ARM
African Rainbow Minerals

We do it better

Provisional results for the year ended 30 June 2011

Shareholder information

Issued share capital at 30 June 2011	213 132 540 shares
Market capitalisation at 30 June 2011	ZAR40.2 billion
Market capitalisation at 30 June 2011	US$5.95 billion
Closing share price at 30 June 2011	R188.50
12 month high (1 July 2010 – 30 June 2011)	R236.00
12 month low (1 July 2010 – 30 June 2011)	R146.25
Average daily volume traded for the 12 months	484 444 shares
Primary listing	JSE Limited
Ticker symbol	ARI

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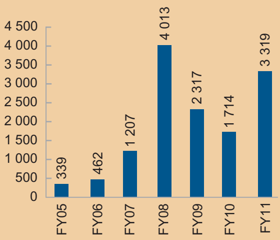
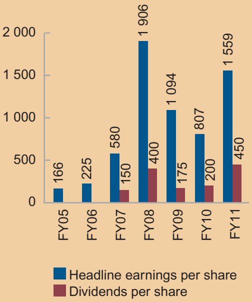
Salient features

- Headline earnings increased by 94% to R3.32 billion (F2010: R1.71 billion). The headline earnings per share were 1 559 cents compared to 807 cents in F2010.
- Dividend increases substantially by 125% to 450 cents per share (F2010: 200 cents per share).
- Cash generated by operations increased by 72% to R5.9 billion from R3.4 billion in F2010.
- Robust balance sheet with net cash (excluding partner loans) of R2 594 million (F2010: R1 811 million).
- Attributable headline earnings from iron ore increased 224% to R2.3 billion.
- Increase in production volumes in the ARM Ferrous Division as well as at the Nkomati Nickel and Goedgevonden Coal operations.
- Unit operating costs well controlled at the manganese ore, ferrochrome, Two Rivers and Modikwa platinum operations.
- Good progress in growth projects:
  – Khumani Iron Ore Expansion Project from 10 to 16 million tonnes per annum ahead of schedule and well within budget.
  – Nkomati Nickel Mine expansion commissioned, plant recoveries lower than anticipated due to oxidised ore.
  – The Goedgevonden Coal Mine at full production.
  – Konkola North Copper Project progresses on budget and on schedule to produce first copper in December 2012.

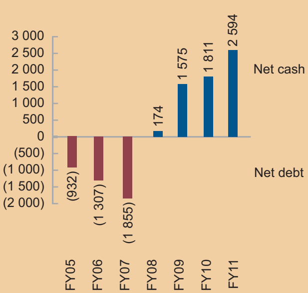
Headline earnings (R million)



Headline earnings and dividends (cents per share)



Net cash/(net debt) excluding partner loans (R million)



ARM operational review

The ARM Board of Directors (the Board) announces significantly improved earnings for the financial year ended 30 June 2011 (F2011). During this period headline earnings increased 94% to R3 319 million or 1 559 cents per share. The increase in earnings was driven mainly by improved dollar commodity prices especially for iron ore. The positive impact of these increased prices was however reduced by the strengthening of the Rand versus the US Dollar. The average Rand/US Dollar exchange rate strengthened by 7.9% from R7.59/$ in the 2010 financial year (F2010) to R6.99/$ in F2011.

The provisional results for the year ended 30 June 2011 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 computational discrepancies on the tabulations.

Building on the successful completion of the 2 X 2010 growth strategy to double production between 2005 and 2010, ARM continues with its aggressive growth strategy with four major growth projects namely the Khumani Iron Ore Expansion Project, the Nkomati Large Scale Nickel Expansion, the Goedgevonden (GGV) Coal Mine and the Konkola North Copper Project.

The Khumani Iron Ore Expansion Project which will increase production from 10 to 16 million tonnes per annum, 2 million tonnes of which is for local sales, continues ahead of schedule and is well within budget.

The GGV Coal Mine achieved full production on a monthly basis in November 2010. Export sales from GGV were however negatively affected by challenges within Transnet Freight Rail (TFR). Local sales to Eskom were also affected by logistical constraints both by rail and road.

At the Nkomati Nickel Mine the 250 thousand tonnes per month (ktpm) Chromotitic Peridotite Mineralised Zone (PCMZ) concentrator plant was commissioned on time and within budget in October 2010 and continues to ramp-up. Grade and recovery challenges arising from the complexity and oxidation of the ore did however negatively affect both concentrator plants at the mine and resulted in substantially lower than expected production of nickel, platinum group metals (PGMs) and copper. This is expected to be a temporary problem which will be resolved as the quality of the ore improves with depth. The management team has also taken active steps to manage this challenge by increasing mining flexibility through advanced waste stripping.

Development of the Konkola North Copper Project is progressing on time and within budget with approximately 82% of the authorised US$391 million (in July 2010 terms) already contracted for.

Contribution to headline earnings

Commodity group	12 months ended 30 June		
R million	**Reviewed 2011**	Audited 2010	% change
Platinum Group Metals	**350**	315	11
Nkomati nickel and chrome	**110**	206	(47)
Ferrous metals	**2 897**	1 364	112
Coal	**(103)**	(17)	>(200)
Exploration	**(173)**	(143)	(21)
Gold	**32**	32	–
Corporate and other	**206**	(43)	–
ARM headline earnings	**3 319**	1 714	94

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) Limited ("Norilsk"), Xstrata Coal South Africa (Pty) Limited ("Xstrata") and Vale S A ("Vale").

Volumes

Sales volumes in iron ore, manganese ore and coal were negatively affected by logistical constraints whilst sales volumes at Nkomati Mine were impacted by head grade and plant recovery problems as the Large-Scale Nkomati Expansion Project ramps-up. Increases in sales volumes were achieved as follows:

- 133% increase in GGV coal sales to Eskom from 1.17 million tonnes to 2.73 million tonnes
- 124% increase in GGV export coal sales from 1.19 million tonnes to 2.67 million tonnes
- 37% increase in ARM Ferrous chrome ore sales from 272 thousand to 373 thousand tonnes
- 26% increase in chrome alloy sales from 189 thousand to 238 thousand tonnes
- 22% increase in Nkomati chrome concentrate sales from 313 thousand to 381 thousand tonnes
- 2% increase in iron ore sales volumes from 9.8 million tonnes to 10 million tonnes

Production volumes however were strong with increases as follows:

- 115% increase in GGV saleable coal production from 2.7 million tonnes to 5.9 million tonnes
- 54% increase in manganese ore production from 1.9 million tonnes to 3.0 million tonnes
- 48% increase in chrome ore production from 587 thousand tonnes to 866 thousand tonnes
- 19% increase in chrome alloy production from 200 thousand to 237 thousand tonnes
- 15% increase in manganese alloy production from 252 thousand to 291 thousand tonnes
- 4% increase in nickel tonnes produced from 9 666 tonnes to 10 100 tonnes

The increase in production without the commensurate increase in sales resulted in increased stock levels for coal, manganese ore, chrome ore and nickel at the financial year end positioning these operations well to deliver into the market in the coming financial year.

Solid cost control

ARM continues to pursue its strategic objective to have all operations positioned below the 50th percentile of the respective commodities' global unit cost curves by the year 2012 (2014 and 2015 targeted for the Nkomati Nickel Mine and the Konkola North Copper Mine respectively). In F2011 ARM achieved unit cost reductions at its manganese ore and chrome alloy operations. Single digit unit cost increases were achieved at the Modikwa Platinum Mine on a Rand per tonne milled and at Two Rivers Platinum Mine on a Rand per PGM ounce basis. As at 30 June 2011 ARM is well on track to meet its cost positioning target for all its operations with the exception of the chrome alloy operations. As such ARM is in the process of reducing its chrome alloy production and has successfully completed the conversion of one chrome alloy furnace at Machadodorp Works into a ferromanganese furnace and plans to convert two additional furnaces within the next 15 months. This conversion strategy will ensure improved cost positioning for the Machadodorp Works.

Changes to ARM Exploration Division

ARM is conscious of the need to ensure continued growth beyond the ore bodies that currently comprise its portfolio and as such has implemented changes to the corporate structure to further strengthen the ARM Exploration Division. Effective from 1 July 2011, the copper exploration assets that previously formed part of ARM Exploration, including a 30% shareholding in the Kalumines Copper Project and a 50% shareholding in the Lusaka & Kabwe Project, will be moved into the ARM Copper Division. This change will allow the ARM Exploration Division to sharpen its focus on identifying and assessing quality business opportunities in Sub-Saharan Africa. A highly skilled and experienced exploration team has been established and will be under the leadership of Mr Jan Steenkamp (who is also currently the Chief Executive of ARM Ferrous).

Work in ARM Exploration is already under way and in July 2011 ARM signed an agreement with Rovuma Resources, a Mozambican exploration company, to explore for manganese ore, nickel, PGMs and base metals in Mozambique. In terms of the agreement ARM will fund ongoing exploration at an estimated cost of US$7 million per annum and will have exclusive rights to exercise options to purchase prospecting/ mining rights to the resources.

CEO succession

After a comprehensive search process ARM announced on 23 June 2011 the appointment of Mr Michael (Mike) Schmidt, a senior executive in the ARM Platinum Division, as the CEO designate from 1 September 2011. To ensure an efficient transition period Mr Mike Schmidt will work with the incumbent CEO, Mr Andre Wilkens, for a period of six months and then take over from 1 March 2012.

Changes to resources and reserves

Please note the following material changes to the mineral resources and reserves relative to the resources and reserves disclosed in the Integrated Annual Report in 2010 as follows:

- Two Rivers Merensky reef Indicated Resource tonnage increased by 105% due to the re-evaluation of the full Merensky reef. Previously only a top cut of 120 centimetres had been reported.
- An increase of 79% in Measured and Indicated Resource tonnage for Gloria Mine (Black Rock Mine Operations) lower seam due to in-fill drilling which increased the resource confidence and resulted in the movement of resources from the Inferred category.

