ARM

African Rainbow Minerals

We do it better

Interim results

for the six months ended
31 December 2011

Shareholder information

Issued share capital at 31 December 2011	213 750 888 shares
Market capitalisation at 31 December 2011	ZAR36.55 billion
Market capitalisation at 31 December 2011	US$4.53 billion
Closing share price at 31 December 2011	R171.00
Six-month high (1 July 2011 – 31 December 2011)	R198.88
Six-month low (1 July 2011 – 31 December 2011)	R160.01
Average volume traded for the six months	404 451 shares per day
Primary listing	JSE Limited
Ticker symbol	ARI

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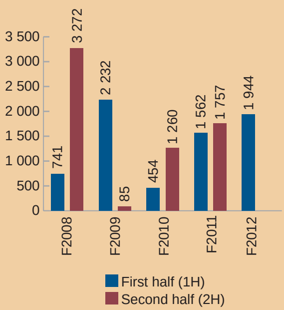
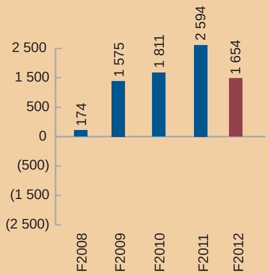
Salient features

- Headline earnings increased 24% to R1.94 billion (1H F2011: R1.56 billion). Headline earnings per share were 912 cents per share (1H F2011: 734 cents per share).
- Cash generated from operations increased by 25% to R2.56 billion (1H F2011: R2.05 billion).
- Increased sales volumes for iron ore, manganese ore, manganese alloys, PGMs, nickel, chrome concentrate and Eskom thermal coal.
- Robust financial position maintained, with net cash (excluding partner loans) of R1.66 billion.
- Growth projects continue to progress:
  - The Khumani Iron Ore Expansion Project from 10 mtpa to 16 mtpa has been handed over to the mine and is currently ramping up production well ahead of schedule.
  - The Nkomati Nickel Large-Scale Expansion Project is ramping up in accordance with the revised plan and showed notable improvements in plant recoveries and production during the second quarter.
  - The Goedgevonden Coal Mine reached design capacity.
  - The Konkola North Copper Project continues to advance on schedule and within budget. Commissioning of the concentrator plant is expected in December 2012.
- Government's commitment to substantially invest in rail, port and electricity, supports and accelerates ARM's aggressive growth strategy.

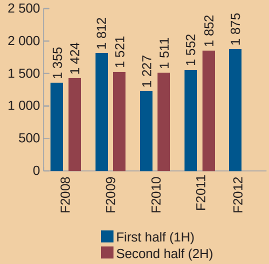
Headline earnings (R million)



Net cash excluding partner loans (R million)



Capital expenditure (R million)



ARM operational review

The ARM Board of Directors (the Board) announces improved earnings for the six months ended 31 December 2011 (1H F2012). Headline earnings for the period increased by 24% to R1.94 billion when compared to the corresponding six months ended 31 December 2010 (1H F2011: R1.56 billion). Headline earnings were 912 cents per share (1H F2011: 734 cents per share).

The improvement in earnings was driven mainly by increased sales volumes in iron ore as the Khumani Iron Ore Expansion Project progressed well ahead of schedule. Higher sales volumes were also achieved in manganese ore, manganese alloys, PGMs, nickel and Eskom thermal coal. The positive effect of improved sales volumes was, however, reduced by a decline in US Dollar commodity prices as uncertainty in global markets continued to put pressure on demand for commodities and thus commodity prices. A 7.2% weakening in the Rand against the US Dollar from an average of R7.10/US$ to R7.61/US$ did, however, offset some of the US Dollar price decreases.

The following increases in sales volumes were achieved:

- 68% increase in iron ore sales from 4.0 million tonnes to 6.8 million tonnes;
- 21% increase in nickel sales from 4.3 thousand tonnes to 5.2 thousand tonnes;
- 20% increase in manganese alloy sales from 87 thousand tonnes to 104 thousand tonnes;
- 9% increase in manganese ore sales from 1.5 million tonnes to 1.6 million tonnes; and
- 6% increase in PGM (including Nkomati) sales from 361 thousand ounces to 384 thousand ounces.

Contribution to headline earnings

Commodity group	six months ended 31 December		
R million	**2011**	2010	% change
Platinum Group Metals	**162**	161	1
Nkomati nickel and chrome	**(128)**	134	(196)
Ferrous metals	**1 974**	1 256	57
Coal	**(12)**	(54)	78
Copper	**(30)**	(64)	53
Exploration	**(54)**	–	
Gold	**38**	32	19
Corporate and other	**(6)**	97	(106)
ARM headline earnings	**1 944**	1 562	24

The interim results for the six months ended 31 December 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 minor computational discrepancies on the tabulations.

ARM’s aggressive growth continues

ARM continues to focus on growth through the development of its four major projects in iron ore, nickel, coal and copper. Capital risk on the four projects is limited with three of the projects already complete and currently in ramp-up phase. At the end of December 2011, 87% of the approved capital expenditure was already committed on the copper project which is under construction. The Khumani Iron Ore Expansion Project, which will increase production volumes from 10 million tonnes to 16 million tonnes per annum (mtpa), is currently ahead of schedule and is well within budget. The ramp-up of the mine coincides with improved demand and pricing conditions in the iron ore market and resulted in iron ore delivering a 79% increase in headline earnings in 1H F2012.

At the Nkomati Nickel Mine, both the 375 thousand tonnes per month and the 250 thousand tonnes per month concentrator plants were successfully commissioned. Tonnes milled increased by 48% in 1H F2012 as the ramp-up of the Nkomati Large Scale Expansion Project progressed. However, challenges experienced with the head grade and plant recoveries persisted and hampered nickel production. Management is addressing these challenges and has commenced with accelerated stripping to create increased mining flexibility. The measures implemented are yielding encouraging results evident in the increased plant recoveries during the last two months of 1H F2012. Further improvements are expected over the next 12 months as the large open pit is developed.

The Goedgevonden Coal Mine (GGV) reached design capacity. However underperformance of the GGV Coal Handling Processing Plant coupled with industrial action resulted in lower than expected sales volumes in the ramp-up of GGV.

The Konkola North Copper Project in Zambia, which will produce 45 000 tonnes of copper per annum, is progressing on schedule and within budget. As at 31 December 2011, 87% of the approved capital expenditure of US$399 million (in July 2010 terms) was committed. Commissioning of the plant is expected in December 2012. The second phase of this project, which is expected to lead to the exploitation of Area ‘A’, is also progressing well with five exploration drill rigs deployed and a total of 10 612 metres drilled during 1H F2012. The drill results are being analysed and initial results are encouraging. Development of Area ‘A’ is currently expected to increase the total production of Konkola North to 100 000 tonnes of copper per annum.

Projects in pipeline

ARM has a number of projects in the pipeline whose feasibility studies are well-advanced. These include: expansion of the iron ore operations, increasing manganese ore production, an expansion of the Modikwa Mine, and the Two Rivers Merensky Project. The expansions under consideration require additional infrastructure capacity in the form of rail, port and electricity. Reconfirmation of the Government’s commitment to investment in infrastructure bodes very well for development of these projects. ARM is confident about developing these projects and continues to work with Transnet and Eskom to evaluate different alternatives for increased rail, port and electricity capacity.

Focus on operational efficiencies

ARM’s target is to have all operations positioned below the 50th percentile of each commodity’s respective global cost curve by the end of 2012. Despite inflationary pressure on the South African mining industry resulting from above inflation increases in the cost of diesel, electricity and labour, ARM has to date managed to achieve this target for all its operations, except the Nkomati Nickel Mine and the ferrochrome operations. Nkomati is expected to reach this target in 2014 while the ferrochrome operations are in the process of being converted from ferrochrome to ferromanganese. One furnace at Machadodorp Works has been successfully converted and a further two furnaces will be converted by the end of the 2012 calendar year. Konkola North Copper is expected to produce copper below the median world production cost by 2015.

CEO succession

As per ARM's announcement titled "Completion of Chief Executive Officer (CEO) succession process" published on 23 June 2011 the Board welcomes Mike Schmidt as the CEO of ARM effective from 1 March 2012. Andre Wilkens will continue as an executive director in the role of Executive Director (Growth and Strategic Development) based in the office of the Executive Chairman.

Changes to resources and reserves

There has been no material change to ARM's mineral resources and reserves as disclosed in the Integrated Annual Report for the financial year ended 30 June 2011, other than depletion due to continued mining activities at the operations.

These results have been achieved in conjunction with ARM's partners at the various operations, Anglo American Platinum Limited ("Anglo Platinum"), Assore Limited ("Assore"), Impala Platinum Holdings Limited ("Implats"), Norilsk Nickel Africa (Pty) Ltd ("Norilsk"), Xstrata South Africa (Pty) Ltd ("Xstrata") and Vale S.A. ("Vale").

Financial commentary

Headline earnings for the six months ended 31 December 2011 were R1 944 million or 24% higher than the corresponding period's headline earnings (1H F2011: R1 562 million).

Sales for the reporting period were 30% higher than the corresponding period last year at R8.72 billion (1H F2011: R6.71 billion). The consolidated average gross profit margin of 38% is lower than the corresponding period (1H F2011: 41%) due to decreased US Dollar commodity prices for manganese ore, ferromanganese alloys, rhodium and nickel, coupled with above inflation unit cost increases for iron ore, nickel and coal. Nkomati operated at a gross loss for the period, having been negatively affected by significant waste stripping costs as the mine improves mining flexibility. The margins achieved at each operation may be ascertained from the detailed segment reports provided in note 9 to the financial statements as well as in the reviews for each operation.

The 1H F2012 average Rand/US Dollar exchange rate of R7.61/US$ was 7.2% weaker than the corresponding period average of R7.10/US$. The weaker Rand had a positive impact on the Rand prices achieved for commodities. The closing exchange rate was R8.07/US$ at 31 December 2011.

ARM's earnings before interest, tax, depreciation and amortisation (EBITDA), excluding exceptional items and income from associates, were R3 635 million, which represents an increase of 17% or R532 million over the amount for 1H F2011.

