



We do it better

INTERIM RESULTS

**For the six months ended
31 December 2013**

Shareholder information

| | |
|---|--------------------|
| Issued share capital at 31 December 2013 | 216 462 130 shares |
| Market capitalisation at 31 December 2013 | ZAR40.9 billion |
| Market capitalisation at 31 December 2013 | US\$3.9 billion |
| Closing share price at 31 December 2013 | R189.00 |
| Six-month month high (1 July 2013 – 31 December 2013) | R208.38 |
| Six-month month low (1 July 2013 – 31 December 2013) | R143.00 |
| Average daily volume traded for the six months | 362 412 shares |
| Primary listing | JSE Limited |
| Ticker symbol | ARI |

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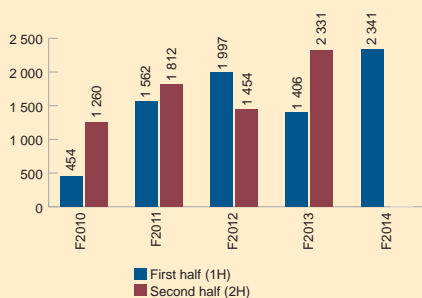
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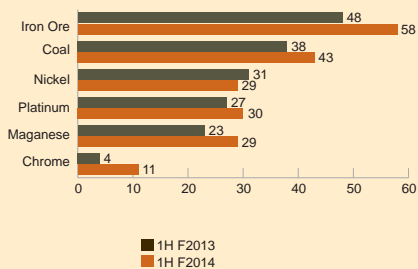
Salient features

- Headline earnings increased by 66% to R2.34 billion (1H F2013: R1.41 billion). Headline earnings per share were 1 084 cents compared to 654 cents per share in the corresponding period.
- Basic earnings of R1.71 billion were negatively affected by exceptional items of R627 million. The largest exceptional item related to a R510 million unrealised mark-to-market loss on the Harmony investment.
- The ARM Ferrous contribution to headline earnings increased by 108% from R1.04 billion (restated) to R2.15 billion mainly as a result of:
 - higher US Dollar prices realised for iron ore and
 - a weaker Rand.
- ARM Platinum's contribution to headline earnings increased from R299 million to R363 million. The increase was achieved despite lower US Dollar PGM and nickel prices.
- Increased sales volumes were achieved in: iron ore, PGMs, nickel, manganese alloys, export coal from Goedgevonden Mine, chrome concentrate and copper.
- Decrease in unit production costs achieved at Nkomati Nickel Mine. Cost increases at the Dwarsrivier and Two Rivers mines were lower than inflation.
- Update on growth projects:
 - The Lubambe Copper Mine:
 - the concentrate specification issues have been resolved.
 - challenges with the late commissioning of the vertical shaft have also been resolved.
 - Earthworks have commenced at the Sakura manganese alloy smelting project.

Headline earnings (R million)



EBITDA Margins (%)



ARM operational review

The ARM Board of Directors (the Board) is pleased to report a 66% increase in headline earnings to R2.34 billion for the six months ended 31 December 2013 (1H F2014). The higher earnings were achieved as a result of improved contributions from ARM Ferrous and ARM Platinum.

ARM Ferrous headline earnings increased 108% buoyed by higher US Dollar iron ore prices as well as a 19% weakening of the Rand versus the US Dollar. ARM Platinum headline earnings were higher mainly due to a solid operational performance at the Two Rivers Platinum Mine and continued improvement at the Nkomati Nickel Mine. ARM Copper made a headline loss of R122 million (1H F2013: R21 million loss) as production ramp-up at the Lubambe Mine experienced challenges. The ARM Coal headline loss of R34 million was as a result of a disappointing performance at the Participating Coal Business (PCB).

Sales volume increases at ARM's operations were as follows (on 100% basis):

- 4% increase in iron ore sales from 7.4 million tonnes to 7.7 million tonnes;
- 4% increase in nickel sales from 10 thousand tonnes to 10.3 thousand tonnes;
- 4% increase in Platinum Group Metal (PGM) sales from 409 thousand ounces to 427 thousand ounces;
- 9% increase in manganese alloy sales from 107 thousand tonnes to 117 thousand tonnes;
- 22% increase in export coal sales from Goedgevonden Mine from 1.74 million tonnes to 2.13 million tonnes;
- 55% increase in chrome concentrate sales from Nkomati Mine from 76 thousand tonnes to 117 thousand tonnes; and
- copper sales increased from 2.9 thousand tonnes to 14.3 thousand tonnes as the Lubambe Mine ramps up production.

In addition Two Rivers Mine started to produce chrome concentrate as a by-product and sold approximately 44 thousand tonnes of concentrate over the six month period.

The interim results for the six months ended 31 December 2013 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.

Contribution to headline earnings

| Commodity | six months ended 31 December | | |
|---------------------------|------------------------------|-------|----------|
| R million | 2013 | 2012 | % change |
| Platinum Group Metals | 206 | 152 | 36 |
| Nkomati nickel and chrome | 157 | 147 | 7 |
| Ferrous metals* | 2 153 | 1 035 | 108 |
| Coal | (34) | 105 | (132) |
| Copper | (122) | (21) | >(250) |
| Exploration | (24) | (36) | 33 |
| Gold | — | 32 | — |
| Corporate and other* | 5 | (8) | — |
| ARM headline earnings | 2 341 | 1 406 | 66 |

* Includes IFRS 11 adjustments related to ARM Ferrous.

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), GlencoreXstrata South Africa (GlencoreXstrata), Vale S.A. (Vale) and Zambian Consolidated Copper Mines Investment Holdings (ZCCM-IH).

Continuing to focus on operational efficiencies

The cost of mining has come under increasing pressure in recent years, with cost escalations for key inputs like electricity, diesel, consumables and labour exceeding inflation. ARM continues to focus on cost containment to ensure that all our operations remain positioned below the 50th percentile of each commodity's global cost curve. Interventions to contain costs have included volume growth as well as improvements in productivity and efficiencies.

In the period under review Nkomati Nickel Mine achieved a further 5% reduction to its production costs per tonne milled and a 15% decrease to the operation's C1 cash cost net of by-products. Costs were also well controlled at the Two Rivers and Dwarsrivier mines where unit cost increases were lower than inflation. Cost escalations at the manganese operations were in line with inflation.

Modikwa Mine unit costs increased by 14% as a result of the cessation of open-cast mining and an increase in the stoping width of the mining area, which reduced PGMs produced in comparison to the corresponding period. Production unit cost escalations of 13% at the iron ore operations exceeded inflation and were due to the increased cost of diesel and labour as well as additional waste stripping to improve mining flexibility at the Khumani Mine. Manganese alloy costs increased 12% owing to lower alloy production, coupled with higher electricity prices and labour costs.

Unit production costs increases at the Goedgevonden and PCB mines were in excess of inflation at 31% and 38%, respectively. The significant cost increase at Goedgevonden Mine was due to the burn-out of a mining excavator at the mine as well as a low cost base in the corresponding period during which the mine depleted inventory. At the PCB operations the strategic transition from underground to open-cast mining is slightly delayed. The delay has affected mining flexibility as the low-cost, high-yield underground reserves are now depleted and as a result the high-cost, low-yield underground areas were mined in the period under review. Mining in these areas is expected to continue for approximately another year while the open-cast box cuts are prepared.

Quality growth continues

ARM has successfully ramped up three of its growth projects namely; Khumani Iron Ore Mine, Goedgevonden Coal Mine and Nkomati Nickel Mine. ARM continues to focus on the growth of its portfolio of assets through both organic and acquisitive growth.

Ramp-up of the Lubambe Copper Mine is progressing well. Challenges experienced with the concentrate have been resolved. The plant is now producing concentrate to the specification of the contracted Zambian smelters. Delays were experienced with the commissioning of the vertical shaft due to variations in the shaft bottom excavations compared to the 1950's drawings. In addition, the ore and waste passes developed in the early 1950's were found to be incorrectly developed. These delays have affected the targeted production ramp up. The shaft ore handling system however was commissioned at the end of December 2013 and the mine remains on track to deliver the steady state 45 000 tonnes copper per annum. Ramp-up to steady state is expected in F2016.

Assmang, China Steel Corporation and Sumitomo Corporation have approved development of the Sakura Ferroalloy Project in the Sarawak State of Malaysia. Land for the US\$328 million smelting project has been acquired and the power purchase agreement was signed in October 2013. Metix has been appointed as the main project contractor. The project is scheduled to achieve design production output of 170 000 tonnes of manganese alloy per annum in the second half of 2016.

The detailed review of the Black Rock Mine expansion project from 3.2 million tonnes per annum to 4.6 million tonnes per annum was completed in October 2013. The Boards of Directors of ARM and Assore have both approved the project. The expansion will exploit the Seam 2 resource within the Nchwaning Mine lease area and will be developed in conjunction with the expansion of the Nqura (Coega) Export Channel which is part of Transnet's Market Demand Strategy.

Changes to the Board of Directors

On 30 August 2013 ARM announced that Mr Michael W King, an Independent Non-executive Director, had informed the Board that, on account of his age, he would not be standing for re-election at the 2013 Annual General Meeting. Mr King, who is 76 years old, retired at the conclusion of this meeting. At the Company's Annual General Meeting, held on 6 December 2013, ARM announced that Mr Thomas A Boardman had been appointed by the Board of Directors of ARM as the Chairman of the Audit and Risk Committee.

Changes to mineral resources and reserves

There has been no material change to ARM's mineral resources and reserves as disclosed in the Integrated Annual Report for the financial year ended 30 June 2013, other than depletion due to continued mining activities at the operations and increased resources at the Lubambe Extension Area.

The Lubambe Extension target area has increased the indicated and inferred mineral resources to 134 million tonnes at an in-situ grade of 4.07% total copper based on an updated report released by AMEC E&C Services Inc (AMEC) on 27 February 2014. Drilling in this area is continuing.

Financial commentary

Headline earnings for the six-month period to 31 December 2013 were R2 341 million being 66% higher than the corresponding period's headline earnings (1H F2013: R1 406 million). This equates to headline earnings per share of R10.84 per share (1H F2013: R6.54 per share).

ARM's basic earnings for 1H F2014 were R1 714 million (1H F2013: R1 406 million) and were negatively impacted by exceptional items of R627 million after tax. The largest exceptional item relates to the unrealised mark-to-market loss of R510 million after tax on the Harmony investment made through the Income Statement. The reconciliation of basic earnings to headline earnings is provided in note 8 of the financial statements.

As disclosed in the 2013 Integrated Annual Report, the new accounting standard, IFRS 11 Joint Arrangements, became effective 1 July 2013. The adoption of the new standard requires a change in the manner in which joint arrangements should be accounted for and prior period comparative IFRS results must be restated to reflect a consistent application of the new accounting policy. This change has primarily impacted the manner in which ARM accounts for its investment in Assmang, which ARM jointly manages and controls with its partner, Assore. Assmang is no longer proportionately consolidated because IFRS 11 requires arrangements classified as joint ventures to be accounted for using the equity method. ARM's share of its joint ventures are now disclosed as single line items on the consolidated Income Statement as "Income from joint ventures" and as "Investment in joint ventures" on the statement of financial position. The Consolidated Cash Flow Statement now only includes a single line for dividends received from joint ventures.

A full reconciliation of the effect of the changes resulting from the adoption of IFRS 11 is provided in note 12 to the financial statements. The derivation of the statement of financial position value for the investment in joint venture is reflected in note 4 to the financial statements.

While the change in accounting policy has a significant impact on the presentation of the consolidated financial statements there is no impact on headline earnings, basic earnings or net assets. The segment reporting has been expanded to include more detail on the ARM Ferrous (Assmang) results.

Sales for the reporting period were 29% higher than the corresponding period last year at R4 606 million (1H F2013 restated: R3 572 million).

The average gross profit margin of 22% (1H F2013 restated: 22%) has been maintained. The margins achieved at each operation may be ascertained from the detailed segment reports provided in note 3 to the financial statements as well as in the write-ups for each operation.

The 1H F2014 average Rand/US Dollar of R10.04/US\$ is 19% weaker than the corresponding period average of R8.46/US\$. For reporting purposes the closing exchange rate was R10.46/US\$ (1H 2013: R8.45/US\$).

ARM's earnings before interest, tax, depreciation and amortisation (EBITDA) excluding exceptional items and income from associates and joint ventures were R1 264 million, which represents an increase of 21% on the restated amount for 1H F2013.

The income from joint venture amounts to R2 153 million and is 108% higher than the corresponding period last year (1H F2013 restated: R1 035 million). The expanded segment analysis for ARM Ferrous is shown in note 3 to the financial statements.

The detailed segmental contribution analysis is provided in note 3 to the financial statements. Key features from the segmental contribution analyses are:

- The ARM Ferrous contribution to ARM's headline earnings amounted to R2 153 million (1H F2013 restated: R1 035 million). The increase is due to a significant increase in the iron ore division's contribution and a higher contribution from the manganese division.
- The ARM Platinum segment contribution, which includes the results of Nkomati, was R363 million which is R64 million higher than the corresponding period (1H F2013: R299 million). The increase was mainly as a result of higher headline earnings from the Two Rivers and Nkomati mines.

- The ARM Coal segment result was a headline loss of R34 million (1H F2013: R105 million profit). Goedgevonden Mine contributed increased headline earnings of R93 million (1H F2013: R63 million) while the PCB operations made a headline loss of R127 million (1H F2013: R42 million profit).
- ARM Copper which mainly comprises the Vale/ARM joint venture interest in the Lubambe Copper Mine and related costs amounted to a headline loss of R122 million for the period (1H F2013: R21 million loss).
- The costs for the ARM Exploration segment were R24 million (1H F2013: R36 million) and mainly include the cost of exploration on the Rovuma project.
- The Corporate and other segment reflects headline earnings of R5 million as compared to a headline loss of R8 million for the previous corresponding period.

At 31 December 2013, cash and cash equivalents (excluding cash in ARM Ferrous of R2 646 million: 1H F2013: R1 391 million) amounted to R1 524 million (1H F2013 restated: R1 563 million) with gross debt being R3 854 million (1H F2013 restated: R4 381 million). The net debt position at 31 December 2013 therefore amounts to R2 330 million (1H F2013 restated: net debt R2 818 million) which is a decrease of R488 million. The analysis of cash and cash equivalents as well as borrowings is reflected in notes 5 and 6. The segment analysis for ARM Ferrous includes details on their cash and cash equivalents.

Cash generated from operations increased to R861 million from R384 million (restated) after a working capital requirement of R671 million (1H F2013 restated: R948 million) which is mainly due to the increase in sales.

Capital expenditure amounted to R697 million for the period (1H F2013 restated: R904 million). Capital expenditure in ARM Ferrous was R732 million for the period (1H F2013: R1 062 million).

Net debt at 31 December 2013 excluding partner loans (Anglo American Platinum: R114 million, ZCCM-IH: R431 million and Glencore/Xstrata: R1 320 million) amounted to R465 million as compared to R778 million (restated) at 31 December 2012.

ARM's consolidated total assets of R34 725 million (F2013: R33 839 million) include the marked-to-market valuation of ARM's investment in Harmony of R1 648 million (F2013: R2 275 million) at a share price of R25.90 per share (F2013: R35.75 per share).

