African Rainbow Minerals

ARM's headline earnings increased by 8% mainly as a result of improved performances at Nkomati Nickel mine, the platinum mines and Goedgevonden Coal mine.

The dividend increased from R4.75 to R5.10 per share

Patrice Motsepe
Executive Chairman

Concentrator at Nkomati Mine

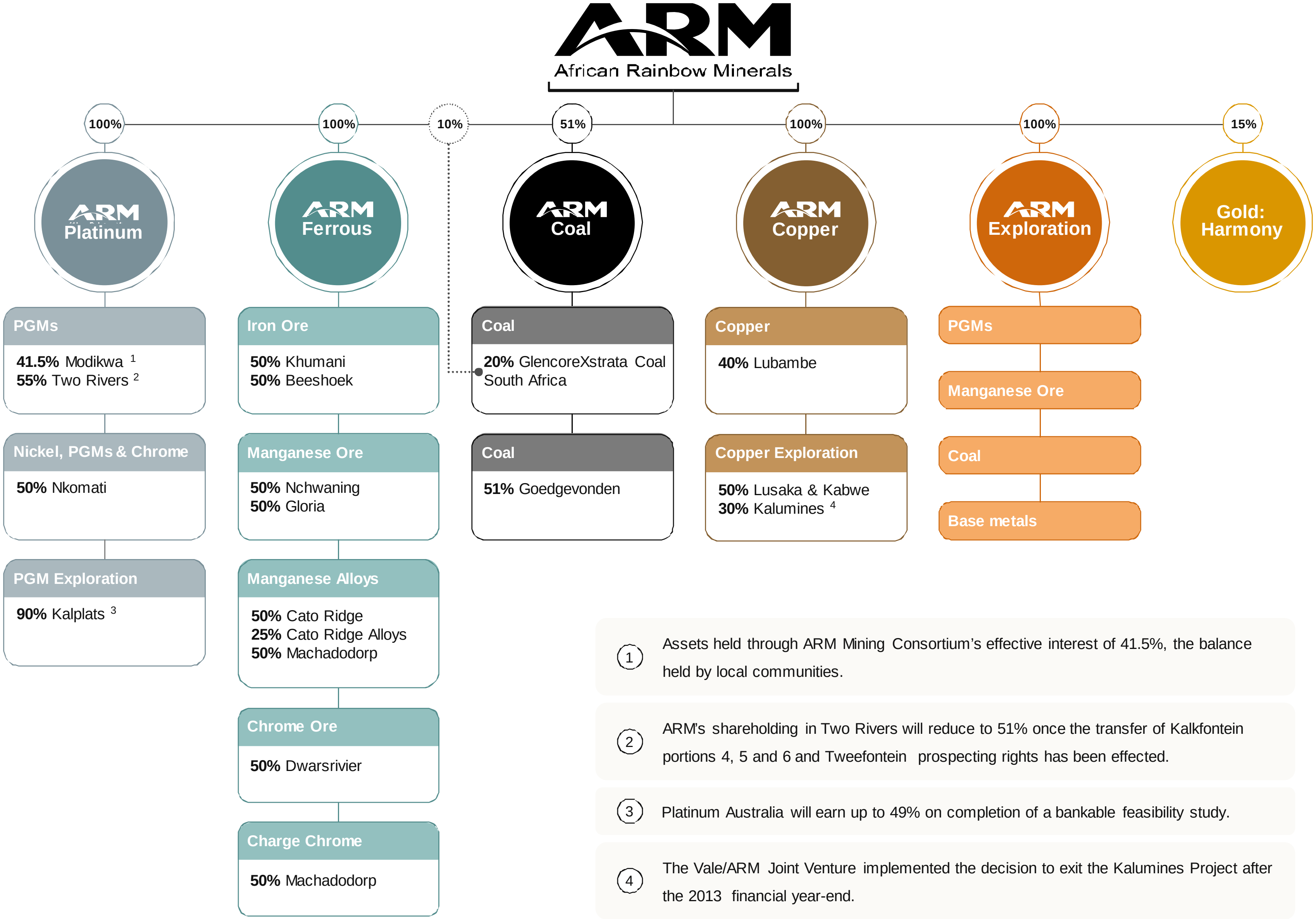
Overview and strategy

Patrice Motsepe, Executive Chairman

Disclaimer

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

Group structure



1. Assets held through ARM Mining Consortium's effective interest of 41.5%, the balance held by local communities.
2. ARM's shareholding in Two Rivers will reduce to 51% once the transfer of Kalkfontein portions 4, 5 and 6 and Tweefontein prospecting rights has been effected.
3. Platinum Australia will earn up to 49% on completion of a bankable feasibility study.
4. The Vale/ARM Joint Venture implemented the decision to exit the Kalumines Project after the 2013 financial year-end.

Salient features

ARM
African Rainbow Minerals

Headline earnings increased 8% to R3.74 billion (F2012: R3.45 billion). The headline earnings per share were 1 735 cents compared to 1 615 cents in F2012.

ARM declared an increased dividend of 510 cents per share, compared to the F2012 dividend of 475 cents per share.

ARM Platinum contribution to headline earnings increased significantly from R60 million in F2012 to R527 million and ARM Coal increased its contribution from R52 million to R148 million, while ARM Ferrous contributed R3.2 billion (F2012: R3.5 billion).

Salient features

African Rainbow Minerals

Basic earnings of R1.6 billion were negatively impacted by an exceptional net R2.0 billion after tax unrealised mark-to-market impairment of the Harmony investment in terms of ARM's accounting policy.

Increased sales volumes were achieved in nickel, Platinum Group Metals (PGM), iron ore, chrome ore, export coal and Eskom coal, from Goedgevonden Mine.

Costs were well contained with the Dwarsrivier, Nkomati and Goedgevonden mines achieving reductions in unit costs.

ARM remains financially robust with consolidated net cash (excluding partner loans) of R2.7 billion (F2012: R2.3 billion).

Growth projects deliver

The iron ore mines have ramped up to steady state production.

The Nkomati Nickel Mine achieved a significant turnaround increasing production by 66% to 23 220 tonnes of nickel and reducing costs by 42% to US$ 4.98/lb.

The Lubambe Copper Mine commissioned its concentrator plant two months ahead of schedule and produced 14 871 tonnes of copper.

The mine is addressing challenges with the quality of the concentrate delivered to a smelter.

Safety and sustainability

ARM is proud to declare that in F2013 no fatalities occurred at any of the mines which ARM manages.

ARM’s Lost Time Injury Frequency Rate (LTIFR) was 0.50 (per 200 000 man hours) compared to 0.40 in F2012.

Safety achievements

Nkomati Mine achieved 3 million fatality-free shifts in March 2013.

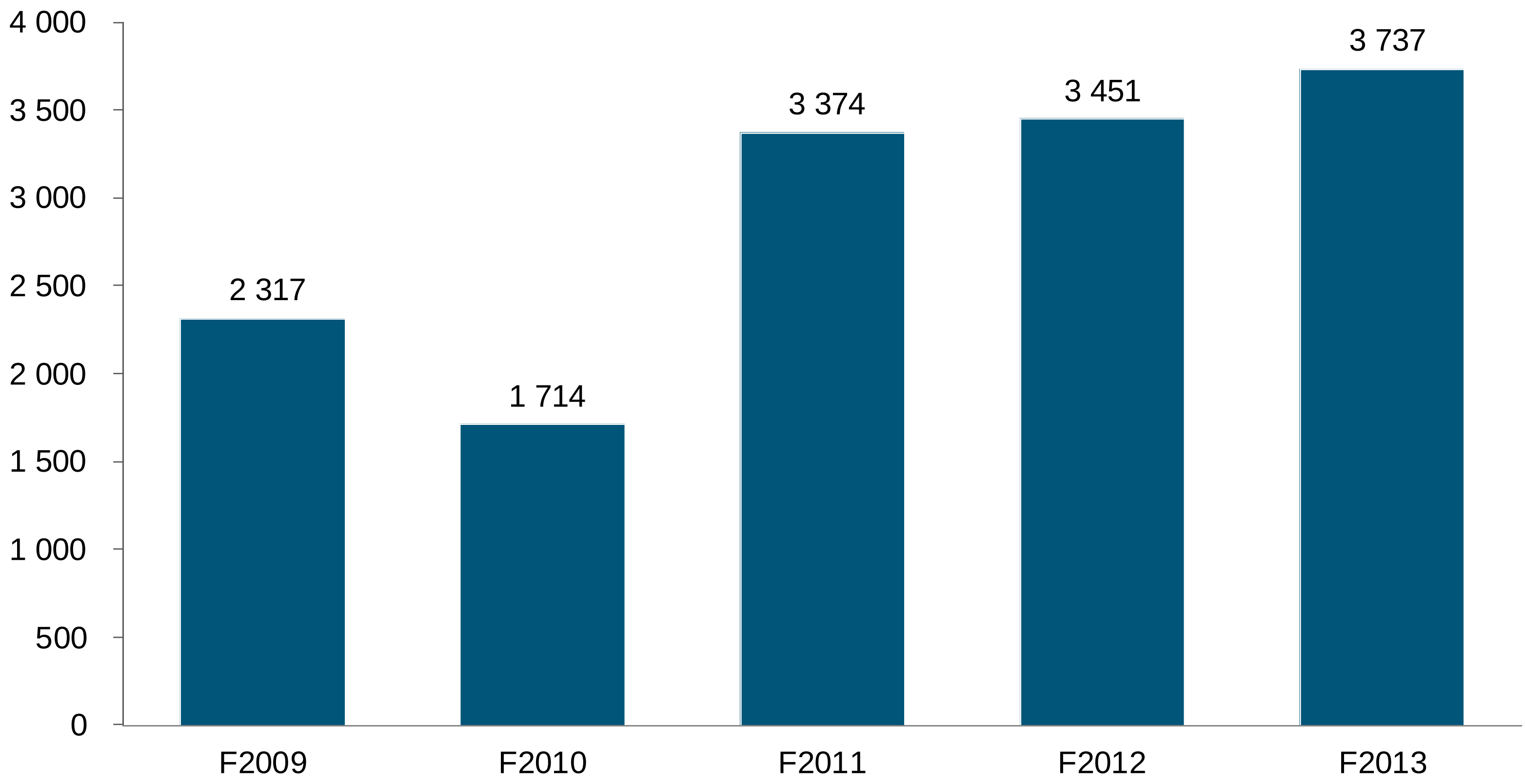
Khumani Mine achieved 3 million fatality-free shifts in January 2013.

Two Rivers Mine achieved 1 million fatality-free shifts in May 2013.

Modikwa Mine achieved 1 million fatality-free shifts in November 2012.

Headline earnings

Headline earnings (R million)

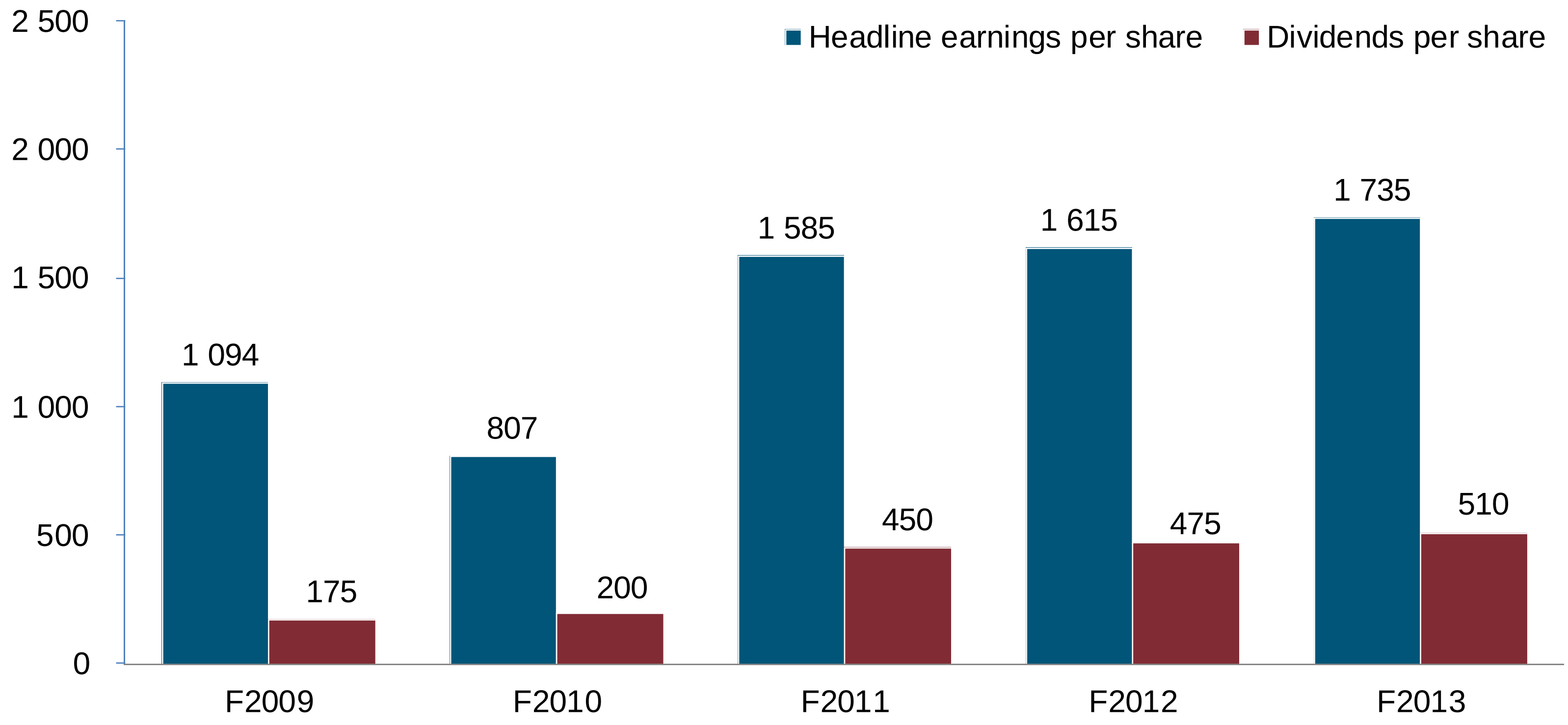


Headline earnings increased 8% during challenging and difficult times

Dividends and earnings

African Rainbow Minerals

Headline earnings per share and dividends per share (cents per share)