Key features from the segmental contribution analysis are:

- The ARM Ferrous contribution to ARM's headline earnings increased by 57% to R1 974 million (1H F2011: R1 256 million). The major portion of this increase is attributable to the increased contribution by the iron ore division.
- The ARM Platinum segment contribution, which includes the negative results of Nkomati, was R34 million which is R261 million less than the corresponding period and represents an 88% decrease. The fall in contribution was solely due to the negative contribution of R128 million from Nkomati (1H F2011: R134 million profit).
- The ARM Coal segment result was a loss of R12 million (1H F2011: R54 million loss). Goedgevonden contributed increased headline earnings of R31 million (1H F2011: R6 million) while the Participating Coal Business (PCB) operations showed a loss of R43 million (1H F2011: R60 million loss).
- ARM Copper, which comprises the Vale/ARM joint venture, made a reduced loss of R30 million for the period (1H F2011: R64 million loss).
- Costs for the newly formed ARM Exploration segment were R54 million and included mainly the cost of exploration on the Rovuma (Mozambique) project.
- The ARM Corporate, other companies and consolidation segment shows a negative contribution of R6 million compared to a positive contribution of R97 million for the previous corresponding period. This segment's results include a tax charge of R85 million reflecting the reversal of the deferred tax asset raised at 30 June 2011 pertaining to Secondary Tax on Companies (STC) which ceases in April 2012. The results include attributable insurance premium income of R72 million, recognised in an insurance cell captive, representing premium income earned following the restructuring of an underlying policy providing annual insurance protection to group operations. This income and the STC charge are not expected to be recurring.
- ARM received a dividend of R38 million in October 2011 from its investment in Harmony Gold Mining Company Limited relating to their F2011 results (1H F2011: R32 million).

ARM's basic earnings for 1H F2012 approximate headline earnings as exceptional items amounted to only R39 million for the period. The sale of the Spitzkop and Tselentis coal assets in Mpumalanga by PCB was concluded during the period and realised an attributable gain of R37 million net of taxation.

At 31 December 2011 cash and cash equivalents amounted to R2 825 million (F2011: R3 668 million) with gross debt at R3 062 million (F2011: R3 069 million). The net debt at 31 December 2011 therefore amounted to R237 million (F2011: R599 million net cash) indicating a decrease of R836 million relative to the position at 30 June 2011. Net cash at 31 December 2011 excluding partner loans (Implats: R50 million, Anglo Platinum: R114 million and Xstrata: R1 727 million) amounted to R1 654 million as compared to R2 594 million at 30 June 2011.

- Cash generated from operations increased by R512 million from R2 049 million to R2 561 million despite an increased working capital requirement of R1 148 million resulting from the increased activity levels at operations.
- Capital expenditure amounted to R1 875 million for the period (1H F2011: R1 552 million) and was mainly expended at the growth projects of Khumani and Konkola North Copper Project.

ARM's consolidated total assets of R34.3 billion (F2011: R32.3 billion) include the marked-to-market valuation of ARM's investment in Harmony of R6.0 billion at a share price of R95.00 per share (F2011: R89.95 per share).

Included in Other Expenses is an amount of R222 million for mineral royalties tax (1H F2011: R98 million which included State Share of Profits which was discontinued in August 2011).

The effective tax rate of 33% was in line with that of the corresponding period last year.

The International Financial Reporting Interpretations Committee (IFRIC) issued IFRIC Interpretation 20: Stripping Costs in the Production Phase of a Surface Mine, during October 2011 to be mandatorily effective for financial years commencing on or after 1 January 2013. When implemented this interpretation could result in all "in production" waste stripping costs, subject to certain criteria being met, being capitalised and then amortised over the life of each open-pit mining campaign. The implementation of IFRIC 20 would be treated as a change in accounting policy and would, if material, result in restatement of prior period results. ARM is in the process of evaluating this new interpretation as it would apply to its operations. It is ARM's intention to early adopt this policy by the end of F2012.

Safety

Safety is a top priority for ARM and all its operations. In 1H F2012 ARM maintained an excellent Lost Time Injury Frequency Rate (LTFIR) of 0.41 per 200 000 man hours (1H F2011: 0.41).

Despite concerted efforts to improve our safety performance, two employees were fatally injured at Two Rivers. On 13 December 2011, Mr Ananias Silvano Chambale was injured and subsequently passed away on 15 December 2011 as a result of injuries sustained in the incident. Subsequent to the six-month period under review, on 21 January 2012, Mr Daniel Ntuli was fatally injured during a fall of ground accident. The last fatality at Two Rivers was in July 2007.

Modikwa Mine suffered a double fatality post 1H F2012. On 27 January 2012, two employees, Ms Patricia Moropa and Mr Katheane Lenong, were fatally injured from a fall of ground whilst installing support in an old underground working area. Modikwa Mine's last fatality was April 2006 and since that time the mine had achieved more than 8 million fatality-free shifts.

The ARM Board and management extends their heartfelt condolences to the family, friends and colleagues of the deceased.

Safety achievements

- Modikwa achieved 68 fatality-free months at the end of December 2011;
- Dwarsrivier Mine achieved one million fatality-free shifts and 3 000 fatality-free production shifts in the Department of Mineral Resources (DMR) competition;
- Khumani Mine achieved two million fatality-free shifts and 2 000 fatality-free production shifts in the DMR competition;
- Cato Ridge Works completed one million fatality-free shifts;
- Black Rock Mine won an award as the safest underground mine and the most improved underground mine in the Northern Cape Mine Managers Association competition; and
- Nkomati Mine achieved two million fatality-free shifts.

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

ARM Ferrous

ARM Ferrous reported a 57% increase in attributable headline earnings to R1 974 million (1H F2011: R1 256 million). The improvement in earnings was driven by increased iron ore sales volumes and prices. Higher sales volumes were achieved across all the ARM Ferrous commodities, except chrome ore and chrome alloys. Chrome ore sales volumes remained constant whilst volumes for chrome alloys decreased as a result of the strategy to convert furnaces at Machadodorp Works from ferrochrome to ferromanganese.

Realised US Dollar prices for iron ore increased 8%, while US Dollar prices for manganese ore decreased by 16% and manganese alloy by 9%. Charge chrome prices remained constant compared to the corresponding period. The 7.2% weakening in the Rand against the US Dollar had a positive impact on headline earnings.

Iron ore sales volumes increased by 68% to 6.8 million tonnes as the Khumani Iron Ore Expansion Project continues to ramp up from 10 mtpa to 16 mtpa. Manganese ore sales volumes (excluding intra-group sales) increased by 9% to 1.6 million tonnes while chrome ore and chrome alloy sales volumes decreased by 1% and 6%, respectively. Manganese alloy sales volumes increased by 20% as a result of increased ferromanganese produced from the successfully converted No. 5 Furnace at Machadodorp Works.

Increased power consumption due to the start-up of the Khumani crusher, higher tonnages processed and additional waste stripping resulted in an 18% increase in iron ore production unit costs. Chrome alloy production unit costs increased by 21% due to increased electricity tariffs coupled with lower production volumes following the conversion of the No. 5 Furnace at Machadodorp Works. Cost increases at the manganese ore operations were in line with inflation. A reduction in costs was achieved at the chrome ore and manganese alloys operations due to higher production volumes and improved efficiencies.

Total capital expenditure was R2.0 billion (1H F2010: R2.1 billion). Major items included on-going development of the Khumani Iron Ore Mine (R1.5 billion) and the conversion of furnaces from ferrochrome to ferromanganese at Machadodorp Works (R40 million). The balance of the capital expenditure related to feasibility studies, information technology, replacement of vehicles and ensuring compliance to legislative changes.

Assmang headline earnings

100% basis	six months ended 31 December		
R million	**2011**	2010	% change
Iron ore division	**3 126**	1 750	79
Manganese division	**833**	849	(2)
Chrome division	**(10)**	(87)	88
Total	**3 949**	2 512	57
Headline earnings attributable to ARM (50%)	**1 974**	1 256	57

Assmang production volumes

100% basis	six months ended 31 December		
Thousand tonnes	**2011**	2010	% change
Iron ore	**6 413**	4 646	38
Manganese ore	**1 692**	1 305	30
Manganese alloys	**153**	103	49
Charge chrome	**113**	122	(7)
Chrome ore	**498**	442	13

Assmang sales volumes

100% basis	six months ended 31 December		
Thousand tonnes	**2011**	2010	% change
Iron ore	**6 781**	4 039	68
Manganese ore*	**1 590**	1 456	9
Manganese alloys	**104**	87	20
Charge chrome	**86**	91	(5)
Chrome ore*	**211**	214	(1)

** Excluding intra-group sales*

Assmang cost and EBITDA margin performance

Commodity group	Rand per tonne cost change %	EBITDA margin %
Iron ore	17.8	64.1
Manganese ore	4.4	37.3
Manganese alloys	(5.3)	41.0
Charge chrome	20.8	(0.2)
Chrome ore	(2.8)	38.4

Assmang capital expenditure

100% basis	six months ended 31 December	
R million	**2011**	2010
Iron ore	**1 644**	1 601
Manganese	**265**	380
Chrome	**128**	92
Total	**2 037**	2 073

Khumani Iron Ore Mine Expansion Project

The Khumani Iron Ore Expansion Project from 10 mtpa to 16 mtpa was handed over to the operations and is ramping up to full production ahead of schedule.

Assmang approved R1.2 billion for a Wet High Intensity Magnetic Separation (WHIMS) plant at Khumani. The WHIMS plant will enhance the life of mine at Khumani by enabling recovery of an additional 3% of Run of Mine (ROM) material. R426 million was also approved for an additional on-mine stockpile area and the diversion of the Transnet Freight Rail (TFR) main line, which runs through a future mining area.

Beeshoek Village Pit Project

Capital of R885 million has been approved for development of the East pit at Beeshoek Iron Ore Mine which will extend production to July 2014. To allow for future mining of the Beeshoek Village Pit the capital approved also includes the diversion of the R385 road between Postmasburg and Olifantshoek as well as development of residential properties in Postmasburg to relocate employees currently residing in the village.