Safety

ARM is pleased to report that no fatalities occurred at any of the ARM managed operations in the period under review. As a result, the ARM managed operations have completed 23 months without a fatality. The Lost Time Injury Frequency Rate (LTIFR) remained constant at 0.41 per 200 000 man-hours compared to the corresponding period. The number of Lost Time Injuries (LTIs) decreased to 59 from 80 LTIs in 1H F2013. Of the 59 LTIs 34 were also classified as Reportable Injuries in terms of the definitions of the Mine Health and Safety Act and Occupational Health and Safety Act (compared to 45 in 1H F2013).

Safety is a key imperative for ARM and we remain committed to adhering to global best practice to ensure the safety and health of all ARM's employees. This is illustrated in our safety achievements.

Safety achievements

- Beeshoek Mine completed four consecutive operating quarters without incurring a lost time injury. The mine has also been fatality-free since March 2003.
- Dwarsrivier Mine achieved 2 million fatality-free shifts in November 2013.

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

ARM Ferrous

ARM Ferrous achieved a 108% increase to headline earnings from R1 035 million (restated) in 1H F2013 to R2 153 million in the period under review.

ARM Ferrous headline earnings (on 100% basis)

| | six months ended 31 December | | |
|-------------------------------------|------------------------------|-------|----------|
| R million | 2013 | 2012 | % change |
| Iron ore division | 3 644 | 1 731 | 111 |
| Manganese division | 655 | 411 | 59 |
| Chrome division | 37 | (20) | — |
| Total | 4 336 | 2 122 | 104 |
| ARM share | 2 168 | 1 061 | |
| Consolidation adjustments | (15) | (26) | |
| Total per IFRS financial statements | 2 153 | 1 035 | 108 |

Total sales of R14.0 billion were 33% higher mainly as a result of higher US Dollar prices realised for iron ore together with a 19% weakening of the Rand.

Sales volumes compared to the same period last year were as follows:

- Total iron ore sales of 7.7 million tonnes were 4% higher, with export sales of 6.7 million tonnes being marginally (0.3%) lower and local sales 45% higher at 1 million tonnes.
- Manganese ore sales (excluding intra-group sales) were 7% lower at 1.4 million tonnes. This was mainly due to the balancing and maintaining of stockpile levels to satisfy quality and grade specifications.
- Chrome ore sales were similar at 477 thousand tonnes.
- Manganese alloys sales increased by 9% to 117 thousand tonnes due to stable and efficient furnace operations.
- Ferrochrome sales were down 65%, as the only ferrochrome production during the period came from the Metal Recovery Plant which recovers the final metal entrapped in the slag.

Assmang sales volumes

| 100% basis | six months ended 31 December | | |
|------------------|------------------------------|-------|----------|
| Thousand tonnes | 2013 | 2012 | % change |
| Iron ore | 7 738 | 7 433 | 4 |
| Manganese ore* | 1 411 | 1 513 | (7) |
| Manganese alloys | 117 | 107 | 9 |
| Charge chrome | 17 | 48 | (65) |
| Chrome ore* | 477 | 483 | (1) |

* Excluding intra-group sales.

Assmang production volumes

| 100% basis | six months ended 31 December | | |
|------------------|------------------------------|-------|----------|
| Thousand tonnes | 2013 | 2012 | % change |
| Iron ore | 7 606 | 7 730 | (2) |
| Manganese ore | 1 727 | 1 483 | 16 |
| Manganese alloys | 133 | 138 | (4) |
| Chrome ore | 496 | 496 | – |

On-mine production unit costs at the iron ore operations were 12.9% higher compared to 1H F2013. This higher than inflation cost escalation was mainly as a result of increased labour and diesel costs which accounted for approximately 8% of the increase. The balance was due to additional waste stripping to improve mining flexibility at the Khumani Mine. Manganese ore on-mine production unit costs increased marginally above inflation at 7.2%, whilst unit production costs at the manganese alloy operations were above inflation at 12.3%. Costs at the manganese alloy operations were impacted by above inflation increases in electricity and labour costs as well as a 3.6% reduction in production volumes. Costs at the Dwaarsrivier Chrome Mine were well contained remaining flat due to an improvement in operational efficiencies at the mine.

Assmang cost and EBITDA margin performance

| Commodity group | Cost of sales unit cost change % | On-mine production cost unit cost change % | EBITDA margin % |
|------------------|----------------------------------|--|-----------------|
| Iron ore* | 11 | 13 | 58 |
| Manganese ore | 6 | 7 | 37 |
| Manganese alloys | 11 | 12 | 10 |
| Chrome ore | 1 | 1 | 9 |

* Excluding the Khumani Mine housing element.

Capital expenditure (on 100% basis) was 31% lower at R1.52 billion (1H F2013 restated: R2.22 billion). The main capital expenditure items relate to the finalisation and commissioning of the Khumani Optimisation Project as well as the Wet High Intensity Magnetic Separation (WHIMS) Plant. There was no capital waste stripping at the Khumani Mine during the period under review. The mining fleet for the future mining area at Beeshoek Mine, namely the Village Pit, has been ordered. Capital was also spent on the feasibility study and early works of the Black Rock Mine Expansion Project as well as the underground mining fleet for the existing operations. The remaining capital was spent on information technology, compliance and maintenance capital.

Assmang capital expenditure

| 100% basis | six months ended 31 December | |
|------------|------------------------------|-------|
| R million | 2013 | 2012* |
| Iron ore | 902 | 1 610 |
| Manganese | 541 | 547 |
| Chrome | 80 | 61 |
| Total | 1 523 | 2 218 |

* The capital expenditure for the six months ended 31 December 2012 has been restated.

Logistics

Iron ore railed to Saldanha Port, at 6.9 million tonnes, was marginally less than the 7.0 million tonnes railed in 1H F2013. Assmang utilised the rapid load-out facility at Khumani Mine to assist Transnet to rail 113 thousand tonnes of iron ore for a new emerging iron ore producer.

Assmang and Transnet continue to engage regarding future export capacity and growth in capacity for both iron ore and manganese ore exports. To this effect, Transnet has officially engaged Assmang on the Manganese Export Capacity Allocation – short term (MECA 2) and the Manganese Export Capacity Allocation – long term (MECA 3) processes. MECA 2 will cover the period until the Ngqura Port is in operation and MECA 3 will regulate the Ngqura Supply Chain Channel. Assmang has aligned its growth and ramp-up of the Black Rock Mine with Transnet's schedule and capacity allocation.

Chrome ore is sold both locally and internationally, with exports channelled through the Richards Bay Port and Maputo.

Projects

Khumani Iron Ore Optimisation Project

The Khumani Mine Wet High Intensity Magnetic Separation (WHIMS) Plant was successfully commissioned on schedule and within budget. The product recovered by the WHIMS plant will extend the life of Khumani Mine and materially improve the quality of the final product.

Studies on the ratios and distribution of on-grade and off-grade ores at the Khumani Mine as well as a study on the necessity for additional jigging capacity to maintain high quality production are in progress.

Beeshoek Iron Ore Mine

The establishment of the Village Pit at the Beeshoek Mine is progressing on schedule. The housing construction in Postmasburg and the process of relocating employees residing in Beeshoek is ongoing. The first units of the new production fleet have been delivered, with final units expected to be on site by July 2014.

Manganese Ore Expansion

A detailed review of the Black Rock Mine Expansion Project, which is expected to increase saleable production from 3.2 million tonnes per annum to 4.6 million tonnes per annum, was completed in October 2013. The review included the relevant market evaluations, resource optimisation trade-offs, technical design reviews and a comprehensive financial evaluation. The project involves exploitation of the Seam 2 resource within the Nchwaning lease area to improve the cost effective extraction of the high grade manganese ore resources. This will allow ARM and Assore to capitalise on demand growth in the international manganese ore market. The project's ramp-up will be synchronised with the expansion of the manganese ore export channel through the Port of Ngqura.

The project has been approved by both the ARM and Assore Boards of Directors.

Sakura Manganese Alloy Project

The US\$328 million joint venture manganese alloy smelting project between Assmang (54%), Sumitomo Corporation (27%) and China Steel Corporation (19%), in the Sarawak State of Malaysia, has been approved by all the shareholders' Boards of Directors. The project leverages on the long-term availability of reasonably priced hydro-electric power, with a guaranteed low escalation rate within Malaysia, and allows Assmang to continue to supply its existing alloy customers. Further, Assmang will sell manganese ore to the Sakura Ferroalloys Project.

Land for development of the project was acquired in the Samalaju Industrial Park and earthworks have commenced. The power purchase agreement was signed on 11 October 2013 and the main project contractor, Metix, was appointed. The project is scheduled to achieve its full design production output of 170 000 tonnes per annum of manganese alloy in the second half of 2016.

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 attributable headline earnings increased by R64 million (21%) to R363 million driven mainly by improved performances at Nkomati Mine and Two Rivers Mine and by increased Rand metal prices.

PGM production (on 100% basis including Nkomati Mine) increased 4% to 426 695 6E ounces (1H F2013: 409 014 ounces) while Nkomati Mine's nickel produced increased by 5% to 11 859 tonnes (1H F2013: 11 258 tonnes) due to improved plant recoveries and efficiencies.

US Dollar prices were lower than the corresponding period however a 19% weakening of the Rand against the US Dollar compensated for the lower PGM prices, resulting in the basket prices for Modikwa and Two Rivers increasing by 12% to R305 767/kg (1H F2013: R271 808/kg) and R315 316/kg (1H F2013: R282 478/kg) respectively.

The tables below sets out the relevant price comparison:

Average US Dollar metal prices

| | | Average for the six months ended 31 December | | |
|--------------------------|---------|--|--------|----------|
| | | 2013 | 2012 | % change |
| Platinum | US\$/oz | 1 424 | 1 550 | (8) |
| Palladium | US\$/oz | 724 | 633 | 14 |
| Rhodium | US\$/oz | 937 | 1 081 | (13) |
| Nickel | US\$/t | 13 935 | 16 376 | (15) |
| Copper | US\$/t | 7 177 | 7 729 | (7) |
| Chrome concentrate (CIF) | US\$/t | 133 | 142 | (6) |

Average Rand metal prices

| | | Average for the six months ended 31 December | | |
|--------------------------|------|--|---------|----------|
| | | 2013 | 2012 | % change |
| Platinum | R/oz | 14 301 | 13 111 | 9 |
| Palladium | R/oz | 7 267 | 5 354 | 36 |
| Rhodium | R/oz | 9 403 | 9 142 | 3 |
| Nickel | R/t | 139 910 | 138 538 | 1 |
| Copper | R/t | 72 061 | 65 388 | 10 |
| Chrome concentrate (CIF) | R/t | 1 333 | 1 197 | 11 |

Nkomati Mine's unit cost improved by 5% to R283 per tonne milled (1H F2013: R297 per tonne) while the C1 unit cash cost net of by-products reduced by 15% to US\$4.35/lb (1H F2013: US\$5.13/lb) of nickel produced. Modikwa Mine's unit production costs increased 14% whilst Two River Mine unit costs increased 1%. Despite these increases it is expected that both Modikwa and Two Rivers will continue to be positioned below the 50th percentile of the global PGM cost curve with respective unit costs of R6 639/6E PGM oz (1H F2013: R5 829/6E PGM oz) and R5 153/6E PGM ounce (1H F2013: R5 121/6E PGM oz).

Capital expenditure at ARM Platinum operations (on 100% basis) was R640 million (R389 million attributable). Modikwa's major capital items include construction of the Mainstream Inert Grinding (MIG) plant, deepening of North shaft, the sinking of South 2 shaft, and the replacement of mining equipment. Of the capital spent at Two Rivers, 21% is associated with fleet replacement and 20% on the PGM scavenger plant. The balance was incurred in the deepening of the Main and North declines. Nkomati's capital expenditure relates to increased waste stripping activities and to sustain operations.

ARM Platinum capital expenditure

| 100% basis | six months ended 31 December | |
|------------|------------------------------|------|
| R million | 2013 | 2012 |
| Modikwa | 320 | 172 |
| Two Rivers | 138 | 266 |
| Nkomati | 182 | 98 |
| Total | 640 | 536 |

Modikwa Mine

Modikwa Mine's attributable headline earnings decreased by 9%.

Production at the mine was lower with PGMs produced for the six months of 154 911 6E ounces compared to 1H F2013 production of 176 701 6E ounces. As a result, production unit costs increased by 14% to R929 per tonne milled (1H F2013: R812 per tonne milled) and R6 639 per 6E PGM ounce (1H F2013: R5 829 per 6E PGM ounce). The decline in production is due to the cessation of open-cast mining as well as an increase in dilution due to wider stoping width, which resulted in a decrease of 2% in the head grade.

Modikwa Mine operational statistics

| 100% basis | | six months ended 31 December | | |
|---|-------------|------------------------------|---------|----------|
| | | 2013 | 2012 | % change |
| Cash operating profit | R million | 226 | 250 | (10) |
| Tonnes milled | Mt | 1.11 | 1.27 | (13) |
| Head grade | g/t, 6E | 5.31 | 5.44 | (2) |
| PGMs in concentrate | Ounces, 6E | 154 911 | 176 701 | (12) |
| Average basket price | R/kg, 6E | 305 767 | 271 808 | 12 |
| Average basket price | US\$/oz, 6E | 947 | 999 | (5) |
| Cash operating margin | % | 18 | 20 | – |
| Cash cost | R/kg, 6E | 213 441 | 187 418 | 14 |
| Cash cost | R/tonne | 929 | 812 | 14 |
| Cash cost | R/Pt oz | 17 067 | 14 672 | 16 |
| Cash cost | R/oz, 6E | 6 639 | 5 829 | 14 |
| Cash cost | US\$/oz, 6E | 661 | 689 | (4) |
| Headline earnings attributable to ARM (41.5%) | R million | 49 | 54 | (9) |

Two Rivers Mine

The headline earnings contribution from the Two Rivers Mine increased 60% in comparison to the corresponding period last year.

PGM ounces produced increased by 8% driven by an increase in tonnes milled (4%) and improved plant recovery and efficiency. This, combined with enhanced Rand basket prices, resulted in a 34% increase in cash operating profit. The mine's costs were well contained in the currently inflationary environment increasing only 1% to R5 153 per 6E ounce compared to the 1H F2013 unit costs of R5 121 per 6E ounce.

There was a 153 083 tonnes increase in the Run of Mine (ROM) stockpile (including Merensky) to a total of 437 296 tonnes of ore. The UG2 stock movement from December 2012 to December 2013 equates to R75 million. The closing UG2 stock level for 1H F2014 was 302 327 tonnes (1H F2013: 143 515 tonnes).

Two Rivers Mine commenced chrome concentrate sales in October 2013, with a total of 43 787 tonnes being sold during the period under review.