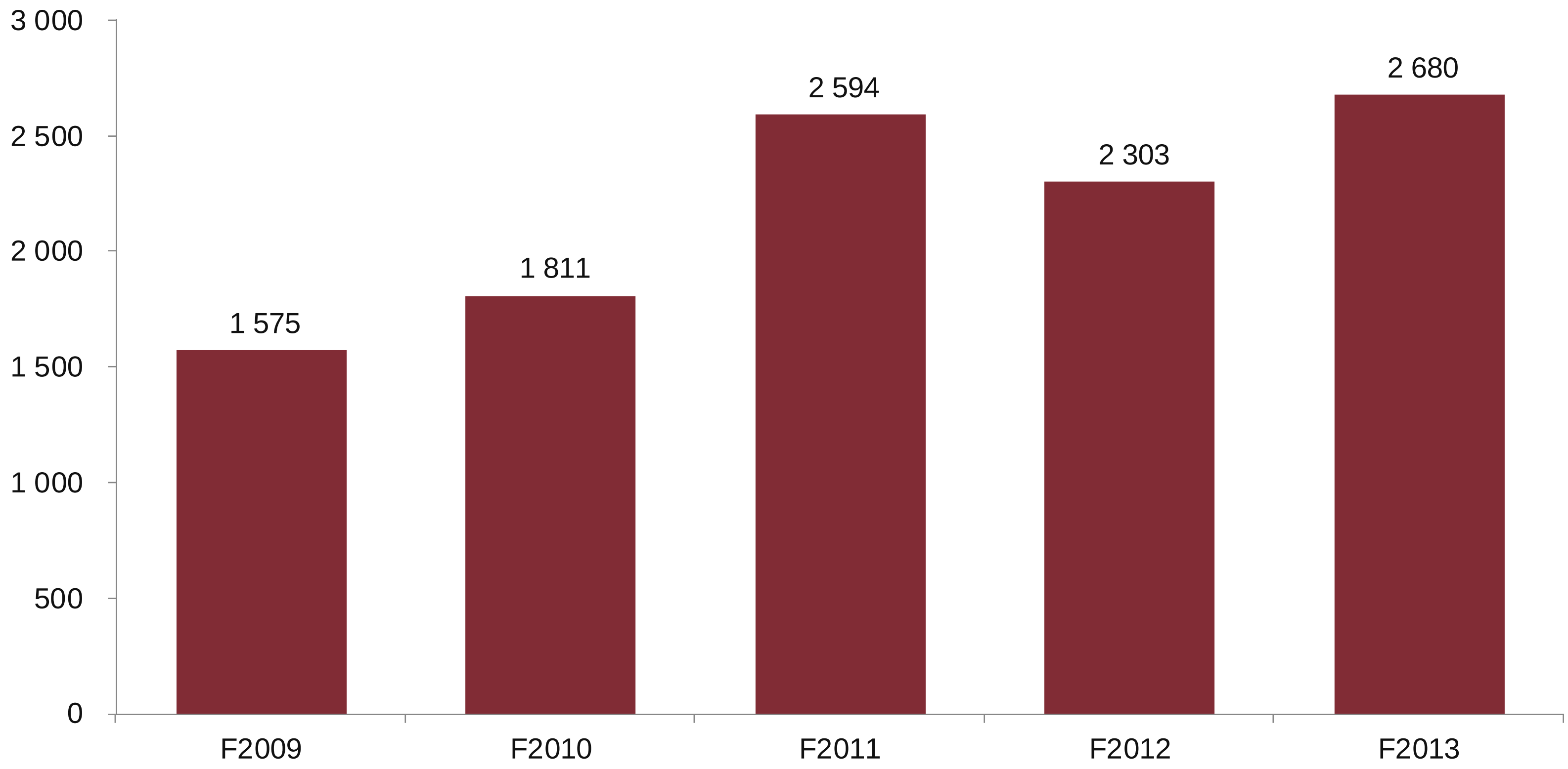


Dividend cover	6.3 X	4.0 X	3.5 X	3.4 X	3.4X

As a globally competitive company, ARM is committed to paying dividends and funding growth

Robust financial position

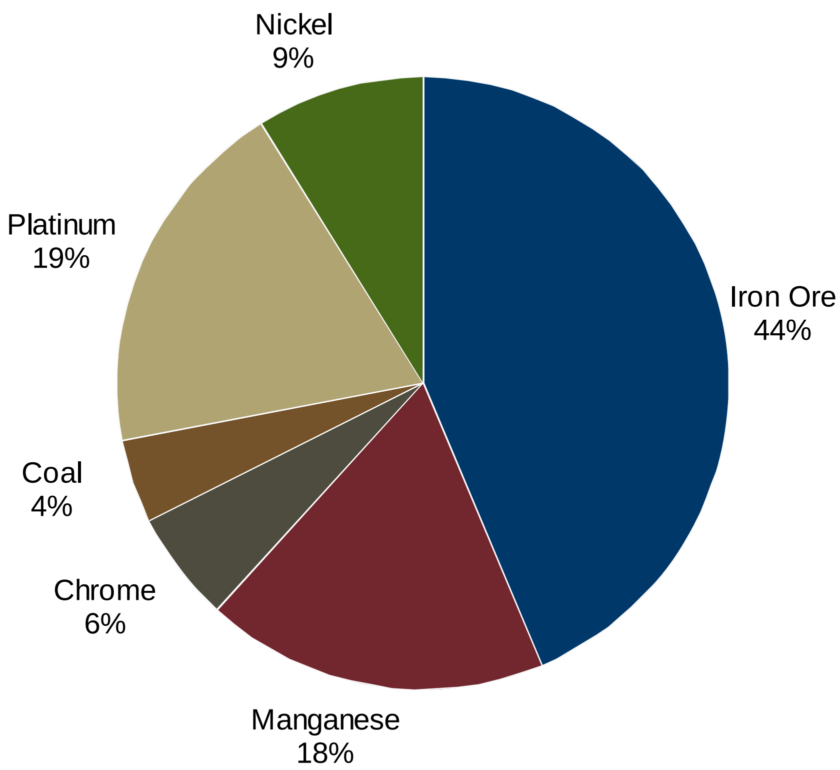
Net cash excluding partner loans (R million)



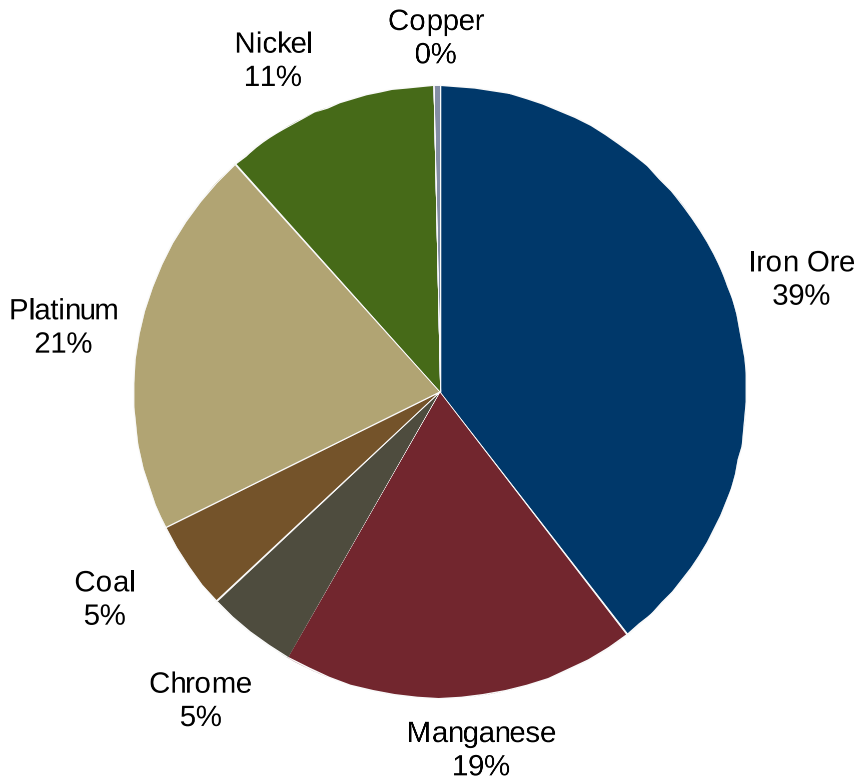
ARM is in a strong financial position

Revenue composition

F2012 revenue split



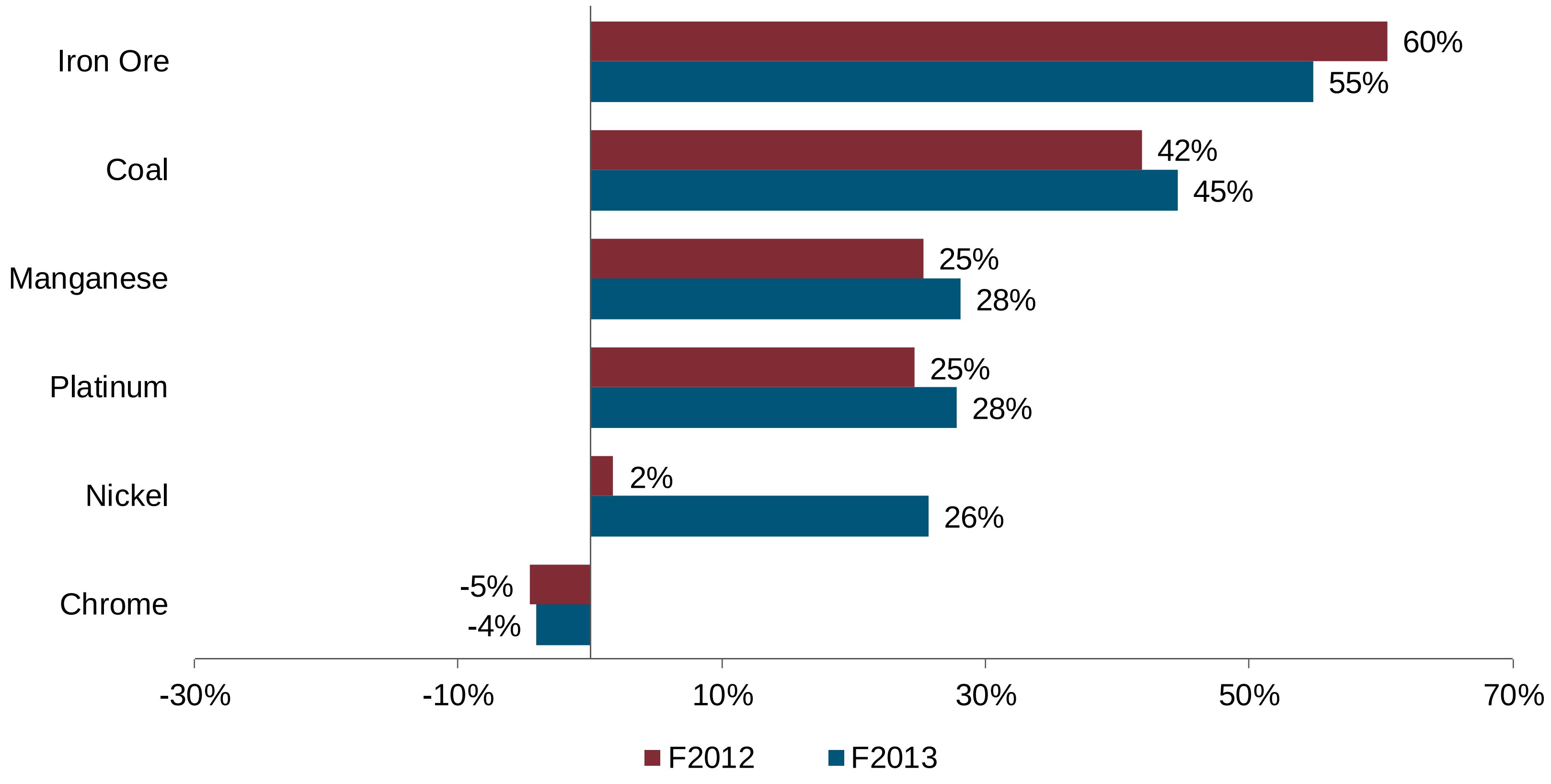
F2013 revenue split



PGM, nickel and coal headline earnings contribution increased

EBITDA margins

The ARM average EBITDA margin was 36% (F2012: 37%)