At all other operations there has been no material change to the ARM mineral resources and reserves as disclosed in the Integrated Annual Report for the financial year ended 30 June 2010, other than depletion due to continued mining activities at the operations.

Financial commentary

Headline earnings for the year to 30 June 2011 at R3 319 million were 94% or R1 605 million higher than the prior year headline earnings (F2010: R1 714 million).

Sales for the year increased by 35% to R14.9 billion (F2010: R11.0 billion). The average gross profit margin of 40% (F2010: 32%) is substantially higher than the previous year largely due to increased US Dollar commodity prices for most commodities.

The F2011 average Rand/US Dollar of R6.99/$ is 7.9% lower than the average of R7.59/$ for F2010. For reporting purposes the closing exchange rate was R6.76/$ (F2010: R7.67/$).

ARM's earnings before interest, tax, depreciation and amortisation (EBITDA) excluding exceptional items and income from associates were R6.4 billion, which represents an increase of 65% or R2.5 billion over F2010.

The detailed segmental contribution analysis is provided in note 2 to the financial statements.

- The ARM Ferrous contribution to ARM's headline earnings amounted to R2 897 million (F2010: R1 364 million). This is an increase of 112% compared to the F2010 result.
- The ARM Platinum segment contribution, which includes the results of Nkomati, was R460 million which is 12% lower than the F2010 result of R521 million largely due to a decline in the contribution from Nkomati Nickel Mine.
- The ARM Coal segment result was a loss of R103 million (F2010: R17 million loss) as a result of increased amortisation and interest charges.
- ARM Exploration costs increased relative to the previous year at R173 million (F2010: R143 million cost). All costs on the Konkola North Copper Project including exploration costs on Area "A" are being capitalised.
- The Corporate, other companies and consolidation segment shows a positive contribution of R206 million for the year as compared to a R43 million loss for F2010. This increase is largely a result of consolidation accounting adjustments to reverse self-insurance premiums expensed by individual operations.
- Included in the Gold segment is a dividend of R32 million received in October 2010 from ARM's investment in Harmony relating to their F2010 results.

ARM's basic earnings for F2011 approximate the reported headline earnings as exceptional items amounted to an R8 million loss for the year (F2010: R98 million gain).

The net cash position at 30 June 2011 amounts to R599 million and is an improvement of R906 million relative to the net debt position of R307 million at 30 June 2010.

- Cash generated from operations increased by R2 468 million from R3 430 million to R5 898 million after working capital requirements of R640 million resulting from the increased activity levels at operations.
- Capital expenditure amounted to R3 404 million for the year (F2010: R2 738 million) and was mainly expended on the growth projects of Khumani, Nkomati and Konkola North.
- Net cash at 30 June 2011 excluding partner loans (Impala Platinum: R73 million, Anglo Platinum: R114 million and Xstrata: R1.8 billion) amounted to R2.6 billion as compared to R1.8 billion at 30 June 2010.

The consolidated ARM total assets of R32.3 billion (F2010: R28.2 billion) include the mark-to-market valuation of ARM's investment in Harmony of R5.7 billion at a share price of R89.95 per share (F2010: R81.40 per share).

The effective tax rate for the year including STC remained fairly constant at 32.3% for the year (F2010: 33.8%). The expense for mineral royalty tax is included in Other Expenses and amounts to R162 million for the year (F2010: R19 million – representing four months). State's share of profits for manganese ore sales amounts to R93 million for the year (F2010: R80 million) and is included in the taxation charge.

Since the year-end the portion of the insurance claim relating to the furnace explosion at the Cato Ridge Works, claimable against the local reinsurers, was settled on 26 August 2011. The portion attributable to ARM will be approximately R60 million after tax. The results to 30 June 2011 have not been adjusted as the impact is not considered material.

Safety

ARM accomplished a notable improvement in its safety performance during the financial year. The number of lost-time injuries (LTIs) was reduced from 165 in F2010 to 109 in F2011. The lost-time injury frequency rate (LTIFR) calculated on 200 000 man hours worked was 0.43 compared with 0.77 in the previous financial year.

Regrettably, a fatality occurred at Machadodorp Works during the year. On 2 February 2011 Mr. Solomon Vusi Sindane, a trainee crane operator was fatally injured at furnace No. 2. ARM together with its Board of Directors would like to extend our sincerest condolences to Mr. Sindane's family, friends and colleagues for their loss.

Achievements

- Modikwa Platinum Mine achieved 8 000 000 fatality-free shifts on 21 June 2011, and has been awarded the Department of Mineral Resources (DMR) Safety Achievement Flag for Platinum Mines, which will be proudly displayed at Modikwa throughout 2011. According to the Modikwa team, this huge safety success is attributable to the diligent adherence to standards and the practising of one of Modikwa's core values "of caring for each other".
- Beeshoek Iron Ore Mine recorded 8 000 fatality-free production shifts in the DMR (Northern Cape) safety competition. During the third quarter, Beeshoek also achieved 12 months without a lost-time injury.
- On 11 November 2010, Two Rivers Platinum Mine completed 2 000 000 fatality-free shifts.
- Khumani Iron Ore Mine achieved its first 1 000 000 fatality-free shifts in November 2010 and was awarded the St Barbara floating trophy.
- Black Rock Manganese Mine achieved 1 000 000 fatality-free shifts during the fourth quarter.

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

ARM Ferrous

For the financial year ended June 2011, Assmang Limited (Assmang) achieved a 112% increase in headline earnings to R5.8 billion (F2010: R2.7 billion). Dollar commodity prices increased across all Assmang's ferrous metals with iron ore prices increasing by 130% and chrome ore prices by 56%. Manganese ore prices increased 23% whilst the prices of manganese and chrome alloys were 24% and 20% higher respectively. The positive impact of the increased commodity prices was however subdued by a stronger Rand versus the US Dollar.

Iron ore sales volumes increased by 2% to 10 million tonnes, while manganese ore sales (excluding intragroup sales) decreased by 7% to 3 million tonnes. Chrome ore sales excluding intragroup sales increased by 37% to 373 thousand tonnes. Manganese alloys' sales volumes decreased by 8% to 218 thousand tonnes, whilst sales of chrome alloys increased by 26% to 238 thousand tonnes.

Accelerated ramp-up of the Khumani Iron Ore Mine Expansion Project to 16 million tonnes per annum (mtpa) coupled with production losses due to high summer rainfall resulted in a 21.6% increase in iron ore production unit costs. On-mine production unit costs at the manganese ore operation decreased by 2.5% and at the chrome ore operations by 4.6% as a result of increased production. Above inflation unit cost increases at the manganese alloys operations of 12.9% were due to price increases in electricity and reductants, as well as lower production due to the rebuild of furnaces 1 and 2. Increased production resulted in a 1.4% reduction in chrome alloy unit costs.

Total capital expenditure was R4.1 billion (F2010: R3.3 billion). The main expenditure items include R2.8 billion on infrastructure development at the Khumani Iron Ore Expansion Project and R313 million for rebuilding furnaces at Cato Ridge and Machadodorp Works. The remaining capital was spent on IT related projects, vehicles and other equipment replacements.

Assmang headline earnings

100% basis	12 months ended 30 June		
R million	**Reviewed 2011**	Audited 2010	% change
Iron ore division	**4 654**	1 436	224
Manganese division	**1 377**	1 478	(7)
Chrome division	**(234)**	(185)	(26)
Total	**5 797**	2 729	112
Headline earnings attributable to ARM (50%)	**2 897**	1 364	112

Assmang production

100% basis	12 months ended 30 June		
Thousand tonnes	**Reviewed 2011**	Audited 2010	% change
Iron ore	**9 685**	9 286	4
Manganese ore	**3 048**	1 973	54
Manganese alloys	**291**	252	15
Charge chrome	**237**	200	19
Chrome ore	**866**	587	48

Assmang sales volumes

100% basis	12 months ended 30 June		
Thousand tonnes	**2011**	2010	% change
Iron ore	**10 006**	9 799	2
Manganese ore*	**2 882**	3 095	(7)
Manganese alloys	**218**	238	(8)
Charge chrome	**238**	189	26
Chrome ore*	**373**	272	37

** Excluding intra-group sales*

Assmang cost and EBITDA margin performance

Commodity group	Rand per tonne cost change %	EBITDA margin %
Iron ore	21.6	68.4
Manganese ore	(2.5)	47.4
Manganese alloys	12.9	22.5
Charge chrome	(1.4)	(6.8)

Assmang capital expenditure

100% basis	12 months ended 30 June	
R million	**Reviewed 2011**	Audited 2010
Iron ore	**3 225**	2 304
Manganese	**656**	743
Chrome	**216**	289
Total	**4 097**	3 336

Khumani Iron Ore Mine Expansion Project

The 16 mtpa Khumani Iron Ore Expansion Project is progressing well within budget and is currently nine months ahead of schedule. R5 billion of the total project cost of R6.7 billion was spent as at 30 June 2011.

Conversion of chrome furnaces to manganese furnaces

The No. 5 Furnace at Machadodorp Works was successfully converted from a ferrochrome to a high carbon ferromanganese furnace at the beginning of the financial year. Production of ferromanganese from this furnace exceeded production and efficiency targets at reduced costs.

After the successful conversion of the No. 5 Furnace, a decision was made to convert further furnaces and as such Assmang announced on 30 June 2011 a plan to convert No. 2 and 3 furnaces to produce high carbon ferromanganese. There are a number of engineering modifications required and certain logistical issues that need to be addressed prior to the conversion being implemented. This conversion is anticipated to commence during the first quarter of the 2012 calendar year, and ferromanganese production to commence from the third quarter of 2012.

This conversion will increase Assmang's high carbon ferromanganese production by approximately 100 000 tonnes per annum, bringing its total capacity to some 375 000 tonnes per year. Key ferrochrome customers will continue to be supplied from the No. 1 Furnace at Machadodorp Works.