Two Rivers Mine operational statistics

| 100% basis | | six months ended 31 December | | |
|---|-------------|------------------------------|---------|----------|
| | | 2013 | 2012 | % change |
| Cash operating profit | R million | 641 | 479 | 34 |
| – PGMs | R million | 624 | 479 | 30 |
| – Chrome | R million | 17 | – | – |
| Tonnes milled | Mt | 1.66 | 1.59 | 4 |
| Head grade | g/t, 6E | 4.01 | 4.07 | (1) |
| PGMs in concentrate | Ounces, 6E | 193 503 | 179 513 | 8 |
| Chrome concentrate sold | Tonnes | 43 787 | – | – |
| Average basket price | R/kg, 6E | 315 316 | 282 478 | 12 |
| Average basket price | US\$/oz, 6E | 977 | 1 039 | (6) |
| Cash operating margin | % | 38 | 34 | – |
| Cash cost | R/kg, 6E | 165 667 | 164 629 | 1 |
| Cash cost | R/tonne | 602 | 578 | 4 |
| Cash cost | R/Pt oz | 11 068 | 11 050 | – |
| Cash cost | R/oz, 6E | 5 153 | 5 121 | 1 |
| Cash cost | US\$/oz, 6E | 513 | 605 | (15) |
| Headline earnings attributable to ARM (55%) | R million | 157 | 98 | 60 |

Nkomati Mine

Nkomati Mine continued to perform well during the period under review and increased its headline earnings contribution by 7% when compared with the previous period.

Nkomati Mine nickel production increased by 5% to 11 859 tonnes and PGM production increased by 48% to 78 280 ounces for the six months. Chrome concentrate sales increased 55% to 117 211 tonnes (1H F2013: 75 849). Despite the Rand nickel price increasing only 1%, Nkomati Mine generated cash operating profit of R748 million, an 8% increase over the corresponding period. This can be attributed to cost control, enhanced efficiencies and a 4% increase in overall plant recoveries. Nkomati Mine achieved a 15% reduction in the C1 unit cash cost net of by-products to US\$4.35/lb of nickel produced (1H F2013: US\$5.13/lb).

Nkomati Mine operational statistics

| 100% basis | | six months ended 31 December | | |
|---|-----------|------------------------------|--------|----------|
| | | 2013 | 2012 | % change |
| Cash operating profit | R million | 748 | 694 | 8 |
| – Nickel Mine | R million | 695 | 644 | 8 |
| – Chrome Mine | R million | 53 | 50 | 6 |
| Cash operating margin | % | 30 | 33 | – |
| Tonnes milled | Mt | 3.96 | 3.74 | 6 |
| Head grade | % nickel | 0.39 | 0.42 | (7) |
| Nickel on-mine cash cost per tonne milled | R/tonne | 283 | 297 | (5) |
| Cash cost net of by-products* | US\$/lb | 4.35 | 5.13 | (15) |
| Contained metal | | | | |
| Nickel | Tonnes | 11 859 | 11 258 | 5 |
| PGMs | Ounces | 78 280 | 52 800 | 48 |
| Copper | Tonnes | 5 171 | 4 988 | 4 |
| Cobalt | Tonnes | 593 | 535 | 11 |
| Chrome concentrate sold | Tonnes | 117 211 | 75 849 | 55 |
| Headline earnings attributable to ARM (50%) | R million | 157 | 147 | 7 |

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

Projects

Modikwa Mine

The North Shaft deepening project is progressing on schedule with total development at 1 903 metres versus the feasibility plan of 1 874 metres. 7 Level was handed over to the mine operations in December 2013. The decline system is currently approaching 9 Level and North and South haulage development is progressing to the first raise lines on 8 Level.

The development at the South 2 project has progressed well to tie in with the existing haulages at the Hillside adits and infrastructure development at the decline turning point is progressing as planned. The first two raise positions have been exposed on -1 Level.

The installation of a Mainstream Inert Grinding (MIG) mill, to enhance PGM recoveries, was approved and construction commenced in Q1 F2014 with completion expected in Q4 F2014.

Two Rivers Mine

The transfer of prospecting rights from Implats to Two Rivers in respect of portions of the farms Kalkfontein, Tweefontein and Buffelshoek is awaiting approval from the Department of Mineral Resources.

The PGM Enhancement Project has been completed and the commissioning and ramp up is progressing as planned. On completion of the feasibility study on the extraction of UG2 ore from the deeper southern strike extent of the Main Decline, further optimisation of the ore extraction method will be evaluated.

Nkomati Mine

All the major construction activities relating to Eskom power supply for the Nkomati Expansion Project were completed. Some minor items are outstanding and will be completed by end Q4 F2014.

Kalplats PGM Exploration Project

Platinum Australia (PLA) submitted a definitive feasibility study in 2012 thereby completing Phase II of the exploration programme and earning 44% participation interest in the Kalplats Project. The viability of a possible mining operation at Kalplats is adversely affected by the lack of Eskom power and the uncertainty regarding the timing of its delivery. Approval of a Retention Permit application, which was submitted in July 2012, is still awaited.

The ARM Platinum division comprises:

- *Three operating mines:*
 - o *Modikwa – ARM Mining Consortium has an effective 41.5% interest in Modikwa where local communities hold an 8.5% effective interest. The remaining 50% is held by Anglo American Platinum.*
 - o *Two Rivers – an incorporated joint venture with Implats, with ARM holding 55% and Implats 45%.*
 - o *Nkomati – a 50:50 partnership between ARM and Norilsk Nickel Africa.*
- *Two projects:*
 - o *the “Kalplats Platinum Project” in which ARM Platinum holds 46% and Platinum Australia (PLA) holds 44%, with Anglo American holding 10%.*
 - o *the “Kalplats Extended Area Project” in which ARM Platinum and PLA each have a 50% interest.*

ARM Coal

ARM Coal's total attributable cash operating profit of R275 million is 38% lower compared to the R443 million achieved in 1H F2013. Attributable headline earnings were a loss of R34 million compared to a profit of R105 million in 1H F2013.

Consolidated export sales volumes were in line with 1H F2013 however realised US Dollar export prices decreased by 22% from US\$94.89 to US\$74.40 per tonne due to the market requiring lower quality coal. This resulted in a decrease of R359 million in attributable export revenue. This was offset to an extent by the weakening of the Rand versus the US Dollar which contribute R238 million to sales.

Total saleable coal production was 12% lower than in 1H F2013. At the Goedgevonden Mine, damage to a mining excavator resulted in lower Run Of Mine (ROM) and plant feed, as well as lower in-pit inventories and raw coal stockpiles. The excavator has since been replaced. At PCB, ROM production and plant feed were 10% and 2% higher respectively. The average yield however decreased by 7% due the depletion of low-cost, high-yield underground reserves. The areas mined in the period under review were therefore high-cost, low-yield underground reserves. Mining in the low-yield underground areas is expected to continue until the Tweefontein Optimisation Project is commissioned. Unprotected industrial action, which lasted 6 days during the reporting period, also had a negative impact on overall production.

ARM Coal attributable profit analysis

| | six months ended 31 December | | |
|--|------------------------------|-------|----------|
| R million | 2013 | 2012 | % change |
| Cash operating profit | 275 | 443 | (38) |
| Less: Interest paid | (127) | (103) | (23) |
| Amortisation | (178) | (162) | (10) |
| Fair value adjustments | (15) | (34) | 56 |
| Profit before tax | (45) | 144 | (131) |
| Less: Tax | 11 | (39) | – |
| Headline (loss)/earnings attributable to ARM | (34) | 105 | (132) |

Goedgevonden Coal Mine

The Goedgevonden Mine attributable headline earnings increased by 48% from R63 million to R93 million. Cash operating profit increased by 26% from R183 million to R230 million.

Attributable revenue was R81 million higher than in 1H F2013 as a result of increased export sales volumes, and a 19% weakening of the Rand versus the US Dollar. Export sales volumes increased by 22% linked to the improvement in performance by Transnet Freight Rail (TFR). Eskom curtailed buying of additional coal, resulting in a reduction of 21% in Eskom sales.

On-mine unit cost increased by 31% to R207 per tonne as a result of an increase in labour, maintenance, diesel and explosives costs combined with a decrease in saleable production. These accounted for approximately 16% of the overall increase and lower yields accounted for the balance of the increase. Total labour costs escalated as the mine increased its labour complement to perform certain activities previously performed by contractors. Maintenance cost increases are in line with the age of the mining fleet.

Goedgevonden Mine operational statistics

| six months ended 31 December | | | | |
|--|------------|--------|--------|----------|
| | | 2013 | 2012 | % change |
| Total production sales | | | | |
| Saleable production | Mt | 3.77 | 4.41 | (15) |
| Export thermal coal sales | Mt | 2.13 | 1.74 | 22 |
| Eskom thermal coal sales | Mt | 1.81 | 2.28 | (21) |
| Attributable production and sales | | | | |
| Saleable production | Mt | 0.98 | 1.15 | (15) |
| Export thermal coal sales | Mt | 0.55 | 0.45 | 22 |
| Eskom thermal coal sales | Mt | 0.47 | 0.59 | (20) |
| Average received coal price | | | | |
| Export (FOB) | US\$/tonne | 79.98 | 93.20 | (14) |
| Eskom (FOT) | R/tonne | 195.74 | 183.73 | 7 |
| On-mine saleable cost | R/tonne | 207.20 | 157.98 | 31 |
| Cash operating profit | | | | |
| Total | R million | 883 | 702 | 26 |
| Attributable (26%) | R million | 230 | 183 | 26 |
| Headline earnings attributable to ARM | R million | 93 | 63 | 48 |

Goedgevonden Mine attributable profit analysis

| six months ended 31 December | | | | |
|---------------------------------------|--|------|------|----------|
| R million | | 2013 | 2012 | % change |
| Cash operating profit | | 230 | 183 | 26 |
| Less: Interest paid | | (43) | (43) | — |
| Amortisation | | (48) | (47) | (2) |
| Fair value adjustments | | (8) | (6) | (33) |
| Profit before tax | | 131 | 87 | 51 |
| Less: Tax | | (38) | (24) | — |
| Headline earnings attributable to ARM | | 93 | 63 | 48 |

Participating Coal Business (PCB)

PCB attributable cash operating profit decreased by 83% from R260 million to R45 million and attributable headline earnings decreased from R42 million to a loss of R127 million.

Attributable revenue was R182 million lower than in 1H F2013, mainly due to lower export volumes and lower US Dollar prices as lower quality coal was sold into the market. This was partially offset by a weaker Rand/ US Dollar exchange rate and higher realised prices for Eskom and domestic coal sales.

Saleable production was 10% lower as the yield decreased by 7% due to a change in the quality of plant feed to produce export product. The lower yield together with stockpiling of 750 000 tonnes to cater for the commissioning of the new central plant resulted in saleable production being 10% lower. The new central plant forms part of the Tweefontein Optimisation Project (TOP) which is planned for commissioning in 1H F2015.

Total on-mine cash costs were R98 million higher due to the increased ROM production together with mining in high-cost low-yield areas of the underground mine. Labour, maintenance, diesel and explosives costs were higher due to an increase in the labour compliment and the mobile equipment fleet. Diesel prices increased 17% over the period which also impacted in unit costs. These increases, together with the decrease in saleable production, resulted in an increase of 38% in on-mine cost to R417 per saleable tonne. The benefit of stockpiling ROM coal in anticipation of the commissioning of the TOP Plant will be reflected in on-mine unit costs when the stockpiled coal is fed into the plant next year.

Participating Coal Business operational statistics

| six months ended 31 December | | | | |
|--|------------|--------|--------|----------|
| | | 2013 | 2012 | % change |
| Total production sales | | | | |
| Saleable production | Mt | 5.98 | 6.65 | (10) |
| Export thermal coal sales | Mt | 4.97 | 5.29 | (6) |
| Eskom thermal coal sales | Mt | 0.78 | 0.84 | (7) |
| Local thermal coal sales | Mt | 0.22 | 0.22 | – |
| Attributable production and sales | | | | |
| Saleable production | Mt | 1.21 | 1.34 | (10) |
| Export thermal coal sales | Mt | 1.00 | 1.07 | (7) |
| Eskom thermal coal sales | Mt | 0.16 | 0.17 | (6) |
| Local thermal coal sales | Mt | 0.04 | 0.04 | – |
| Average received coal price | | | | |
| Export (FOB) | US\$/tonne | 67.78 | 96.30 | (30) |
| Eskom (FOT) | R/tonne | 201.83 | 179.13 | 13 |
| Local (FOR) | R/tonne | 347.04 | 264.86 | 31 |
| On-mine saleable cost | R/tonne | 417.44 | 302.06 | 38 |
| Cash operating profit | | | | |
| Total | R million | 223 | 1 286 | (83) |
| Attributable (20.2%) | R million | 45 | 260 | (83) |
| Headline (loss)/earnings attributable to ARM | R million | (127) | 42 | >(250) |

Participating Coal Business attributable profit analysis

| | six months ended 31 December | | |
|--|------------------------------|-------|----------|
| R million | 2013 | 2012 | % change |
| Cash operating profit | 45 | 260 | (83) |
| Less: Interest paid | (84) | (60) | (40) |
| Amortisation | (130) | (115) | (13) |
| Fair value adjustments | (7) | (28) | 75 |
| Profit/(loss) before tax | (176) | 57 | >(250) |
| Less: Tax | 49 | (15) | – |
| Headline (loss)/earnings attributable to ARM | (127) | 42 | >(250) |

Projects

Tweefontein Optimisation Project

Construction at The Tweefontein Optimisation Project (TOP) is progressing well and as at 31 December 2013, 72% of the estimated cost of R8.2 billion had been committed or spent. Work on the project commenced towards the end of F2012 and the project is expected to be completed in F2015.

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

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

ARM Copper

The concentrator plant is producing concentrate to the specification of the contracted Zambian smelters and the dispute between Lubambe Copper Mine and Mopani Copper Mines regarding off-specification concentrate has been resolved. All high grade concentrate which was in stock as at 30 June 2013 will be sold by end of February 2014.

The late commissioning of the vertical shaft negatively impacted on production for the first half of F2014. Constraints on underground rock handling at both the vertical shaft (South Limb) and the decline Shaft (East Limb) received attention and these bottlenecks have largely been addressed. The main focus remains on attaining the requisite mining ramp up towards full production in F2016 in a sustainable manner whilst strengthening the good safety culture on the mine.

Operational statistics

| | | six months ended 31 December | | |
|---|-----------|------------------------------|---------|----------|
| | | 2013 | 2012 | % change |
| Waste development | Metres | 5 861 | 6 355 | (8) |
| Ore development | Metres | 4 281 | 4 188 | 2 |
| Ore development | Tonnes | 220 516 | 286 786 | (23) |
| Ore stoping | Tonnes | 436 394 | 88 525 | >250 |
| Ore tonnes mined | Tonnes | 656 910 | 379 695 | 73 |
| Tonnes milled | Thousand | 716 005 | 294 279 | 143 |
| Mill head grade | % copper | 1.97 | 1.70 | 16 |
| Concentrator recovery | % | 75.04 | 64.6 | 16 |
| Copper concentrate produced | Tonnes | 25 167 | 10 212 | 146 |
| Copper concentrate sold | Tonnes | 33 607 | 8 564 | >250 |
| Contained metal | | | | |
| Copper produced | Tonnes | 10 567 | 3 230 | 227 |
| Copper sold | Tonnes | 14 325 | 2 874 | >250 |
| Headline loss attributable to ARM (40%) | R million | (122) | (21) | >(250) |

The Lubambe Copper Mine

The mine is well advanced in its ramp-up to full production which is expected to be achieved in the 2016 financial year. The full commissioning of the mine and the achievement of the ramp up remained the main focus for this period. Commissioning of the refurbished shaft took much longer than anticipated mainly due to the actual shaft bottom excavations being materially different from the 1950's drawings. In addition to this the ore and waste passes developed in the early 50's were found to be incorrectly developed. This hampered ore and waste hoisting capacity and hence the production output from Lubambe Copper Mine was below target. During December 2013 all the required modifications of the ore and waste passes were completed successfully. During this period the mine also installed and commissioned an 850 MMD mineral sizer on the main tips on the east limb in order to increase ore-flow through the mine. Today we have four rock passes compared to only one in the comparable period. This improvement project was necessitated due to poor ground conditions experienced at the second conveyor transfer section of the Eastern Limb.