Manganese ore projects

The feasibility study to expand the Black Rock Manganese Ore Mine from 3 mtpa to 4 mtpa is progressing well and the possibility of sinking two additional shafts is being investigated. The additional 1 mtpa from this expansion will supply the manganese ore required for the converted furnaces at Machadodorp Works and also provide the mine with additional flexibility to produce consistent grades and increased tonnages. A scoping study to expand manganese ore production at Black Rock mine from 4 mtpa to 6 mtpa, was completed during the 2011 calendar year with the feasibility study expected to be completed by the fourth quarter of F2012.

A study into the viability of building a sinter plant was conducted; a decision in this regard is expected in 2H F2012.

Conversion of ferrochrome furnaces to ferromanganese furnaces

The No. 5 Furnace at Machadodorp Works has been successfully converted from ferrochrome to ferro-manganese production. Conversion of the No. 2 and No. 3 furnaces is expected to commence in May 2012 with completion expected by August 2012. Upgrading of the raw material section is already in progress.

Logistics

Assmang's iron ore export rail and port capacity throughput increased by approximately 60% due to increased volumes at Khumani, improved Transnet performance and increased Transnet capacity installed as part of the expansion of the Saldanha Export Channel from 47 mtpa to 60 mtpa.

Assmang and Transnet are continuing with dialogue on future export capacity growth. The iron ore industry, together with Transnet, embarked on a joint feasibility project to expand the current Saldanha Export Channel beyond 60 mtpa. This study is expected to be completed by March 2012.

The agreement to export manganese ore through Port Elizabeth will expire on 31 March 2013. A parallel study is being conducted to evaluate options to export manganese ore through Saldanha or Ngqura (Coega) by 2016. This feasibility study is expected to be completed by April 2012. To ensure continued export channels for our major customers, manganese ore stockpile capacity was secured at Richards Bay and Durban ports until June 2014 and June 2015, respectively.

Assmang is utilising road transport to haul approximately 20% of its manganese ore and manganese alloys. The ability to reduce road transport and increase rail transport is dependent on operational levels achieved by Transnet and future rail and port capacity allocation.

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 had a challenging six months with attributable headline earnings decreasing by R261 million (88%) to R34 million. PGM production (on 100% basis including Nkomati) increased 6% to 383 809 ounces (1H F2011: 361 192 ounces) while total nickel produced increased by 23% to 6 014 tonnes (1H F2011: 4 886 tonnes).

With respective unit costs of R4 734/6E PGM oz and R4 891/6E PGM oz, Two Rivers and Modikwa continue to be positioned below the 50th percentile of the global PGM cost curve.

A 7.2% weakening in the Rand against the US Dollar resulted in the basket prices for Modikwa and Two Rivers increasing by 9% and 8% to R272 154/kg and R285 315/kg, respectively.

The table below sets out the relevant price comparison:

Average metal prices

		Average for six months ended 31 December		
		2011	2010	% change
Platinum	$/oz	**1 652**	1 625	2
Palladium	$/oz	**691**	585	18
Rhodium	$/oz	**1 667**	2 191	(24)
Nickel	$/t	**19 763**	21 863	(10)
Chrome concentrate	$/t	**177**	257	(31)

ARM Platinum capital expenditure

100% basis	six months ended 31 December		
R million	**2011**	2010	% change
Modikwa	**246**	154	60
Two Rivers	**164**	53	209
Nkomati	**112**	628	(82)
Total	**522**	835	(38)

Capital expenditure at ARM Platinum was R522 million (R343 million attributable). Capital expenditure at Nkomati was R112 million of which R12 million was for the completion of the Large-Scale Expansion Project and the balance to sustain operations. Modikwa's major capital items included the deepening of North shaft, the sinking of South 2 shaft and an underground mining fleet replacement programme. At Two Rivers, 31% of the capital spent related to the replacement of the underground mining fleet, with the balance incurred for the deepening of the Main and North declines.

Modikwa

Modikwa's tonnes milled and head grade decreased slightly and together with a 10% increase in unit costs, resulted in the cash operating profit being 9% lower. During the period 164 thousand tonnes of UG2 open pit material was treated. This oxidised material realised lower recoveries, resulting in PGM ounces decreasing to 176 490 ounces (1H F2011: 179 224 ounces). Unit cost increased 10% to R706 per tonne milled (1H F2011: R640 per tonne milled) and as a result of treatment of the open pit material, Rand unit cost per 6E PGM ounce increased 11% to R4 891 per ounce (1H F2011: R4 416 per ounce). The cost increases are mainly as a result of high industry inflation, in particular on labour, electricity and diesel.

In September 2011, Modikwa Platinum Mine acquired the prospecting right for a portion of the Doornbosch adjoining property from Randgold and Exploration Company Limited. The property has mineral resources of 160 thousand 4E ounces and will provide short-term flexibility to South shaft.

Modikwa operational statistics

100% basis		six months ended 31 December		
		2011	2010	% change
Cash operating profit	R million	**335**	369	(9)
Tonnes milled	Mt	**1.22**	1.24	(2)
Head grade	g/t, 6E	**5.57**	5.65	(1)
PGMs in concentrate	Ounces, 6E	**176 490**	179 224	(2)
Average basket price	R/kg, 6E	**272 154**	249 803	9
Average basket price	$/oz, 6E	**1 112**	1 096	1
Cash operating margin	%	**28**	32	
Cash cost	R/kg, 6E	**157 246**	141 964	11
Cash cost	R/tonne	**706**	640	10
Cash cost	R/Pt oz	**12 310**	11 150	10
Cash cost	R/PGM oz, 6E	**4 891**	4 416	11
Cash cost	$/oz, 6E	**643**	623	3
Headline earnings attributable to ARM (41.5%)	R million	**74**	85	(13)

Two Rivers

The 5% increase in tonnes milled at Two Rivers combined with a 4% increase in plant recoveries, led to a 14% increase in cash operating profit. The slight reduction in head grade was mainly caused by the trial milling of 90 thousand tonnes of Merensky ore. PGMs in concentrate improved 7% to 163 177 PGM ounces (1H F2011: 152 859 ounces). Unit cost increased by 6% to R495 per tonne milled (1H F2011: R469 per tonne milled).

Two Rivers operational statistics

100% basis		six months ended 31 December		
		2011	2010	% change
Cash operating profit	R million	**418**	368	14
Tonnes milled	Mt	**1.56**	1.48	5
Head grade	g/t, 6E	**3.81**	3.94	(3)
PGMs in concentrate	Ounces, 6E	**163 177**	152 859	7
Average basket price	R/kg, 6E	**285 315**	264 917	8
Average basket price	$/oz, 6E	**1 166**	1 162	
Cash operating margin	%	**35**	34	
Cash cost	R/kg, 6E	**152 200**	146 527	4
Cash cost	R/tonne	**495**	469	6
Cash cost	R/Pt oz	**10 088**	9 536	6
Cash cost	R/PGM oz, 6E	**4 734**	4 557	4
Cash cost	$/oz, 6E	**622**	643	(3)
Headline earnings attributable to ARM (55%)	R million	**88**	76	16

Nkomati

A 48% increase in tonnes milled combined with improved recoveries at the 250 thousand tonnes concentrator plant, delivered a 23% growth in nickel output. Nickel produced was however hampered by a 23% decline in head grade. The low head grade, as a result of oxidised zones being mined in Pit 3, is expected to recover during the next 12 months when the exploitation of deeper, fresher ore commences. This higher quality ore will also contribute to increased recoveries in the concentrator plants. Increased mining flexibility was achieved through the accelerated waste stripping campaign, during which 2.5 million additional tonnes were removed.

Chrome ore sales decreased to 64 144 tonnes (1H F2011: 223 279 tonnes) while chrome concentrate sales increased by 76% to 250 687 tonnes (1H F2011: 142 138 tonnes). A 31% decline in chrome concentrate prices negatively affected the earnings from chrome.

Nkomati realised a cash operating loss of R201 million for the period under review. The shift in results from the previous period can be attributed to an increase in general mining and processing costs, the termination of pre-production costs being capitalised (1H F2011: R266 million), a depressed chrome market during the last quarter, and the additional costs for the waste stripping campaign (R59 million) being expensed. For the same reasons, the unit cost increased to R328 per tonne milled (1H F2011: R226 per tonne milled) and to $10.24/lb net of by-products (1H F2011: US$2.38). Chrome credits contributing to the cash cost net of by-products reduced to US$0.28/lb (1H F2011: US$2.89/lb).

It is estimated that R200 million of waste stripping costs at Nkomati are included in working costs for 1H F2012, which could be capitalised on the adoption of IFRIC 20 referred to in the financial commentary.

The availability and utilisation of the primary crusher improved during the last six months while enhanced ore fragmentation was sustained. Detailed interventions are in progress to achieve improved utilisation and design throughputs.

The Nkomati laboratory results have shown significant accuracy improvement and are now aligned with the Metals Trade Overseas (MTO) assay results. The focus during the next six months will be to enhance management control systems. The accreditation process for the Nkomati laboratory has been initiated and will be finalised during 2012.

Nkomati operational statistics

100% basis		six months ended 31 December		
		2011	2010	% change
Cash operating (loss)/profit	R million	**(201)**	715	(128)
Cash operating (loss)/profit – Nickel Mine	R million	**(228)**	498	(146)
Cash operating profit – Chrome Mine	R million	**27**	217	(88)
Cash operating margin	%	**(15)**	47	
Tonnes milled	Thousand	**3.14**	2.12	48
Head grade	% nickel	**0.30**	0.39	(23)
Nickel on-mine cash cost per tonne milled	R/tonne	**328**	226	45
Cash cost net of by-products *	$/lb	**10.24**	2.38	>200
Contained metal				
Nickel **	Tonnes	**6 014**	4 886	23
PGMs	Ounces	**44 142**	29 110	52
Copper	Tonnes	**3 108**	2 885	8
Cobalt	Tonnes	**281**	321	(12)
Chrome ore sold	Tonnes	**64 144**	223 279	(71)
Chrome concentrate sold	Tonnes	**250 687**	142 138	76
Headline (loss)/earnings attributable to ARM (50%)	R million	**(128)**	134	(196)

* *This reflects US Dollar cash costs net of by-products (PGMs, copper, cobalt and chrome) per pound of nickel produced. The unit cost was adjusted to accommodate the restated units produced as explained in the note below.*

** *As reported in the F2011 Annual Results the nickel units produced, which were previously reported as 5 321 tonnes, have been adjusted to 4 886 tonnes as a result of updated assay results.*

Modikwa projects

The UG2 Phase 2 replacement project is in progress.