Increase in EBITDA margins for coal, manganese, platinum and nickel

ARM strategy

Owner operator

Entrepreneurial management

Profit focused

Partner of choice

Employer of choice

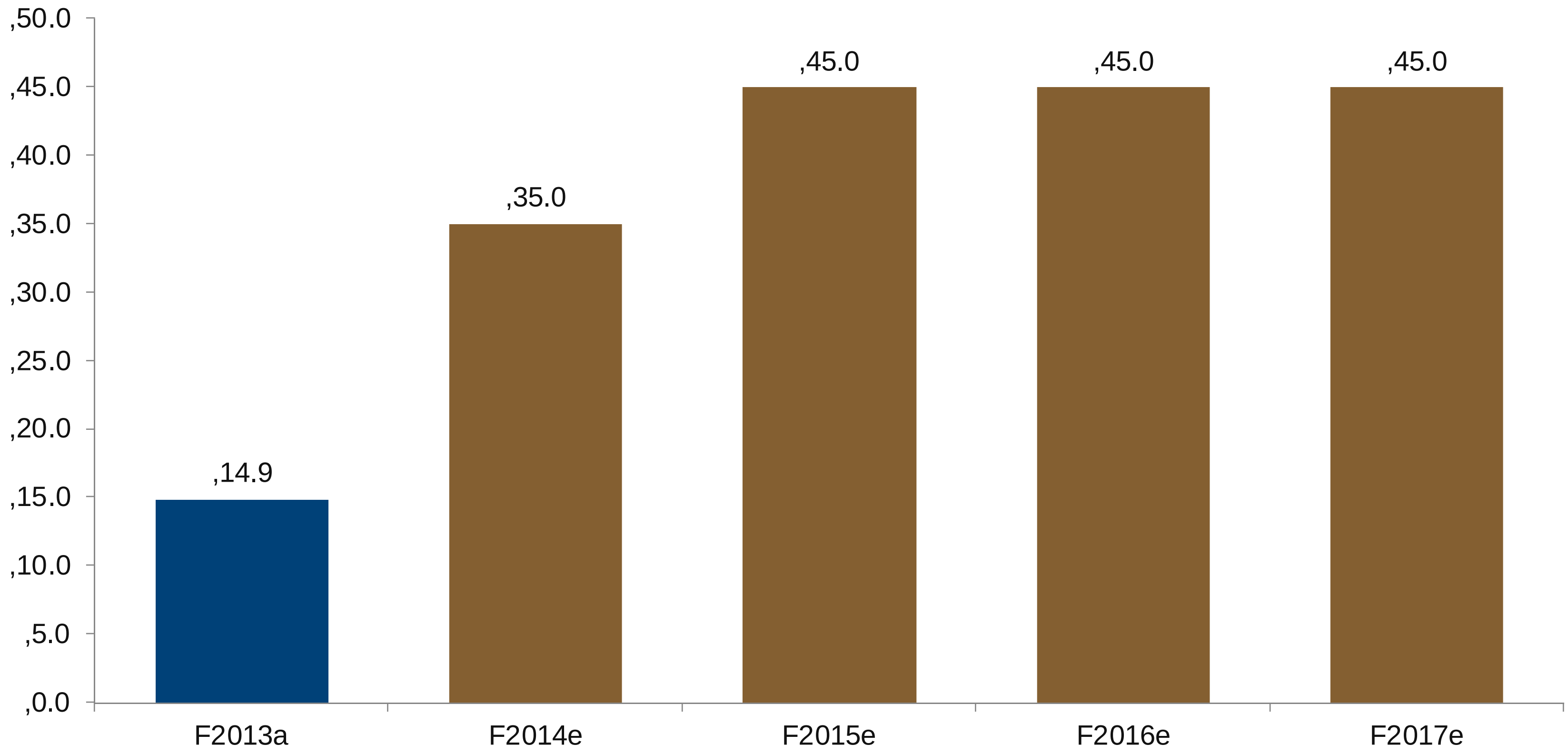
World-class management team

Responsible community development

Lubambe Copper Mine

African Rainbow Minerals

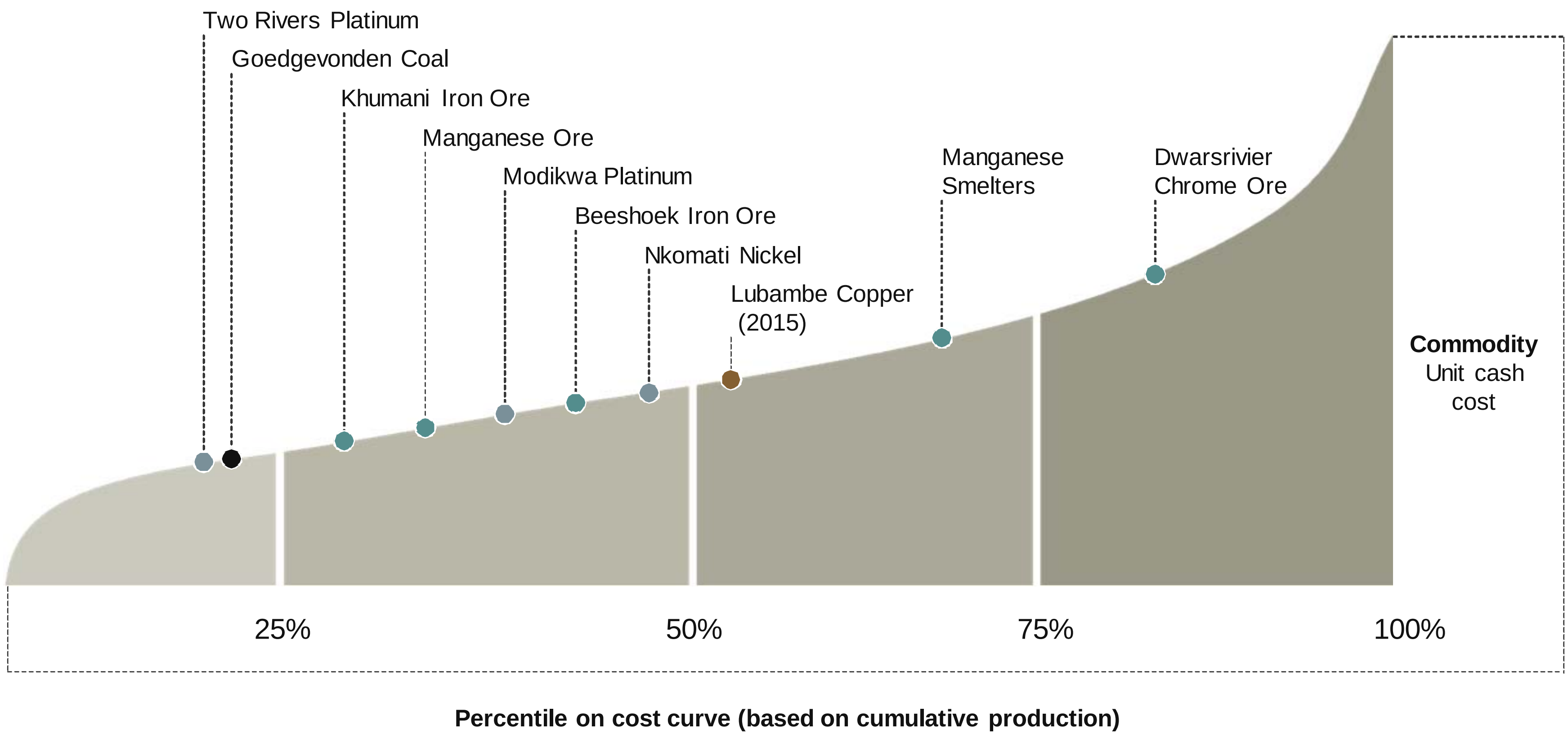
Copper produced (thousand tonnes)



The concentrator plant was commissioned in October 2012; capitalisation of costs ceased at the end of April 2013

Operational efficiencies

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



Mergers and Acquisitions

African Rainbow Minerals

ARM continues to focus on value adding acquisitive growth.

ARM’s strong financial status, positions it favourably to pursue value adding acquisitions.

Outlook

Global commodity prices and currencies remain volatile.

ARM's operational strategy in the flat commodity price environment remains focussed on operational efficiencies.

Target to have all operations positioned below the 50th percentile of each commodity's global cost curve.

Capital allocation is aimed at achieving quality growth.

ARM will continue to consider quality acquisitions as part of its allocation strategy.

ARM remains financially robust.

ARM's positive cash flow enables ARM to invest in growth and pay dividends.

Stackers at Goedgevonden Mine

Operational review

Mike Schmidt, Chief Executive Officer

Divisional headline earnings

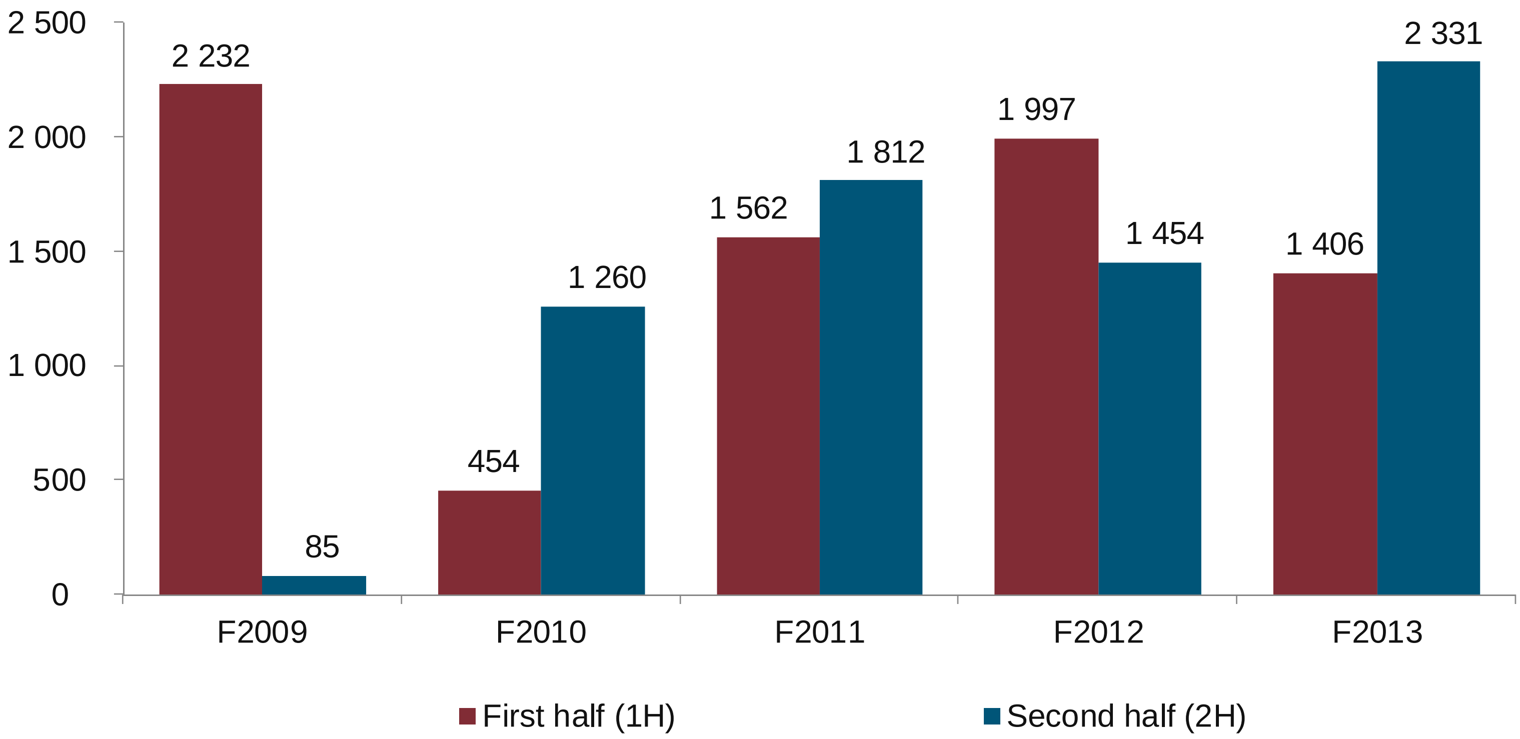
Contribution to headline earnings (R million)