The concentrator plant achieved full daily capacity on several occasions during the reporting period. Plant performance is improving and further modifications and optimisation plans are being implemented to improve extraction and quality from the plant. During the latter part of 1H F2014 an amenable agreement was reached with Mopani Copper Mines to buy back the off specification concentrate and export it to smelters in China. As at 31 December 2013, 3 600 of the 15 500 tonnes of disputed concentrate was sold and it is expected to have all the concentrate sold by the end of February 2014. All high

grade concentrate stocks accumulated on the mine as a result of the cessation of deliveries to Mopani have also been depleted and sold to traders at acceptable terms. New and revised off take agreements have been put in place during this reporting period and are now with Chambishi Copper Smelter (CCS) and Konkola Copper Mines (KCM).

In spite of the production tonnage constraints experienced on the mine during the first six months of F2014, access development is still progressing well with ore drive development being ahead of schedule. Longitudinal Room and Pillar Stopping is still the only mining method being used and at the end of December 2013 14 stopes are being mined. Poor ground conditions are being experienced in places, but a proactive approach and innovation from the mining teams are mitigating the negative effects of this to a large degree. Production ramp-up to full production of 45 000 tonnes of contained copper is expected to be reached in F2016.

The mine has also delivered a good safety performance and has been fatality free since exploration commenced in 2007.

Capital expenditure to 31 December 2013 for development of the mine amounted to US\$463 million comprising project capital expenditure amounting to US\$442 million and pre-production costs capitalised for the ten month period to 30 April 2013 amounting to US\$21 million.

Development of the mine is effectively complete with only the reallocation action plan (RAP) project and project closure outstanding. The RAP project is expected to be completed early in F2015 and construction of the 205 houses is progressing well.

The mine's throughput design for both the South and East Limb ore bodies remains at 2.5 million tonnes per annum of ore at an average mill head grade of 2.3% copper, which will result in the production of 45 000 tonnes of contained copper in concentrate per annum for 28 years.

The Lubambe Extension Project

The Lubambe Extension Project is situated 6km to the south of the present mine and may provide for the expansion of the Lubambe Copper Mine to potentially increase the total production to more than 100 000 tonnes of copper from more than 5 million tonnes of ore milled on an annual basis.

Additional surface drilling has been completed during 1H F2014 in the Lubambe Extension Area to assist in determining the ore body extent. These nine holes delivered very promising results and clearly indicated that the ore body extends further east than originally expected. On 27 February 2014 AMEC released an updated report increasing the Lubambe Extension Area indicated and inferred resources to 134 million tonnes at an in-situ grade of 4.07% total copper.

As the Lubambe Extension is in the Konkola Basin, a full hydrogeological survey has to be performed to assess the dewatering requirements and pumping quantities of a new mine in this area. The hydrogeological hole has progressed well to a depth of 650 metres. Drilling will continue to a depth of 1 250 metres after which the hydrological testwork will commence.

The analysis of the Aero Magnetic and Aero Electric surveys has been completed across the whole Mining Lease area with the intention to identify further exploration targets. For the remainder of F2014 the team will focus on conducting further metallurgical test work and completing the hydrogeological borehole.

The Kalumines Copper Project

The decision to exit the Joint Venture from the Kalumines project in the Democratic Republic of the Congo (DRC) is almost fully concluded. The mining licence was handed back to Gecamines. Gecamines paid a settlement fee for the mining of ore and for geological drilling done by the partners. Most of the company's assets have been sold and the application for final liquidation of the company in the DRC has been filed and is in an advanced stage of finalisation. Full closure and finalisation is expected well before the end of F2014.

ARM owns 100% of ARM Copper. ARM Copper owns 50% of the Vale/ARM joint venture. The effective interest of ARM in the Lubambe Copper Mine is 40% as ZCCM-IH has a 20% shareholding.

ARM Exploration

The ARM Exploration headline loss attributable was R24 million for the period (1H F2013: R36 million).

ARM's growth strategy comprises of:

- quality growth of existing assets pursued by the joint venture operations;
- continuing to assess acquisitions and partnership opportunities and
- exploration in Africa

New business opportunities

ARM's minimum requirement is that potential partners have completed methodological target generation and concept-driven exploration, and have recorded discovery success. ARM will consider investing in such projects or companies and in partnership would undertake further exploration.

The division is also tasked with identifying and evaluating merger and acquisition opportunities. Each project is assessed in terms of its sustainability, value, and potential contribution to the Company's overall profitability. The size of ARM's investment is determined by the quality and sustainability of the opportunity both for the ARM shareholders and the communities and countries in which the development may take place.

Exploration

The agreement with Rovuma Resources Limited is ongoing. Rovuma explores in northern Mozambique and has identified numerous occurrences of copper/zinc, nickel/copper/PGE, chromite/nickel and graphite mineralisation.

ARM has agreed to continue with the option for the second year (commencing April 2013) and to fund exploration at a cost of approximately US\$4 million for the year to April 2014. ARM will have exclusive rights to purchase prospecting and/or mining rights to the resources.

The prospective geological units have a strike extent of approximately 80km and four target cluster areas have been defined. Each cluster comprises numerous identified areas of base metal mineralisation. Three of the four clusters have been drill tested during the 2013 field season. The complete suite of assay results are awaited from laboratories.

Harmony Gold Mining Company Limited (Harmony)

Harmony reported an operating loss of R125 million for the six months ended 31 December 2013, a significant decrease compared to the previous corresponding period in which an operating profit of R1 395 million was reported. The lower profitability was due to an 8% decrease in the realised gold price as well as a 5% increase in the R/kg cash operating costs. The 1H F2013 operating profit included a profit from the sale of property, plant and equipment of R124 million which was not repeated in 1H F2014. Headline earnings were also lower at a loss of R71 million (1H F2014; R1 205 million profit).

Harmony continues to focus on cost containment and managing its operations so as to be profitable at current gold prices. For the period under review, five of Harmony's mines were profitable with an all-in cost of below US\$1 000/oz. Various interventions, including restructuring and elimination of unprofitable low grade reserves, are already underway to improve the cost position of the operations producing at above US\$1 000/oz.

On 14 August 2013, Harmony announced that it would be repositioning development of the Wafi-Golpu Project in Papua New Guinea to a modular, expandable mine approach, with lower capital requirements. Harmony and Newcrest plan on completing a feasibility study to evaluate the underground exploration programme for the Wafi-Golpu Project. This next phase of work requires a feasibility study on underground exploration access and associated underground staging platforms to complete deep underground drilling and bulk sampling of the ore body. The Harmony and Newcrest joint venture anticipates a final investment decision for the proposed underground access during the second half of calendar 2014, subject to receipt of necessary regulatory approvals.

The ARM Statement of Financial Position at 31 December 2013 reflects a mark-to-market investment in Harmony of R1.65 billion at a share price of R25.90 per share (F2013: R35.75 per share). Changes in the value of the investment in Harmony, to the extent that they represent a significant or prolonged decline below the cost of the investment, are adjusted through the Income Statement, net of tax. Gains above the cost are accounted for, net of deferred capital gains tax, through the Statement of Comprehensive Income. Dividends are recognised in the ARM Income Statement on the last day of registration following dividend declaration.

Harmony's results for the six months ended 31 December 2013 can be viewed on Harmony's website at www.harmony.co.za.

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

Outlook

Commodity prices and currencies continued to be volatile as a result of global economic developments particularly in the US, China and Europe.

The positive impact of the economic recovery in the US has been tempered by the announced reductions in the central bank bond repurchase programme. The Chinese economy remains supportive of demand for the commodities that ARM produces. During the period under review, the price for iron ore has remained stable and was well above the price in the corresponding period last year. It is expected that iron ore demand will remain robust especially for higher grade quality ore.

The South African mining industry is being challenged by rising costs especially for labour, fuel and power costs. ARM is focussing on controlling costs to ensure that its operations continue to be positioned below the 50th percentile of the global costs curves. This is a core value driver in our business. ARM's operations strive to improve productivity through continuous training, technical innovation and improvements in mining efficiencies. Stakeholder relationships are approached on an inclusive basis.

ARM is also pursuing quality growth both in the existing portfolio of assets and through acquisitions to further improve cost performance. ARM's acquisition criteria is based on ARM's strategy of being an owner operator of long-life, low unit cost operations. Transnet's Market Demand Strategy, which will see the expansion of South Africa's iron ore and manganese ore export capacity, allows ARM to expand and optimise its iron ore and manganese ore operations. Growth in ARM's iron ore and manganese ore production will be aligned with Transnet's expansion plans. ARM's financial position allows ARM to pursue value adding acquisitive growth.

ARM remains confident about the future and continues to build a diversified portfolio of mining assets that creates value for its shareholders and all stakeholders.

Review by independent auditors

The financial results for the six months ended 31 December 2013 have not been reviewed or audited by the Company's registered auditors, Ernst & Young Inc.

Signed on behalf of the board:

P T Motsepe
Executive Chairman

Johannesburg
7 March 2014

M P Schmidt
Chief Executive Officer

NOTES



Financial statements

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Group statement of financial position

as at 31 December 2013

| | | Unaudited Six months ended 31 December | Restated* 2012 | Unaudited Year ended 30 June Restated* 2013 |
|---|------|--|-------------------|---|
| | Note | 2013 Rm | 2012 Rm | 2013 Rm |
| ASSETS | | | | |
| Non-current assets | | | | |
| Property, plant and equipment | | 11 647 | 10 804 | 11 309 |
| Investment property | | 12 | 12 | 12 |
| Intangible assets | | 171 | 184 | 178 |
| Deferred tax asset | | 426 | 4 | 327 |
| Loans and long-term receivables | | 75 | 103 | 90 |
| Financial assets | | 3 | 40 | 3 |
| Inventories | | – | 147 | – |
| Investment in associate | | 1 211 | 1 449 | 1 420 |
| Investment in joint venture | 4 | 13 909 | 11 228 | 12 506 |
| Other investments | | 1 779 | 4 813 | 2 391 |
| | | 29 233 | 28 784 | 28 236 |
| Current assets | | | | |
| Inventories | | 1 101 | 747 | 1 096 |
| Trade and other receivables | | 2 863 | 2 115 | 2 290 |
| Taxation | | 3 | 32 | 22 |
| Financial asset | | 1 | – | 39 |
| Cash and cash equivalents | 5 | 1 524 | 1 563 | 1 965 |
| | | 5 492 | 4 457 | 5 412 |
| Assets held for sale | | – | – | 191 |
| Total assets | | 34 725 | 33 241 | 33 839 |
| EQUITY AND LIABILITIES | | | | |
| Capital and reserves | | | | |
| Ordinary share capital | | 11 | 11 | 11 |
| Share premium | | 4 079 | 3 990 | 3 996 |
| Other reserves | | 875 | 519 | 769 |
| Retained earnings | | 19 736 | 19 066 | 19 294 |
| Equity attributable to equity holders of ARM | | 24 701 | 23 586 | 24 070 |
| Non-controlling interest | | 1 563 | 1 315 | 1 393 |
| Total equity | | 26 264 | 24 901 | 25 463 |
| Non-current liabilities | | | | |
| Long-term borrowings | 6 | 3 148 | 3 370 | 3 293 |
| Deferred tax liabilities | | 1 829 | 1 740 | 1 680 |
| Long-term provisions | | 608 | 587 | 560 |
| | | 5 585 | 5 697 | 5 533 |
| Current liabilities | | | | |
| Trade and other payables | | 1 817 | 1 320 | 1 599 |
| Short-term provisions | | 278 | 220 | 494 |
| Taxation | | 75 | 92 | 51 |
| Overdrafts and short-term borrowings | 6 | 706 | 1 011 | 699 |
| | | 2 876 | 2 643 | 2 843 |
| Total equity and liabilities | | 34 725 | 33 241 | 33 839 |

* Restated after adoption of IFRS 11 Joint Arrangements (Refer notes 2 and 12).

Group income statement

for the six months ended 31 December 2013

| | | Unaudited Six months ended 31 December | Restated* 2012 Rm | Unaudited Year ended 30 June Restated* 2013 Rm |
|--|------|--|-------------------------|---|
| | Note | 2013 Rm | | |
| Revenue | | 4 983 | 3 816 | 7 863 |
| Sales | | 4 606 | 3 572 | 7 342 |
| Cost of sales | | (3 582) | (2 778) | (5 866) |
| Gross profit | | 1 024 | 794 | 1 476 |
| Other operating income | | 499 | 495 | 992 |
| Other operating expenses | | (743) | (625) | (1 294) |
| Profit from operations before exceptional items | | 780 | 664 | 1 174 |
| Income from investments | | 52 | 66 | 131 |
| Finance costs | | (120) | (99) | (199) |
| (Loss)/income from associate** | | (240) | 42 | (14) |
| Income from joint venture | 4 | 2 153 | 1 035 | 3 063 |
| Profit before taxation and exceptional items | | 2 625 | 1 708 | 4 155 |
| Exceptional items | 7 | (631) | — | (2 457) |
| Profit before taxation | | 1 994 | 1 708 | 1 698 |
| Taxation | 9 | (164) | (218) | 84 |
| Profit for the period | | 1 830 | 1 490 | 1 782 |
| Attributable to: | | | | |
| Non-controlling interest | | 116 | 84 | 148 |
| Equity holders of ARM | | 1 714 | 1 406 | 1 634 |
| | | 1 830 | 1 490 | 1 782 |
| Additional information | | | | |
| Headline earnings (R million) | 8 | 2 341 | 1 406 | 3 737 |
| Headline earnings per share (cents) | | 1 084 | 654 | 1 735 |
| Basic earnings (R million) | | 1 714 | 1 406 | 1 634 |
| Basic earnings per share (cents) | | 794 | 654 | 759 |
| Fully diluted headline earnings per share (cents) | | 1 076 | 650 | 1 723 |
| Fully diluted basic earnings per share (cents) | | 788 | 650 | 753 |
| Number of shares in issue at end of period (thousands) | | 216 462 | 215 532 | 215 625 |
| Weighted average number of shares in issue (thousands) | | 215 971 | 215 122 | 215 357 |
| Weighted average number of shares used in calculating fully diluted earnings per share (thousands) | | 217 492 | 216 424 | 216 914 |
| Net asset value per share (cents) | | 11 411 | 10 943 | 11 163 |
| EBITDA (R million) | | 1 264 | 1 048 | 1 982 |
| Dividend declared after year end (cents) | | — | — | 510 |

* Restated after adoption of IFRS 11 Joint Arrangements (Refer notes 2 and 12).