Preparatory work on the South 2 decline system continues as expected. The materials decline has advanced 285 metres and the Chairlift decline has advanced 290 metres from surface.

Two Rivers projects

A feasibility study has been completed on the extraction of UG2 ore from the deeper southern strike limit of the Main Decline. As part of the Merensky reef feasibility study, Two Rivers is currently conducting Merensky reef trial mining and milling. To date, 167 500 tonnes have been mined and 90 000 tonnes have been milled. Infill drilling to further verify metallurgical recoveries in the shallow UG2 ore at the proposed North Open Pit is in progress.

Nkomati Nickel Large Scale Expansion Project

Total funds committed at 31 December 2011 amounted to R3.5 billion of the total R3.7 billion approved for the capital project. The upgrade of the 132kV overhead distribution lines was delayed as a result of Eskom processes, with completion now expected by March 2012. This has no material impact on Nkomati in the short to medium term.

Kalplats PGM Exploration Project

Platinum Australia (PLA) submitted a Definitive Feasibility Study (DFS) to ARM Platinum for review in 2011. ARM Platinum had reported that pilot plant scale metallurgical test work would be carried out on a bulk sample during the first half of F2012; however the bulk sample exercise and test work has been put on hold pending the outcome of the review of the DFS.

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. 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

ARM Coal's cash operating profit increased 43% to R296 million in 1H F2012. This improvement was mainly due to increased export sales volumes at GGV together with higher Eskom sales volumes achieved at both GGV and PCB. The US Dollar prices realised for export coal, which increased 38%, also contributed significantly to the improvement in cash operating profit. The ARM Coal headline loss reduced from R54 million to R12 million.

Total saleable coal production for 1H F2011 included 575 thousand tonnes from the Tselentis and Spitzkop collieries (together "the Mpumalanga assets") which were treated as "assets held for sale" as from 1 March 2011. Saleable coal production in 1H F2012 was therefore in line with 1H F2011 excluding production from the Mpumalanga assets. Production levels achieved during the second quarter of F2012 were encouraging as the majority of the challenges experienced in the first quarter were successfully addressed.

Transnet showed a marked improvement in performance since August 2011. ARM Coal however did not fully benefit from this improvement owing to industrial action on two occasions which hampered production. The first industrial action, in which 10 days of production was lost, occurred in July 2011 and was related to wage negotiations. The second related to the implementation of an Employee Share Ownership Plan (ESOP) and took place in October 2011 during which a similar period of production was lost.

Goedgevonden Coal Mine (GGV)

Attributable cash operating profit increased to R144 million (1H F2011: R96 million) whilst headline earnings increased from R6 million in 1H F2011 to R31 million. Increased finance and amortisation charges negatively affected headline earnings.

Export and Eskom sales volumes increased 14% and 65%, respectively, attributable to the performance improvement of Transnet. US Dollar prices realised for export coal increased 42% to US$100.37 per tonne (1H F2011: US$70.49) whilst prices realised on Eskom sales prices reduced 19% as a result of supplying lower quality coal. Attributable revenue for GGV was R62 million (26%) higher than 1H F2011 as a result of higher volumes.

Although saleable production was in line with the previous reporting period, the production results are below ARM Coal's expectations.

Attributable on-mine operating cost increased by R35 million. Operating costs per saleable tonne increased 36% to R209 per tonne (1H 2011: R154 per tonne). Factors contributing to the increase in costs include the termination of the capitalisation of working costs (1H F2011: R9 million attributable): as well as an additional attributable cost of R33 million associated with increased overburden stripping volumes. Overburden stripping volumes increased 33% during 1H F2012 compared to 1H F2011 resulting in 2.5 million tonnes of exposed in-pit inventory in situ at the end of December 2011. The increased in-pit inventory levels will have a positive impact on costs at GGV going forward.

Goedgevonden (GGV) operational statistics

100% basis		six months ended 31 December		
		2011	2010	% change
Total production sales				
Saleable production	Mt	**2.80**	2.90	(3)
Export thermal coal sales	Mt	**1.62**	1.42	14
Eskom thermal coal sales	Mt	**1.88**	1.14	65
Attributable production and sales				
Saleable production	Mt	**0.73**	0.75	(3)
Export thermal coal sales	Mt	**0.42**	0.37	14
Eskom thermal coal sales	Mt	**0.49**	0.30	65
Average received coal price				
Export (FOB)	$/tonne	**100.37**	70.49	42
Eskom (FOT)	R/tonne	**155.85**	192.06	(19)
On mine saleable cost	R/tonne	**208.80**	153.80	36
Cash operating profit				
Total	R million	**555**	369	50
Attributable (26%)	R million	**144**	96	50
Headline earnings attributable to ARM	R million	**31**	6	>200

Attributable profit analysis

	six months ended 31 December		
R million	**2011**	2010	% change
Cash operating profit	**144**	96	50
Less: interest paid	**(48)**	(42)	14
amortisation	**(47)**	(41)	15
fair value adjustments	**(5)**	(6)	(17)
Profit before tax	**44**	8	>200
Less: Tax	**(13)**	(2)	>200
Headline earnings attributable to ARM	**31**	6	>200

Participating Coal Business (PCB)

The disposal transaction relating to the Mpumalanga assets was concluded on 15 December 2011. Competition Commission approval and the Section 11 transfer, the last two conditions precedent, were obtained during December 2011.

The PCB attributable cash operating profit increased by 37% to R152 million. The attributable headline loss improved to R43 million (1H F2011: R60 million) and was affected by increased finance, amortisation and taxation charges.

Increased demand pushed Eskom sales volumes 36% higher whilst local coal sales declined by 32%. Attributable export sales volumes in 1H F2012 were lower due to the exclusion of the Mpumalanga assets which were disposed of. Export sales from the Mpumalanga assets were 103 thousand tonnes in 1H F2011.

Attributable run of mine production was 15% lower mainly due to the inclusion of 240 thousand from the Mpumalanga complex in 1H F2011. Attributable saleable production was 11% lower than 1H F2011 as 116 thousand tonnes of production from the Mpumalanga assets was included in 1H F2011. Production at the South Stock underground operation ceased but this reduction was compensated for by an increase in production at iMpunzi East.

Attributable on-mine cash costs were R42 million lower than the previous period as a result of the inclusion of R61 million relating to the Mpumalanga assets in 1H F2011. The on-mine saleable cost of R329 per tonne was well-controlled and similar to the previous period (1H F2011: R327 per tonne).

Participating Coal Business (PCB) operational statistics

100% basis		six months ended 31 December		
		2011	2010	% change
Total production sales				
Saleable production	Mt	**6.38**	7.18	(11)
Export thermal coal sales	Mt	**4.67**	5.40	(14)
Eskom thermal coal sales	Mt	**2.05**	1.51	36
Local thermal coal sales	Mt	**0.47**	0.69	(32)
Attributable production and sales				
Saleable production	Mt	**1.29**	1.45	(11)
Export thermal coal sales	Mt	**0.94**	1.09	(14)
Eskom thermal coal sales	Mt	**0.41**	0.31	32
Local thermal coal sales	Mt	**0.09**	0.14	(36)
Average received coal price				
Export (FOB)	$/tonne	**97.65**	72.90	34
Eskom (FOT)	R/tonne	**93.51**	98.67	(5)
Local (FOR)	R/tonne	**223.07**	289.02	(23)
On mine saleable cost	R/tonne	**329.30**	326.60	1
Cash operating profit				
Total	R million	**750**	553	36
Attributable (20.2%)	R million	**152**	111	37
Headline loss attributable to ARM	R million	**(43)**	(60)	28

Attributable profit analysis

	six months ended 31 December		
R million	**2011**	2010	% change
Cash operating profit	**152**	111	37
Less: interest paid	**(58)**	(51)	14
amortisation	**(144)**	(128)	13
fair value adjustments	**(10)**	(16)	(38)
Loss before tax	**(60)**	(84)	30
Less: Tax	**17**	23	(26)
Headline loss attributable to ARM	**(43)**	(60)	28

ARM's economic interest in XCSA (PCB) as at 31 December 2011 remains at 20.2%. PCB consists of 10 mines all situated in Mpumalanga. ARM has a 26% effective interest in the GGV Mine situated near Ogies in Mpumalanga.

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

ARM Copper

After the inauguration of the newly elected President and Government of the Republic of Zambia (GRZ) in October 2011, all the required agreements, governing the tenure of the mining lease area, were signed in Lusaka by the authorised representatives of all the parties. During 1H F2012 Zambian Consolidated Copper Mines Investment Holdings (ZCCM-IH) exercised its right to a 20% shareholding in Konnoco (Zambia) Ltd and fulfilled all the obligations in terms of the signed shareholder agreement.

Konkola North Copper Project

The Konkola North Copper Project continues to advance well with 16 of 27 month of project development having been completed in December 2011. The project progress is in line with the baseline schedule with commissioning of the concentrator plant expected in December 2012. Despite worse than expected ground conditions in the East Limb, the mechanised development is progressing well. The first ore body intersection from the East Decline was made on 4 December 2011 and the first owner mining crews commenced with access development on 23 November 2011. Another three crews are in training and ready to commence development in 2012. The refurbishing of the No. 2 Vertical Shaft was negatively affected by the steel industry strike in South Africa and resultant late delivery of steel. The delay was largely mitigated by early access development to the 100 metre level of the vertical shaft. Early access enables development operations at No. 2 Shaft Complex to commence before the commissioning of the vertical shaft system. Production ramp-up to 45 000 tonnes of contained copper is still expected by the end of F2015.