Logistics

Assmang's iron ore export rail capacity throughput was negatively affected by abnormal rainfall in the Northern Cape. Assmang and Transnet are in continued negotiations with respect to capacity allocations and future export growth.

The iron and manganese ore industries, together with Transnet, have embarked on a joint feasibility project to expand the current Saldanha Export Channel to beyond 60 mtpa. Completion of this feasibility study is expected at the end of the 2011 calendar year.

Assmang and Transnet have an agreement, expiring on 31 March 2013, to export manganese ore through Port Elizabeth. Manganese ore stockpile and export capacity has also been secured at the Durban and Richards Bay ports until June 2014.

Assmang is endeavouring to reduce the current amount of road transport utilised for both raw materials and final product. This is dependent on operational service levels achieved by Transnet and future rail and port capacity.

Projects

A feasibility study to increase the manganese ore capacity from 3 mtpa to 6 mtpa is in progress. Two new shafts and a new beneficiation plant for the Gloria Mine, as well as new load-out infrastructure will be required to increase production to 6 mtpa.

The feasibility study to establish a new 4 mtpa operation at Beeshoek Mine has been completed. First production is planned to commence during the latter part of 2013 from a new established mining area. Initial development will include new housing accommodation, upgraded infrastructure and new load-out facilities.

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 decreased by R61 million (12%) to R460 million. PGM production (on 100% basis and including Nkomati) reduced to 680 108 ounces (F2010: 688 957 ounces) while total nickel produced increased 4% to 10 100 tonnes (F2010: 9 666 tonnes). The head grade and plant recoveries at Nkomati were substantially lower than planned. With respective unit costs of R4 499/PGM oz and R4 979/PGM oz, Two Rivers and Modikwa continue to be positioned below the 50th percentile of the global PGM cost curve.

Notwithstanding a 7.9% strengthening in the Rand against the US Dollar, the basket prices for Modikwa and Two Rivers increased by 17% and 12% to R263 530/kg and R277 279/kg respectively. Realising the debtors at 30 June 2010 resulted in a negative mark-to-market adjustment of R23 million (F2010: positive R50 million).

The table below sets out the relevant price comparison:

Average metal prices

		Average for 12 months ended 30 June		
		2011	2010	% change
Platinum	$/oz	**1 707**	1 453	17
Palladium	$/oz	**680**	393	73
Rhodium	$/oz	**2 248**	2 173	3
Nickel	$/t	**23 970**	20 285	18

ARM Platinum capital expenditure

100% basis	12 months ended 30 June		
	Reviewed 2011	Audited 2010	% change
Modikwa	**250**	102	145
Two Rivers	**304**	97	213
Nkomati	**808**	1 202	(33)
Total	**1 362**	1 401	(3)

The capital expenditure at ARM Platinum was R1.36 billion (R833 million attributable). Capital expenditure on a 100% basis at the Nkomati Nickel Mine was R808 million of which R690 million was for the completion of the Large Scale Expansion Project and the pre-stripping of Pit 3. The balance was to sustain operations. Modikwa's major capital items include the deepening of North shaft, commencement of the sinking of South 2 shaft, an underground mining fleet replacement programme, as well as the establishment of an open pit UG2 operation. At Two Rivers, 40 percent of the capital spent relates to an underground mining fleet replacement programme, with the balance incurred for the commencement of deepening both the Main and North declines.

Modikwa operational statistics

100% basis		12 months ended 30 June		
		2011	2010	% change
Cash operating profit	R million	**572**	665	(14)
Tonnes milled	Mt	**2.30**	2.27	1
Head grade	g/t, 6E	**5.48**	5.53	(1)
PGMs in concentrate	Ounces, 6E	**319 336**	339 623	(6)
Average basket price	R/kg, 6E	**263 530**	225 865	17
Average basket price	$/oz, 6E	**1 172**	928	26
Cash operating margin	%	**26**	31	
Cash cost	R/kg, 6E	**160 084**	137 241	17
Cash cost	R/tonne	**692**	639	8
Cash cost	R/Pt oz	**12 468**	11 025	13
Cash cost	R/oz, 6E	**4 979**	4 269	17
Cash cost	$/oz, 6E	**712**	564	26
Headline earnings attributable to ARM (41.5%)	R million	**122**	135	(10)

Modikwa

Modikwa's tonnes milled and head grade remained constant. 281 000 tonnes of open pit material was treated during the period. As the open pit material is oxidised, plant recoveries on this material were lower at 45%, resulting in PGM ounces decreasing to 319 336 ounces (F2010: 339 623 ounces). The mine also experienced numerous delays due to Section 54 stoppages. Unit costs increased 8% to R692 per tonne milled (F2010: R639 per tonne milled) and as a result of the open pit material, Rand unit cost per 6E PGM ounce increased 17% to R4 979 per ounce (F2010: R4 269 per ounce).

On 21 June 2011 Modikwa Platinum Mine set a new standard in the industry by achieving 8 million fatality-free shifts.

Two Rivers operational statistics

100% basis		12 months ended 30 June		
		2011	2010	% change
Cash operating profit	R million	**881**	837	5
Tonnes milled	Mt	**2.95**	2.92	1
Head grade	g/t, 6E	**3.94**	3.95	–
PGMs in concentrate	Ounces, 6E	**307 162**	296 760	4
Average basket price	R/kg, 6E	**277 279**	247 323	12
Average basket price	$/oz, 6E	**1 233**	1 016	21
Cash operating margin	%	**39**	40	
Cash cost	R/kg, 6E	**144 638**	134 213	8
Cash cost	R/tonne	**468**	425	10
Cash cost	R/Pt oz	**9 509**	8 792	8
Cash cost	R/oz, 6E	**4 499**	4 174	8
Cash cost	$/oz, 6E	**643**	551	17
Headline earnings attributable to ARM (55%)	R million	**228**	180	27

Two Rivers

Tonnes milled and head grade at Two Rivers remained constant, but an increase in recoveries resulted in a 4% improvement in yield to 307 162 PGM ounces (F2010: 296 760 ounces). At year end, the surface stockpile was 85 246 tonnes. Unit costs increased by 8% to R4 499 per 6E PGM ounce (F2010: R4 174 per 6E PGM ounce). Costs associated with trial mining on the Merensky Reef, a brownfields project, have been expensed and therefore contribute to increasing unit costs.

Two Rivers surpassed 48 months fatality free during July 2011.

The earnings of Two Rivers were negatively affected by interest charged on the shareholder's loans from ARM and Implats. Interest was charged at a rate of 6.5% per annum as at 30 June 2011 (F2010: 8%).

Nkomati operational statistics

100% basis		12 months ended 30 June		
		2011	2010	% change
Cash operating profit	R million	**824**	916	(10)
– Nickel Mine	R million	**256**	584	(56)
– Chrome Mine	R million	**567**	332	71
Cash operating margin	%	**28**	38	
Tonnes milled	Mt	**5.26**	3.31	59
Head grade	% nickel	**0.32**	0.45	(29)
Nickel on-mine cash cost per tonne milled	R/tonne	**271**	242	12
Cash cost net of by-products per nickel pound produced *	$/lb	**4.99**	3.26	53
Contained metal				
Nickel	Tonnes	**10 100**	9 666	4
PGMs	Ounces	**53 610**	52 574	2
Copper	Tonnes	**5 210**	5 210	–
Cobalt	Tonnes	**553**	578	(4)
Chrome ore sold	Tonnes	**334 803**	502 281	(33)
Chrome concentrate sold	Tonnes	**381 196**	313 735	22
Headline earnings attributable to ARM (50%)	R million	**110**	206	(47)

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

Nkomati

Availability and utilisation of the primary crusher improved during the last six months as a result of improved maintenance and operating practices. Ore fragmentation in the crusher feed improved significantly, resulting in an increased crusher feed rate. The focus during the next six months will remain on further optimisation of maintenance practices, ore fragmentation and ore loading rates to achieve sustainable production.

During the last six months of F2011, Nkomati delivered disappointing results ascribed to various production complications, mainly attributed to lower than expected head grade, recovery as well as operational inefficiencies at both concentrator plants.

The 250 ktpm PCMZ plant was completed on time and within budget and commissioned in October 2010. Design milling capacity on this plant was achieved in June 2011. Nkomati's total tonnes milled increased by 59% year on year, but due to the problems discussed below, only yielded 4% more nickel.

Chrome ore sales decreased to 334 803 tonnes (F2010: 502 281 tonnes) while chrome concentrate sales increased by 22% to 381 196 tonnes (F2010: 313 735 tonnes).

Head grade and plant recoveries

Mining operations at Nkomati moved from the now depleted Pit 2, to Pit 3 in February 2011. This resulted in the head grade of the Main Mineralised Zone (MMZ) concentrator plant reducing from 0.4% to 0.3% nickel. Furthermore the complexity of the ore body exacerbated by highly oxidised ore reduced recoveries from the newly exposed Pit 3 shallow mining areas. This has a direct impact on the concentrator plant recoveries, which are currently running on average 8% below anticipated levels of approximately 68%.

The independent confirmation of nickel concentrate assay results taken prior to shipment were significantly delayed during the financial year. The delay in obtaining assay confirmations was due to the stockpiling of Nkomati concentrate at the smelter in Finland. Once these confirmations were received it became evident that the on-site assay results were overstated thereby masking the problem of reduced plant recoveries. This matter has been addressed by management by *inter-alia* appointing an independent assay laboratory for the performance of testing until such time as the on-site laboratory is accredited. The nickel units produced, which were previously reported for the first half of the 2011 financial year (1H F2011) as 5 321 tonnes, have been adjusted to 4 886 tonnes.

Due to timing of the shipments the Nkomati Nickel Mine had 720 tonnes nickel in concentrate stock at the port at year end.

Variability as a result of the shallow oxidised ore is a temporary problem; management is confident that ore quality will improve when the oxidised zone is mined out over the next 18 months. To further mitigate the effect of the complex ore body and to create increased mining flexibility, Nkomati has now commenced with advanced stripping of 4 million tonnes of waste, which will continue until November 2011.