Commodity group	**Year ended 30 June**		
	2013	**2012**	**% change**
Platinum Group Metals	**295**	190	55
Nkomati Nickel and Chrome	**232**	(130)	-
Ferrous Metals	**3 237**	3 495	(7)
Coal	**148**	52	185
Copper*	**(135)**	(31)	>(250)
Exploration	**(88)**	(113)	22
Gold	**64**	64	-
Corporate and Other	**(16)**	(76)	79
ARM Headline Earnings	**3 737**	3 451	8

** Capitalisation of costs ceased on 30 April 2013.*

Headline earnings by half year

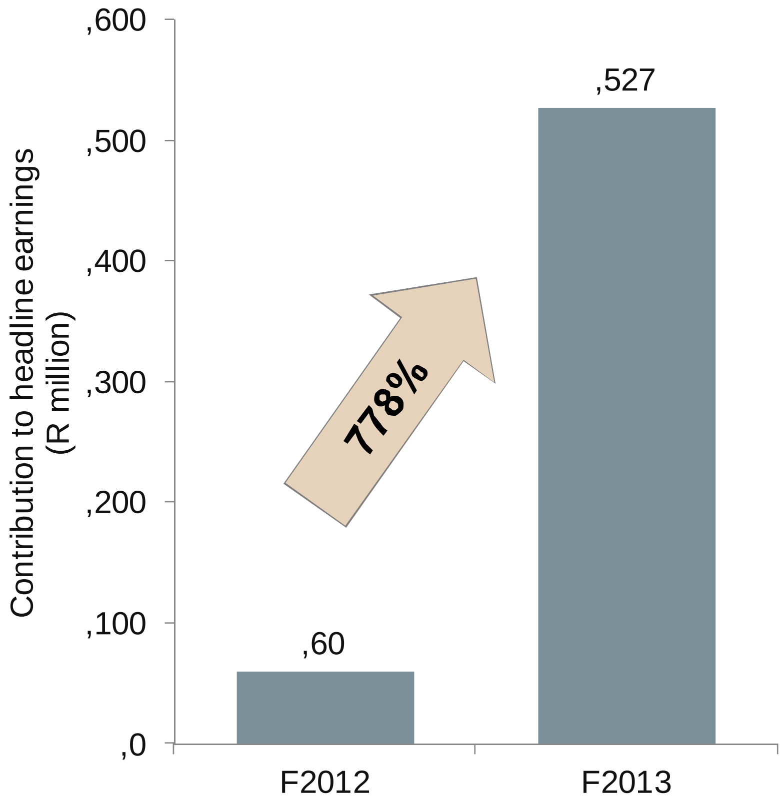
Headline earnings (R million)



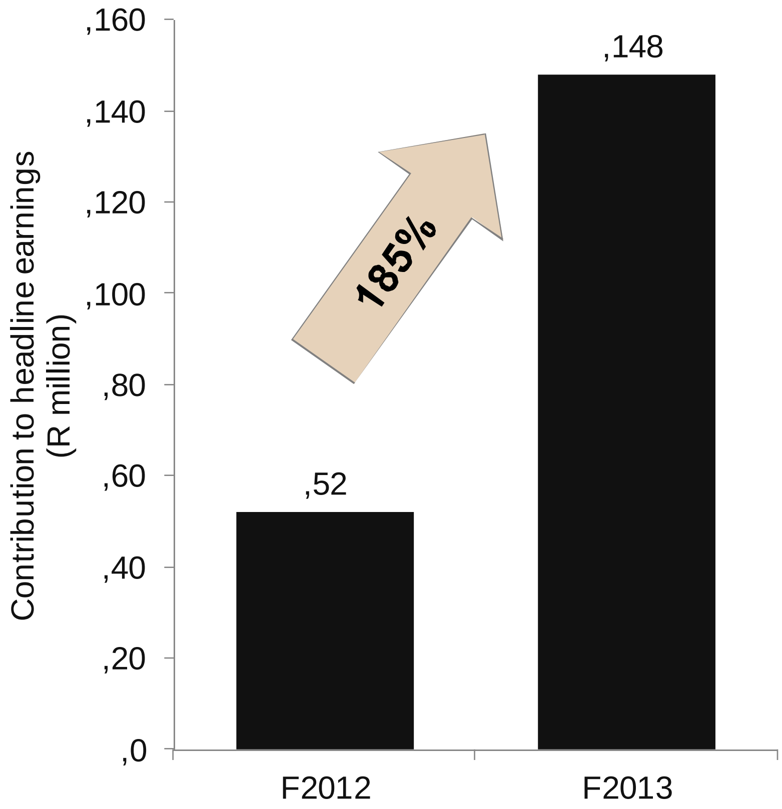
Headline earnings for 2H F2013 are 66% more than 1H F2013

The non-ferrous assets deliver

Platinum Division



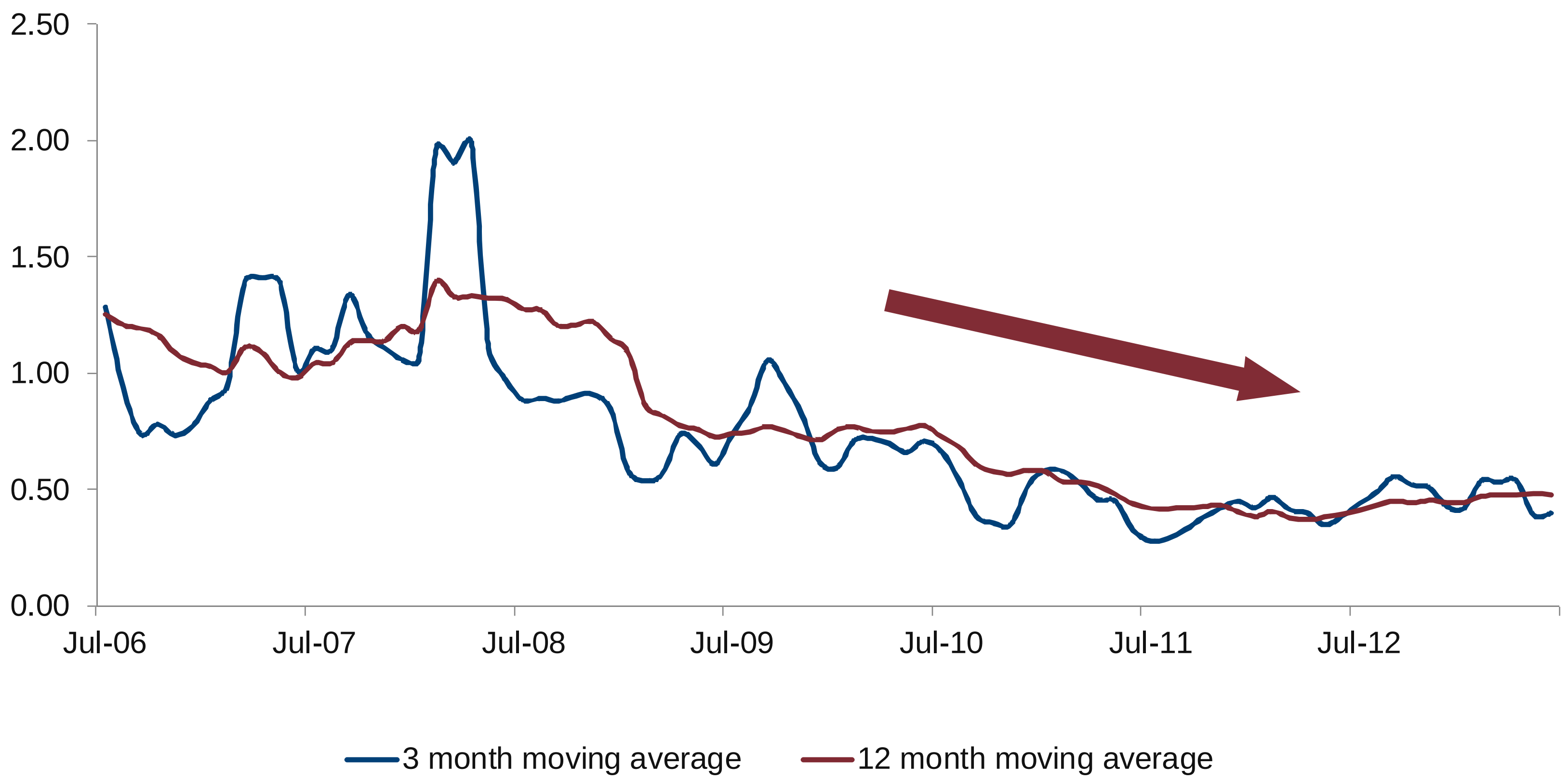
Coal Division



Improvement in safety record

ARM African Rainbow Minerals

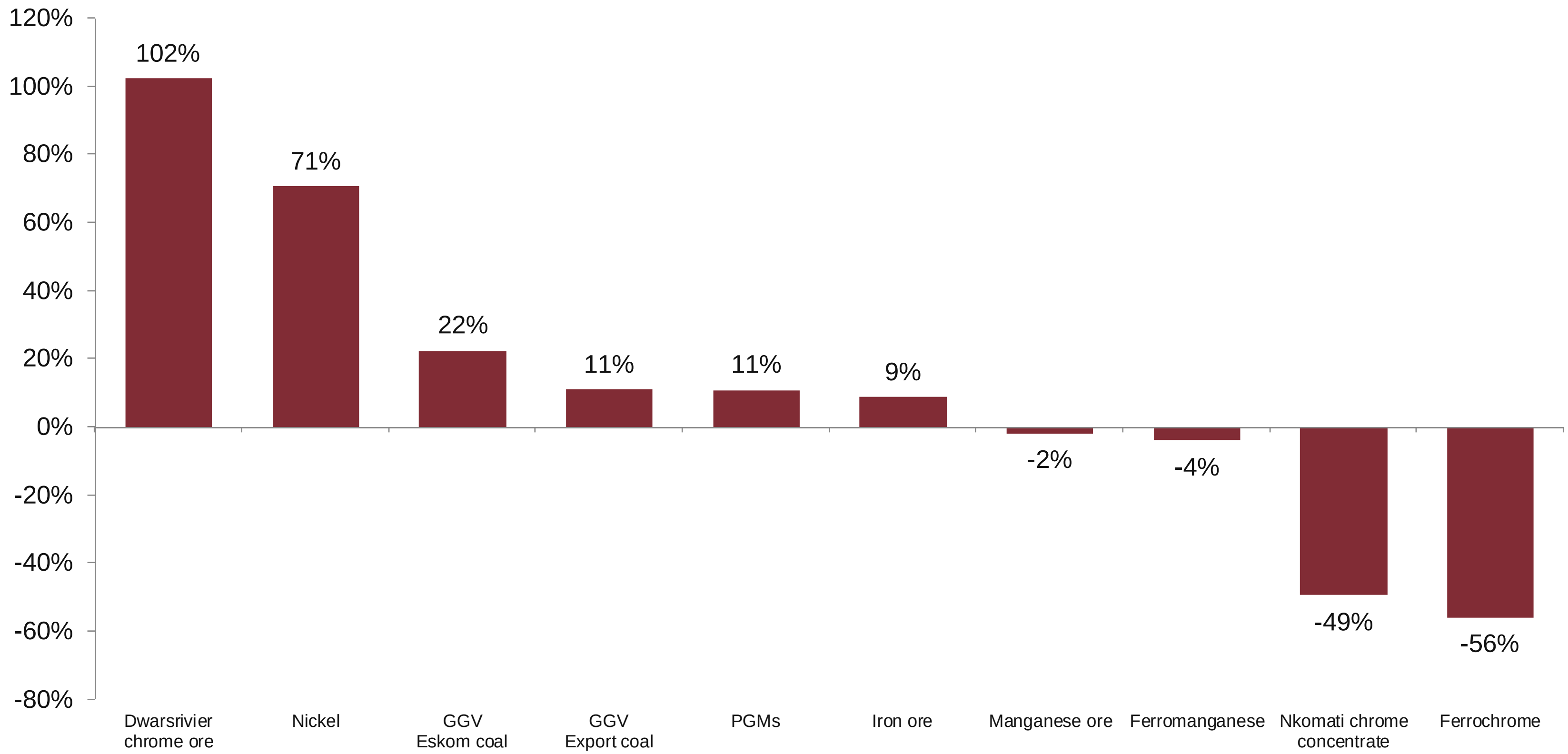
Lost Time Injury Frequency Rate (LTIFR) per 200 000 man hours worked