Project expenditure in July 2010 terms is estimated at US$399 million, of which 87% was committed at 31 December 2011. All project costs will be capitalised and include the cost of relocating approximately 205 informal settlement houses built on a potential mining subsidence area as defined by Zambian Mining Legislation.

The mine's throughput design from both the South and East Limb ore bodies remains at 2.5 mtpa of ore with an average mill head grade of 2.3% copper, which will yield 45 000 tonnes of contained copper in concentrate per annum for 28 years. The copper concentrate will be toll smelted and refined in Zambia for which all the off-take agreements have been signed.

The Konkola North Copper Project is the first phase of exploiting the mineral resource under mining license 7061–HQ–LML (Previously LML 20), covering an area of approximately 240 km^2. The second phase, which provides for the exploitation of Area 'A' South, 6 km to the south of the present mine development, may provide for another shaft and the expansion of the processing plant to potentially increase the total production to 5 million tonnes of ore, yielding 100 000 tonnes of copper per annum. Exploration drilling is continuing in Area 'A' and during 1H F2012 five exploration drill rigs were deployed and a total of 10 612 metres were drilled to further define the resources base. Drilling results are being analysed and initial results are encouraging. Further to the drilling programme, an Aerial Magnetic Survey was conducted across the whole Mining Lease area with the intention to identify further exploration target areas.

Kalumines project

The feasibility study at the Kalumines prospecting area was completed and submitted to the shareholders on 28 July 2011 for consideration. Variability drilling and test work are underway to identify further areas of possible optimisation. Initial assessment of the feasibility study indicates that the project is marginal. The shareholders are evaluating different options and have received an extension on the development decision until 2 July 2012.

ARM Copper owns 50% of the Vale/ARM joint venture.

ARM Exploration

ARM Exploration's minerals exploration programme is integral to ARM's future growth and is focused on identifying and capturing projects for future development that will add value to ARM's existing portfolio of assets. Exploration targets include: ferrous metals, base metals, PGMs and coal mineral deposits in sub-Saharan Africa.

An agreement with Rovuma Resources Limited, a Mozambican exploration company, was signed in July 2011. Rovuma has been exploring in Mozambique since 2007 and numerous PGMs, nickel, copper and other and base metal deposits have been identified. ARM will fund on-going exploration at an estimated cost of US$7 million per year and have exclusive rights to exercise options to purchase prospecting and/mining rights to the resources. Exploration in the first year of funding includes the completion of airborne geophysical surveys, geochemical sampling and mapping. Further base metal targets have been identified and will be investigated through drilling.

In Zambia, reconnaissance exploration work on prospective areas for high grade manganese mineralisation has been undertaken. Numerous targets have been identified and discussions with the relevant rights holders have commenced. Discussions are also in progress in Namibia for the possible evaluation of iron ore deposits.

ARM Exploration continues to build a large database of mining and exploration projects in Africa, focusing on iron ore, manganese ore, base metals and coal and is investigating numerous opportunities in the region that could offer investment opportunities for the medium- to long-term project pipeline.

The ARM Exploration headline loss attributable to ARM for 1H F2012 is R54 million.

Harmony Gold Mining Company Limited

Harmony reported a 123% increase in its operating profit to R3 383 million compared to R1 519 million recorded in 1H F2011. Headline earnings were 234% higher at 337 cents per share (1H F2011: 101 cents per share). Harmony achieved these results through continued focus on improving grade quality and controlling costs during a period when the gold price was favourable.

Gold production increased 2% to 20 925kg while the gold price realised increased by 42% from R295 069/kg to R418 381/kg. The increase in production and a higher gold price resulted in revenueincreasing by R2 676 million or 44%. Cash operating costs were 15% higher from R222 787/kg to R257 114/kg mainly due to increases in electricity and inflation-driven costs.

Harmony continued to focus on the optimisation of its asset portfolio and in the period under review announced the disposal of its Evander operations to a consortium comprising Pan African Resources plc and Witwatersrand Consolidated Gold Resources Limited for a purchase consideration of R1.7 billion. Harmony progressed the prefeasibility study of the Walfi Golpu project reaching key strategy milestones in the selection of preferred strategies for mining, underground access, processing, port and power infrastructure. The Walfi deposit resource is 6.2 million ounces (Moz) gold while the Golpu deposit is 19.3 Moz gold and 9 million tonnes copper. A recent drill hole, WR406, showed a 961 metre (m) intersection at 1.37% copper and 1.39 grams per tonne (g/t) gold from 958m including 199m at 2.57% copper and 2.87g/t gold from 1 286m.

Harmony declared a first interim dividend of 40 cents per share. ARM will account for this dividend in its 2H F2012 results.

The ARM statement of financial position at 31 December 2011 reflects a mark-to-market investment in Harmony of R6.05 billion which is based on a Harmony share price of R95.00 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 31 December 2011 can be viewed on Harmony's website at: www.harmony.co.za

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

Outlook

Uncertainty in global markets persists driven by: (i) European sovereign debt issues: (ii) the delayed US recovery and (iii) concerns about a slowdown in China after the introduction of tightening measures in 2011. During the period under review this manifested in volatile commodity and financial markets. This volatility in financial markets was demonstrated in the Rand/US Dollar exchange which during the last six months peaked at R8.57/US$ after reaching a low of R6.67/US$, while the spot price for high grade iron ore ranged between a high of US$185 per tonne and a low of US$118 per tonne. Volatile trading conditions are expected to continue.

Such market volatility makes planning difficult and also heightens the importance of controlling costs. Above inflation increases particularly in labour, electricity and diesel continue to be a challenge for the mining industry. It is nevertheless ARM's view that commodity prices will remain robust over the medium to long term and as a result ARM continues to invest in expansion capital at its existing operations and to fund exploration. ARM remains focused on aggressive growth and is ramping-up production of iron ore to 16 million tonnes per annum at the Khumani Mine, while nickel production at Nkomati is being increased to 20 500 tonnes per annum. The Goedgevonden Mine is ramped up to design capacity of 7.0 million tonnes per annum and the copper output at the Konkola North Copper Project is forecast to be 45 000 tonnes per annum at full production.

Independent auditors

The financial results for the six months ended 31 December 2011 have not been reviewed or audited by the Company's registered auditors, Ernst & Young Inc.

Signed on behalf of the board:

PT Motsepe
Executive Chairman

AJ Wilkens
Chief Executive Officer

Johannesburg

27 February 2012

NOTES

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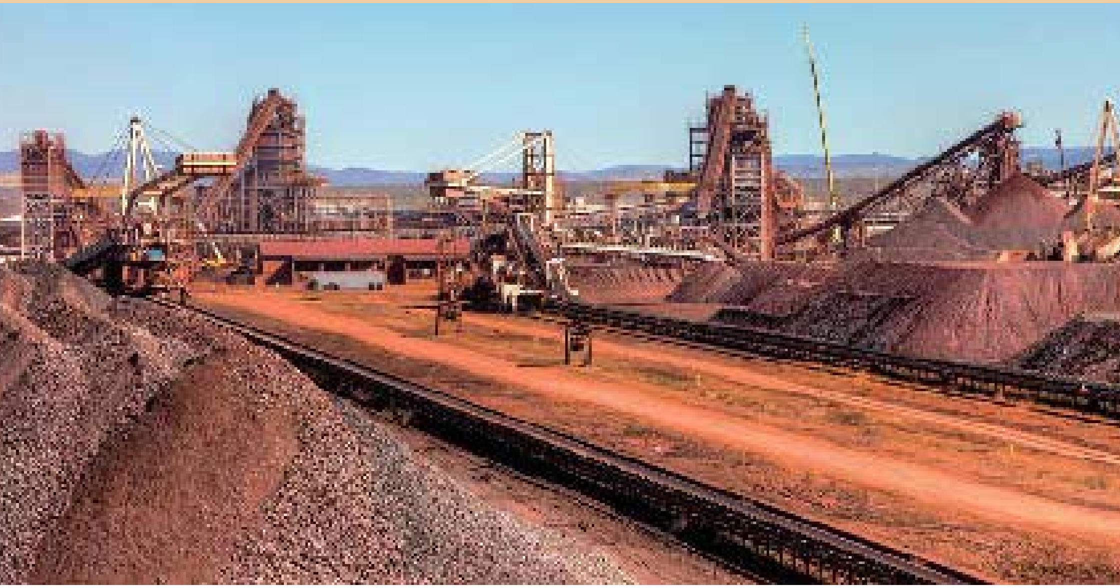

Financial statements

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Group statement of financial position
as at 31 December 2011

	Note	Unaudited Six months ended 31 December 2011 Rm	Unaudited Six months ended 31 December 2010 Rm	Audited Year ended 30 June 2011 Rm
ASSETS				
Non-current assets				
Property, plant and equipment		**16 959**	14 219	15 500
Investment property		**14**	53	12
Intangible assets		**196**	206	202
Deferred tax assets		**1**	44	87
Loans and long-term receivables		**195**	192	186
Financial assets		**67**	87	45
Inventories		**157**	127	130
Investment in associate		**1 306**	1 375	1 331
Other investments		**6 129**	5 346	5 798
		25 024	21 649	23 291
Current assets				
Inventories		**2 506**	2 170	2 162
Trade and other receivables		**3 898**	3 355	3 113
Taxation		**37**	38	75
Cash and cash equivalents	2	**2 825**	2 301	3 668
		9 266	7 864	9 018
Total assets		**34 290**	29 513	32 309
EQUITY AND LIABILITIES				
Capital and reserves				
Ordinary share capital		**11**	11	11
Share premium		**3 896**	3 822	3 840
Other reserves		**1 562**	804	1 201
Retained earnings		**17 164**	14 367	16 105
Equity attributable to equity holders of ARM		**22 633**	19 004	21 157
Non-controlling interest		**1 155**	834	958
Total equity		**23 788**	19 838	22 115
Non-current liabilities				
Long-term borrowings	3	**1 835**	2 627	2 337
Deferred tax liabilities		**3 842**	3 360	3 571
Long-term provisions		**652**	520	549
		6 329	6 507	6 457
Current liabilities				
Trade and other payables		**2 377**	1 926	2 448
Short-term provisions		**201**	181	287
Taxation		**368**	291	270
Overdrafts and short-term borrowings	3	**1 227**	770	732
		4 173	3 168	3 737
Total equity and liabilities		**34 290**	29 513	32 309