Cash cost

Unit cost increased by 12% year on year to R271 per tonne milled and cash cost net of by-products (C1 cash cost) increased from \$3.26/lb to \$4.99/lb for the same period. The increase in C1 cash cost is caused by the following, most of which is attributable to 2H F2011:

- Reduced nickel and by-products production as a result of the grade and recovery issues discussed above.
- Termination of the capitalisation of pre-production working costs. In 1H F2011 R287 million was capitalised, in contrast to R43 million in 2H F2011.
- Higher than anticipated drilling and blasting costs caused by the ore variability.
- Excessive ore re-handling.
- Increased cost incurred on steel balls and reagents to improve plant efficiencies.

Projects

Modikwa expansion

The feasibility study for the Phase 2 UG2 replacement and expansion project was completed and presented to Modikwa's shareholders for approval. In the interim an amount of R125 million was approved to continue mining development for the South 2 declines and the deepening of North shaft.

Two Rivers additional ore sources

As part of a feasibility study, Two Rivers is currently conducting Merensky reef trial mining. A bulk sample of 70 000 tonnes was mined and will be processed in September 2011. A feasibility study for the North open pit is in progress.

Nkomati Nickel Large Scale Expansion Project

Total funds committed at 30 June 2011 amount to R3.5 billion of the total R3.7 billion approved for the capital project. The next phase of the Eskom power supply project is the upgrade of the 132kV overhead distribution lines and we anticipate this to be completed by December 2011. Nkomati's Eskom Electricity Supply Agreement was concluded in December 2010.

Kalplats PGM Exploration Project

Platinum Australia (PLA) submitted a Definitive Feasibility Study (DFS) to ARM Platinum for review. The review is still in progress but the joint venture has agreed that carrying out pilot plant scale metallurgical test work on a bulk sample from the existing box cut on the Crater deposit will provide a more accurate estimate of the full scale plant recovery. The bulk sample programme and test work is planned for the first half of F2012.

The ARM Platinum division comprises three operating mines, Modikwa, Two Rivers and Nkomati. It has an effective 41.5% interest in Modikwa where local communities hold an 8.5% effective interest. The remaining 50% is held by Anglo Platinum. Two Rivers is an incorporated joint venture with Implats, with ARM holding 55% and Implats 45%. Nkomati is a 50:50 partnership with Norilsk Nickel Africa. ARM Platinum also has an interest in two joint ventures with PLA. The first is the "Kalplats Platinum Project" in which ARM Platinum owns 90% and PLA can earn-in up to 49% by completing a bankable feasibility study. The second joint venture, "Kalplats Extended Area Project" is a 50:50 partnership between ARM Platinum and PLA.

ARM Coal

Although ARM Coal experienced a challenging year, attributable cash operating profit increased by R67 million from R376 million to R443 million. Headline earnings attributable to ARM declined by R86 million to a R103 million loss. The deterioration in headline earnings can mainly be ascribed to increased amortisation and interest charges. The rise in interest charges is due the termination of the capitalisation of interest, an increase in borrowing levels on existing facilities and a new facility entered into for the funding of ARM Coal's shareholding in Richards Bay Coal Terminal Phase V. Interest charges are anticipated to remain at these levels for the next year as borrowings for GGV peaks.

Notwithstanding that the coal processing plant at Goedgevonden Mine did not consistently perform to design capacity, saleable production increased by 115% compared to F2010 as the mine continued to ramp-up towards full production. The Participative Coal Business (PCB) operations experienced a very challenging year resulting in saleable production being 29% lower than F2010. The decline in production was due to a delay in the commissioning of the iMpunzi East project, rationalisation of opencast and underground production at Tweefontein and the unplanned closure of the 5 seam operation. Run of Mine (ROM) stock levels at both GGV and PCB increased substantially during the year due to the coal processing plants not reaching consistent design capacity performance. Sufficient stock is available for plant feed when the GGV and iMpunzi East processing plants reach steady state design capacity. The challenges on the TFR line to Richards Bay Coal Terminal (RBCT) resulted in high levels of export saleable product stock on the mines, placing the operations in a good position to meet any improvement in TFR's performance.

The API 4 coal prices increased from approximately $93/t in June 2010 to $116/t in June 2011 but ARM Coal did not benefit from this as the major portion of sales were concluded at previously negotiated long-term contract prices and also as a result of lower quality coal sales to the Asian markets.

The average export coal prices realised by ARM Coal did however increase by 17% from $67/t in F2010 to $78/t in F2011.

Goedgevonden Coal Mine (GGV)

Ramp-up continued during the year, increasing ROM production by 86% compared to F2010. All coal processing plant modules were commissioned in F2011 and although the plant did not consistently perform to design capacity, saleable production increased by 115% from 2.7 million tonnes to 5.9 million tonnes.

Eskom and export sales volumes increased by 133% and 124% respectively during F2011, but the challenges at TFR continue to have a negative impact on sales volumes. During 2H F2011 approximately seven weeks of railing were lost due to derailments, industrial action and the extended closure of the line for maintenance.

Attributable cash operating profit increased by 92% from R112 million to R214 million. The increase in sales volumes resulted in attributable revenue being R258 million higher than F2010. Total on mine operating costs increased by R300 million in line with the increase in production volumes. The capitalisation of working costs and interest was terminated when the mine reached steady state production during the review period. Operating costs per saleable tonne increased by 18% to R166 per tonne (F2010: R141 per tonne).

Although attributable consolidated cash operating profit increased by just over R100 million, headline earnings remained relatively constant at R32 million as a result of an increase in depreciation and finance costs. The amortisation increased in line with the increase in ROM production and sales volumes which form the basis for calculating the amortisation charge.

Goedgevonden operational statistics

100% basis		12 months ended 30 June		
		2011	2010	% change
Total production sales				
Saleable production	Mt	**5.87**	2.73	115
Export thermal coal sales	Mt	**2.67**	1.19	124
Eskom thermal coal sales	Mt	**2.73**	1.17	133
Attributable production and sales				
Saleable production	Mt	**1.53**	0.71	115
Export thermal coal sales	Mt	**0.69**	0.31	124
Eskom thermal coal sales	Mt	**0.71**	0.30	133
Average received coal price				
Export (FOB)	$/tonne	**77.00**	67.84	14
Eskom (FOT)	R/tonne	**183.05**	154.43	19
Local (FOR)	R/tonne	**251.26**	467.72	(46)
Exchange rate	R/US$	**6.99**	7.59	(8)
On mine saleable cost	R/tonne	**165.85**	141.03	(18)
Cash operating profit				
Total	R million	**824**	430	92
Attributable (26%)	R million	**214**	112	92
Headline earnings attributable to ARM	R million	**32**	34	(6)

Attributable profit analysis

	12 months ended 30 June		
	Reviewed 2011	Audited 2010	% change
Operating profit	**214**	112	92
Less: interest paid	**(82)**	(5)	>(100)
amortisation	**(77)**	(47)	(64)
fair value adjustments	**(17)**	(13)	(31)
Profit before tax	**38**	47	(19)
Tax	**(5)**	(13)	62
Headline earnings attributable to ARM	**32**	34	(6)

Participating Coal Business (PCB)

ROM and saleable production during F2011 were 12% and 29% lower respectively when compared to F2010. Almost all of the operations comprising the PCB produced less ROM and saleable coal during F2011. F2010 attributable saleable production included 271kt of low quality product that was sold to Eskom at a reduced price. From 1 March 2011 ARM commenced treating the Mpumalanga assets as an asset held for sale and consequently also excluded attributable ROM and saleable production of 128kt and 69kt respectively from these two mines from its production figures.

Production was affected by excessive rain during December 2010, the late commissioning of the iMpunzi East project, the planned rationalisation of underground and opencast mining at the Tweefontein division and the unplanned closure of the 5 seam operation. Both modules of the new coal processing plant at ATCOM East were commissioned during 2H F2011 and it is anticipated that the 1 700 tonnes/hour design capacity will be achieved in 1H F2012.

Attributable revenue was R90 million lower in F2011 compared to F2010 comprised of a negative volume variance of R210 million, a negative exchange rate variance of R71 million offset to some degree by a favourable price variance of R191 million.

Domestic demand continued to decline which resulted in a 33% reduction in sales volumes. The continued underperformance of TFR resulted in a 14% decrease in export sales volumes. During 2H F2011 several weeks were lost due to derailments, industrial action and the extended closure of the line for maintenance. Average Eskom prices achieved during F2011 reflected an increase of R42.71 (68%) as 25% of the F2010 sales comprised volumes of lower quality product sold to Eskom at a much reduced price.

Total on mine cash costs for F2011 was marginally lower than F2010 but the average cost per saleable ton increased by 35% to R338 per tonne in F2011 compared to R250 in F2010 due to lower volumes and the transition of PCB to open cast mining.

Attributable headline earnings declined from a R51 million loss to a R135 million loss mainly due to a decrease of R35 million in operating profit, an increase in finance costs as a result of an increase in borrowings and an increase in amortisation.

During F2011 Xstrata successfully negotiated the sale of the Mpumalanga assets located in Ermelo. All agreements have been signed and the transaction is subject to some conditions precedent which are expected to be achieved by December 2011. ARM has treated these assets as "assets held for sale" with effect from 1 March 2011.