No fatalities on ARM managed mines in F2013

Significant sales volume increases

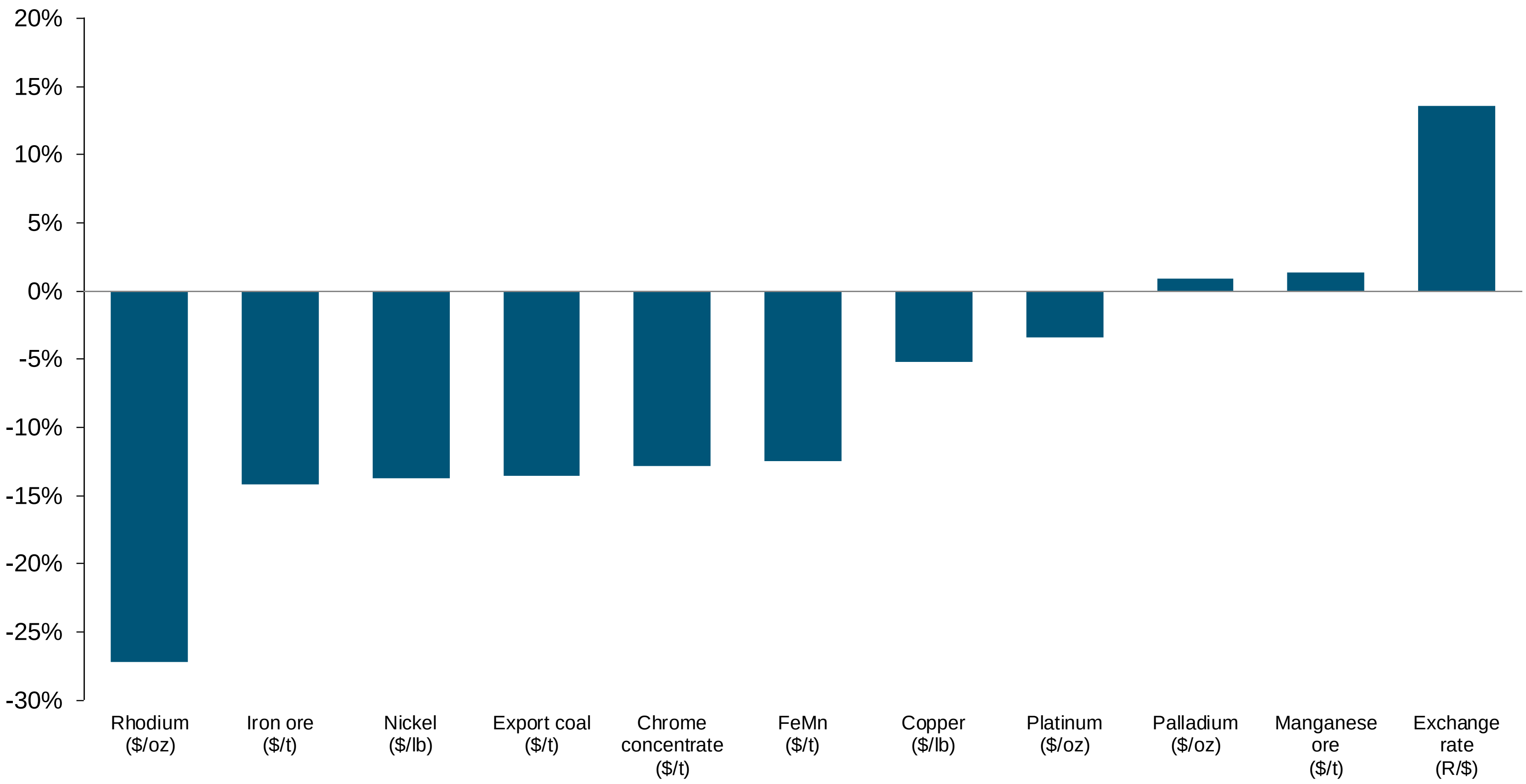
F2013 vs. F2012 sales volumes (% change)



Planned care and maintenance at the Nkomati Chrome Plant as well as the alloys operations due to depressed markets

Fall in US Dollar realised prices

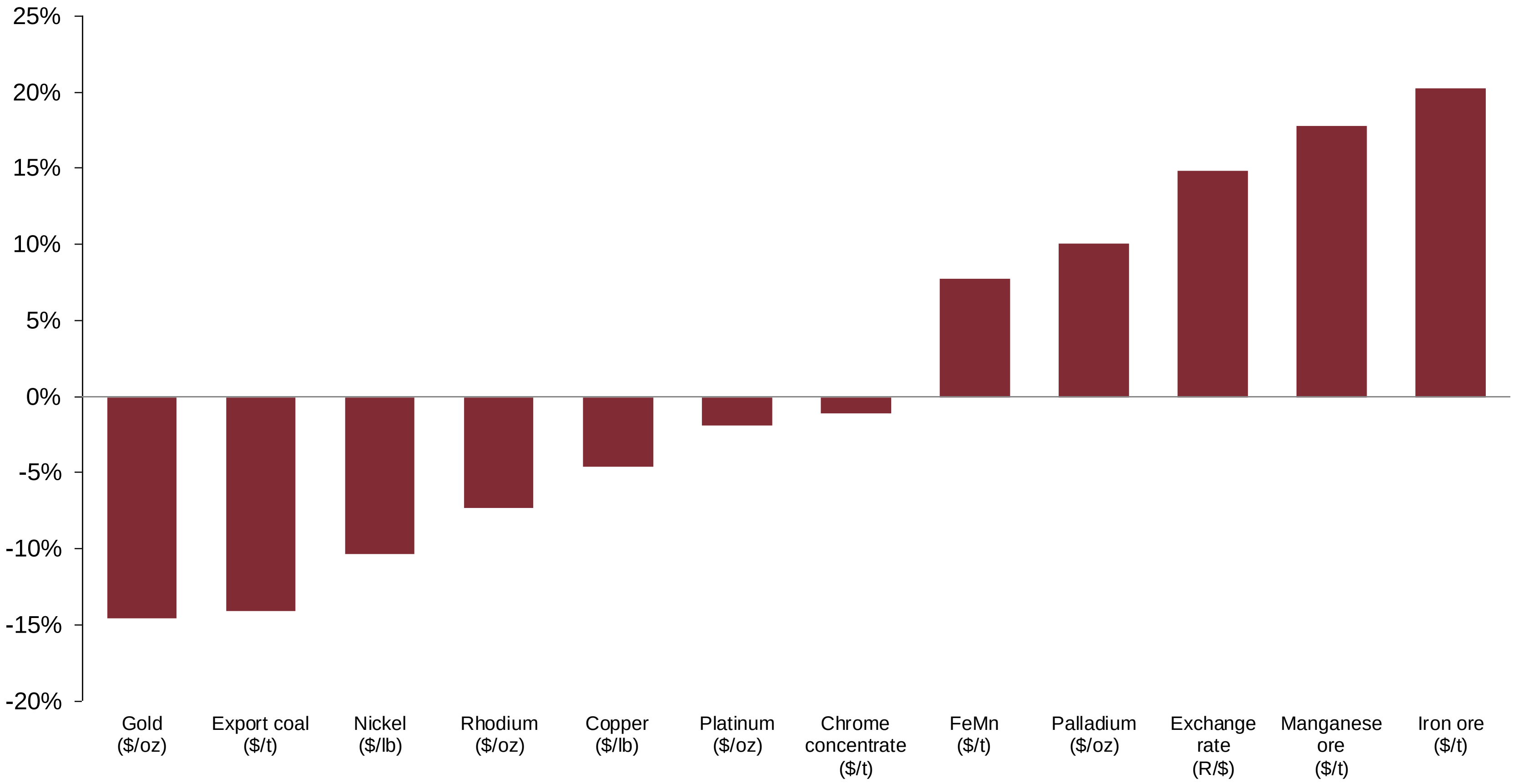
F2013 vs. F2012 realised prices (% change)



Spot price comparison to F2013

African Rainbow Minerals

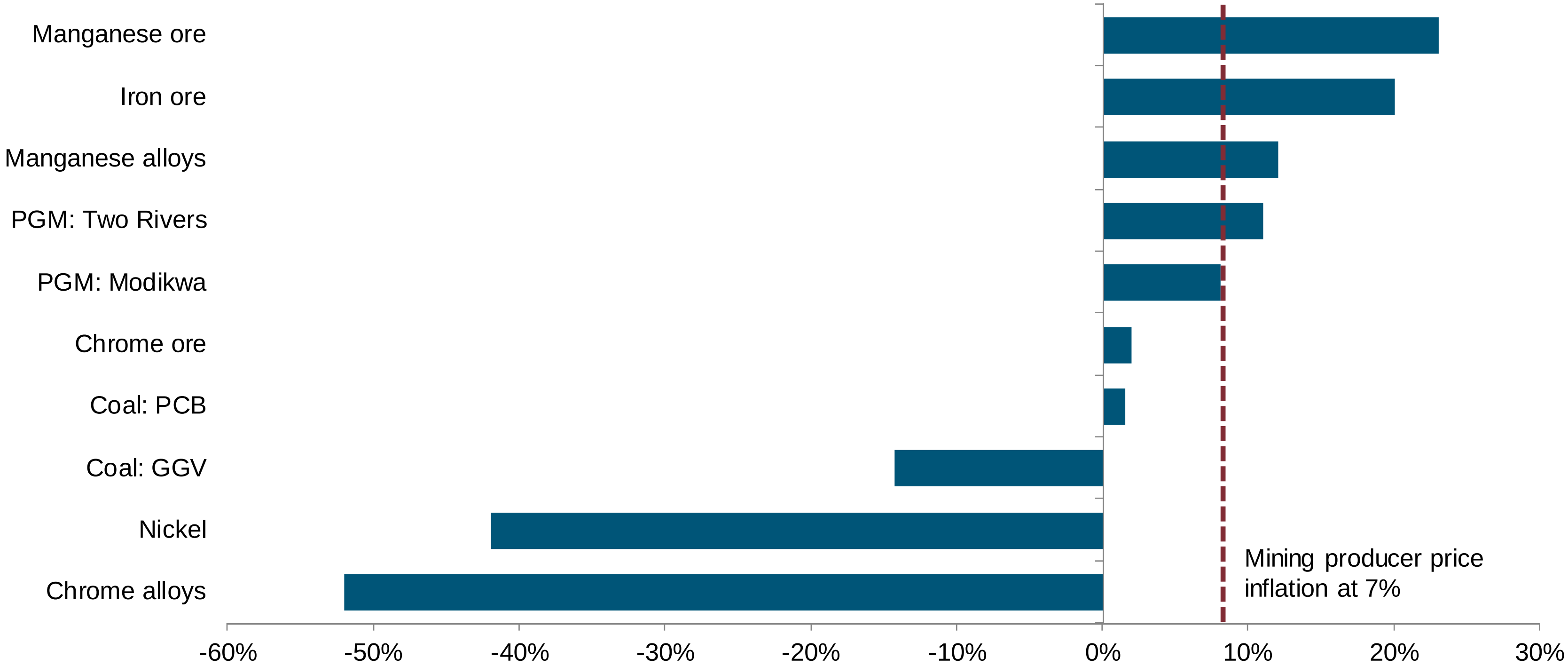
Spot prices on 20 August 2013 vs. F2013 realised prices (% change)



Unit cost changes by commodity

African Rainbow Minerals

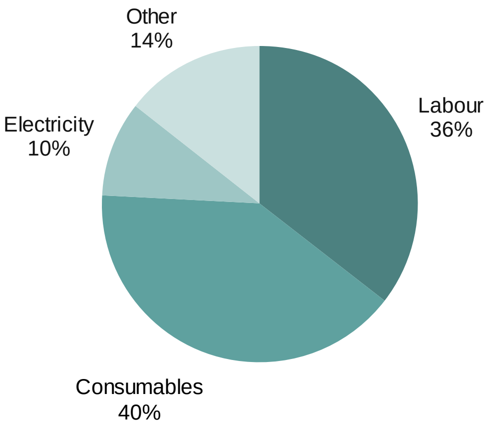
F2013 vs. F2012 on-mine production unit cost (% change)

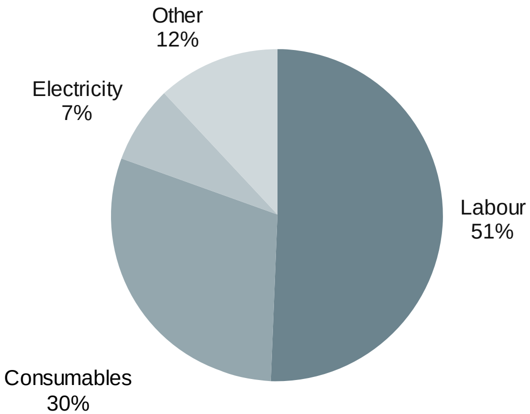


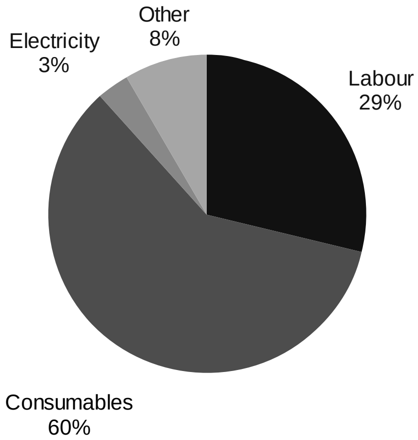
Iron ore unit cost of sales increased 9% and Nkomati unit costs decreased 42% to $4.98/lb produced

Analysis of costs

ARM Ferrous	ARM Platinum	ARM Coal
Unit costs increased mainly due to overburden waste stripping, the cessation of capitalisation of costs and labour related increases.	Costs were well controlled. Two Rivers built up a 305 000 tonne UG2 stockpile. Modikwa's South 2 Project is expected to increase productivity.	Production unit costs at GGV reduced as a result of increased saleable production volumes. PCB is moving from underground to open-pit mining which has impacted on the costs.
Approximate on-mine cash cost split	**Approximate on-mine cash cost split**	**Approximate on-mine cash cost split**