** Impairment included in (loss)/income from associate R113 million (1H 2012: R nil, F2013: R nil).

Group statement of comprehensive income

for the six months ended 31 December 2013

| | Available for-sale reserve Rm | Other Rm | Retained earnings Rm | Total share- holders of ARM Rm | Non- controlling interest Rm | Total Rm |
|--|--|-------------|----------------------------|--|---------------------------------------|-------------|
| Six months ended | | | | | | |
| 31 December 2013 (Unaudited) | | | | | | |
| Profit for the period | – | – | 1 714 | 1 714 | 116 | 1 830 |
| Other comprehensive income that may be reclassified to the income statement in subsequent periods: | | | | | | |
| Sale of subsidiary | – | (5) | – | (5) | – | (5) |
| Cash flow hedge reserve | – | 31 | – | 31 | – | 31 |
| Foreign currency translation | – | 57 | – | 57 | – | 57 |
| Total other comprehensive income | – | 83 | – | 83 | – | 83 |
| Total comprehensive income for the period | – | 83 | 1 714 | 1 797 | 116 | 1 913 |
| Six months ended | | | | | | |
| 31 December 2012 restated* (Unaudited) | | | | | | |
| Profit for the period | – | – | 1 406 | 1 406 | 84 | 1 490 |
| Other comprehensive income that may be reclassified to the income statement in subsequent periods: | | | | | | |
| Net impact of revaluation of listed investment | (129) | – | – | (129) | – | (129) |
| Revaluation of listed investment | (159) | – | – | (159) | – | (159) |
| Deferred tax on revaluation of listed investment | 30 | – | – | 30 | – | 30 |
| Foreign exchange movements on loans to foreign Group entity | – | 20 | – | 20 | – | 20 |
| Deferred tax on unrealised foreign exchange movements on loans to a foreign Group entity | – | (5) | – | (5) | – | (5) |
| Cash flow hedge reserve | – | 1 | – | 1 | – | 1 |
| Foreign currency translation reserve movement | – | 29 | – | 29 | – | 29 |
| Total other comprehensive income | (129) | 45 | – | (84) | – | (84) |
| Total comprehensive income for the period | (129) | 45 | 1 406 | 1 322 | 84 | 1 406 |
| Year ended 30 June 2013 restated* (Unaudited) | | | | | | |
| Profit for the year | – | – | 1 634 | 1 634 | 148 | 1 782 |
| Other comprehensive income that may be reclassified to the income statement in subsequent periods: | | | | | | |
| Net impact of revaluation of listed investment | (139) | – | – | (139) | – | (139) |
| Reclassification adjustment due to impairment of available-for-sale listed investment | (170) | – | – | (170) | – | (170) |
| Deferred tax on revaluation of listed investment | 31 | – | – | 31 | – | 31 |
| Foreign exchange movements on loans to foreign Group entity | – | 57 | – | 57 | – | 57 |
| Deferred tax on unrealised foreign exchange movements on loans to a foreign Group entity | – | (16) | – | (16) | – | (16) |
| Cash flow hedge reserve | – | (32) | – | (32) | – | (32) |
| Foreign currency translation reserve movement | – | 227 | – | 227 | – | 227 |
| Total other comprehensive income | (139) | 236 | – | 97 | – | 97 |
| Total comprehensive income for the year | (139) | 236 | 1 634 | 1 731 | 148 | 1 879 |

* Restated after adoption of IFRS 11 Joint Arrangements (Refer notes 2 and 12).

Group statement of changes in equity

for the six months ended 31 December 2013

| | 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 |
|--|---------------------------------|----------------------------------|-------------|-------------------------|----------------------------------|--------------------------------|----------------|
| Six months ended | | | | | | | |
| 31 December 2013 (Unaudited) | | | | | | | |
| Balance at 30 June 2013 | 4 007 | – | 769 | 19 294 | 24 070 | 1 393 | 25 463 |
| Profit for the period | – | – | – | 1 714 | 1 714 | 116 | 1 830 |
| Other comprehensive income | – | – | 83 | – | 83 | – | 83 |
| Total comprehensive income for the period | – | – | 83 | 1 714 | 1 797 | 116 | 1 913 |
| Share-based payments | – | – | 70 | – | 70 | – | 70 |
| Share options exercised | 36 | – | – | – | 36 | – | 36 |
| Bonus and performance shares issued to employees | 47 | – | (47) | – | – | – | – |
| Dividend paid to Impala Platinum by Two Rivers | – | – | – | – | – | (45) | (45) |
| Dividend paid | – | – | – | (1 102) | (1 102) | – | (1 102) |
| Sale of Kalumines | – | – | – | (170) | (170) | 99 | (71) |
| Balance at 31 December 2013 | 4 090 | – | 875 | 19 736 | 24 701 | 1 563 | 26 264 |
| Six months ended | | | | | | | |
| 31 December 2012 restated* (Unaudited) | | | | | | | |
| Balance at 30 June 2012 | 3 948 | 139 | 432 | 18 681 | 23 200 | 1 205 | 24 405 |
| Profit for the period | – | – | – | 1 406 | 1 406 | 84 | 1 490 |
| Other comprehensive income | – | (129) | 45 | – | (84) | – | (84) |
| Total comprehensive income for the period | – | (129) | 45 | 1 406 | 1 322 | 84 | 1 406 |
| Share-based payments | – | – | 63 | – | 63 | – | 63 |
| Share options exercised | 22 | – | – | – | 22 | – | 22 |
| Bonus and performance shares issued to employees | 31 | – | (31) | – | – | – | – |
| Dividends paid | – | – | – | (1 021) | (1 021) | – | (1 021) |
| Contribution by ZCCM | – | – | – | – | – | 26 | 26 |
| Balance at 31 December 2012 | 4 001 | 10 | 509 | 19 066 | 23 586 | 1 315 | 24 901 |
| Year ended | | | | | | | |
| 30 June 2013 restated* (Unaudited) | | | | | | | |
| Balance at 30 June 2012 | 3 948 | 139 | 432 | 18 681 | 23 200 | 1 205 | 24 405 |
| Profit for the year | – | – | – | 1 634 | 1 634 | 148 | 1 782 |
| Other comprehensive income | – | (139) | 236 | – | 97 | – | 97 |
| Total comprehensive income for the year | – | (139) | 236 | 1 634 | 1 731 | 148 | 1 879 |
| Share-based payments | – | – | 133 | – | 133 | – | 133 |
| Share options exercised | 27 | – | – | – | 27 | – | 27 |
| Bonus and performance shares issued to employees | 32 | – | (32) | – | – | – | – |
| Dividends paid | – | – | – | (1 021) | (1 021) | – | (1 021) |
| Contribution by ZCCM | – | – | – | – | – | 40 | 40 |
| Balance at 30 June 2013 | 4 007 | – | 769 | 19 294 | 24 070 | 1 393 | 25 463 |

* Restated after adoption of IFRS 11 Joint Arrangements (Refer notes 2 and 12).

Group statement of cash flows

for the six months ended 31 December 2013

| | | Unaudited Six months ended 31 December | | Unaudited Year ended 30 June |
|---|------|--|-------------------------|------------------------------------|
| | Note | 2013 Rm | Restated* 2012 Rm | Restated* 2013 Rm |
| CASH FLOW FROM OPERATING ACTIVITIES | | | | |
| Cash receipts from customers | | 4 519 | 3 584 | 7 618 |
| Cash paid to suppliers and employees | | (3 658) | (3 200) | (6 053) |
| Cash generated from operations | 10 | 861 | 384 | 1 565 |
| Interest received | | 42 | 32 | 62 |
| Interest paid | | (65) | (54) | (115) |
| Dividends received | | — | 32 | 64 |
| Dividends received from joint venture | | 750 | 750 | 1 500 |
| Dividends paid to non-controlling interest | | (45) | — | — |
| Dividends paid | | (1 102) | (1 021) | (1 021) |
| Taxation paid | | (72) | (141) | (286) |
| Net cash inflow/(outflow) from operating activities | | 369 | (18) | 1 769 |
| CASH FLOW FROM INVESTING ACTIVITIES | | | | |
| Additions to property, plant and equipment to maintain operations | | (321) | (302) | (544) |
| Additions to property, plant and equipment to expand operations | | (358) | (534) | (1 063) |
| Proceeds on disposal of property, plant and equipment | | 184 | — | 1 |
| Transfer of cash on disposal of subsidiary | | (15) | — | — |
| Investment in associate | | — | (53) | (112) |
| Investments in Richards Bay Coal Terminal | | (15) | (13) | (26) |
| Decrease in loans and long-term receivables | | 15 | 12 | 24 |
| Net cash outflow from investing activities | | (510) | (890) | (1 720) |
| CASH FLOW FROM FINANCING ACTIVITIES | | | | |
| Proceeds on exercise of share options | | 36 | 22 | 28 |
| Proceeds on subscription by minority shareholder in Lubambe | | — | 26 | — |
| Payment to non controlling interest in Kalumines | | (71) | — | — |
| Long-term borrowings raised | | — | 901 | 802 |
| Long-term borrowings repaid | | (235) | (110) | (212) |
| (Decrease)/increase in short-term borrowings | | (49) | 143 | (144) |
| Net cash (outflow)/inflow from financing activities | | (319) | 982 | 474 |
| Net (decrease)/increase in cash and cash equivalents | | (460) | 74 | 523 |
| Cash and cash equivalents at beginning of period | | 1 569 | 998 | 998 |
| Foreign currency translation on cash balances | | 4 | 6 | 48 |
| Cash and cash equivalents at end of period | 5 | 1 113 | 1 078 | 1 569 |
| Cash generated from operations per share (cents) | | 399 | 179 | 727 |

* Restated after adoption of IFRS 11 Joint Arrangements (Refer notes 2 and 12).

Notes to the financial statements

for the six months ended 31 December 2013

1 STATEMENT OF COMPLIANCE

The Group financial statements for the six months ended 31 December 2013 are prepared in accordance with and containing the information required by IAS 34 – Interim Financial Reporting and comply with International Financial Reporting Standards (IFRS) and Interpretations of those standards, as adopted by the International Accounting Standards Board (IASB), requirements of the South African Companies Act 2008, the SAICA Financial Reporting Guides as issued by the Accounting Practices Committee and Financial Pronouncements as issued by the Financial Reporting Standards Council and the Listings Requirements of the JSE Limited.

BASIS OF PREPARATION

The Group financial statements for the six months ended 31 December 2013 have been prepared on the historical cost basis, except for certain financial instruments, which includes listed investments, that are fairly valued by mark-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.

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 on or before 1 January 2013.

| Standard | Subject | Effective date |
|-----------------------------------|--|------------------------------------|
| IFRS 1 | First-time Adoption of International Financial Reporting Standards (Amendment) | 1 January 2013 |
| IFRS 7 | Disclosures – Offsetting Financial Assets and Financial Liabilities | 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 16 | Property, Plant and Equipment (Amendment) | 1 January 2013 |
| 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 |
| IAS 34 | Interim Financial Reporting (Amendment) | 1 January 2013 |
| Circular 2/2013 Headline earnings | | Annual periods ending 31 July 2013 |

The adoption of these amendments had no significant effect on the Group financial statements except for IFRS 11 Joint Arrangements (Refer notes 2 and 12).

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 (Amendment) | 1 January 2015 |
| IFRS 7 | Financial Instruments: Disclosures (Amendment) | 1 January 2015 |
| IFRS 10 | Consolidated Financial Statements (Amendment) | 1 January 2014 |
| IFRS 12 | Disclosure of Interest in Other Entities (Amendment) | 1 January 2014 |
| IAS 27 | Separate Financial Statements (Amendment) | 1 January 2014 |
| IAS 32 | Financial Instruments Presentation (Amendment) | 1 January 2014 |
| IAS 36 | Impairment of Assets – Recoverable amount disclosure for non-financial assets of impaired assets (Amendment) | 1 January 2014 |
| IAS 39 | Financial Instruments: Recognition and Measurement – Novation of derivatives and continuation of hedge accounting (Amendment) | 1 January 2014 |
| IFRIC 21 | Leases | 1 January 2014 |

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

Notes to the financial statements

for the six months ended 31 December 2013

2 Effect of adoption of new standards, amendments and interpretations

The Group applied for the first time, certain standards and amendments that require restatement of previous financial statements (refer note 1).

The financial statements were only affected by the adoption of IFRS 11 and IAS 28.

As stated in our Integrated Annual Report for the 30 June 2013 financial statements, joint ventures have previously been proportionately consolidated. IFRS 11 removes the option to account for joint venture entities using the proportionate consolidation. Instead, joint arrangements that meet the definition of a joint venture must be accounted for using the equity method. For a joint operation, the joint operator recognises its assets, liabilities, income and expenses and/or relative share thereof.

The application of IFRS 11 and IAS 28 impacted the Group's accounting of its interest in its joint venture, Assmang Limited. The Group has a 50% interest in Assmang Limited, which is jointly controlled by ARM and Assore Limited.

Prior to the adoption of IFRS 11, Assmang Limited was classified as a jointly controlled entity and the Group's share of the assets, liabilities, revenue, income and expenses was proportionately consolidated in the consolidated financial statements. Upon adoption of IFRS 11, the Group has determined its interest in Assmang Limited to be classified as a joint venture under IFRS 11 and it is required to be accounted for using the equity method.

The transition was applied retrospectively as required by IFRS 11 and the comparative information has been restated.

The effect of applying IFRS 11 on the Group's financial statements are shown in detail in note 12.

Notes to the financial statements

for the six months ended 31 December 2013

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

| | ARM Platinum Rm | ARM Ferrous Rm | ARM Coal Rm | ARM Copper Rm | ARM Corporate Rm | Total Rm | *IFRS adjust- ment Rm | Total per IFRS financial state- ments Rm |
|--|-----------------------|----------------------|-------------------|---------------------|------------------------|-------------|--------------------------------|---|
| 3 SEGMENTAL INFORMATION | | | | | | | | |
| Primary segmental information | | | | | | | | |
| Six months ended 31 December 2013 (Unaudited) | | | | | | | | |
| Sales | 3 571 | 7 013 | 547 | 488 | – | 11 619 | (7 013) | 4 606 |
| Cost of sales | (2 747) | (3 690) | (386) | (462) | 23 | (7 262) | 3 680 | (3 582) |
| Other operating income | 35 | 105 | 17 | – | 417 | 574 | (75) | 499 |
| Other operating expenses | (162) | (569) | (1) | (110) | (470) | (1 312) | 569 | (743) |
| Segment result | 697 | 2 859 | 177 | (84) | (30) | 3 619 | (2 839) | 780 |
| Income from investments | 15 | 100 | – | – | 37 | 152 | (100) | 52 |
| Finance cost | (19) | (12) | (46) | (64) | 9 | (132) | 12 | (120) |
| Loss from associate** | – | – | (240) | – | – | (240) | – | (240) |
| Income from joint venture | – | 7 | – | – | – | 7 | 2 146 | 2 153 |
| Exceptional items | – | – | – | (10) | (621) | (631) | – | (631) |
| Taxation | (193) | (786) | (38) | – | 72 | (945) | 781 | (164) |
| Non-controlling interest | (137) | – | – | 26 | (5) | (116) | – | (116) |
| Consolidation adjustment | – | (15) | – | – | 15 | – | – | – |
| Contribution to earnings | 363 | 2 153 | (147) | (132) | (523) | 1 714 | – | 1 714 |
| Contribution to headline earnings | 363 | 2 153 | (34) | (122) | (19) | 2 341 | – | 2 341 |
| Other information: | | | | | | | | |
| Segment assets including investment in associate and joint venture | 10 336 | 17 940 | 2 949 | 3 649 | 3 882 | 38 756 | (4 031) | 34 725 |
| Investment in joint venture | | | | | | | 13 909 | 13 909 |
| Investment in associate | | | 1 211 | | | 1 211 | | 1 211 |
| Segment liabilities | 1 909 | 1 486 | 1 528 | 1 025 | 2 095 | 8 043 | (1 486) | 6 557 |
| Unallocated – deferred taxation and taxation | | | | | | 4 452 | (2 548) | 1 904 |
| Consolidated total liabilities | | | | | | 12 495 | (4 034) | 8 461 |
| Cash generated from operations | 663 | 2 480 | 272 | (31) | (43) | 3 341 | (2 480) | 861 |
| Cash inflow/outflow) from operating activities | 546 | 1 803 | 272 | (31) | (1 168) | 1 422 | (1 053) | 369 |
| Cash outflow from investing activities | (388) | (1 041) | (40) | (63) | (19) | (1 551) | 1 041 | (510) |
| Cash (outflow)/inflow from financing activities | (48) | – | (235) | (71) | 35 | (319) | – | (319) |
| Capital expenditure | 389 | 732 | 58 | 247 | 3 | 1 429 | (732) | 697 |
| Amortisation and depreciation | 371 | 428 | 56 | 55 | 2 | 912 | (428) | 484 |
| EBITDA | 1 068 | 3 287 | 233 | (29) | (28) | 4 531 | (3 267) | 1 264 |

* Includes IFRS 11 adjustments related to ARM Ferrous.