Participating Coal Business (PCB) operational statistics

100% basis		12 months ended 30 June		
		2011	2010	% change
Total production sales				
Saleable production	Mt	**12.85**	18.20	(29)
Export thermal coal sales	Mt	**9.20**	10.67	(14)
Eskom thermal coal sales	Mt	**2.78**	5.23	(46)
Local thermal coal sales	Mt	**1.22**	1.80	(33)
Attributable production and sales				
Saleable production	Mt	**2.59**	3.68	(29)
Export thermal coal sales	Mt	**1.86**	2.15	(14)
Eskom thermal coal sales	Mt	**0.57**	1.06	(46)
Local thermal coal sales	Mt	**0.24**	0.36	(33)
Average received coal price				
Export (FOB)	$/tonne	**79.30**	66.88	19
Eskom (FOT)	R/tonne	**105.98**	63.27	68
Local (FOR)	R/tonne	**296.59**	263.50	13
Exchange rate	R/US$	**6.99**	7.59	(8)
On mine saleable cost	R/tonne	**338.07**	250.00	(35)
Cash operating profit				
Total	R million	**1 133**	1 306	(13)
Attributable (20.2%)	R million	**229**	264	(13)
(Loss)/Income from associate attributable to ARM	R million	**(135)**	(51)	(165)

Attributable profit analysis

	12 months ended 30 June		
	Reviewed 2011	Audited 2010	% change
Operating profit	**229**	264	(13)
Less: interest paid	**(107)**	(64)	(67)
amortisation	**(282)**	(234)	(21)
fair value adjustments	**(27)**	(37)	27
(Loss)/profit before tax	**(187)**	(71)	(163)
Tax	**52**	20	160
Headline (loss)/earnings attributable to ARM	**(135)**	(51)	(165)

ARM's economic interest in XCSA (PCB) as at 30 June 2011 remains at 20.2%. PCB consists of 12 mines all situated in Mpumalanga. ARM has a 26% effective interest in the GGV Thermal Coal Mine situated near Ogies in Mpumalanga.

Attributable refers to 20.2% of Xstrata Coal South Africa (XCSA) Operations whilst total refers to 100%.

ARM Copper

The Vale/ARM JV ("the JV") completed the bankable feasibility study for the Konkola North Copper Project in June 2010 and approved the release of the Konkola North Copper Project in August 2010. The project was subsequently opened by his excellency, the President of the Republic of Zambia, Rupai B. Banda, at a ground-breaking ceremony held on 14 October 2010.

The project capital expenditure in July 2010 terms is $391 million. The slight increase was attributable to increased safety measures deployed at the mine. 82% of the total project value has already been contracted and project progress is in accordance with the feasibility study with commissioning of the concentrator plant expected in December 2012.

The mine's throughput design is 2.5 mtpa of ore at an average mill head grade of 2.3% copper, yielding 45 000 tonnes of contained copper in concentrate to be toll smelted in Zambia. The expected life of mine will be 28 years. A further two year exploration programme to evaluate Area "A" which has potential to double the output to 100 000 tonnes copper per annum in concentrate is in progress. Initially the South and East Limb Mines will be developed, after which the deeper, higher grade and wider reef areas will be mined.

The Konnoco (ZAMBIA) Limited mining licence, LML20, has recently been granted an extension to incorporate the Prospecting Licence of Area "A". The revised licence, Licence 7061-HQ-LML, was issued in July 2011 and covers an area of 240 km^2. The mining licence is bound by the Zambia/DRC border to the west, north and east and the KCM Konkola mining licence is adjacent to the south.

ZCCM-Investment Holding PLC (ZCCM) notified the JV of its intention to exercise their buy-in right into the project company of 20% with 5% thereof being a free carry. In addition, ZCCM also elected to have their portion of the non-free carry equity and project funding provided through their own sourced financing.

The JV will continue with the extensive drilling programme in Area "A" situated about 5 km south of the planned mine development on the Konkola North property. Drilling in the recent past has defined a substantial copper resource in Area "A", and the planned drilling will further enhance this resource base.

ARM owns 100% of ARM Copper. ARM Copper owns 50% of the Vale/ARM joint venture. Previously, ARM owned 65% of TEAL which was listed on the Toronto Stock Exchange.

ARM Exploration

The Vale/ARM JV's ("the JV") exploration objective is to complete a feasibility study on the ore bodies associated with the Kalumines mining licence property in the DRC. The Kalumines property is located 23 km to the west of Lubumbashi and the JV has outlined four ore bodies with copper mineralisation comprising a total indicated copper oxide and mixed oxide/sulphides resource of 52.3 Mt at a grade of 2.03% copper and an inferred resource of 17.9 Mt at a grade of 1.74% copper. The JV undertook further metallurgical test work, mine design, related engineering work and completed a feasibility study. This study was submitted to the JV partners and Gecamines at the end of July 2011. This feasibility will be evaluated and a decision is expected within the next year.

The JV has further exploration rights on an exclusive large scale prospecting licence south of the town of Kabwe, Zambia. Geophysical and geochemical surveys have outlined three target anomalies and a small drilling programme was completed. Two of the three boreholes intersected significant thicknesses of copper sulphides mineralisation. Further geological work and drilling is planned in the next financial year.

In addition to the exploration work being done by the Vale/ARM JV, the ARM Exploration Division has signed an agreement with a Mozambican exploration company, Rovuma Resources, for the prospecting in Mozambique for manganese ore, nickel, PGMs and base metals. This ongoing exploration is estimated to cost approximately US$7 million per annum. ARM Exploration will have exclusive rights to exercise options to purchase prospecting/mining rights to the resources.

The loss attributable to ARM increased to R173 million in F2011 (F2010: R143 million loss) and is as a result of exploration drilling, feasibility study, finance and administration costs.

Harmony Gold Mining Company Limited

Harmony reported significantly improved headline earnings of R957 million compared to R4 million in the previous financial year. This improvement was mainly as a result of a higher realised gold price which increased 16% from R266 009/kg to R307 875/kg. Harmony achieved a 22% increase in gold production from its build-up operations, however total production was down 9% as a result of shafts that were closed as part of the strategy to deliver safe, profitable and sustainable ounces.

Harmony continued to make excellent headway in its exploration in Papua New Guinea and in the year under review increased the Wafi Golpu deposit resources by 57% to 1 billion tonnes. Golpu's copper grade is now over 1% confirming that it is one of the highest grade copper gold porphyry in South East Asia. On 100% basis Golpu hosts a resource of 869 million tonnes containing 19.3 million ounces of gold and 9.0 million tonnes of copper.

For the financial year ended 30 June 2011 Harmony declared an increased dividend of 60 cents per share (Harmony F2010: 50 cents per share). ARM will account for this dividend in its F2012 results.

The ARM statement of financial position at 30 June 2011 reflects a mark-to-market investment in Harmony of R5.8 billion which is based on a Harmony share price of R89.95 per share. Changes in the value of the investment in Harmony are accounted for by ARM through the statement of comprehensive income net of deferred capital gains tax. Dividends are recognised in the ARM income statement on the last day of registration following dividend declaration.

Harmony's results for the quarter and six months ended 30 June 2011 can be viewed on Harmony's website at www.harmony.co.za

ARM owns 14.8% of Harmony's issued share capital.

Outlook

The past financial year has seen a continuing recovery in commodity markets across most of ARM's commodities. Prices for manganese ore have however fallen during the past six months and remain subdued largely due to increased inventories.

The past quarter has once again seen increased uncertainty and thus short-term volatility around sovereign debt issues in Europe and the United States. In particular the United States debt ceiling issue which was resolved shortly before key deadlines has brought that economy's recovery into sharp focus.

ARM nevertheless expects most commodity prices to remain robust over the medium term supported by demand from China, India and other emerging economies. In addition it is likely that supply constraints from producers will also bolster prices.

Over the past three years ARM has spent R9.5 billion on capital expenditure and did not curtail any growth projects during the economic crisis of 2008. As ARM is confident about the future an attributable capital spend of more than R10 billion is planned over the next three years to June 2014. This amount is expected to be largely funded from operating cash flows and existing funding resources.

Dividends

The ARM Board is pleased to declare a significantly increased fifth annual dividend of 450 cents per share. The amount to be paid will be approximately R960 million. This dividend represents a 125% increase compared to the F2010 dividend of 200 cents per share and is consistent with ARM's commitment to return cash to shareholders while simultaneously maintaining the ability to fund growth of the company in the future.

The last day to trade ARM shares to participate in this dividend (*cum*-dividend) will be Friday, 16 September 2011 and ARM shares will trade *ex*-dividend from Monday, 19 September 2011. The record date will be Friday, 23 September 2011 with payment of the dividend occurring on Monday, 26 September 2011. No dematerialisation or rematerialisation of share certificates may occur between Monday, 19 September 2011 and Friday, 23 September, 2011 both days inclusive.

Review by independent auditors

The financial information has been reviewed by Mr EAL Botha of Ernst & Young Inc. whose unqualified review opinion is available for inspection at 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 posted to shareholders in October 2011.

Signed on behalf of the board:

PT Motsepe
Executive Chairman

AJ Wilkens
Chief Executive Officer

Johannesburg

31 August 2011

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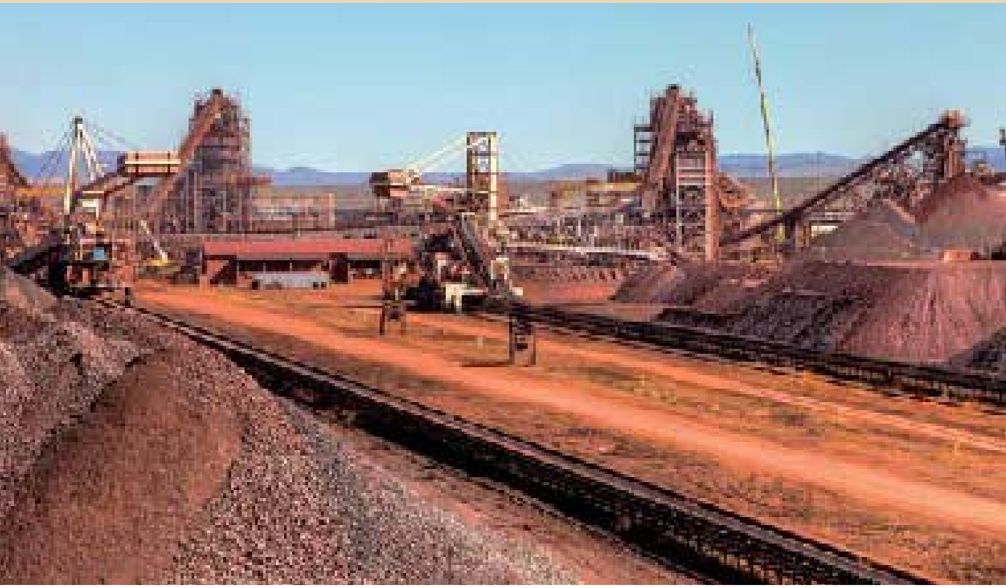