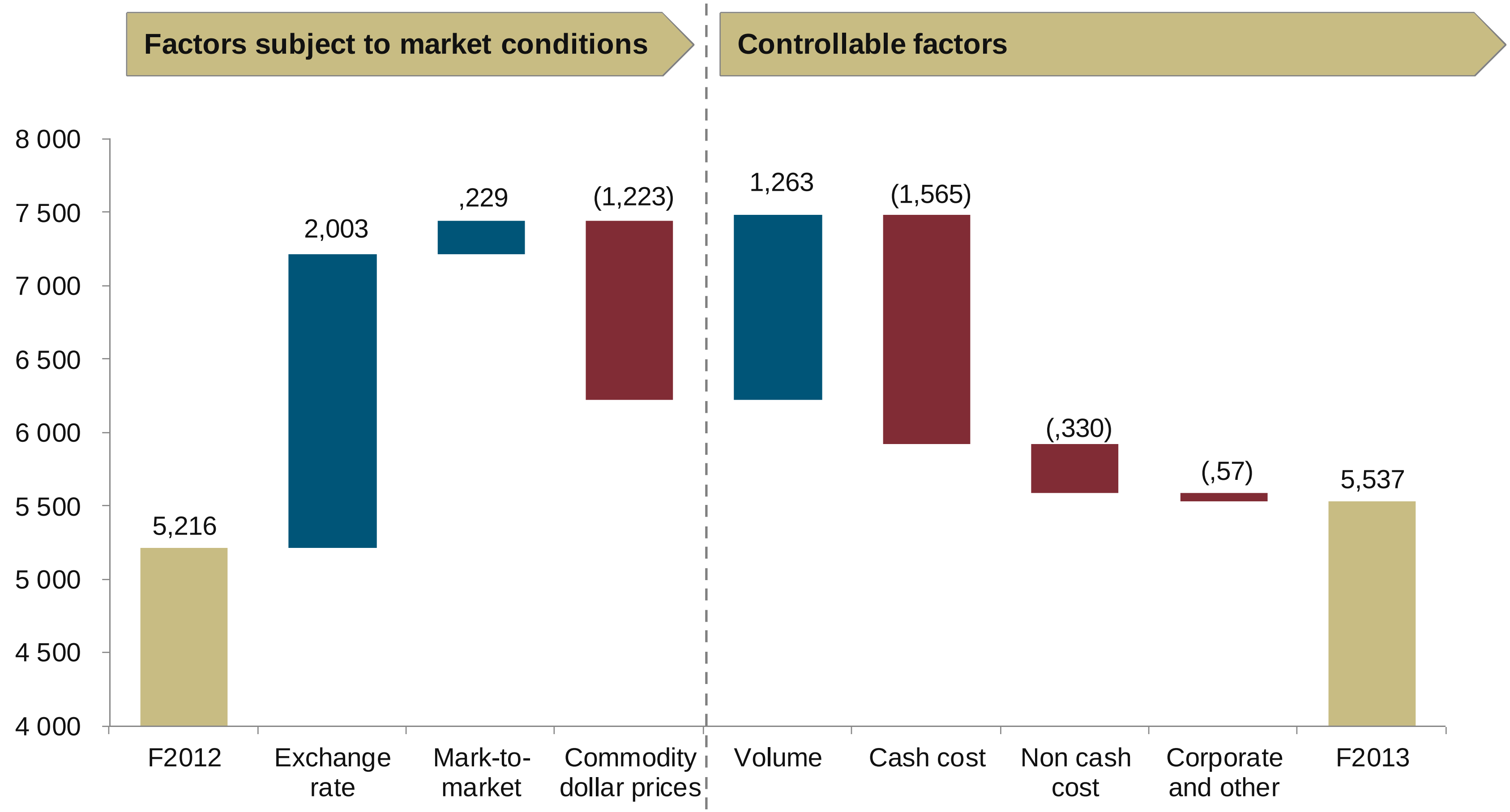






Profit variance analysis

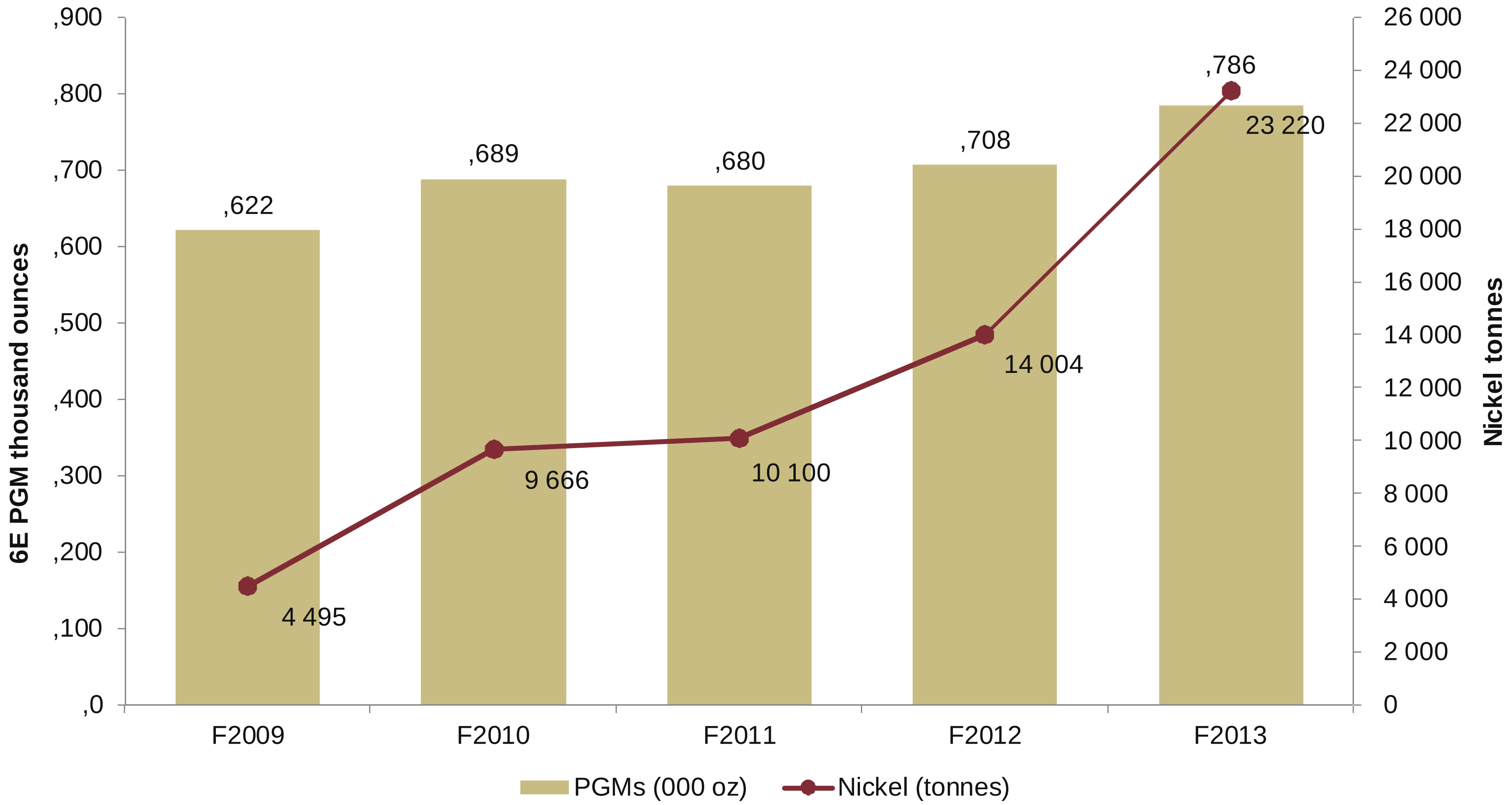
Unaudited profit variance analysis – Profit from operations before exceptional items (R million)



ARM Platinum growth

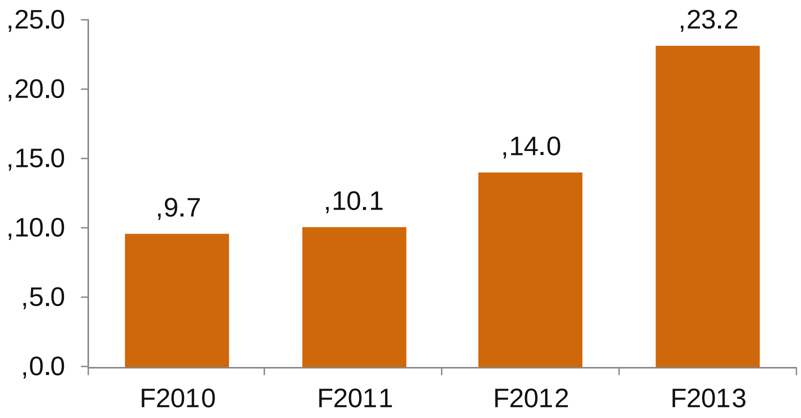
ARM African Rainbow Minerals

PGM and nickel production (100% basis)

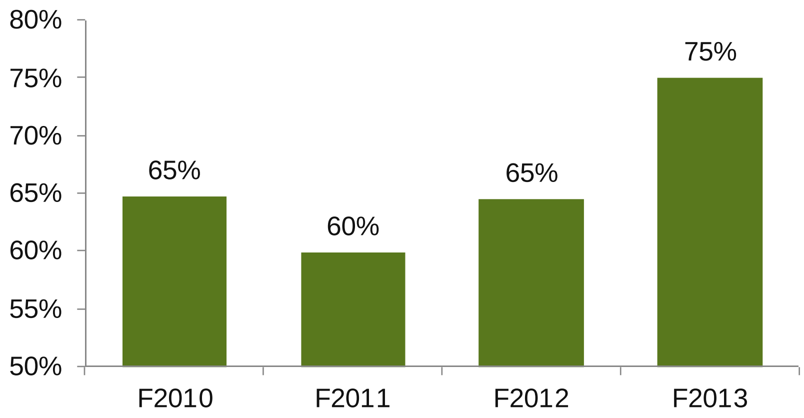


Significant improvement in Nkomati operational performance

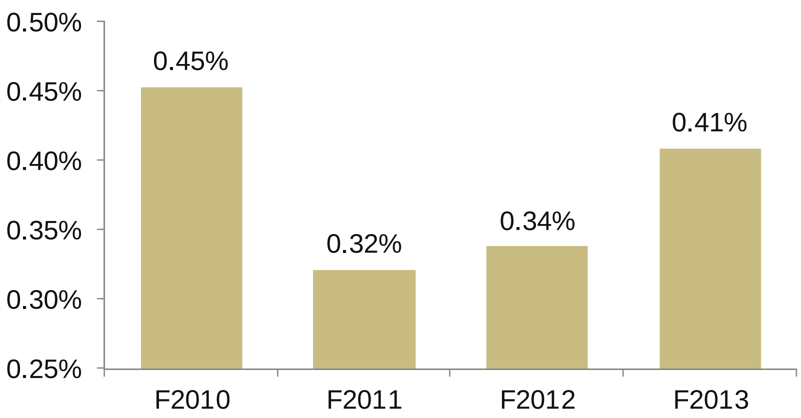
Nickel produced (thousand tonnes)



Average recoveries (%)