Group income statement

for the six months ended 31 December 2011

	Note	Unaudited Six months ended 31 December 2011 Rm	2010 Rm	Audited Year ended 30 June 2011 Rm
Revenue		**9 093**	6 924	15 357
Sales		**8 721**	6 714	14 893
Cost of sales		**(5 439)**	(3 940)	(8 952)
Gross profit		**3 282**	2 774	5 941
Other operating income		**545**	174	511
Other operating expenses		**(743)**	(414)	(1 130)
Profit from operations before exceptional items		**3 084**	2 534	5 322
Income from investments		**141**	108	216
Finance costs		**(93)**	(99)	(216)
Loss from associate*		**(6)**	(60)	(135)
Profit before taxation and exceptional items		**3 126**	2 483	5 187
Exceptional items	4	**2**	(4)	(11)
Profit before taxation		**3 128**	2 479	5 176
Taxation	6	**(1 060)**	(851)	(1 671)
Profit for the period		**2 068**	1 628	3 505
Attributable to:				
Non-controlling interest		**85**	70	194
Equity holders of ARM		**1 983**	1 558	3 311
		2 068	1 628	3 505

	Note	2011	2010	30 June 2011
Additional information				
Headline earnings (R million)	5	**1 944**	1 562	3 319
Headline earnings per share (cents)		**912**	734	1 559
Basic earnings per share (cents)		**930**	732	1 555
Fully diluted headline earnings per share (cents)		**906**	727	1 552
Fully diluted basic earnings per share (cents)		**924**	725	1 548
Number of shares in issue at end of period (thousands)		**213 751**	212 932	213 133
Weighted average number of shares in issue (thousands)		**213 233**	212 768	212 889
Weighted average number of shares used in calculating fully diluted earnings per share (thousands)		**214 579**	214 827	213 871
Net asset value per share (cents)		**10 588**	8 925	9 927
EBITDA (R million)		**3 635**	3 103	6 434
* Exceptional gain included in loss from associate (R million)		**37**	–	–
Dividend declared after year-end (cents)		**–**	–	450

Group statement of comprehensive income

for the six months ended 31 December 2011

	Revaluation of listed investments Rm	Other Rm	Retained earnings Rm	**Total share-holders of ARM Rm**	Non-controll-ing interest Rm	**Total Rm**
Six months ended 31 December 2011 (Unaudited)						
Profit for the period	–	–	1 983	**1 983**	85	**2 068**
Other comprehensive income:						
Net impact of revaluation of listed investment	276	–	–	**276**	–	**276**
Revaluation of listed investment	321	–	–	**321**	–	**321**
Deferred tax on revaluation of listed investment	(45)	–	–	**(45)**	–	**(45)**
Foreign currency translation	–	20	–	**20**	–	**20**
Foreign exchange on loans to foreign Group entity	–	110	–	**110**	–	**110**
Deferred tax on foreign exchange on loans to foreign Group entity	–	(18)	–	**(18)**	–	**(18)**
Cash flow hedge reserve	–	(35)	–	**(35)**	–	**(35)**
Other	–	2	(2)	**–**	–	**–**
Total other comprehensive income	276	79	(2)	**353**	–	**353**
Total comprehensive income for the period	276	79	1 981	**2 336**	85	**2 421**
Six months ended 31 December 2010 (Unaudited)						
Profit for the period	–	–	1 558	**1 558**	70	**1 628**
Other comprehensive income:						
Net impact of revaluation of listed investment	88	–	–	**88**	–	**88**
Revaluation of listed investment	102	–	–	**102**	–	**102**
Deferred tax on revaluation of listed investment	(14)	–	–	**(14)**	–	**(14)**
Foreign exchange on loans to foreign Group entity	–	(95)	–	**(95)**	–	**(95)**
Cash flow hedge reserve	–	12	–	**12**	–	**12**
Foreign currency translation	–	55	–	**55**	–	**55**
Other	–	(11)	11	**–**	–	**–**
Total other comprehensive income	88	(39)	11	**60**	–	**60**
Total comprehensive income for the period	88	(39)	1 569	**1 618**	70	**1 688**
Year ended 30 June 2011 (Audited)						
Profit for the year	–	–	3 311	**3 311**	194	**3 505**
Other comprehensive income:						
Net impact of revaluation of listed investment	468	–	–	**468**	–	**468**
Revaluation of listed investment	544	–	–	**544**	–	**544**
Deferred tax on revaluation of listed investment	(76)	–	–	**(76)**	–	**(76)**
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**
Cash flow hedge reserve	–	(4)	–	**(4)**	–	**(4)**
Foreign currency translation	–	40	–	**40**	–	**40**
Total other comprehensive income	468	(35)	–	**433**	–	**433**
Total comprehensive income for the year	468	(35)	3 311	**3 744**	194	**3 938**

Group statement of changes in equity

for the six months ended 31 December 2011

	Share capital and premium Rm	Revaluation of listed investments Rm	Other Rm	Retained earnings Rm	**Total share-holders of ARM Rm**	Non-controll-ing interest Rm	**Total Rm**
Six months ended 31 December 2011 (Unaudited)							
Balance at 30 June 2011	3 851	914	287	16 105	**21 157**	958	**22 115**
Profit for the period	–	–	–	1 983	**1 983**	85	**2 068**
Other comprehensive income	–	276	79	(2)	**353**	–	**353**
Total comprehensive income for the period	–	276	79	1 981	**2 336**	85	**2 421**
Part disposal of interest in Konnoco	–	–	–	37	**37**	112	**149**
Share-based payments	56	–	–	–	**56**	–	**56**
Share options exercised	–	–	6	–	**6**	–	**6**
Dividend paid	–	–	–	(959)	**(959)**	–	**(959)**
Balance at 31 December 2011	3 907	1 190	372	17 164	**22 633**	1 155	**23 788**
Six months ended 31 December 2010 (Unaudited)							
Balance at 30 June 2010	3 814	446	282	13 223	**17 765**	764	**18 529**
Profit for the period	–	–	–	1 558	**1 558**	70	**1 628**
Other comprehensive income	–	88	(39)	11	**60**	–	**60**
Total comprehensive income for the period	–	88	(39)	1 569	**1 618**	70	**1 688**
Share-based payments	–	–	27	–	**27**	–	**27**
Share options exercised	19	–	–	–	**19**	–	**19**
Dividends paid	–	–	–	(425)	**(425)**	–	**(425)**
Balance at 31 December 2010	3 833	534	270	14 367	**19 004**	834	**19 838**
Year ended 30 June 2011 (Audited)							
Balance at 30 June 2010	3 814	446	282	13 223	**17 765**	764	**18 529**
Profit for the year	–	–	–	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**
Dividends paid	–	–	–	(426)	**(426)**	–	**(426)**
Other	–	–	3	(3)	**–**	–	**–**
Balance at 30 June 2011	3 851	914	287	16 105	**21 157**	958	**22 115**

Group statement of cash flows

for the six months ended 31 December 2011

	Note	Unaudited Six months ended 31 December 2011 Rm	Unaudited Six months ended 31 December 2010 Rm	Audited Year ended 30 June 2011 Rm
CASH FLOW FROM OPERATING ACTIVITIES				
Cash receipts from customers		**8 487**	6 660	15 409
Cash paid to suppliers and employees		**(5 926)**	(4 611)	(9 511)
Cash generated from operations	7	**2 561**	2 049	5 898
Interest received		**95**	83	181
Interest paid		**(36)**	(52)	(117)
Dividends received		**38**	32	33
Dividends paid		**(959)**	(425)	(426)
Taxation paid		**(631)**	(486)	(1 240)
Net cash inflow from operating activities		**1 068**	1 201	4 329
CASH FLOW FROM INVESTING ACTIVITIES				
Additions to property, plant and equipment to maintain operations		**(419)**	(430)	(797)
Additions to property, plant and equipment to expand operations		**(1 449)**	(1 202)	(2 151)
Proceeds on disposal of property, plant and equipment		**1**	1	3
Investment in associate – Coal – loan		**(16)**	(131)	(178)
Investments in Richards Bay Coal Terminal		**(9)**	(176)	(63)
(Increase)/decrease in loans and long-term receivables		**(10)**	1	(106)
Net cash outflow from investing activities		**(1 902)**	(1 937)	(3 292)
CASH FLOW FROM FINANCING ACTIVITIES				
Proceeds on exercise of share options		**10**	19	37
Proceeds on subscription by minority shareholder in Konnoco		**86**	–	–
Long-term borrowings raised		**165**	363	283
Long-term borrowings repaid		**(98)**	(300)	(596)
Decrease in short-term borrowings		**(110)**	(150)	(312)
Net cash inflow/(outflow) from financing activities		**53**	(68)	(588)
Net (decrease)/increase in cash and cash equivalents		**(781)**	(804)	449
Cash and cash equivalents at beginning of period		**3 227**	2 791	2 791
Foreign currency translation on cash balances		**19**	(19)	(13)
Cash and cash equivalents at end of period	2	**2 465**	1 968	3 227
Cash generated from operations per share (cents)		**1 201**	963	2 770

Notes to the financial statements

for the six months ended 31 December 2011

1. STATEMENT OF COMPLIANCE

The consolidated Group financial statements for the half-year ended 31 December 2011 have been prepared in accordance with International Financial Reporting Standards (IFRS) of the International Accounting Standards Board (IASB), the AC 500 standards as issued by the Accounting Practices Board or its successor, requirements of the South African Companies Act, 2008, as amended, and the Listings Requirements of the JSE Limited.