** Impairment included in loss from associate R113 million.

Notes to the financial statements

for the six months ended 31 December 2013

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

| | ARM Platinum Rm | ARM Ferrous Rm | ARM Coal Rm | ARM Copper Rm | ARM Corporate Rm | Total Rm | *IFRS adjust- ment Rm | Total per IFRS financial state- ments Rm |
|--|-----------------------|----------------------|-------------------|---------------------|------------------------|---------------|--------------------------------|---|
| 3 SEGMENTAL INFORMATION | | | | | | | | |
| (continued) | | | | | | | | |
| Six months ended | | | | | | | | |
| 31 December 2012 restated | | | | | | | | |
| (Unaudited) | | | | | | | | |
| Sales | 3 107 | 5 267 | 465 | – | – | 8 839 | (5 267) | 3 572 |
| Cost of sales | (2 428) | (3 601) | (361) | – | 20 | (6 370) | 3 592 | (2 778) |
| Other operating income | 24 | 113 | 23 | 2 | 400 | 562 | (67) | 495 |
| Other operating expenses | (141) | (345) | (1) | (29) | (454) | (970) | 345 | (625) |
| Segment result | 562 | 1 434 | 126 | (27) | (34) | 2 061 | (1 397) | 664 |
| Income from investments | 8 | 57 | – | – | 58 | 123 | (57) | 66 |
| Finance cost | (20) | (9) | (39) | – | (36) | (104) | 9 | (95) |
| Finance cost Impala Platinum Limited: Shareholders' loan | | | | | | | | |
| Two Rivers | (2) | – | – | – | – | (2) | – | (2) |
| Finance cost ARM: Shareholders loan Two Rivers | (2) | – | – | – | – | (2) | – | (2) |
| Income from associate | – | – | 42 | – | – | 42 | – | 42 |
| Loss from joint venture | – | (1) | – | – | – | (1) | 1 036 | 1 035 |
| Taxation | (154) | (420) | (24) | – | (29) | (627) | 409 | (218) |
| Non-controlling interest | (93) | – | – | 6 | 3 | (84) | – | (84) |
| Consolidation adjustment | – | (26) | – | – | 26 | – | – | – |
| Contribution to earnings | 299 | 1 035 | 105 | (21) | (12) | 1 406 | – | 1 406 |
| Contribution to headline earnings | 299 | 1 035 | 105 | (21) | (12) | 1 406 | – | 1 406 |
| Other information: | | | | | | | | |
| Segment assets including investment in associate and joint venture | 9 516 | 15 098 | 3 757 | 2 775 | 5 965 | 37 111 | (3 870) | 33 241 |
| Investment in joint venture | | | | | | | 11 228 | 11 228 |
| Investment in associate | | | 1 449 | | | 1 449 | | 1 449 |
| Segment liabilities | 1 795 | 1 447 | 1 791 | 554 | 2 368 | 7 955 | (1 447) | 6 508 |
| Unallocated – deferred taxation and taxation | | | | | | 4 256 | (2 424) | 1 832 |
| Consolidated total liabilities | | | | | | 12 211 | (3 871) | 8 340 |
| Cash generated from operations | 265 | 1 239 | 162 | (54) | 11 | 1 623 | (1 239) | 384 |
| Cash inflow/outflow) from operating activities | 203 | 1 087 | 163 | (55) | (1 079) | 319 | (337) | (18) |
| Cash outflow from investing activities | (334) | (1 148) | (72) | (479) | (5) | (2 038) | 1 148 | (890) |
| Cash (outflow)/inflow from financing activities | (54) | – | (23) | 121 | 938 | 982 | – | 982 |
| Capital expenditure | 401 | 1 062 | 13 | 486 | 4 | 1 966 | (1 062) | 904 |
| Amortisation and depreciation | 328 | 430 | 52 | 2 | 2 | 814 | (430) | 384 |
| EBITDA | 890 | 1 864 | 178 | (25) | (32) | 2 875 | (1 827) | 1 048 |

* Includes IFRS 11 adjustments related to ARM Ferrous.

Notes to the financial statements

for the six months ended 31 December 2013

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

| | ARM Platinum Rm | ARM Ferrous Rm | ARM Coal Rm | ARM Copper Rm | ARM Corporate Rm | Total Rm | *IFRS adjust- ment Rm | Total per IFRS financial state- ments Rm |
|--|-----------------------|----------------------|-------------------|---------------------|------------------------|-------------|--------------------------------|---|
| 3 SEGMENTAL INFORMATION | | | | | | | | |
| (continued) | | | | | | | | |
| Year ended 30 June 2013 | | | | | | | | |
| restated (Unaudited) | | | | | | | | |
| Sales | 6 344 | 12 458 | 929 | 69 | – | 19 800 | (12 458) | 7 342 |
| Cost of sales | (5 102) | (7 293) | (656) | (132) | 46 | (13 137) | 7 271 | (5 866) |
| Other operating income | 87 | 312 | 37 | 11 | 776 | 1 223 | (231) | 992 |
| Other operating expenses | (294) | (1 058) | (2) | (91) | (907) | (2 352) | 1 058 | (1 294) |
| Segment result | 1 035 | 4 419 | 308 | (143) | (85) | 5 534 | (4 360) | 1 174 |
| Income from investments | 21 | 137 | – | – | 110 | 268 | (137) | 131 |
| Finance cost | (56) | (26) | (82) | (20) | (35) | (219) | 26 | (193) |
| Finance cost Impala Platinum Limited: Shareholders' loan | | | | | | | | |
| Two Rivers | (3) | – | – | – | – | (3) | – | (3) |
| Finance cost ARM: | | | | | | | | |
| Shareholders loan Two Rivers | (3) | – | – | – | – | (3) | – | (3) |
| Loss from associate | – | – | (14) | – | – | (14) | – | (14) |
| Income from joint venture | – | 3 | – | – | – | 3 | 3 060 | 3 063 |
| Exceptional items | – | (182) | (3) | – | (2 454) | (2 639) | 182 | (2 457) |
| Taxation | (285) | (1 245) | (63) | (6) | 454 | (1 145) | 1 229 | 84 |
| Non-controlling interest | (182) | – | – | 34 | – | (148) | – | (148) |
| Consolidation adjustment | – | (43) | – | – | 43 | – | – | – |
| Contribution to earnings | 527 | 3 063 | 146 | (135) | (1 967) | 1 634 | – | 1 634 |
| Contribution to headline earnings | 527 | 3 194 | 148 | (135) | 3 | 3 737 | – | 3 737 |
| Other information: | | | | | | | | |
| Segment assets including investment in associate | 9 913 | 16 775 | 3 631 | 3 581 | 4 208 | 38 108 | (4 269) | 33 839 |
| Investment in joint venture | | | | | | – | 12 506 | 12 506 |
| Investment in associate | | | 1 420 | | | 1 420 | | 1 420 |
| Segment liabilities | 2 008 | 1 724 | 1 717 | 919 | 2 001 | 8 369 | (1 724) | 6 645 |
| Unallocated – deferred taxation and taxation | | | | | | 4 277 | (2 546) | 1 731 |
| Consolidated total liabilities | | | | | | 12 646 | (4 270) | 8 376 |
| Cash inflow/(outflow) from operating activities | 988 | 3 979 | 219 | (48) | (890) | 4 248 | (2 479) | 1 769 |
| Cash outflow from investing activities | (654) | (2 041) | (169) | (888) | (9) | (3 761) | 2 041 | (1 720) |
| Cash (outflow)/inflow from financing activities | (149) | – | (155) | 144 | 634 | 474 | – | 474 |
| Capital expenditure | 735 | 1 951 | 41 | 753 | 9 | 3 489 | (1 951) | 1 538 |
| Amortisation and depreciation | 676 | 885 | 106 | 21 | 5 | 1 693 | (885) | 808 |
| Impairment | – | 156 | – | – | – | 156 | (156) | – |
| EBITDA | 1 711 | 5 304 | 414 | (122) | (80) | 7 227 | (5 245) | 1 982 |

* Includes IFRS 11 adjustments related to ARM Ferrous.

Notes to the financial statements

for the six months ended 31 December 2013

SEGMENTAL INFORMATION (continued)

Additional information

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

| Platinum | Two Rivers Rm | Modikwa Rm | Nkomati Rm | ARM Platinum Rm |
|--|------------------|---------------|---------------|-----------------------|
| 3 Six months ended 31 December 2013 (Unaudited) | | | | |
| Sales | 1 700 | 627 | 1 244 | 3 571 |
| Cost of sales | (1 242) | (551) | (954) | (2 747) |
| Other operating income | 11 | 7 | 17 | 35 |
| Other operating expenses | (59) | (9) | (94) | (162) |
| Segment result | 410 | 74 | 213 | 697 |
| Income from investments | 3 | 5 | 7 | 15 |
| Finance cost | (17) | – | (2) | (19) |
| Taxation | (112) | (20) | (61) | (193) |
| Non-controlling interest | (127) | (10) | – | (137) |
| Contribution to earnings | 157 | 49 | 157 | 363 |
| Contribution to headline earnings | 157 | 49 | 157 | 363 |
| Other information: | | | | |
| Segment assets | 3 896 | 2 889 | 3 551 | 10 336 |
| Segment liabilities | 842 | 406 | 661 | 1 909 |
| Cash inflow from operating activities | 337 | 154 | 55 | 546 |
| Cash outflow from investing activities | (140) | (160) | (88) | (388) |
| Cash outflow from financing activities | (48) | – | – | (48) |
| Capital expenditure | 138 | 160 | 91 | 389 |
| Amortisation and depreciation | 181 | 41 | 149 | 371 |
| EBITDA | 591 | 115 | 362 | 1 068 |
| Six months ended 31 December 2012 (Unaudited) | | | | |
| Sales | 1 407 | 640 | 1 060 | 3 107 |
| Cost of sales | (1 098) | (534) | (796) | (2 428) |
| Other operating income | 15 | 6 | 3 | 24 |
| Other operating expenses | (53) | (25) | (63) | (141) |
| Segment result | 271 | 87 | 204 | 562 |
| Income from investments | 2 | 3 | 3 | 8 |
| Finance cost | (18) | – | (2) | (20) |
| Finance cost Impala Platinum Limited: | | | | |
| Shareholders' loan Two Rivers | (2) | – | – | (2) |
| Finance cost ARM: Shareholders' loan Two Rivers | (2) | – | – | (2) |
| Taxation | (71) | (25) | (58) | (154) |
| Non-controlling interest | (82) | (11) | – | (93) |
| Contribution to earnings | 98 | 54 | 147 | 299 |
| Contribution to headline earnings | 98 | 54 | 147 | 299 |
| Other information: | | | | |
| Segment assets | 3 721 | 2 942 | 2 853 | 9 516 |
| Segment liabilities | 1 023 | 556 | 216 | 1 795 |
| Cash inflow from operating activities | 129 | 4 | 70 | 203 |
| Cash outflow from investing activities | (200) | (85) | (49) | (334) |
| Cash outflow from financing activities | (54) | – | – | (54) |
| Capital expenditure | 266 | 86 | 49 | 401 |
| Amortisation and depreciation | 165 | 38 | 125 | 328 |
| EBITDA | 436 | 125 | 329 | 890 |

Notes to the financial statements

for the six months ended 31 December 2013

Additional information (continued)

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

| | Iron ore division Rm | Manga- nese division Rm | Chrome division Rm | Ferrous Total Rm | ARM share Rm | *IFRS Adjust- ment Rm | Total per IFRS financial state- ments Rm |
|--|----------------------------|----------------------------------|--------------------------|------------------------|--------------------|--------------------------------|---|
| 3 SEGMENTAL INFORMATION | | | | | | | |
| (continued) | | | | | | | |
| Six months ended 31 December 2013 | | | | | | | |
| (Unaudited) | | | | | | | |
| Sales | 9 222 | 4 022 | 782 | 14 026 | 7 013 | (7 013) | — |
| Other operating income | 313 | 98 | 5 | 416 | 105 | (105) | — |
| Other operating expenses | (887) | (355) | (102) | (1 344) | (569) | 569 | — |
| Operating profit | 4 753 | 917 | 47 | 5 717 | 2 859 | (2 859) | — |
| Contribution to earnings | 3 644 | 655 | 37 | 4 336 | 2 168 | (15) | 2 153 |
| Contribution to headline earnings | 3 644 | 655 | 37 | 4 336 | 2 168 | (15) | 2 153 |
| Other information: | | | | | | | |
| Segment assets | 24 894 | 10 908 | 939 | 36 741 | 17 940 | (4 031) | 13 909 |
| Segment liabilities | 5 549 | 2 424 | 331 | 8 304 | 1 486 | (1 486) | — |
| Cash inflow from operating activities | 1 576** | 475 | 54 | 2 105 | 1 803 | (1 803) | — |
| Cash outflow from investing activities | (795) | (1 208) | (78) | (2 081) | (1 041) | 1 041 | — |
| Capital expenditure | 902 | 541 | 80 | 1 523 | 732 | (732) | — |
| Amortisation and depreciation | 596 | 242 | 38 | 876 | 428 | (428) | — |
| EBITDA | 5 349 | 1 159 | 85 | 6 593 | 3 287 | (3 287) | — |
| Additional information for | | | | | | | |
| ARM Ferrous at 100% | | | | | | | |
| Non-current assets | | | | | | | |
| Property, plant and equipment | | | | 20 058 | | (20 058) | — |
| Other non-current assets | | | | 1 554 | | (1 554) | — |
| Current assets | | | | | | | |
| Inventories | | | | 4 479 | | (4 479) | — |
| Trade and other receivables | | | | 5 272 | | (5 272) | — |
| Financial asset | | | | 85 | | (85) | — |
| Cash and cash equivalents | | | | 5 293 | | (5 293) | — |
| Non-current liabilities | | | | | | | |
| Other non-current liabilities | | | | 5 779 | | (5 779) | — |
| Current liabilities | | | | | | | |
| Trade and other payables | | | | 1 732 | | (1 732) | — |
| Short-term provisions | | | | 407 | | (407) | — |
| Taxation | | | | 386 | | (386) | — |

* Includes consolidation and IFRS 11 adjustments.