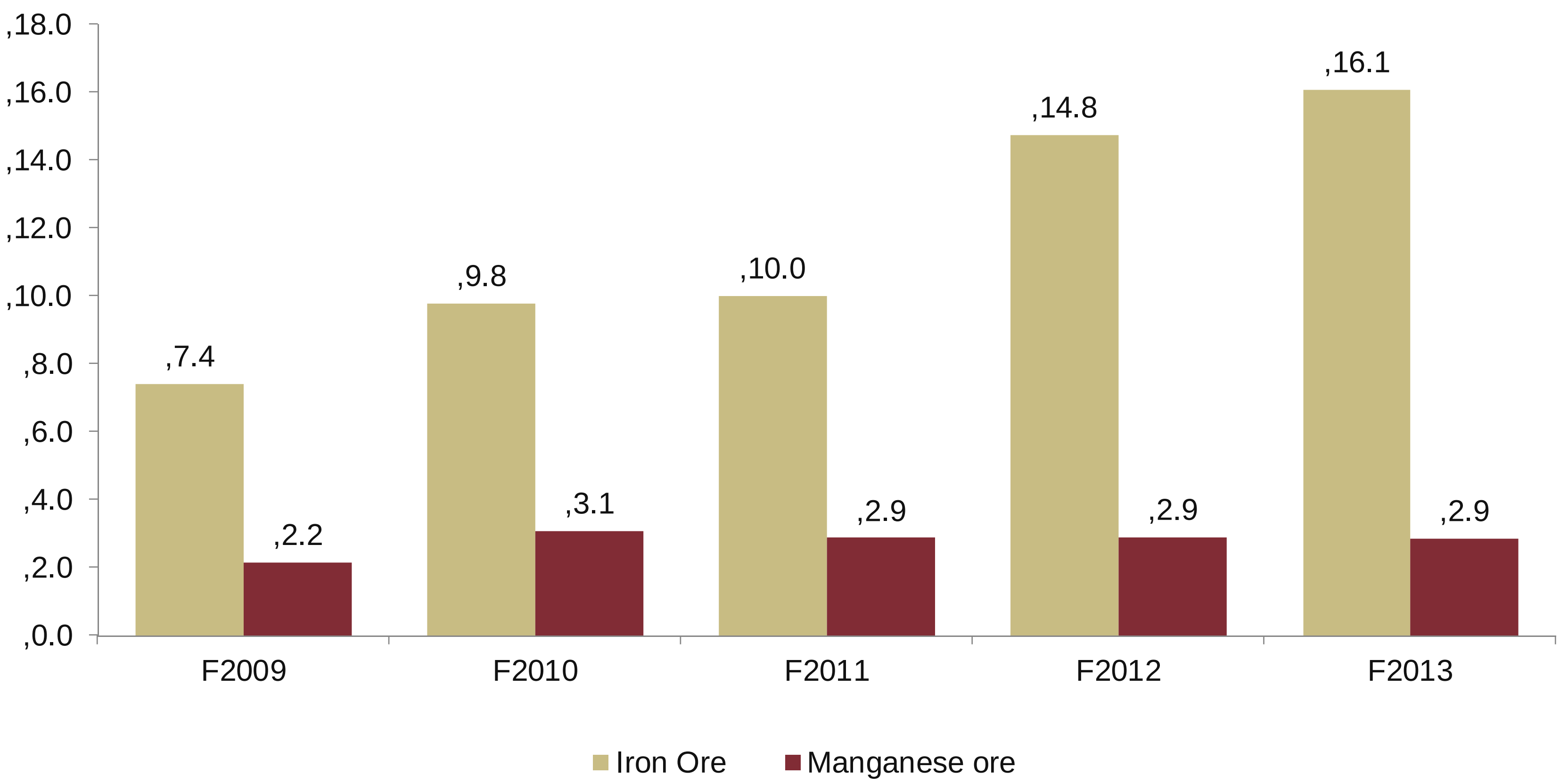
Average milling grade (% nickel content)



		12 months ended 30 June		
		2011	**2012**	**2013**
On-mine operating costs	US$/lb	10.31	9.17	**5.64**
Off-mine operating cost	US$/lb	3.18	2.90	**2.41**
PGM, copper and cobalt by-product credits	US$/lb	(4.51)	(3.42)	**(2.77)**
Chrome by-product credit	US$/lb	(3.99)	(0.06)	**(0.29)**
C1 cash cost net of by products	US$/lb	**4.99**	**8.58**	**4.98**
On-mine cost per tonne milled	R/t	**271**	**272**	**292**

ARM Ferrous

Iron ore and manganese ore sales volumes (million tonnes)*



**Manganese ore sales exclude intragroup sales.*

ARM Coal

The Goedgevonden Mine produced 8.2 million tonnes saleable against 6.3 million tonnes in F2012 and a mine design of 6.7 mtpa.

GGV achieved a unit cost decrease of 14% to R171 per saleable tonne.

71% of the capital for the Tweefontein Optimisation Project (TOP) has been committed to date. The TOP project is expected to be completed in F2016.

ARM Copper

African Rainbow Minerals

The concentrator plant at the Lubambe Copper Project was commissioned in October 2012, two months ahead of schedule and produced 14 871 tonnes of copper.

Project capital expenditure of $469 million in nominal terms including costs capitalised to end April 2013.

The mine is addressing challenges with the specifications of the concentrate delivered to a smelter.

Unit costs at steady state are expected to be US$1.65/lb in July 2015 terms.

ARM Copper: Extension Area

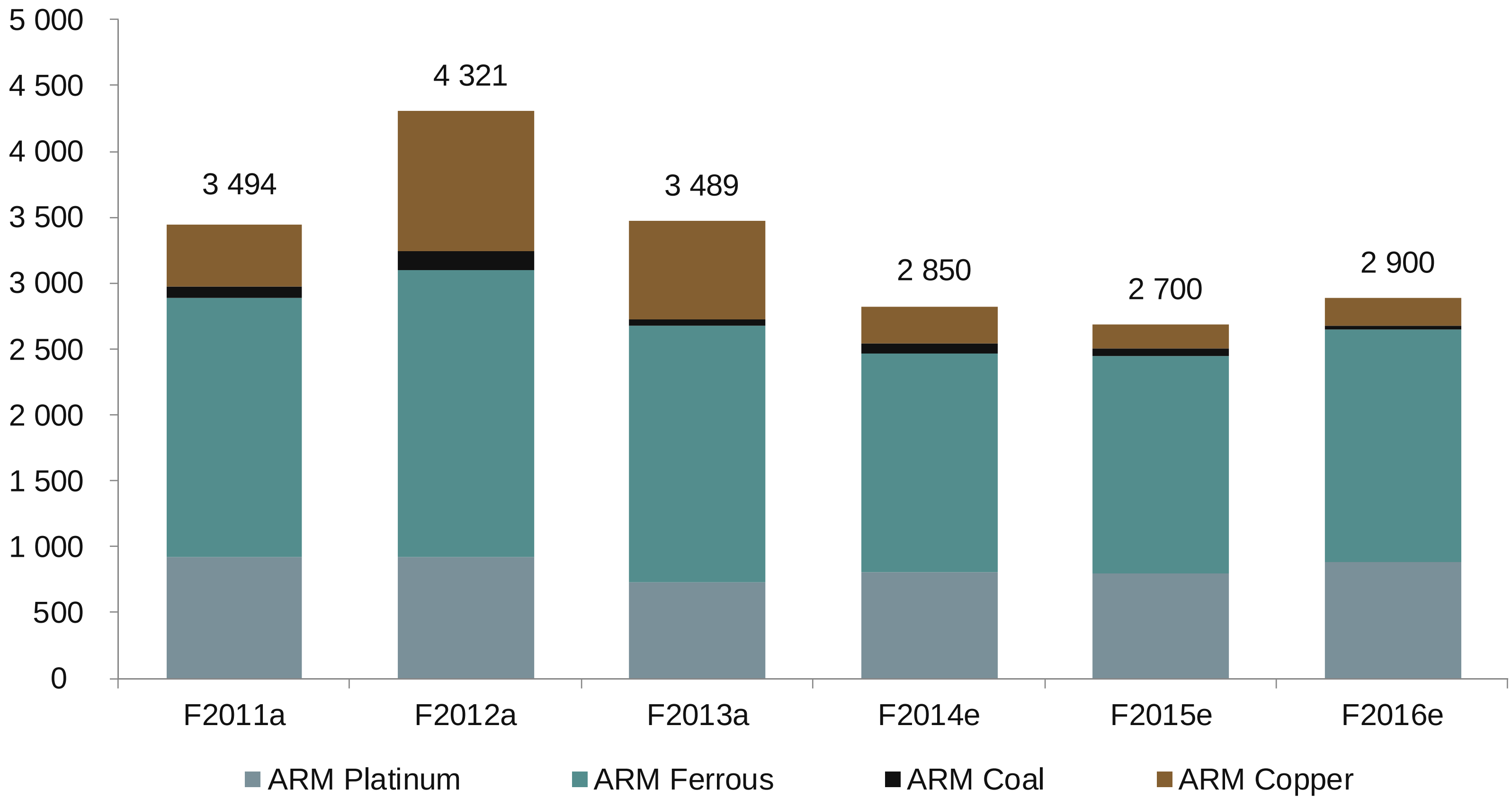
Total resource (indicated + inferred)

Description		Vale/ARM JV estimate 2010	AMEC statement Feb 2013	Variance	% change
Resource tonnage	Mt	75.70	105.00	29.30	39%
Total Copper grade	%	2.81	3.66	0.85	30%
Acid soluble Copper grade	%	0.91	0.59	(0.32)	(35%)
Cobalt grade	%	-	0.09	n/a	n/a
True thickness	Metres	9.41	10.74	1.33	14%
Contained copper	Mt	2.13	3.84	1.71	81%

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

Capital expenditure

Capital expenditure (R million)*



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

Potential future projects

- Iron ore expansion beyond 16 mtpa
- Manganese ore expansion beyond 3 mtpa
- Expansion of Modikwa Platinum Mine
- Lubambe Copper Extension
- Exploration with Rovuma Resources
- Thermal coal projects

ARM Exploration

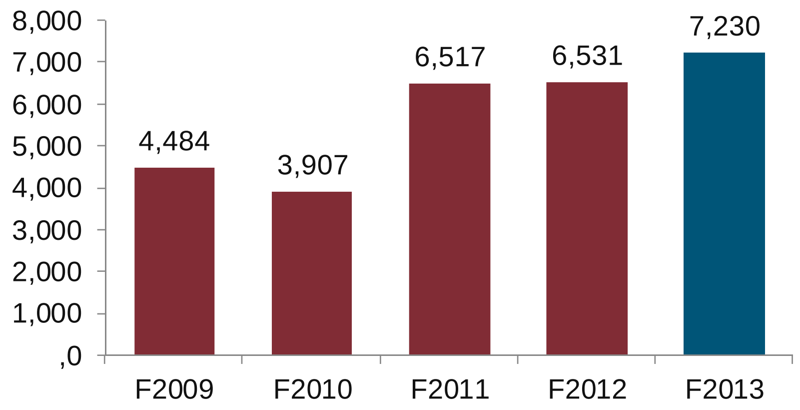
Exploration during F2013 focused on the integration and interpretation of all previously gathered data in Northern Mozambique through the joint venture with Rovuma Resources Limitada ("Rovuma")

The Rovuma Project has a strike length of approximately 100km containing four target cluster areas with potential for nickel/copper/PGM.

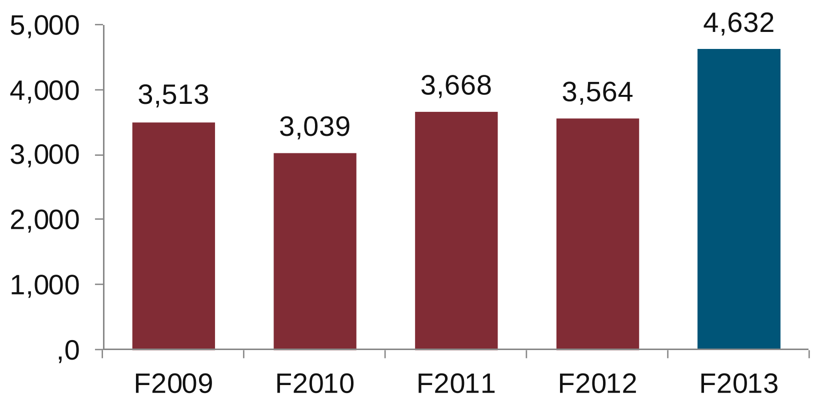
The headline loss attributable to ARM for Exploration is R88 million (F2012: R113 million).

Financial position

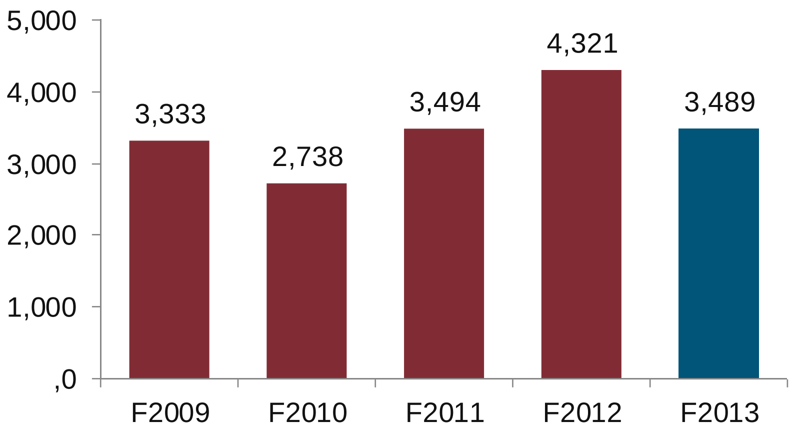
EBITDA excluding exceptional items
R million



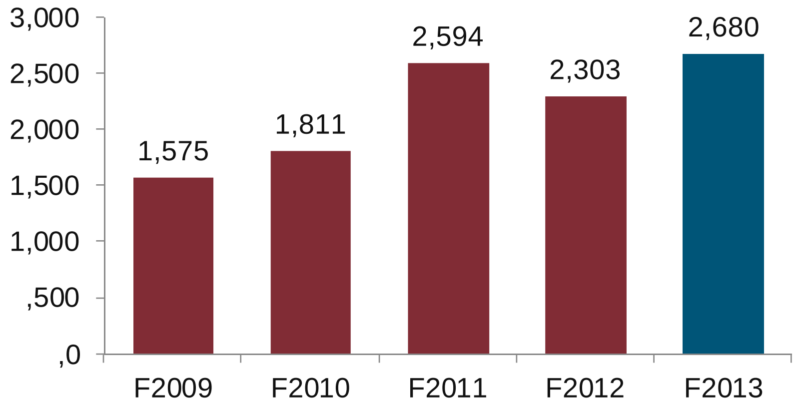
Cash on statement of financial position
R million