BASIS OF PREPARATION

The consolidated Group financial statements for the half-year ended 31 December 2011 have been prepared on the historical cost basis, except for certain financial instruments that are fairly valued by marking to market. The accounting policies used are consistent with those in the most recent annual financial statements, except for those listed below, and comply with IFRS and are in terms of the disclosure requirements of IAS 34 – Interim Financial Reporting.

The Group financial statements for the period have been prepared under the supervision of the financial director, Mr M Arnold, CA(SA).

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 before and on 1 July 2011:

Standard	Subject
IFRS 1	First-time adoption of International Financial Reporting Standards – Accounting policy changes in the year of adoption (Annual improvements project 2010)
	First-time adoption of International Financial Reporting Standards – Severe hyperinflation and removal of fixed dates for first time adaptors (Amendment)
	First-time adoption of International Financial Reporting Standards – Revaluation basis as deemed cost (Annual improvements project 2010)
	First-time adoption of International Financial Reporting Standards – Replacement of fixed dates for certain exceptions with the date of transition to IFRS (Amendment)
	First-time adoption of International Financial Reporting Standards – Use of deemed cost for operations subject to rate regulation (Annual improvements project 2010)
IFRS 7	Financial instruments: Disclosures – Transfer of financial assets (Amendment)
	Financial instruments: Disclosures – Clarification of disclosures (Annual improvements project 2010)
IAS 1	Presentation of financial statements – Clarification of statement of changes in equity (Annual improvements project 2010)
IAS 24	Related party disclosure (revised)
IAS 34	Interim financial reporting – Significant events and transactions (Annual improvements projects 2010)
IFRIC 13	Customer loyalty programmes – Fair value of award credit (Annual improvements project 2010)
IFRIC 14	IAS 19 – The limit on a defined benefit asset, minimum funding requirements and their interactions – Prepayments of a minimum funding requirement (Amendment)

The adoption of these amendments, standards and interpretations had no effect on these financial statements.

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

Standard	Subject	Effective date
IFRS 9	Financial instruments: Classification and measurement	1 January 2013
IFRS 10	Consolidated financial statements	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	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 (Amendment)	1 January 2013
IAS 27	Separate financial statements (as revised in 2011)	1 January 2013
IAS 28	Investment in associate and joint ventures (as revised in 2011)	1 January 2013
IFRIC 20	Accounting for stripping costs in the production phase of a surface mine	1 January 2013

The Group is currently assessing the impact of adopting these standards.

Notes to the financial statements

for the six months ended 31 December 2011 (continued)

	Unaudited Six months ended 31 December 2011 Rm	**Unaudited Six months ended 31 December 2010 Rm**	Audited Year ended 30 June 2011 Rm
2. CASH AND CASH EQUIVALENTS			
– African Rainbow Minerals Limited	**174**	678	962
– Assmang Limited	**1 357**	498	1 473
– ARM Platinum (Pty) Limited	**291**	276	285
– Kingfisher Insurance Co Limited	**138**	134	139
– Nkomati	**46**	93	176
– Two Rivers Platinum (Pty) Limited	**9**	57	4
– Vale/ARM joint venture	**86**	26	36
– Venture Building Trust	**6**	–	5
– Restricted cash	**718**	539	588
Total as per statement of financial position	**2 825**	2 301	3 668
Less: overdrafts	**360**	333	441
Total as per statement of cash flows	**2 465**	1 968	3 227
3. BORROWINGS			
Long-term borrowings are held as follows:			
– African Rainbow Minerals Limited	**–**	683	410
– Assmang Limited	**–**	2	–
– ARM Coal (Pty) Limited	**1 676**	1 808	1 781
– ARM Platinum (Pty) Limited	**1**	–	1
– Two Rivers Platinum (Pty) Limited	**142**	134	145
– Vale/ARM joint venture	**16**	–	–
	1 835	2 627	2 337
Overdrafts and short-term borrowings are held as follows:			
– African Rainbow Minerals Limited	**561**	–	–
– Assmang Limited	**–**	–	2
– ARM Platinum (Pty) Limited	**119**	121	129
– ARM Coal (Pty) Limited	**51**	39	27
– Two Rivers Platinum (Pty) Limited	**407**	340	464
– Two Rivers Platinum (Pty) Limited – Implats	**50**	232	73
– Other	**39**	38	37
	1 227	770	732
Total borrowings	**3 062**	3 397	3 069

Interest of R5 million was capitalised for the half-year ended 31 December 2011.
(Half-year to 31 December 2010: R12 million.
Full year to 30 June 2011: R12 million).

Notes to the financial statements

for the six months ended 31 December 2011 (continued)

	Unaudited Six months ended 31 December 2011 Rm	2010 Rm	Audited Year ended 30 June 2011 Rm
4. EXCEPTIONAL ITEMS			
Profit on sale of property, plant and equipment	**1**	1	–
Loss on sale of property, plant and equipment	**–**	(1)	(7)
Reversal/(Impairments) of property, plant and equipment	**1**	(4)	(4)
Exceptional items per income statement	**2**	(4)	(11)
Profit on sale of property, plant and equipment in Associate – ARM coal	**52**	–	–
Total exceptional items	**54**	(4)	(11)
Taxation	**(15)**	–	3
Total amount adjusted for headline earnings	**39**	(4)	(8)
5. HEADLINE EARNINGS			
Basic earnings per income statement	**1 983**	1 558	3 311
(Reversal)/Impairment of property, plant and equipment	**(1)**	4	4
Profit on sale of property, plant and equipment	**(1)**	–	7
Profit on sale of property, plant and equipment in Associate – ARM coal	**(52)**	–	–
	1 929	1 562	3 322
Taxation	**15**	–	(3)
Headline earnings	**1 944**	1 562	3 319
6. TAXATION			
South African normal tax – current year	**718**	355	975
– mining	**649**	308	875
– non-mining	**69**	47	100
State's share of profits	**–**	60	93
Deferred tax – current year	**292**	386	503
Secondary Tax on Companies	**50**	50	100
Taxation	**1 060**	851	1 671
7. CASH GENERATED FROM OPERATIONS BEFORE WORKING CAPITAL MOVEMENTS			
Cash generated from operations before working capital movement	**3 709**	3 031	6 538
Working capital changes	**(1 148)**	(982)	(640)
Movement in receivables	**(784)**	(253)	(10)
Movement in payables	**(34)**	(360)	(216)
Movement in inventories	**(330)**	(369)	(414)
Cash generated from operations (per statement of cash flows)	**2 561**	2 049	5 898

Notes to the financial statements

for the six months ended 31 December 2011 (continued)

	Unaudited Six months ended 31 December 2011 Rm	2010 Rm	Audited Year ended 30 June 2011 Rm
8. COMMITMENTS AND CONTINGENT LIABILITIES			
Commitments in respect of future capital expenditure which will be funded from operating cash flows and by utilising debt facilities at entity and corporate levels, are summarised below:			
Approved by directors			
– contracted for	**4 143**	3 066	3 383
– not contracted for	**536**	2 032	600
Total commitments	**4 679**	5 098	3 983
Contingent liabilities			
Shareholders are advised that there have been no significant changes to the contingent liabilities of the Group as disclosed in the June 2011 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.			

		ARM Platinum Rm	ARM Ferrous Rm	ARM Coal Rm	ARM** Copper Rm	ARM Exploration Rm	Corporate* and other Rm	Gold Rm	Rm
9.	**SEGMENTAL INFORMATION**								
	Primary segmental information								
	Six months ended								
	31 December 2011 (Unaudited)								
	Sales	2 491	5 830	400	–	–	–	–	**8 721**
	Cost of sales	(2 133)	(3 018)	(310)	–	–	22	–	**(5 439)**
	Other operating income	37	325	6	–	–	177	–	**545**
	Other operating expenses	(198)	(354)	(1)	(18)	(54)	(118)	–	**(743)**
	Segment result	197	2 783	95	(18)	(54)	81	–	**3 084**
	Income from investments	14	46	–	–	–	43	38	**141**
	Finance cost	(22)	(6)	(51)	–	–	8	–	**(71)**
	Finance cost Implats: Shareholders loan Two Rivers	(2)	–	–	–	–	–	–	**(2)**
	Finance cost ARM: Shareholders loan Two Rivers	(3)	–	–	–	–	–	–	**(3)**
	Finance cost: Shareholders loan ARM	–	–	–	(17)	–	–	–	**(17)**
	Income from associate	–	–	(6)	–	–	–	–	**(6)**
	Exceptional items***	1	1	–	–	–	–	–	**2**
	Taxation	(63)	(849)	(13)	(3)	–	(132)	–	**(1 060)**
	Non-controlling interest	(87)	–	–	8	–	(6)	–	**(85)**
	Contribution to earnings	35	1 975	25	(30)	(54)	(6)	38	**1 983**
	Contribution to headline earnings	34	1 974	(12)	(30)	(54)	(6)	38	**1 944**
	Other information								
	Segment assets including investment in associate	8 629	13 505	2 921	1 364	–	1 826	6 045	**34 290**
	Investment in associate	–	–	1 306	–	–	–	–	**1 306**
	Segment liabilities	1 849	1 236	1 880	166	–	1 161	–	**6 292**
	Unallocated – Deferred taxation and taxation								**4 210**
	Consolidated total liabilities								**10 502**
	Cash generated from/(utilised in) operations	440	1 948	177	(52)	(54)	102	–	**2 561**
	Cash in/(out)flow from operating activities	414	1 436	182	(49)	(54)	(899)	38	**1 068**
	Cash outflow from investing activities	(332)	(1 035)	(60)	(473)	–	(2)	–	**(1 902)**
	Cash (out)/inflow from financing activities	(85)	(13)	(125)	102	–	174	–	**53**
	Capital expenditure	343	977	74	479	–	2	–	**1 875**
	Amortisation and depreciation	235	259	52	2	–	3	–	**551**
	EBITDA	432	3 042	147	(16)	(54)	84	–	**3 635**