** Dividend paid amounting to R1.5 billion included in cash flows from operating activities.

Notes to the financial statements

for the six months ended 31 December 2013

Additional information (continued)

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

| | Iron ore division Rm | Manga- nese division Rm | Chrome division Rm | Ferrous Total Rm | ARM share Rm | *IFRS Adjust- ment Rm | Total per IFRS financial state- ments Rm |
|---|----------------------------|----------------------------------|--------------------------|------------------------|--------------------|--------------------------------|---|
| 3 SEGMENTAL INFORMATION | | | | | | | |
| (continued) | | | | | | | |
| Six months ended 31 December 2012 | | | | | | | |
| restated (Unaudited) | | | | | | | |
| Sales | 6 110 | 3 440 | 984 | 10 534 | 5 267 | (5 267) | – |
| Other operating income | 266 | 100 | 68 | 434 | 113 | (113) | – |
| Other operating expenses | (587) | (95) | (216) | (898) | (345) | 345 | – |
| Operating profit | 2 361 | 545 | (38) | 2 868 | 1 434 | (1 434) | – |
| Contribution to earnings | 1 731 | 412 | (21) | 2 122 | 1 061 | (26) | 1 035 |
| Contribution to headline earnings | 1 731 | 411 | (20) | 2 122 | 1 061 | (26) | 1 035 |
| Other information: | | | | | | | |
| Segment assets | 20 033 | 9 626 | 1 314 | 30 973 | 15 098 | (3 870) | 11 228 |
| Segment liabilities | 5 118 | 2 238 | 604 | 7 960 | 1 447 | (1 447) | – |
| Cash inflow/(outflow) from operating activities | 391** | 474 | (191) | 674 | 1 087 | (1 087) | – |
| Cash outflow from investing activities | (1 693) | (305) | (298) | (2 296) | (1 148) | 1 148 | – |
| Cash (outflow)/inflow from financing activities | (414) | (62) | 476 | – | – | – | – |
| Capital expenditure | 1 610 | 547 | 61 | 2 218 | 1 062 | (1 062) | – |
| Amortisation and depreciation | 553 | 247 | 77 | 877 | 430 | (430) | – |
| EBITDA | 2 914 | 792 | 39 | 3 745 | 1 864 | (1 864) | – |
| Additional information for ARM Ferrous at 100% | | | | | | | |
| Non-current assets | | | | | | | |
| Property, plant and equipment | | | | 19 006 | | (19 006) | – |
| Other non-current assets | | | | 744 | | (744) | – |
| Current assets | | | | | | | |
| Inventories | | | | 4 013 | | (4 013) | – |
| Trade and other receivables | | | | 4 429 | | (4 429) | – |
| Cash and cash equivalents | | | | 2 782 | | (2 782) | – |
| Non-current liabilities | | | | | | | |
| Other non-current liabilities | | | | 5 475 | | (5 475) | – |
| Current liabilities | | | | | | | |
| Trade and other payables | | | | 2 036 | | (2 036) | – |
| Short-term provisions | | | | 175 | | (175) | – |
| Taxation | | | | 274 | | (274) | – |

* Includes consolidation and IFRS 11 adjustments.

** Dividend paid amounting to R1.5 billion included in cash flows from operating activities.

Notes to the financial statements

for the six months ended 31 December 2013

Additional information (continued)

ARM Corporate as presented in the table on page 85 is analysed further into Corporate and other, ARM Exploration and Gold segments.

| | ARM Exploration Rm | Corporate* and other Rm | Gold Rm | Total ARM Corporate Rm |
|--|--------------------------|-------------------------------|------------|---------------------------------|
| 3 SEGMENTAL INFORMATION (continued) | | | | |
| Primary segmental information | | | | |
| Six months ended 31 December 2013 (Unaudited) | | | | |
| Cost of sales | – | 23 | – | 23 |
| Other operating income | – | 417 | – | 417 |
| Other operating expenses | (24) | (446) | – | (470) |
| Segment result | (24) | (6) | – | (30) |
| Income from investments | – | 37 | – | 37 |
| Finance cost | – | 9 | – | 9 |
| Exceptional items | – | (621) | – | (621) |
| Taxation | – | 72 | – | 72 |
| Non-controlling interest | – | (5) | – | (5) |
| Consolidation adjustment | – | 15 | – | 15 |
| Contribution to earnings | (24) | (499) | – | (523) |
| Contribution to headline earnings | (24) | 5 | – | (19) |
| Other information: | | | | |
| Segment assets | – | 2 234 | 1 648 | 3 882 |
| Segment liabilities | – | 2 095 | – | 2 095 |
| Cash generated from operations | (24) | (19) | – | (43) |
| Cash outflow from operating activities | (24) | (1 144) | – | (1 168) |
| Cash outflow from investing activities | – | (19) | – | (19) |
| Cash inflow from financing activities | – | 35 | – | 35 |
| Capital expenditure | – | 3 | – | 3 |
| Amortisation and depreciation | – | 2 | – | 2 |
| EBITDA | (24) | (4) | – | (28) |

* Corporate, other companies and consolidation adjustments.

Notes to the financial statements

for the six months ended 31 December 2013

Additional information (continued)

ARM Corporate as presented in the table on page 86 is analysed further into Corporate and other, ARM Exploration and Gold segments.

| | ARM Exploration Rm | Corporate* and other Rm | Gold Rm | Total ARM Corporate Rm |
|---|--------------------------|-------------------------------|------------|---------------------------------|
| 3 SEGMENTAL INFORMATION (continued) | | | | |
| Six months ended 31 December 2012 restated (Unaudited) | | | | |
| Cost of sales | – | 20 | – | 20 |
| Other operating income | – | 400 | – | 400 |
| Other operating expenses | (36) | (418) | – | (454) |
| Segment result | (36) | 2 | – | (34) |
| Income from investments | – | 26 | 32 | 58 |
| Finance cost | – | (36) | – | (36) |
| Taxation | – | (29) | – | (29) |
| Non-controlling interest | – | 3 | – | 3 |
| Consolidation adjustment | – | 26 | – | 26 |
| Contribution to earnings | (36) | (8) | 32 | (12) |
| Contribution to headline earnings | (36) | (8) | 32 | (12) |
| Other information: | | | | |
| Segment assets | – | 1 256 | 4 709 | 5 965 |
| Segment liabilities | – | 2 368 | – | 2 368 |
| Cash generated from operations | (36) | 47 | – | 11 |
| Cash generated from operations | (36) | (1 075) | 32 | (1 079) |
| Cash outflow from operating activities | – | (5) | – | (5) |
| Cash outflow from investing activities | – | 938 | – | 938 |
| Capital expenditure | – | 4 | – | 4 |
| Amortisation and depreciation | – | 2 | – | 2 |
| EBITDA | (36) | 4 | – | (32) |

* Corporate, other companies and consolidation adjustments.

Notes to the financial statements

for the six months ended 31 December 2013

Additional information (continued)

ARM Corporate as presented in the table on page 87 is analysed further into Corporate and other, ARM Exploration and Gold segments.

| | ARM Exploration Rm | Corporate* and other Rm | Gold Rm | Total ARM Corporate Rm |
|---|--------------------------|-------------------------------|----------------|---------------------------------|
| 3 SEGMENTAL INFORMATION (continued) | | | | |
| Year ended 30 June 2013 restated (Unaudited) | | | | |
| Cost of sales | – | 46 | – | 46 |
| Other operating income | – | 776 | – | 776 |
| Other operating expenses | (88) | (819) | – | (907) |
| Segment result | (88) | 3 | – | (85) |
| Income from investments | – | 46 | 64 | 110 |
| Finance cost | – | (35) | – | (35) |
| Exceptional items | – | – | (2 454) | (2 454) |
| Taxation | – | (30) | 484 | 454 |
| Consolidation adjustment | – | 43 | – | 43 |
| Contribution to earnings | (88) | 27 | (1 906) | (1 967) |
| Contribution to headline earnings | (88) | 27 | 64 | 3 |
| Other information: | | | | |
| Segment assets | – | 1 933 | 2 275 | 4 208 |
| Segment liabilities | – | 2 001 | – | 2 001 |
| Cash (outflow)/inflow from operating activities | (88) | (866) | 64 | (890) |
| Cash outflow from investing activities | – | (9) | – | (9) |
| Cash inflow from financing activities | – | 634 | – | 634 |
| Capital expenditure | – | 9 | – | 9 |
| Amortisation and depreciation | – | 5 | – | 5 |
| EBITDA | (88) | 8 | – | (80) |

* Corporate, other companies and consolidation adjustments.

Notes to the financial statements

for the six months ended 31 December 2013

| | Unaudited Six months ended 31 December | Unaudited Year ended 30 June |
|---|---|------------------------------------|
| | 2013 Rm | Restated 2012 Rm |
| | | Restated 2013 Rm |
| 4 | INVESTMENT IN JOINT VENTURE | |
| | This investment relates to ARM Ferrous and comprises Assmang as a joint venture which includes iron ore, manganese and chrome operations. | |
| | Opening balance | |
| | 12 506 | 10 943 |
| | Income for the period | 1 061 |
| | Consolidation adjustments | (26) |
| | Net income for the period | 1 035 |
| | Less dividends paid for the period | (750) |
| | Closing balance | 11 228 |
| 5 | CASH AND CASH EQUIVALENTS | |
| | – African Rainbow Minerals Limited | 73 |
| | – ARM Coal Proprietary Limited | 64 |
| | – ARM Finance Company SA | 106 |
| | – ARM Platinum Proprietary Limited | 188 |
| | – Kingfisher Insurance Co Limited | 150 |
| | – Nkomati | 60 |
| | – Two Rivers Platinum Proprietary Limited | 9 |
| | – Vale ARM joint venture | 191 |
| | – Venture Building Trust Proprietary Limited | 4 |
| | – Restricted cash | 718 |
| | Total as per statement of financial position | 1 563 |
| | Less overdrafts (refer note 6) | 485 |
| | Total as per statement of cash flows | 1 078 |

Notes to the financial statements

for the six months ended 31 December 2013

| | | Unaudited Six months ended 31 December | Restated 2012 Rm | Unaudited Year ended 30 June Restated 2013 Rm |
|--|--|--|------------------------|--|
| | | 2013 Rm | | |
| 6 BORROWINGS | | | | |
| Long-term borrowings are held as follows | | | | |
| – African Rainbow Minerals Limited | | 564 | 814 | 564 |
| – ARM Finance Company SA | | 774 | 608 | 735 |
| – ARM Coal Proprietary Limited | | 1 290 | 1 513 | 1 492 |
| – Two Rivers Platinum Proprietary Limited | | 89 | 132 | 104 |
| – Vale/ARM joint operation | | 431 | 303 | 398 |
| | | 3 148 | 3 370 | 3 293 |
| Short-term borrowings are held as follows: | | | | |
| – African Rainbow Minerals Limited | | 8 | 203 | 3 |
| – Anglo Platinum Limited (partner loan) | | 114 | 114 | 114 |
| – ARM Coal Proprietary Limited | | 30 | 62 | 36 |
| – ARM Finance Company SA | | 63 | – | 60 |
| – Two Rivers Platinum Proprietary Limited | | 80 | 99 | 90 |
| – Two Rivers Platinum Proprietary Limited – Impala Platinum Limited | | – | 48 | – |
| | | 295 | 526 | 303 |
| Overdrafts are held as follows: | | | | |
| – ARM Mining Consortium Limited | | – | 72 | – |
| – Two Rivers Platinum Proprietary Limited | | 261 | 376 | 353 |
| – Vale ARM joint operation | | 120 | – | 13 |
| – Other | | 30 | 37 | 30 |
| | | 411 | 485 | 396 |
| Overdrafts and short-term borrowings | | 706 | 1 011 | 699 |
| Total borrowings | | 3 854 | 4 381 | 3 992 |
| Interest of R nil was capitalised for the six months ended 31 December 2013 | | | | |
| (Six months to 31 December 2012: R8 million, Full year to 30 June 2013: R16 million). | | | | |

Notes to the financial statements

for the six months ended 31 December 2013

| | | Unaudited Six months ended 31 December | | Unaudited Year ended 30 June |
|----------|--|--|------------------------|------------------------------------|
| | | 2013 Rm | Restated 2012 Rm | Restated 2013 Rm |
| 7 | EXCEPTIONAL ITEMS | | | |
| | Impairment of available-for-sale listed investment | (627) | – | (2 454) |
| | Loss on sale of property, plant and equipment | (10) | – | – |
| | Profit on sale of subsidiary | 6 | – | – |
| | Scrapping of property, plant and equipment | – | – | (3) |
| | Exceptional items per income statement | (631) | – | (2 457) |
| | Impairment on property, plant and equipment in associate – ARM Coal | (157) | – | – |
| | Impairment of property, plant and equipment in joint venture – Assmang | – | – | (182) |
| | Exceptional items before taxation effect | (788) | – | (2 639) |
| | Taxation accounted for directly in associate – ARM Coal | 44 | – | – |
| | Taxation accounted for directly in joint venture | – | – | 51 |
| | Taxation on impairment of available-for-sale listed investment | 117 | – | 484 |
| | Taxation on other exceptional items | – | – | 1 |
| | Total amount adjusted for headline earnings | (627) | – | (2 103) |
| 8 | HEADLINE EARNINGS | | | |
| | Basic earnings per income statement | 1 714 | 1 406 | 1 634 |
| | Impairment of available-for-sale listed investment | 627 | – | 2 454 |
| | Scrapping of property, plant and equipment | – | – | 3 |
| | Loss on sale of property, plant and equipment | 10 | – | 182 |
| | Impairment of property, plant and equipment | 157 | – | – |
| | Profit on sale of subsidiary | (6) | – | – |
| | | 2 502 | 1 406 | 4 273 |
| | Taxation accounted for directly in associate and joint venture | (44) | – | (51) |
| | Taxation on impairment of available-for-sale listed investment | (117) | – | (484) |
| | Taxation on other exceptional items | – | – | (1) |
| | Headline earnings | 2 341 | 1 406 | 3 737 |
| 9 | TAXATION | | | |
| | South African normal tax – current year | 116 | 94 | 247 |
| | – mining | 101 | 56 | 126 |
| | – non-mining | 15 | 38 | 121 |
| | – prior year | – | – | (42) |
| | Deferred tax – current year | 48 | 124 | (296) |
| | Foreign taxes | – | – | 7 |
| | | 164 | 218 | (84) |

Notes to the financial statements

for the six months ended 31 December 2013

| | Unaudited Six months ended 31 December | | Unaudited Year ended 30 June Restated 2013 |
|--|--|------------------------|--|
| | 2013 Rm | Restated 2012 Rm | 2013 Rm |
| 10 CASH GENERATED FROM OPERATIONS | | | |
| Cash generated from operations before working capital movement | 1 532 | 1 332 | 2 555 |
| Working capital changes | (671) | (948) | (990) |
| Movement in receivables | (524) | (483) | (635) |
| Movement in payables and provisions | (158) | (274) | 265 |
| Movement in inventories | 11 | (191) | (620) |
| Cash generated from operations (per statement of cash flows) | 861 | 384 | 1 565 |
| 11 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 | 312 | 655 | 425 |
| – not contracted for | 120 | 74 | 120 |
| Total commitments | 432 | 729 | 545 |
| Contingent liabilities | | | |
| Shareholders are advised that there have been no significant changes to the contingent liabilities of the Group as disclosed in the 30 June 2013 annual report. | | | |