Capital expenditure
R million



Net cash excluding partner loans
R million



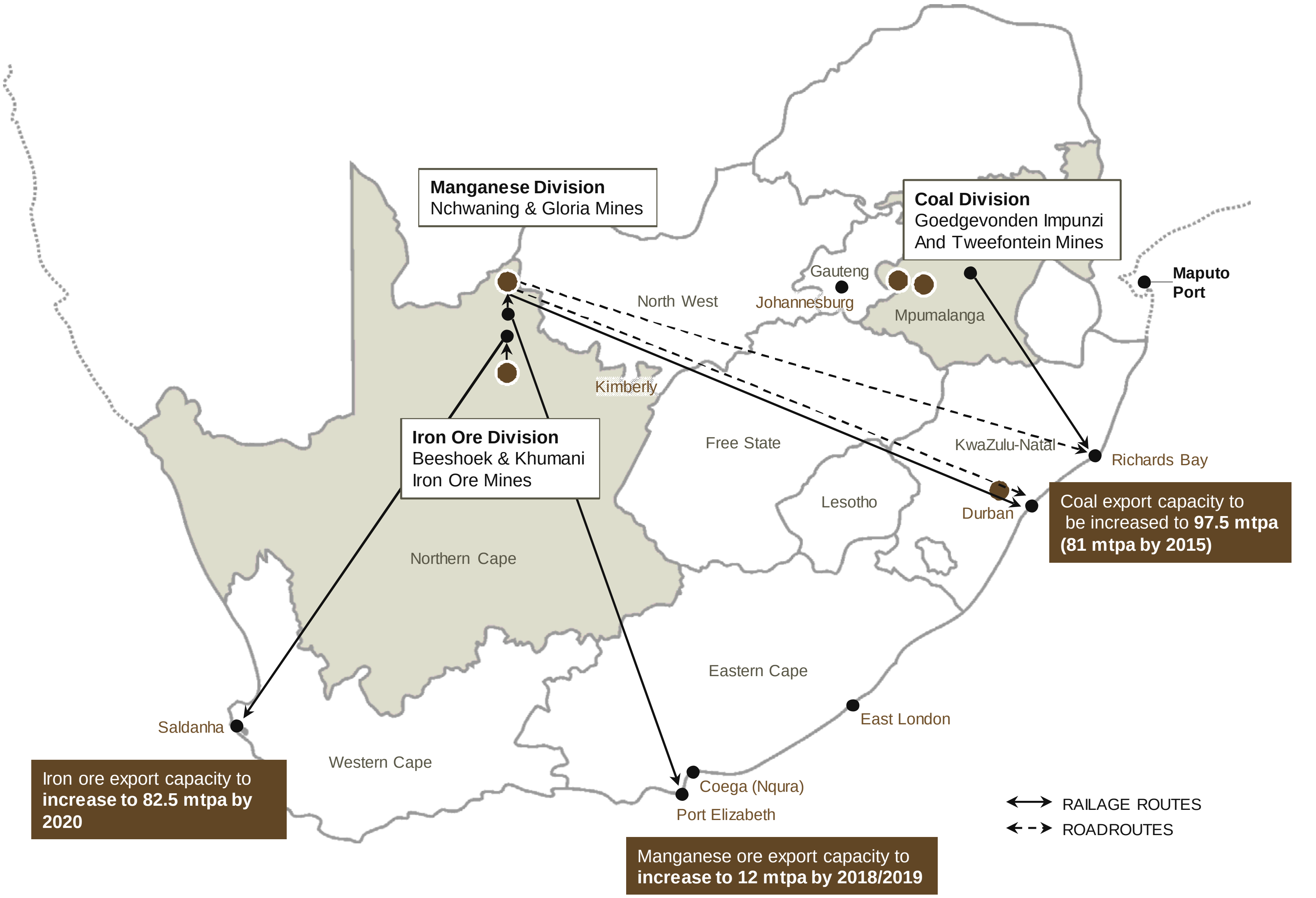
Questions

We do it better

Appendix

We do it better

Transnet's Market Demand Strategy



Net cash position

	Year ended 30 June		
R million	**2013**	**2012**	**change**
Cash and cash equivalents	**4 632**	3 564	1 068
Long term interest bearing borrowings	**(3 293)**	(2 216)	(1 077)
Short term interest bearing borrowings	**(699)**	(1 021)	322
Total interest bearing borrowings	**(3 992)**	(3 237)	(755)
Net cash including partner loans	**640**	327	313
Partner loans:			
Modikwa loan from Anglo Platinum	**114**	114	-
Two Rivers loan from Implats	**-**	48	(48)
ARM Coal loan from Xstrata	**1 528**	1 618	(90)
Lubambe loan from ZCCM-IH	**398**	195	203
Net cash excluding partner loans	**2 680**	2 302	378

Income statement

	Year ended 30 June		
R million	**2013**	**2012**	**% change**
Sales	**19 844**	17 530	13
Profit from operations (before exceptional items)	**5 537**	5 216	6
Income from investments	**268**	279	(4)
Finance costs	**(225)**	(232)	3
(Loss) / income from associate	**(14)**	11	-
Exceptional items excluding tax	**(2 639)**	(70)	-
Taxation	**(1 145)**	(1 633)	30
Non-controlling interest	**(148)**	(133)	(11)
Profit after tax and non-controlling interest	**1 634**	3 438	(52)
Headline earnings	**3 737**	3 451	8
Headline earnings cents per share	**1 735**	1 615	7
EBITDA	**7 230**	6 531	11

Cash flow statement

ARM African Rainbow Minerals

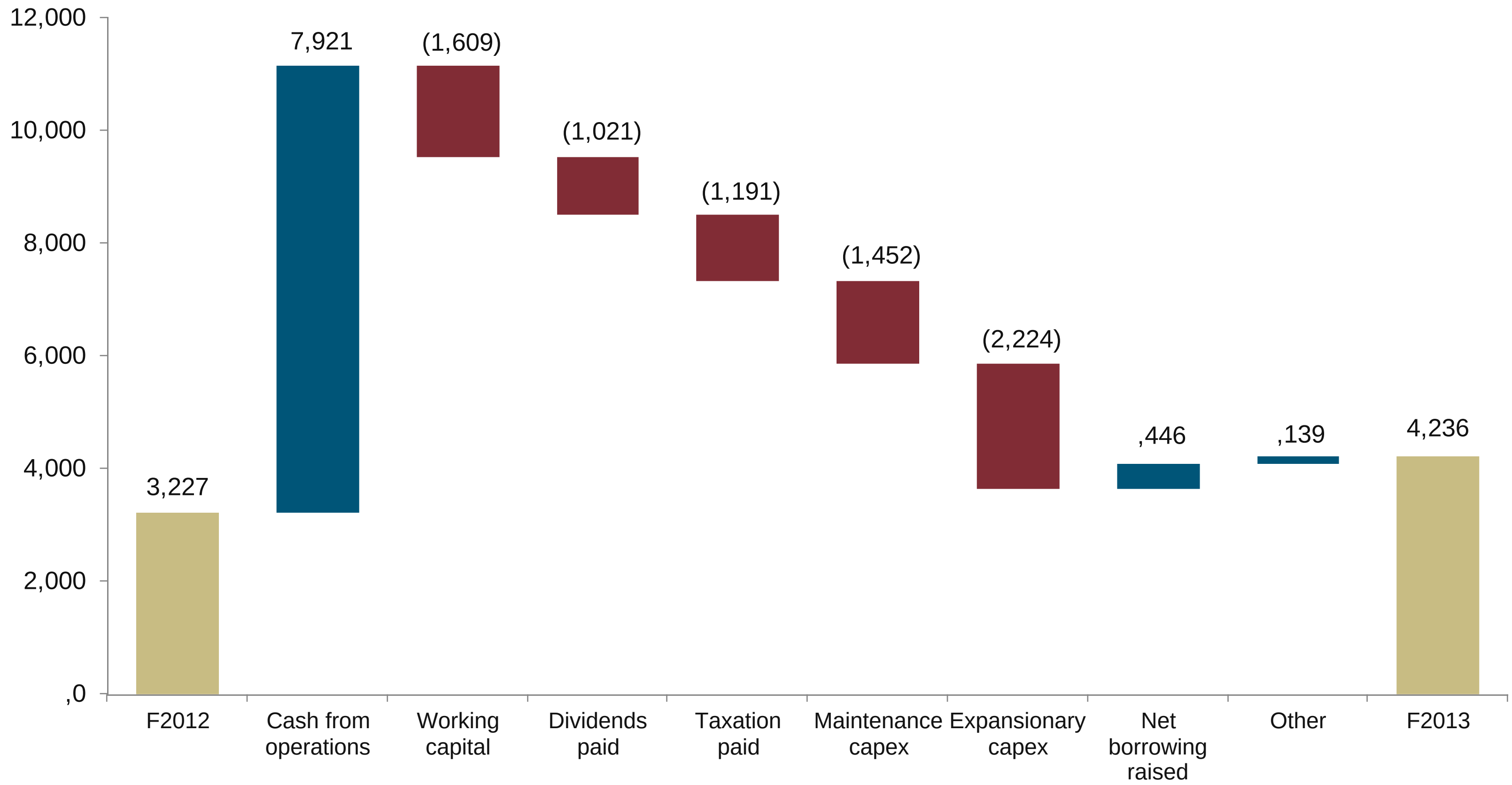
	Year ended 30 June		
R million	**2013**	**2012**	**change**
Cash generated from operations	**6 312**	5 969	343
Net finance income	**84**	108	(24)
Dividends received	**64**	64	-
Dividends paid	**(1 021)**	(959)	(62)
Tax paid	**(1 191)**	(1 294)	103
	4 248	3 888	360
Maintenance capital expenditure	**(1 452)**	(1 180)	(272)
Expansionary capital expenditure	**(2 224)**	(2 866)	642
Other	**(138)**	(40)	(98)
	(3 814)	(4 086)	272
Net borrowings raised/ (repaid)	**446**	129	317
Other	**81**	59	22
	527	188	339
Net cash movement	**961**	(10)	971

Statement of financial position

R million		2013	2012
		Year ended 30 June	
Non-current assets		**25 387**	25 662
Property, plant, equipment and other		**20 827**	18 910
Investments		**3 811**	6 313
Other		**749**	439
Current assets		**12 734**	9 654
Cash and equivalents		**4 632**	3 564
Other		**8 102**	6 090
Total assets		**38 121**	35 316
Total equity		**25 463**	24 405
Non-current liabilities:	Long-term borrowings	**3 293**	2 216
	Other	**4 942**	4 669
Current liabilities:	Short-term borrowings	**699**	1 021
	Other	**3 724**	3 005
Total equity and liabilities		**38 121**	35 316

Cash flow statement

Cash flow statement analysis – cash and cash equivalents (R million)



Operational summary

				F2013	F2012	% change
ARM Platinum (100% basis)	Modikwa	PGMs in concentrate	Ounces, 6E	**324 626**	304 044	7
		Cash cost	R/kg, 6E	**201 752**	188 538	7
		Cash operating margin	%	**17**	13	
	Two Rivers	PGMs in concentrate	Ounces, 6E	**350 443**	320 113	9
		Cash cost	R/kg, 6E	**168 594**	153 642	10
		Cash operating margin	%	**35**	34	
	Nkomati	Nickel sales	Tonnes	**21 580**	12 639	71
		Chrome ore / concentrate sold	kt	**225**	505	(56)
		C1 cash cost net of by-products produced	US$/lb	**4.98**	8.58	(42)
		Cash operating margin	%	**26**	4	
ARM Ferrous (100% basis)	Iron ore	Sales tonnes	Mt	**16 070**	14 753	9
		Change in costs compared to comparable period	%	**20**	13	
		EBITDA margin	%	**54**	60	
	Manganese ore	Sales tonnes (excl intra-group sales)	Mt	**2 856**	2 905	(2)
		Change in costs compared to comparable period	%	**26**	4	
		EBITDA margin	%	**37**	25	
	Manganese alloy	Sales tonnes (excl intra-group sales)	kt	**260**	270	(4)
		Change in costs compared to comparable period	%	**8**	1	
		EBITDA margin	%	**6**	24	
	Charge chrome	Sales tonnes	kt	**77**	174	(56)
		Change in costs compared to comparable period	%	**(52)**	19	
		EBITDA margin	%	**(24)**	(10)	
	Chrome ore	Sales tonnes	kt	**1 054**	521	102
		Change in costs compared to comparable period	%	**2**	(10)	
		EBITDA margin	%	**6**	20	
ARM Coal (100% basis)	GGV	Total saleable production	Mt	**8.16**	6.37	28
		On mine saleable cost	R/tonne	**171**	200	(14)
	PCB	Total saleable production	Mt	**12.71**	13.23	(4)
		On mine saleable cost	R/tonne	**326**	321	2