Property, plant and equipment	1 392	
Inventories	130	
Trade and other receivables	79	
Cash and cash equivalents	3	
<b>Assets held for sale</b>	<b>1 604</b>	
<b>Other reserves</b>	<b>730</b>	
Long-term borrowings	656	
Long-term provisions	85	
Trade and other payables	215	
Short-term provisions	33	
Overdrafts and short-term borrowings	183	
<b>Liabilities directly associated with assets held for sale</b>	<b>1 172</b>	
<b>The cash flows were as follows:</b>		
Cash outflow from operating activities	(155)	
Cash outflow from investing activities	(32)	
Cash outflow from financing activities	(4)	
<b>The income statement effect is as follows:</b>		
Sales	600	581
Cost of sales	(601)	(794)
Other operating income	4	8
Other operating expenses	(238)	(229)
<b>Segment result</b>	<b>(235)</b>	<b>(434)</b>
Finance cost	(19)	(26)
Finance cost ZCCM: Shareholders' loan Vale/ARM joint operation	(56)	(36)
Special items before tax	180	(1 754)
Taxation	-	(2)
<b>Loss after tax</b>	<b>(130)</b>	<b>(2 252)</b>
Non-controlling interest	71	488
<b>Contribution to basic earnings</b>	<b>(59)</b>	<b>(1 764)</b>
<b>Contribution to headline earnings</b>	<b>(203)</b>	<b>(361)</b>
<b>Basic loss per share from discontinuing operation (cents)</b>	<b>(31)</b>	<b>(828)</b>
<b>Diluted basic loss per share from discontinuing operation (cents)</b>	<b>(30)</b>	<b>(818)</b>
* An impairment reversal (refer note 3.3) of R180 million was recorded by determining the recoverable amount using the fair value less cost to sell.		
<b>12.2</b> The underground operations at Nkomati were classified as held for sale following the decision to cease operations in the underground area (refer note 3.1b, 4 and 5)	<b>1</b>	<b>3</b>
<b>Total assets held for sale</b>	<b>1 605</b>	<b>3</b>

## Notes to the financial statements

for the year ended 30 June 2017

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### 13 DWARSRIVIER CHROME MINE DISPOSAL

For accounting purposes, the disposal of the Dwarsrivier Chrome Mine was effective on 1 July 2016. The accounting result for ARM of this disposal was as follows:

- i) The attributable equity profit realised in Assmang amounted to R5 million which includes an impairment of R373 million before tax (tax nil). Subsequent to 31 December 2016 a reduction of R49 million in the attributable impairment, raised at 31 December 2016 for the disposal of the Dwarsrivier Chrome Mine, was recorded;
- ii) Attributable contribution to headline earnings amounting to R378 million;
- iii) Cash dividend received from Assmang amounting to R238 million and an *in specie* dividend of R316 million;
- iv) Proceeds of R238 million received from Assore by ARM on the sale of its investment in Dwarsrivier Chrome Mine resulting in a loss amounting to R79 million before tax (tax: nil).

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### 14 PROVISION

#### Silicosis and tuberculosis class action provision

In November 2014, a gold mining industry working group was formed to address issues relating to the compensation and medical care for occupational lung diseases in the gold mining industry in South Africa. The working group comprises ARM, Harmony Gold Mining Company Limited, Anglo American South Africa Limited, AngloGold Ashanti Limited, Gold Fields Limited and Sibanye Gold Limited (collectively "the Working Group").

The Working Group engaged different stakeholders including government, organised labour, other mining companies and legal representatives of claimants who have filed legal suits against the companies. These engagements have sought a comprehensive solution to address legacy compensation issues and future legal frameworks that are fair to past and current employees and enable companies to continue to be sustainable over the long-term.

As a consequence of the progress of negotiations between the Working Group and affected stakeholders, the Company is now in a position to reliably estimate, within an acceptable range, the Company's share of a possible settlement of the class action claims and related costs. As a result, ARM has recorded a provision of R330 million at 30 June 2017 (discounted) in the results for the year ended 30 June 2017. The nominal amount of the provision is R417 million.

The Working Group continues to defend the legal proceedings filed against them and are appealing the ruling which has been set for hearing from 19 to 23 March 2018. Notwithstanding the provision raised, the companies do not believe that they are liable in respect of the claims brought. They do, however, believe that they should work together to seek a solution to this South African mining industry legacy issue.

The negotiations with the claimants' lawyers are confidential and the working group companies are accordingly not able to provide any details of the negotiations.

# Notes to the financial statements

for the year ended 30 June 2017

## 15 RELATED PARTIES

The Company in the ordinary course of business enters into various sale, purchase, service and lease transactions with subsidiaries, associated companies, joint ventures and joint operations.

Transactions between the Company, its subsidiaries and joint operations relate to fees, insurances, dividends, rentals and interest and are regarded as intra-Group transactions and eliminate on consolidation.