Financial statements

Contents

Group statement of financial position

as at 30 June 2011

	Note	Reviewed 2011 Rm	Audited 2010 Rm
ASSETS			
Non-current assets			
Property, plant and equipment		**15 500**	13 256
Investment property		**12**	12
Intangible assets		**202**	212
Deferred tax asset		**87**	44
Loans and long-term receivables		**186**	51
Financial assets		**45**	84
Inventories		**130**	148
Investment in associate		**1 331**	1 292
Other investments		**5 798**	5 191
		23 291	20 290
Current assets			
Inventories		**2 162**	1 834
Trade and other receivables		**3 113**	3 026
Taxation		**75**	44
Cash and cash equivalents	5	**3 668**	3 039
		9 018	7 943
Total assets		**32 309**	28 233
EQUITY AND LIABILITIES			
Capital and reserves			
Ordinary share capital		**11**	11
Share premium		**3 840**	3 803
Other reserves		**1 201**	728
Retained earnings		**16 105**	13 223
Equity attributable to equity holders of ARM		**21 157**	17 765
Non-controlling interest		**958**	764
Total equity		**22 115**	18 529
Non-current liabilities			
Long-term borrowings	6	**2 337**	2 582
Deferred tax liabilities		**3 571**	2 961
Long-term provisions		**549**	500
		6 457	6 043
Current liabilities			
Trade and other payables		**2 448**	2 315
Short-term provisions		**287**	268
Taxation		**270**	314
Overdrafts and short-term borrowings	7	**732**	764
		3 737	3 661
Total equity and liabilities		**32 309**	28 233

Group income statement

for the year ended 30 June 2011

	Note	Reviewed 2011 Rm	Audited 2010 Rm
Revenue		**15 357**	11 425
Sales		**14 893**	11 022
Cost of sales		**(8 952)**	(7 480)
Gross profit		**5 941**	3 542
Other operating income		**511**	408
Other operating expenses		**(1 130)**	(1 030)
Profit from operations before exceptional items		**5 322**	2 920
Income from investments		**216**	209
Finance costs		**(216)**	(192)
Loss from associate		**(135)**	(51)
Profit before taxation and exceptional items		**5 187**	2 886
Exceptional items	3	**(11)**	97
Profit before taxation		**5 176**	2 983
Taxation	8	**(1 671)**	(1 009)
Profit for the year		**3 505**	1 974
Attributable to:			
Non-controlling interest		**194**	162
Equity holders of ARM		**3 311**	1 812
		3 505	1 974
Additional information			
Headline earnings (R million)	4	**3 319**	1 714
Headline earnings per share (cents)		**1 559**	807
Basic earnings per share (cents)		**1 555**	854
Diluted headline earnings per share (cents)		**1 552**	798
Diluted basic earnings per share (cents)		**1 548**	844
Number of shares in issue at end of year (thousands)		**213 133**	212 692
Weighted average number of shares in issue (thousands)		**212 889**	212 289
Weighted average number of shares used in calculating diluted earnings per share (thousands)		**213 871**	214 763
Net asset value per share (cents)		**9 927**	8 352
EBITDA (R million)		**6 434**	3 907
Dividend declared after year end (cents per share)		**450**	200

Group statement of comprehensive income

for the year ended 30 June 2011

Group	Available-for-sale reserve Rm	Other Rm	Retained earnings Rm	**Total share-holders of ARM Rm**	Non-controlling interest Rm	**Total Rm**
For the year ended 30 June 2010 (audited)						
Profit for the year to 30 June 2010	–	–	1 812	**1 812**	162	**1 974**
Other comprehensive income						
Revaluation of listed investment	89	–	–	**89**	–	**89**
Deferred tax on revaluation of listed investment	(13)	–	–	**(13)**	–	**(13)**
Net impact of revaluation of listed investment	76	–	–	**76**	–	**76**
Foreign exchange on loans to foreign Group entity	–	(6)	–	**(6)**	–	**(6)**
Cashflow hedge reserve	–	16	–	**16**	–	**16**
Foreign currency translation	–	(2)	–	**(2)**	–	**(2)**
Total comprehensive income for the year	76	8	1 812	**1 896**	162	**2 058**
For the year ended 30 June 2011 (reviewed)						
Profit for the year to 30 June 2011	–	–	3 311	**3 311**	194	**3 505**
Other comprehensive income						
Revaluation of listed investment	544	–	–	**544**	–	**544**
Deferred tax on revaluation of listed investment	(76)	–	–	**(76)**	–	**(76)**
Net impact of revaluation of listed investment	468	–	–	**468**	–	**468**
Foreign exchange on loans to foreign Group entity	–	(82)	–	**(82)**	–	**(82)**
Deferred tax on foreign exchange on loans to foreign Group entity	–	11	–	**11**	–	**11**
Cashflow hedge reserve	–	(4)	–	**(4)**	–	**(4)**
Foreign currency translation	–	40	–	**40**	–	**40**
Total comprehensive income for the year	468	(35)	3 311	**3 744**	194	**3 938**

Group statement of changes in equity

for the year ended 30 June 2011

Group	Share capital and premium Rm	Available-for-sale reserve Rm	Other* Rm	Retained earnings Rm	**Total share-holders of ARM Rm**	Non-controlling interest Rm	**Total Rm**
Balance at 30 June 2009 (audited)	3 770	370	230	11 779	**16 149**	602	**16 751**
Profit for the year to 30 June 2010	–	–	–	1 812	**1 812**	162	**1 974**
Other comprehensive income	–	76	8	–	**84**	–	**84**
Total comprehensive income for the year	–	76	8	1 812	**1 896**	162	**2 058**
Share-based payments	–	–	47	–	**47**	–	**47**
Share options exercised	44	–	–	–	**44**	–	**44**
Dividend paid	–	–	–	(371)	**(371)**	–	**(371)**
Other	–	–	(3)	3	**–**	–	**–**
Balance at 30 June 2010 (audited)	3 814	446	282	13 223	**17 765**	764	**18 529**
Profit for the year to 30 June 2011	–	–	–	3 311	**3 311**	194	**3 505**
Other comprehensive income	–	468	(35)	–	**433**	–	**433**
Total comprehensive income for the year	–	468	(35)	3 311	**3 744**	194	**3 938**
Share-based payments	–	–	37	–	**37**	–	**37**
Share options exercised	37	–	–	–	**37**	–	**37**
Dividend paid	–	–	–	(426)	**(426)**	–	**(426)**
Other	–	–	3	(3)	**–**	–	**–**
Balance at 30 June 2011 (reviewed)	3 851	914	287	16 105	**21 157**	958	**22 115**

** Other reserves consist of the following:*	***2011 Rm***	*2010 Rm*	*2009 Rm*
General reserve	***32***	*32*	*32*
Insurance contingency	***18***	*15*	*18*
Share-based payments	***304***	*267*	*220*
Cashflow hedge reserve	***12***	*16*	*–*
Foreign exchange on loans to foreign Group entity	***(77)***	*(6)*	*–*
Foreign currency translation reserve (FCTR)	***12***	*(28)*	*(26)*
Premium paid on purchase of non-controlling interest	***(14)***	*(14)*	*(14)*
Total	***287***	*282*	*230*

Statement of cash flows

for the year ended 30 June 2011

	Note	Reviewed 2011 Rm	Audited 2010 Rm
CASH FLOW FROM OPERATING ACTIVITIES			
Cash receipts from customers		**15 409**	9 992
Cash paid to suppliers and employees		**(9 511)**	(6 562)
Cash generated from operations	9	**5 898**	3 430
Interest received		**181**	176
Interest paid		**(117)**	(135)
Dividends received		**33**	33
Dividend paid		**(426)**	(371)
Taxation paid		**(1 240)**	(612)
Net cash inflow from operating activities		**4 329**	2 521
CASH FLOW FROM INVESTING ACTIVITIES			
Additions to property, plant and equipment to maintain operations		**(797)**	(519)
Additions to property, plant and equipment to expand operations		**(2 151)**	(1 981)
Proceeds on disposal of property, plant and equipment		**3**	13
Proceeds on disposal of Otjikoto		**–**	107
Investment in associate		**(178)**	–
Investment in RBCT		**(63)**	–
(Increase)/decrease in loans and receivables		**(106)**	56
Net cash outflow from investing activities		**(3 292)**	(2 324)
CASH FLOW FROM FINANCING ACTIVITIES			
Proceeds on exercise of share options		**37**	44
Long-term borrowings raised		**283**	848
Long-term borrowings repaid		**(596)**	(834)
Decrease in short-term borrowings		**(312)**	(787)
Net cash outflow from financing activities		**(588)**	(729)
Net increase/(decrease) in cash and cash equivalents		**449**	(532)
Cash and cash equivalents at beginning of year		**2 791**	3 325
Foreign currency translation on cash balance		**(13)**	(2)
Cash and cash equivalents at end of year	5	**3 227**	2 791

Notes to the financial statements

for the year ended 30 June 2011 (reviewed)

1. STATEMENT OF COMPLIANCE

The Group provisional financial statements are prepared in accordance with International Financial Reporting Standards (IFRS) and interpretations of those standards as adopted by the International Accounting Standards Board (IASB), the AC 500 as issued by the Accounting Practice Board or its successor, requirements of the South African Companies Act and the Listing requirements of the JSE Limited.