* *Corporate, other companies and consolidation adjustments.*

** *With effect from 1 July 2011 ARM Copper comprises the development of the Konkola North Copper Project and copper exploration cost in Zambia and the DRC.*

*** *Exceptional gain included in loss from associate – R37 million.*

Notes to the financial statements
for the six months ended 31 December 2011 (continued)

	ARM Platinum Rm	ARM Ferrous Rm	ARM Coal Rm	ARM Exploration Rm	Corporate* and other Rm	Gold Rm	Rm
9. SEGMENTAL INFORMATION continued							
Six months ended 31 December 2010 (Unaudited)							
Sales							
Total sales	2 419	4 056	244	–	–	–	**6 719**
Inter-group sales to ARM ferrous	5	–	–	–	–	–	**5**
External sales	2 414	4 056	244			–	**6 714**
Cost of sales	(1 803)	(1 962)	(191)	–	16	–	**(3 940)**
Other operating income	16	24	–	–	134	–	**174**
Other operating expenses	(76)	(255)	(1)	(72)	(10)	–	**(414)**
Segment result	551	1 863	52	(72)	140	–	**2 534**
Income from investments	14	26	–	–	36	32	**108**
Finance cost	(13)	(2)	(44)	(1)	(10)	–	**(70)**
Finance cost Implats:							
Shareholders loan Two Rivers	(14)	–	–	–	–	–	**(14)**
Finance cost ARM:							
Shareholders loan Two Rivers	(11)	–	–	–	–	–	**(11)**
Finance cost:							
Shareholders loan ARM	–	–	–	(4)	–	–	**(4)**
Income from associate	–	–	(60)	–	–	–	**(60)**
Exceptional items	(4)	–	–	–	–	–	**(4)**
Taxation	(152)	(631)	(2)	–	(66)	–	**(851)**
Non-controlling interest	(80)	–	–	13	(3)	–	**(70)**
Contribution to earnings	291	1 256	(54)	(64)	97	32	**1 558**
Contribution to headline earnings	295	1 256	(54)	(64)	97	32	**1 562**
Other information							
Segment assets including investment in associate	8 426	10 300	3 507	280	1 718	5 282	**29 513**
Investment in associate	–	–	1 375	–	–	–	**1 375**
Segment liabilities	1 731	924	1 937	36	1 396	–	**6 024**
Unallocated – Deferred taxation and taxation							**3 651**
Consolidated total liabilities							**9 675**
Cash generated from/(utilised in) operations	675	1 570	91	(108)	(179)	–	**2 049**
Cash in/(out) flow from operating activities	659	1 148	89	(108)	(619)	32	**1 201**
Cash outflow from investing activities	(436)	(1 043)	(228)	(57)	(173)	–	**(1 937)**
Cash (out)/in flow from financing activities	(131)	(4)	143	–	(76)	–	**(68)**
Capital expenditure**	444	995	48	24	41	–	**1 552**
Amortisation and depreciation	281	236	46	3	3	–	**569**
EBITDA	832	2 099	98	(69)	143	–	**3 103**

* *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.*

	ARM Platinum Platinum Rm	ARM Platinum Nickel Rm	ARM Ferrous Rm	ARM Coal Rm	ARM Exploration Rm	ARM Corporate* and other Rm	Gold Rm	**Total Rm**
9. SEGMENTAL INFORMATION continued								
Year ended 30 June 2011 (Audited)								
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 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 – Deferred taxation and taxation								**3 841**
Consolidated total liabilities								**10 194**
Cash generated from/(utilised in) operations	1 179	397	4 364	173	(133)	(82)	–	**5 898**
Cash in/(out) flow from operating activities	988	405	3 413	174	(136)	(547)	32	**4 329**
Cash (out)/in flow from investing activities	(293)	(393)	(1 822)	(427)	(313)	(44)	–	**(3 292)**
Cash (out)/in flow 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.*

Additional information

for the six months ended 31 December 2011

The ARM platinum segment is analysed further into Nkomati, Two Rivers Platinum (Pty) Limited and ARM Mining Consortium Limited which includes 50% of the Modikwa Platinum Mine.

	Two Rivers Rm	Modikwa Rm	Nkomati Rm	**ARM Platinum Rm**
SEGMENTAL INFORMATION				
Six months ended 31 December 2011 (Unaudited)				
Sales				
External sales	1 200	599	692	**2 491**
Cost of sales	(915)	(460)	(758)	**(2 133)**
Other operating income	9	–	28	**37**
Other operating expenses	(36)	(25)	(137)	**(198)**
Segment result	258	114	(175)	**197**
Income from investments	2	8	4	**14**
Finance cost	(20)	(1)	(1)	**(22)**
Finance cost Implats: Shareholders loan Two Rivers	(2)	–	–	**(2)**
Finance cost ARM: Shareholders loan Two Rivers	(3)	–	–	**(3)**
Exceptional items	–	–	1	**1**
Taxation	(75)	(32)	44	**(63)**
Non-controlling interest	(72)	(15)	–	**(87)**
Contribution to earnings	88	74	(127)	**35**
Contribution to headline earnings	88	74	(128)	**34**
Other information				
Segment assets	3 207	2 997	2 425	**8 629**
Segment liabilities	893	736	220	**1 849**
Cash inflow/(outflow) from operating activities	291	150	(27)	**414**
Cash outflow from investing activities	(110)	(122)	(100)	**(332)**
Cash outflow from financing activities	(72)	(10)	(3)	**(85)**
Capital expenditure	164	123	56	**343**
Amortisation and depreciation	127	45	63	**235**
EBITDA	385	159	(112)	**432**
Six months ended 31 December 2010 (Unaudited)				
Sales				
Total sales	1 071	580	768	**2 419**
Inter-group sales to ARM ferrous	–	–	5	**5**
External sales	1 071	580	763	**2 414**
Cost of sales	(819)	(440)	(544)	**(1 803)**
Other operating expenses	6	–	10	**16**
Other operating expenses	(16)	(14)	(46)	**(76)**
Segment result	242	126	183	**551**
Income from investments	2	9	3	**14**
Finance cost	(16)	4	(1)	**(13)**
Finance cost Implats: Shareholders loan Two Rivers	(14)	–	–	**(14)**
Finance cost ARM: Shareholders loan Two Rivers	(11)	–	–	**(11)**
Exceptional items	–	–	(4)	**(4)**
Taxation	(65)	(36)	(51)	**(152)**
Non-controlling interest	(62)	(18)	–	**(80)**
Contribution to earnings	76	85	130	**291**
Contribution to headline earnings	76	85	134	**295**
Other information				
Segment assets	3 052	2 760	2 614	**8 426**
Segment liabilities	979	543	209	**1 731**
Cash inflow from operating activities	236	154	269	**659**
Cash outflow from investing activities	(39)	(72)	(325)	**(436)**
Cash outflow from financing activities	(130)	(1)	–	**(131)**
Capital expenditure	53	77	314	**444**
Amortisation and depreciation	116	40	125	**281**
EBITDA	358	166	308	**832**

Additional information

for the six months ended 31 December 2011

Proforma analysis of the Ferrous segment on a 100% basis	Iron ore division Rm	Manganese division Rm	Chrome division Rm	**Ferrous Total Rm**	**Attributable to ARM Rm**
SEGMENTAL INFORMATION					
Six months ended 31 December 2011 (Unaudited)					
Sales					
External sales	7 517	3 181	962	11 660	**5 830**
Other operating income	468	330	53	851	**325**
Other operating expenses	(645)	(165)	(99)	(909)	**(354)**
Operating profit/(loss)	4 499	1 068	(1)	5 566	**2 783**
Contribution to earnings	3 126	834	(10)	3 950	**1 975**
Contribution to headline earnings	3 126	833	(10)	3 949	**1 974**
Other information					
Segment assets	17 514	8 699	1 430	27 643	**13 505**
Segment liabilities	4 540	2 028	616	7 184	**1 236**
Cash in/(out)flow from operating activities	1 510	571	(210)	1 871	**1 436**
Cash outflow from investing activities	(1 684)	(218)	(167)	(2 069)	**(1 035)**
Cash outflow from financing activities	–	–	(26)	(26)	**(13)**
Capital expenditure	1 644	265	128	2 037	**977**
Amortisation and depreciation	337	126	71	534	**259**
EBITDA	4 836	1 194	70	6 100	**3 042**
Six months ended 31 December 2010 (Unaudited)					
Sales					
External sales	3 987	3 204	921	8 112	**4 056**
Other operating income	6	54	3	63	**24**
Other operating expenses	(202)	(227)	(96)	(525)	**(255)**
Operating profit/(loss)	2 436	1 402	(112)	3 726	**1 863**
Contribution to earnings	1 750	849	(87)	2 512	**1 256**
Contribution to headline earnings	1 750	849	(87)	2 512	**1 256**
Other information					
Segment assets	10 561	8 869	1 657	21 087	**10 300**
Segment liabilities	2 615	2 573	667	5 855	**924**
Cash in/(out)flow from operating activities	1 546	(30)	(220)	1 296	**1 148**
Cash outflow from investing activities	(1 600)	(350)	(136)	(2 086)	**(1 043)**
Cash outflowfrom financing activities	–	–	(8)	(8)	**(4)**
Capital expenditure	1 601	380	92	2 073	**995**
Amortisation and depreciation	284	143	71	498	**236**
EBITDA	2 720	1 545	(41)	4 224	**2 099**

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Contact details and administration

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Incorporated in the Republic of South Africa
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JSE share code: ARI
ISIN: ZAE000054045
("ARM" or the "Company")

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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 this report. 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 this report or to reflect the occurrence of unanticipated events.

Directors
PT Motsepe (Executive Chairman)
AJ Wilkens (Chief Executive Officer)
F Abbott*
M Arnold
Dr MMM Bakane-Tuoane**
TA Boardman**
AD Botha**
JA Chissano (Mozambican)**
WM Gule
MW King**
AK Maditsi**
KS Mashalane
MP Schmidt
LA Shiels
Dr RV Simelane**
JC Steenkamp
ZB Swanepoel**

**Non-executive* ***Independent non-executive*

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