	Reviewed F 2017 Rm	Audited F 2016 Rm
<b>Amounts accounted in the income statement relating to transactions with related parties</b>		
<b>Joint venture</b>		
Assmang Proprietary Limited		
– Provision of services	513	536
– Dividends received	2 804	875
<b>Amounts outstanding at year-end (owing to)/receivable by ARM on current account</b>		
<b>Joint venture</b>		
Assmang – debtor	93	70
<b>Joint operations</b>		
Anglo American Platinum – debtor	468	456
Norilsk Nickel – creditor	(2)	(136)
Norilsk Nickel – debtor	–	393
Anglo American Platinum – short – term borrowing	(114)	(114)
Vale/ARM joint operation – ZCCM – long-term borrowing (refer note 12)	656	(696)
Glencore Operations SA – long-term borrowing	(1 433)	(1 423)
Glencore Operations SA – short term borrowing	(172)	(123)
<b>Subsidiary</b>		
Impala Platinum – debtor	1 003	1 096
Impala Platinum – dividend paid	279	370

## 16 COMMITMENTS

Commitments in respect of future capital expenditure, which will be funded from operating cash flows and by utilising available cash and borrowing resources, are summarised below:

Commitments in respect of capital expenditure:

Approved by directors		
– contracted for	134	118
– not contracted for	3	67
<b>Total commitments</b>	<b>137</b>	<b>185</b>

## Notes to the financial statements

for the year ended 30 June 2017

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### **17 CONTINGENT LIABILITIES**

Refer to note 14 – Provision – for an update on the previously reported contingent liability.

Assmang has issued a guarantee to the Sarawak Energy Board amounting to \$100 million. Sponsor indemnities amounting to \$45.46 million has been received by Assmang in respect of this guarantee. The net effect for Assmang is therefore \$54.54 million.

ARM's 50 percent interest in Assmang would equate to R356 million (\$27.27 million).

There have been no other significant changes in the contingent liabilities of the Group as disclosed in the 30 June 2016 integrated annual report.

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### **18 EVENTS AFTER REPORTING DATE**

Two Rivers received consent during August 2017 (i) to transfer the Tamboti rights to it and (ii) to have its mining right amended accordingly. The amended mining right is expected to be issued to Two Rivers immanently at which point ARM's interest in Two Rivers will increase to 54%.

Since the year-end ARM received a dividend of R1 billion from Assmang.

Guarantees to Transnet Freight Rail in relation to the Coal operations amount to R36 million (ARM share) were issued (F2016: nil).

No other significant event have occurred subsequent to the reporting date that could materially affect the reported results.

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## Contact details and administration

### **African Rainbow Minerals Limited**

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

### **Registered office**

ARM House  
29 Impala Road  
Chislehurst, Sandton, 2196  
South Africa  
PO Box 786136, Sandton, 2146  
South Africa  
Telephone: +27 11 779 1300  
E-mail: [ir.admin@arm.co.za](mailto:ir.admin@arm.co.za)  
Website: <http://www.arm.co.za>

### **Transfer secretaries**

Computershare Investor Services  
Proprietary Limited  
Rosebank Towers, 15 Biermann Avenue  
Rosebank, Johannesburg, 2196  
PO Box 61051, Marshalltown, 2107  
Telephone: +27 11 370 5000  
Telefax: +27 11 688 5222  
E-mail: [web.queries@computershare.co.za](mailto:web.queries@computershare.co.za)  
Website: <http://www.computershare.co.za>

### **Sponsor**

Deutsche Securities (SA) Proprietary Limited

## Forward-looking statements

Certain statements in this report constitute forward-looking statements that are neither reported financial results nor other historical information. They include but are not limited to statements that are predictions of or indicate future earnings, savings, synergies, events, trends, plans or objectives. Such forward-looking statements may or may not take into account and may or may not be affected by known and unknown risks, uncertainties and other important factors that could cause the actual results, performance or achievements of the Company to be materially different from the future results, performance or achievements expressed or implied by such forward-looking statements. Such risks, uncertainties and other important factors include among others: economic, business and political conditions in South Africa; decreases in the market price of commodities; hazards associated with underground and surface mining; labour disruptions; changes in government regulations, particularly environmental regulations; changes in exchange rates; currency devaluations; inflation and other macro-economic factors; and the impact of the HIV and Aids crisis in South Africa. These forward-looking statements speak only as of the date of publication of these pages. The Company undertakes no obligation to update publicly or release any revisions to these forward-looking statements to reflect events or circumstances after the date of publication of these pages or to reflect the occurrence of unanticipated events.

### **Directors**

P T Motsepe (Executive Chairman)  
M P Schmidt (Chief Executive Officer)  
F Abbott\*  
M Arnold  
Dr M M M Bakane-Tuoane\*  
T A Boardman\*  
A D Botha\*  
J A Chissano (Mozambican)\*

W M Gule\*  
A K Maditsi\*  
H L Mkatshana  
J P Möller\*  
Dr R V Simelane\*  
Z B Swanepoel\*  
A J Wilkens

\* Independent Non-executive



[www.arm.co.za](http://www.arm.co.za)