BASIS OF PREPARATION

The Group provisional financial statements 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 by mark to market. The accounting policies used are consistent with those in the recent annual financial statements except for those listed below and are in terms of the disclosure requirements of IAS 34: Interim financial reporting.

The Group has adopted the following new and revised standards and interpretations, issued by the International Financial Reporting Interpretation Committee (IFRIC) of the IASB, that became effective during the course of the year.

Standard	Subject
IFRS 1	First-time adoption of International Financial Reporting Standards – Additional exceptions for first time adoption (Amendment)
IFRS 2	Share-based payments – Group cash settled share-based payment arrangement (Amendment)
IFRS 3	Transition requirements for contingent consideration from a business combination that occurred before the effective date of the revised IFRS (Amendment)
	Measurement of non-controlling interest (Amendment)
	Un-replaced and voluntarily replaced share-based payment awards (Amendment)
IFRS 5	Disclosures of non-current assets (or disposal groups) held for sale and discontinued operations (Amendment)
IFRS 8	Disclosure of information about segment assets (Amendment)
IAS 1	Current/non-current classification of convertible instruments (Amendment)
IAS 7	Classification of expenditures on unrecognised assets (Amendment)
IAS 17	Classification of leases of land and buildings (Amendment)
IAS 27	Transition requirements for amendments made as a result of IAS 27 consolidated and separate financial statements (Amendment)
IAS 32	Financial instruments presentation – Classification of rights issued (Amendment)
IAS 36	Unit of accounting for goodwill impairment test (Amendment)
IAS 39	Assessment of loan repayment penalties as embedded derivatives (Amendment)
	Scope exception for business combinations contract (Amendment)
	Cash flow hedge accounting (Amendment)
IFRIC 19	Extinguishing financial liabilities with equity instruments

The adoption of these amendments, standards and interpretations only resulted in changes to the manner in which the annual financial statements are presented as well as additional disclosures in the annual financial statements.

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

Standard	Subject	Effective date
IFRS 1	Amendments to IFRS 1 Severe hyperinflation and removal of fixed dates for first time adopters	1 July 2011
	Replacement of fixed dates for certain exceptions with the date of transition to IFRSs (Amendment)	1 July 2011
	Accounting policy changes in the year of adoption (Amendment)	1 January 2011
	Revaluation basis as deemed cost (Amendment)	1 January 2011
	Use of deemed cost for operations subject to rate regulations (Amendment)	1 January 2011
IFRS 7	Financial instruments disclosures – Amendments enhancing disclosures about transfers of financial assets	1 July 2011
	Clarifications of disclosures (Amendment)	1 January 2011
IFRS 9	Financial instruments (Phase 1 – Financial assets)	1 January 2013
	Financial instruments (Phase 1 – Financial liabilities)	1 January 2013

Notes to the financial statements
for the year ended 30 June 2011 (reviewed) (continued)

Standard	Subject	Effective date
IFRS 10	Consolidated financial statements – New definition of control	1 January 2013
IFRS 11	Joint arrangements	1 January 2013
IFRS 12	Disclosure of interest in other entities	1 January 2013
IFRS 13	Fair value measurement	1 January 2013
IAS 1	Clarification of statement of changes in equity (Amendment)	1 January 2011
IAS 1	Presentation of other comprehensive income (Amendment)	1 January 2012
IAS 12	Income taxes – Recovery of underlying assets (Amendment)	1 January 2012
IAS 19	Employee benefits (Revised)	1 January 2013
IAS 24	Related party disclosures	1 January 2011
IAS 27	Separate financial statements	1 January 2013
IAS 28	Investment in associate (Amended)	1 January 2013
IAS 34	Significant events and transactions (Amendment)	1 January 2011
IFRIC 13	Fair value of award credit (Amendment)	1 January 2011
IFRIC 14	Prepayments of minimum funding requirement (Amendment)	1 January 2011

The Group does not intend early adopting any of the above amendments, standards or interpretations.

Notes to the financial statements

for the year ended 30 June 2011 (reviewed) (continued)

PRIMARY SEGMENTAL INFORMATION	ARM Platinum Platinum Rm	ARM Platinum Nickel Rm	ARM Ferrous Rm	ARM Coal Rm	ARM Exploration Rm	*Corporate and other Rm	Gold Rm	Total Rm
2.1 Year to 30 June 2011 (reviewed)								
Total sales	3 355	1 499	9 538	505	–	–	–	**14 897**
Inter-group sales to ARM Ferrous	–	4	–	–	–	–	–	**4**
Sales	3 355	1 495	9 538	505	–	–	–	**14 893**
Cost of sales	(2 477)	(1 122)	(5 009)	(381)	–	37	–	**(8 952)**
Other operating income	20	11	125	–	–	355	–	**511**
Other operating expenses	(96)	(236)	(425)	(2)	(151)	(220)	–	**(1 130)**
Segment result	802	148	4 229	122	(151)	172	–	**5 322**
Income from investments	25	8	71	–	–	80	32	**216**
Finance cost	(43)	(2)	(13)	(85)	(47)	10	–	**(180)**
Finance cost Implats: Shareholders' loan Two Rivers	(16)	–	–	–	–	–	–	**(16)**
Finance cost ARM: Shareholders' loan Two Rivers	(20)	–	–	–	–	–	–	**(20)**
Loss from associate	–	–	–	(135)	–	–	–	**(135)**
Exceptional items	–	(4)	(7)	–	–	–	–	**(11)**
Taxation	(186)	(43)	(1 388)	(5)	(2)	(47)	–	**(1 671)**
Non-controlling interest	(212)	–	–	–	27	(9)	–	**(194)**
Contribution to basic earnings	350	107	2 892	(103)	(173)	206	32	**3 311**
Contribution to headline earnings	350	110	2 897	(103)	(173)	206	32	**3 319**
Other information								
Segment assets, including investment in associate	5 903	2 640	11 923	3 544	683	1 892	5 724	**32 309**
Investment in associate	–	–	–	1 331	–	–	–	**1 331**
Segment liabilities	1 585	226	1 271	1 924	209	1 138	–	**6 353**
Unallocated liabilities (tax and deferred tax)								**3 841**
Consolidated total liabilities								**10 194**
Cash inflow/(outflow) from operating activities	988	405	3 413	174	(136)	(515)	–	**4 329**
Cash outflow from investing activities	(293)	(393)	(1 822)	(427)	(313)	(44)	–	**(3 292)**
Cash (outflow)/inflow from financing activities	(329)	–	(3)	78	–	(334)	–	**(588)**
Capital expenditure**	429	404	1 967	85	475	44	–	**3 404**
Amortisation and depreciation	304	203	499	95	6	5	–	**1 112**
Impairment	–	4	–	–	–	–	–	**4**
EBITDA	1 106	351	4 728	217	(145)	177	–	**6 434**

* *Corporate, other companies and consolidation adjustments*

** *Capital expenditure in the ARM exploration segment relates to the ARM Copper development of the Konkola North Copper Project.*

Notes to the financial statements

for the year ended 30 June 2011 (reviewed) (continued)

PRIMARY SEGMENTAL INFORMATION (continued)	ARM Platinum Platinum Rm	ARM Platinum Nickel Rm	ARM Ferrous Rm	ARM Coal Rm	ARM Exploration Rm	*Corporate and other Rm	Gold Rm	**Total Rm**
2.2 Year to 30 June 2010 (audited)								
Total sales	3 156	1 224	6 435	212	1	–	–	**11 028**
Inter-group sales to ARM Ferrous	–	6	–	–	–	–	–	**6**
Sales	3 156	1 218	6 435	212	1	–	–	**11 022**
Cost of sales	(2 294)	(896)	(4 160)	(157)	–	27	–	**(7 480)**
Other operating income per income statement	11	37	148	–	–	212	–	**408**
Other operating expenses per income statement	(79)	(72)	(423)	(1)	(120)	(335)	–	**(1 030)**
Segment result	794	287	2 000	54	(119)	(96)	–	**2 920**
Income from investments	23	7	86	–	–	61	32	**209**
Finance cost	(38)	(2)	(7)	(7)	(46)	(1)	–	**(101)**
Finance cost Implats: Shareholders' loan Two Rivers	(41)	–	–	–	–	–	–	**(41)**
Finance cost ARM: Shareholders' loan Two Rivers	(50)	–	–	–	–	–	–	**(50)**
Income from associate	–	–	–	(51)	–	–	–	**(51)**
Exceptional items	–	(2)	3	–	96	–	–	**97**
Taxation	(199)	(85)	(715)	(13)	1	2	–	**(1 009)**
Non-controlling interest	(174)	–	–	–	21	(9)	–	**(162)**
Contribution to basic earnings	315	205	1 367	(17)	(47)	(43)	32	**1 812**
Contribution to headline earnings	315	206	1 364	(17)	(143)	(43)	32	**1 714**
Other information								
Segment assets, including investment in associate	5 717	2 385	9 572	3 270	348	1 761	5 180	**28 233**
Investment in associate	–	–	–	1 292	–	–	–	**1 292**
Segment liabilities	1 540	213	1 171	1 746	59	1 700	–	**6 429**
Unallocated liabilities (tax and deferred tax)								**3 275**
Consolidated total liabilities								**9 704**
Cash inflow/(outflow) from operating activities	760	365	1 322	23	(137)	188	–	**2 521**
Cash (outflow)/inflow from investing activities	(116)	(557)	(1 534)	(259)	149	(7)	–	**(2 324)**
Cash (outflow)/inflow from financing activities	(295)	(150)	1	239	(8)	(516)	–	**(729)**
Capital expenditure	148	601	1 601	339	44	5	–	**2 738**
Amortisation and depreciation	316	144	459	60	6	2	–	**987**
Impairment	–	3	–	–	7	–	–	**10**
EBITDA	1 110	431	2 459	114	(113)	(94)	–	**3 907**

** Corporate, other companies and consolidation adjustments*

Notes to the financial statements

for the year ended 30 June 2011 (reviewed) (continued)

The ARM platinum segment is analysed further into Two Rivers Platinum (Pty) Limited and ARM Mining Consortium Limited which includes Modikwa Platinum Mine.