Notes to the financial statements

for the six months ended 31 December 2013

12 Impact of accounting policy change on: Group statement of financial position

| | Unaudited Six months ended 31 December 2013 | | | Unaudited Six months ended 31 December 2012 | | | Unaudited For the year ended 30 June 2013 | | |
|---|--|--|------------------|--|--|------------------|--|--|------------------|
| | Current accounting policy Rm | Previous accounting policy Rm | Difference Rm | Current accounting policy Rm | Previous accounting policy Rm | Difference Rm | Current accounting policy Rm | Previous accounting policy Rm | Difference Rm |
| ASSETS | | | | | | | | | |
| Non-current assets | | | | | | | | | |
| Property, plant and equipment | 11 647 | 21 262 | (9 615) | 10 804 | 19 936 | (9 132) | 11 309 | 20 636 | (9 327) |
| Investment property | 12 | 12 | – | 12 | 12 | – | 12 | 12 | – |
| Intangible assets | 171 | 172 | (1) | 184 | 185 | (1) | 178 | 179 | (1) |
| Deferred tax assets | 426 | 426 | – | 4 | 4 | – | 327 | 327 | – |
| Loans and long-term receivables | 75 | 317 | (242) | 103 | 266 | (163) | 90 | 285 | (195) |
| Financial assets | 3 | 98 | (95) | 40 | 134 | (94) | 3 | 98 | (95) |
| Inventories | – | – | – | 147 | 147 | – | – | – | – |
| Investment in associate | 1 211 | 1 211 | – | 1 449 | 1 449 | – | 1 420 | 1 420 | – |
| Investment in joint venture | 13 909 | – | 13 909 | 11 228 | – | 11 228 | 12 506 | – | 12 506 |
| Other investments | 1 779 | 1 779 | – | 4 813 | 4 813 | – | 2 391 | 2 391 | – |
| | 29 233 | 25 277 | 3 956 | 28 784 | 26 946 | 1 838 | 28 236 | 25 348 | 2 888 |
| Current assets | | | | | | | | | |
| Inventories | 1 101 | 3 425 | (2 324) | 747 | 2 837 | (2 090) | 1 096 | 3 222 | (2 126) |
| Trade and other receivables | 2 863 | 5 507 | (2 644) | 2 115 | 4 323 | (2 208) | 2 290 | 4 667 | (2 377) |
| Taxation | 3 | 3 | – | 32 | 32 | – | 22 | 22 | – |
| Financial asset | 1 | 44 | (43) | – | – | – | 39 | 39 | – |
| Cash and cash equivalents | 1 524 | 4 525 | (3 001) | 1 563 | 2 971 | (1 408) | 1 965 | 4 632 | (2 667) |
| | 5 492 | 13 504 | (8 012) | 4 457 | 10 163 | (5 706) | 5 412 | 12 582 | (7 170) |
| Assets held for sale | – | – | – | – | – | – | 191 | 191 | – |
| Total assets | 34 725 | 38 781 | (4 056) | 33 241 | 37 109 | (3 868) | 33 839 | 38 121 | (4 282) |
| EQUITY AND LIABILITIES | | | | | | | | | |
| Capital and reserves | | | | | | | | | |
| Ordinary share capital | 11 | 11 | – | 11 | 11 | – | 11 | 11 | – |
| Share premium | 4 079 | 4 079 | – | 3 990 | 3 990 | – | 3 996 | 3 996 | – |
| Other reserves | 875 | 885 | (10) | 519 | 519 | – | 769 | 769 | – |
| Retained earnings | 19 736 | 19 736 | – | 19 066 | 19 066 | – | 19 294 | 19 294 | – |
| Equity attributable to equity holders of ARM | 24 701 | 24 711 | (10) | 23 586 | 23 586 | – | 24 070 | 24 070 | – |
| Non-controlling interest | 1 563 | 1 563 | – | 1 315 | 1 315 | – | 1 393 | 1 393 | – |
| Total equity | 26 264 | 26 274 | (10) | 24 901 | 24 901 | – | 25 463 | 25 463 | – |
| Non-current liabilities | | | | | | | | | |
| Long-term borrowings | 3 148 | 3 148 | – | 3 370 | 3 370 | – | 3 293 | 3 293 | – |
| Deferred tax liabilities | 1 829 | 4 184 | (2 355) | 1 740 | 4 029 | (2 289) | 1 680 | 3 951 | (2 271) |
| Long-term provisions | 608 | 1 024 | (416) | 587 | 928 | (341) | 560 | 959 | (399) |
| | 5 585 | 8 356 | (2 771) | 5 697 | 8 327 | (2 630) | 5 533 | 8 203 | (2 670) |
| Current liabilities | | | | | | | | | |
| Trade and other payables | 1 817 | 2 694 | (877) | 1 320 | 2 331 | (1 011) | 1 599 | 2 678 | (1 079) |
| Short-term provisions | 278 | 481 | (203) | 220 | 308 | (88) | 494 | 746 | (252) |
| Taxation | 75 | 270 | (195) | 92 | 231 | (139) | 51 | 332 | (281) |
| Overdrafts and short-term borrowings | 706 | 706 | – | 1 011 | 1 011 | – | 699 | 699 | – |
| | 2 876 | 4 151 | (1 275) | 2 643 | 3 881 | (1 238) | 2 843 | 4 455 | (1 612) |
| Total equity and liabilities | 34 725 | 38 781 | (4 056) | 33 241 | 37 109 | (3 868) | 33 839 | 38 121 | (4 282) |

Notes to the financial statements

for the six months ended 31 December 2013

12 Impact of accounting policy change on:

Group income statement

| | Unaudited Six months ended 31 December 2013 | | | Unaudited Six months ended 31 December 2012 | | | Unaudited For the year ended 30 June 2013 | | |
|--|--|--|------------------|--|--|------------------|--|--|------------------|
| | Current accounting policy Rm | Previous accounting policy Rm | Difference Rm | Current accounting policy Rm | Previous accounting policy Rm | Difference Rm | Current accounting policy Rm | Previous accounting policy Rm | Difference Rm |
| Sales | 4 606 | 11 637 | (7 031) | 3 572 | 8 845 | (5 273) | 7 342 | 19 844 | (12 502) |
| Cost of sales | (3 582) | (7 271) | 3 689 | (2 778) | (6 317) | 3 539 | (5 866) | (13 115) | 7 249 |
| Gross profit | 1 024 | 4 366 | (3 342) | 794 | 2 528 | (1 734) | 1 476 | 6 729 | (5 253) |
| Other operating income | 499 | 421 | 78 | 495 | 398 | 97 | 992 | 960 | 32 |
| Other operating expenses | (743) | (1 161) | 418 | (625) | (865) | 240 | (1 294) | (2 152) | 858 |
| Profit from operations before exceptional items | 780 | 3 626 | (2 846) | 664 | 2 061 | (1 397) | 1 174 | 5 537 | (4 363) |
| Income from investments | 52 | 153 | (101) | 66 | 123 | (57) | 131 | 268 | (137) |
| Finance costs | (120) | (132) | 12 | (99) | (108) | 9 | (199) | (225) | 26 |
| (Loss)/income from associate | (240) | (240) | – | 42 | 42 | – | (14) | (14) | – |
| Income from joint venture | 2 153 | – | 2 153 | 1 035 | – | 1 035 | 3 063 | – | 3 063 |
| Profit before taxation and exceptional items | 2 625 | 3 407 | (782) | 1 708 | 2 118 | (410) | 4 155 | 5 566 | (1 411) |
| Exceptional items | (631) | (631) | – | – | – | – | (2 457) | (2 639) | 182 |
| Profit before taxation | 1 994 | 2 776 | (782) | 1 708 | 2 118 | (410) | 1 698 | 2 927 | (1 229) |
| Taxation | (164) | (946) | 782 | (218) | (628) | 410 | 84 | (1 145) | 1 229 |
| Profit for the period | 1 830 | 1 830 | – | 1 490 | 1 490 | – | 1 782 | 1 782 | – |
| Attributable to: | | | | | | | | | |
| Non-controlling interest | 116 | 116 | – | 84 | 84 | – | 148 | 148 | – |
| Equity holders of ARM | 1 714 | 1 714 | – | 1 406 | 1 406 | – | 1 634 | 1 634 | – |
| | 1 830 | 1 830 | – | 1 490 | 1 490 | – | 1 782 | 1 782 | – |
| Additional information | | | | | | | | | |
| Headline earning (R million) | 2 341 | 2 341 | – | 1 406 | 1 406 | – | 3 737 | 3 737 | – |
| Headline earnings per share (cents) | 1 084 | 1 084 | – | 654 | 654 | – | 1 735 | 1 735 | – |
| Basic earnings per share (cents) | 794 | 794 | – | 654 | 654 | – | 759 | 759 | – |
| Fully diluted headline earnings per share (cents) | 1 076 | 1 076 | – | 650 | 650 | – | 1 723 | 1 723 | – |
| Fully diluted basic earnings per share (cents) | 788 | 788 | – | 650 | 650 | – | 753 | 753 | – |
| Net asset value per share (cents) | 11 411 | 11 411 | – | 10 943 | 10 943 | – | 11 163 | 11 163 | – |
| EBITDA (R million) | 1 264 | 4 540 | (3 276) | 1 048 | 2 875 | (1 827) | 1 982 | 7 230 | (5 248) |

Notes to the financial statements

for the six months ended 31 December 2013

12 Impact of accounting policy change on:

Group statement of cash flows

| | Unaudited Six months ended 31 December 2013 | | | Unaudited Six months ended 31 December 2012 | | | Unaudited For the year ended 30 June 2013 | | |
|---|--|--|------------------|--|--|------------------|--|--|------------------|
| | Current accounting policy Rm | Previous accounting policy Rm | Difference Rm | Current accounting policy Rm | Previous accounting policy Rm | Difference Rm | Current accounting policy Rm | Previous accounting policy Rm | Difference Rm |
| CASH FLOW FROM OPERATING ACTIVITIES | | | | | | | | | |
| Cash receipts from customers | 4 519 | 11 144 | (6 625) | 3 584 | 8 540 | (4 956) | 7 618 | 19 611 | (11 993) |
| Cash paid to suppliers and employees | (3 658) | (7 799) | 4 141 | (3 200) | (6 875) | 3 675 | (6 053) | (13 299) | 7 246 |
| Cash generated from operations | 861 | 3 345 | (2 484) | 384 | 1 665 | (1 281) | 1 565 | 6 312 | (4 747) |
| Interest received | 42 | 142 | (100) | 32 | 89 | (57) | 62 | 199 | (137) |
| Interest paid | (65) | (65) | – | (54) | (54) | – | (115) | (115) | – |
| Dividends received | – | – | – | 32 | 32 | – | 64 | 64 | – |
| Dividends received from joint venture | 750 | – | 750 | 750 | – | 750 | 1 500 | – | 1 500 |
| Dividends paid to non-controlling interest | (45) | (45) | – | – | – | – | – | – | – |
| Dividends paid | (1 102) | (1 102) | – | (1 021) | (1 021) | – | (1 021) | (1 021) | – |
| Taxation paid | (72) | (856) | 784 | (141) | (350) | 209 | (286) | (1 191) | 905 |
| Net cash inflow/(outflow) from operating activities | 369 | 1 419 | (1 050) | (18) | 361 | (379) | 1 769 | 4 248 | (2 479) |
| CASH FLOW FROM INVESTING ACTIVITIES | | | | | | | | | |
| Additions to property, plant and equipment to maintain operations | (321) | (821) | 500 | (302) | (778) | 476 | (544) | (1 452) | 908 |
| Additions to property, plant and equipment to expand operations | (358) | (594) | 236 | (534) | (1 272) | 738 | (1 063) | (2 224) | 1 161 |
| Proceeds on disposal of property, plant and equipment | 184 | 201 | (17) | – | 19 | (19) | 1 | 23 | (22) |
| Transfer of cash on disposal of subsidiary | (15) | (15) | – | – | – | – | – | – | – |
| Investment in associate | – | – | – | (53) | (53) | – | (112) | (112) | – |
| Investments in Richards Bay Coal Terminal | (15) | (15) | – | (13) | (13) | – | (26) | (26) | – |
| Decrease in loans and long-term receivables | 15 | 9 | 6 | 12 | 7 | 5 | 24 | 30 | (6) |
| Net cash outflow from investing activities | (510) | (1 235) | 725 | (890) | (2 090) | 1 200 | (1 720) | (3 761) | 2 041 |

Notes to the financial statements

for the six months ended 31 December 2013

12 Impact of accounting policy change on: Group statement of cash flows (continued)

| | Unaudited Six months ended 31 December 2013 | | | Unaudited Six months ended 31 December 2012 | | | Unaudited Audited For the year ended 30 June 2013 | | |
|---|--|--|------------------|--|--|------------------|--|--|------------------|
| | Current accounting policy Rm | Previous accounting policy Rm | Difference Rm | Current accounting policy Rm | Previous accounting policy Rm | Difference Rm | Current accounting policy Rm | Previous accounting policy Rm | Difference Rm |
| CASH FLOW FROM FINANCING ACTIVITIES | | | | | | | | | |
| Proceeds on exercise of share options | 36 | 36 | – | 22 | 22 | – | 28 | 28 | – |
| Proceeds on subscription by minority shareholder in Lubambe | – | – | – | 26 | 26 | – | – | – | – |
| Payment to non-controlling interest in Kalumines | (71) | (71) | – | – | – | – | – | – | – |
| Long-term borrowings raised | – | – | – | 901 | 901 | – | 802 | 802 | – |
| Long-term borrowings repaid | (235) | (235) | – | (110) | (110) | – | (212) | (212) | – |
| (Decrease)/increase in short-term borrowings | (49) | (49) | – | 143 | 143 | – | (144) | (144) | – |
| Net cash (outflow)/inflow from financing activities | (319) | (319) | – | 982 | 982 | – | 474 | 474 | – |
| Net (decrease)/increase in cash and cash equivalents | (460) | (135) | (325) | 74 | (747) | 821 | 523 | 961 | (438) |
| Cash and cash equivalents at beginning of period | 1 569 | 4 236 | (2 667) | 998 | 3 227 | (2 229) | 998 | 3 227 | (2 229) |
| Foreign currency translation on cash balances | 4 | 13 | (9) | 6 | 6 | – | 48 | 48 | – |
| Cash and cash equivalents at end of period | 1 113 | 4 114 | (3 001) | 1 078 | 2 486 | (1 408) | 1 569 | 4 236 | (2 667) |

NOTES

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NOTES

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Sponsor

Deutsche Securities (SA) Proprietary Limited

Forward-looking statements

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

Directors

PT Motsepe (Executive Chairman)
MP Schmidt (Chief Executive Officer)
F Abbott*
M Arnold
Dr MMM Bakane-Tuoane*
TA Boardman*
AD Botha*
JA Chissano (Mozambican)*

WM Gule**
AK Maditsi*
DV Simelane
Dr RV Simelane*
ZB Swanepoel*
AJ Wilkens

* Independent non-executive

** Non-executive



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