SEGMENTAL INFORMATION	Two Rivers Rm	Modikwa Rm	Platinum Total Rm
2.3 Year to 30 June 2011 (Reviewed)			
Sales			
External sales	2 274	1 081	**3 355**
Cost of sales	(1 634)	(843)	**(2 477)**
Other operating income	12	8	**20**
Other operating expenses	(30)	(66)	**(96)**
Segment result	622	180	**802**
Income from investments	8	17	**25**
Finance cost	(41)	(2)	**(43)**
Finance cost Implats:			
Shareholders' loan			
Two Rivers Platinum (Pty) Limited	(16)	–	**(16)**
Finance cost ARM:			
Shareholders' loan			
Two Rivers Platinum (Pty) Limited	(20)	–	**(20)**
Taxation	(138)	(48)	**(186)**
Non-controlling interest	(187)	(25)	**(212)**
Contribution to basic earnings	228	122	**350**
Contribution to headline earnings	228	122	**350**
Other information			
Segment and consolidated assets	3 173	2 730	**5 903**
Segment liabilities	1 001	584	**1 585**
Unallocated liabilities (tax and deferred tax)			**923**
Consolidated total liabilities			**2 508**
Cash inflow from operating activities	669	319	**988**
Cash outflow from investing activities	(174)	(119)	**(293)**
Cash outflow from financing activities	(329)	–	**(329)**
Capital expenditure	304	125	**429**
Amortisation and depreciation	228	76	**304**
EBITDA	850	256	**1 106**

Notes to the financial statements

for the year ended 30 June 2011 (reviewed) (continued)

SEGMENTAL INFORMATION (continued)	Two Rivers Rm	Modikwa Rm	Platinum Total Rm
2.4 Year to 30 June 2010 (Audited)			
Sales			
External sales	2 099	1 057	**3 156**
Cost of sales	(1 507)	(787)	**(2 294)**
Other operating income	10	1	**11**
Other operating expenses	(23)	(56)	**(79)**
Segment result	579	215	**794**
Income from investments	3	20	**23**
Finance cost	(35)	(3)	**(38)**
Finance cost Implats:			
Shareholders' loan			
Two Rivers Platinum (Pty) Limited	(41)	–	**(41)**
Finance cost ARM:			
Shareholders' loan			
Two Rivers Platinum (Pty) Limited	(50)	–	**(50)**
Taxation	(130)	(69)	**(199)**
Non-controlling interest	(146)	(28)	**(174)**
Contribution to basic earnings	180	135	**315**
Contribution to headline earnings	180	135	**315**
Other information			
Segment and consolidated assets	3 046	2 671	**5 717**
Segment liabilities	1 007	533	**1 540**
Unallocated liabilities (tax and deferred tax)			**871**
Consolidated total liabilities			**2 411**
Cash inflow from operating activities	551	209	**760**
Cash outflow from investing activities	(75)	(41)	**(116)**
Cash outflow from financing activities	(275)	(20)	**(295)**
Capital expenditure	97	51	**148**
Amortisation and depreciation	238	78	**316**
EBITDA	817	293	**1 110**

Notes to the financial statements

for the year ended 30 June 2011 (reviewed) (continued)

Additional information

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

SEGMENTAL INFORMATION (continued)	Iron ore Division Rm	Manganese Division Rm	Chrome Division Rm	**Total Rm**	**Attributable to ARM Rm**
2.5 Year to 30 June 2011 (Reviewed)					
Sales	10 342	6 466	2 267	**19 075**	**9 538**
Other operating income	378	147	36	**561**	**125**
Other operating expense	691	317	152	**1 160**	**425**
Operating profit	6 485	2 289	(315)	**8 459**	**4 229**
Contribution to earnings	4 650	1 369	(234)	**5 785**	**2 892**
Contribution to headline earnings	4 654	1 377	(234)	**5 797**	**2 897**
Other information					
Consolidated total assets	15 051	7 902	1 460	**24 413**	**11 923**
Consolidated total liabilities	4 203	1 984	718	**6 905**	**1 271**
Capital expenditure	3 225	656	216	**4 097**	**1 967**
Amortisation and depreciation	593	287	148	**1 028**	**499**
Cash inflow/(outflow) from operating activities	5 996	(980)	(189)	**4 827**	**3 413**
Cash outflow from investing activities	(2 788)	(649)	(207)	**(3 644)**	**(1 822)**
Cash outflow from financing activities	–	-	(6)	**(6)**	**(3)**
EBITDA	7 078	2 576	(167)	**9 487**	**4 728**
2.6 Year to 30 June 2010 (Audited)					
Sales	4 993	6 287	1 590	**12 870**	**6 435**
Other operating income	119	187	29	**335**	**148**
Other operating expense	201	436	248	**885**	**423**
Operating profit	2 003	2 235	(239)	**3 999**	**(2 000)**
Contribution to earnings	1 437	1 480	(185)	**2 732**	**1 367**
Contribution to headline earnings	1 436	1 478	(185)	**2 729**	**1 364**
Other information					
Consolidated total assets	8 729	8 922	1 920	**19 571**	**9 572**
Consolidated total liabilities	2 532	2 596	722	**5 850**	**1 171**
Capital expenditure	2 304	743	289	**3 336**	**1 601**
Amortisation and depreciation	544	250	142	**936**	**459**
Cash inflow/(outflow) from operating activities	1 985	(122)	(219)	**1 644**	**1 322**
Cash outflow from investing activities	(2 133)	(666)	(267)	**(3 066)**	**(1 534)**
Cash inflow/(outflow) from financing activities	–	4	(1)	**3**	**1**
EBITDA	2 547	2 485	(97)	**4 935**	**2 459**

Notes to the financial statements

for the year ended 30 June 2011 (reviewed) (continued)

		Reviewed 2011 Rm	Audited 2010 Rm
3	**EXCEPTIONAL ITEMS**		
	Profit on sale of Otjikoto	**–**	103
	(Loss)/profit on sale of fixed assets	**(7)**	3
	Capital portion of insurance claim at Nkomati	**–**	1
	Impairments of property, plant and equipment	**(4)**	(10)
	Exceptional items per income statement	**(11)**	97
	Taxation	**3**	1
	Total amount adjusted for headline earnings	**(8)**	98
4	**HEADLINE EARNINGS**		
	Basic earnings per income statement	**3 311**	1 812
	– Impairments of property, plant and equipment	**4**	10
	– Capital portion of insurance claim at Nkomati	**–**	(1)
	– Profit on sale of Otjikoto	**–**	(103)
	– Loss/(profit) on disposal of property, plant and equipment	**7**	(3)
		3 322	1 715
	– Taxation	**(3)**	(1)
	Headline earnings	**3 319**	1 714
5	**CASH AND CASH EQUIVALENTS**		
	– African Rainbow Minerals Limited	**962**	903
	– Assmang Limited	**1 473**	897
	– ARM Platinum (Pty) Limited	**285**	248
	– Kingfisher Insurance Co Limited	**139**	126
	– Nkomati	**176**	82
	– Two Rivers Platinum (Pty) Limited	**4**	7
	– Vale/ARM joint venture	**36**	115
	– Venture Building Trust	**5**	–
	– Restricted cash	**588**	661
	Total as per statement of financial position	**3 668**	3 039
	Less: Overdrafts (included in note 7)	**441**	248
	Total as per statement of cash flows	**3 227**	2 791
6	**LONG-TERM BORROWINGS**		
	– African Rainbow Minerals Limited	**410**	784
	– Assmang Limited	**–**	3
	– ARM Platinum (Pty) Limited	**1**	1
	– ARM Coal (Pty) Limited	**1 781**	1 657
	– Two Rivers Platinum (Pty) Limited	**145**	137
		2 337	2 582
7	**OVERDRAFTS AND SHORT-TERM BORROWINGS**		
	– Assmang Limited	**2**	4
	– ARM Platinum (Pty) Limited	**129**	123
	– ARM Coal (Pty) Limited	**27**	4
	– Two Rivers Platinum (Pty) Limited – Bank financing	**464**	252
	– Implats	**73**	343
	– Other	**37**	38
		732	764

Notes to the financial statements

for the year ended 30 June 2011 (reviewed) (continued)

		Reviewed 2011 Rm	Audited 2010 Rm
8	**TAXATION**		
	South African normal taxation		
	– current year	**975**	271
	– mining	**875**	213
	– non-mining	**100**	58
	– prior year	**–**	(52)
	State's share of profits	**93**	80
	Deferred taxation	**503**	659
	Secondary Tax on Companies	**100**	51
		1 671	1 009
9	**CASH GENERATED FROM OPERATIONS BEFORE WORKING CAPITAL MOVEMENTS**		
	Cash generated from operations before working capital movement	**6 538**	4 028
	Working capital changes	**(640)**	(598)
	Movement in receivables	**(10)**	(1 393)
	Movement in payables and provisions	**(216)**	756
	Movement in inventories	**(414)**	39
	Cash generated from operations (per cash flow)	**5 898**	3 430
10	**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		
	Commitments in respect of capital expenditure:		
	Approved by directors		
	– contracted for	**3 383**	2 921
	– not contracted for	**600**	505
	Total commitments	**3 983**	3 426

11 CONTINGENT LIABILITIES

There have been no significant changes in the contingent liabilities of the Group as disclosed in the 30 June 2010 annual report.

The company is in discussion with the South African Revenue Services on progressing the 1998 tax dispute concerning the claim of a loan stock redemption premium.

12 EVENTS AFTER REPORTING DATE

Since the year-end the portion of the insurance claim relating to the furnace explosion at the Cato Ridge Works, claimable against the local insurers, was settled on 26 August 2011. The portion attributable to ARM will be approximately R60 million after tax. The results to 30 June 2011 have not been adjusted as the impact is not considered material.

NOTES

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Forward-looking statements

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

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African Rainbow Minerals

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