



AFRICAN RAINBOW MINERALS GOLD LIMITED

(Incorporated in the Republic of South Africa) (Registration number 1997/015869/06) Share code AOD ISIN ZAE000039244 (“ARMgold” or “the Company”) www.armgold.com

RESULTS FOR THE QUARTER ENDED 31 MARCH 2003

INDICATORS FOR THE QUARTER

- ✓ Armgold/Harmony Merger
- ✓ Acquisition of effective 34,5% stake in Avmin Limited
- ✓ Gold production of 7 667 kilograms (246 499 ounces) in line with projection for the quarter
- ✓ Cash operating cost of R68 096/kg (US\$259/oz)
- ✓ Cash operating margin of 27%
- ✓ Cash operating income of R196,4 million (US\$24,1 million)
- ✓ Headline earnings of 126 cps (US\$15cps)

EXECUTIVE CHAIRMAN'S REVIEW

“It was a mixed quarter for ARMgold. From an operational perspective, gold produced was in line with our stated production profile. However, the sound operational performance was negated by a strong performance of the Rand against the Dollar.

That said, ARMgold’s objective to become internationally competitive through strategic acquisitions and organic growth, has been realised through the merger with Harmony, the acquisition of Anglo Plc’s shares in Avmin and the announcement of another growth project. Because ARMgold is a highly flexible, flat organisation we are able to respond very quickly to changing circumstances and, accordingly, are re-evaluating our own structures and operations to meet the market circumstances.”

✓ ARMgold/Harmony merger

ARMgold and Harmony announced a merger of the two Companies that will create the fifth largest gold producer in the world, producing approximately 4,1 million ounces of gold per annum.

- The merger will create the largest gold producer in South Africa.
- The merged Company will be recognised as a role model in the industry and the country and will truly be representative of the new South Africa.

✓ Acquisition – Avmin

The formation of a new Joint Venture with Harmony and the acquisition of Anglo Plc’s 34,5% stake in Avmin, by the Joint Venture, provides the Company with a foothold in Avgold.

This Company owns one of the remaining long-term ore bodies in South Africa.

- The transaction will be funded from current cash resources.
- Premium at time of negotiation on the market share price was approximately 30%.
- Closure of this transaction took place on 30 April 2003.

✓ ARMgold is continuing with its organic growth projects

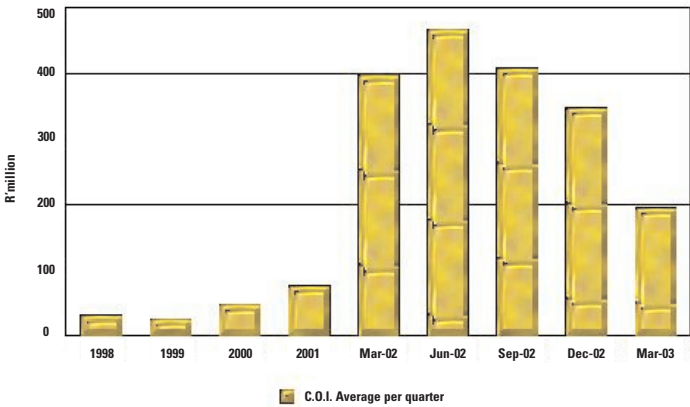
- The Board has approved the re-commissioning of the Phakisa Project (previously Tshepong South Mine), with the planned capital expenditure of R550 million (US\$69,6 million) over the next three years.
- Nyala Shaft Project has commenced; and
- Tshepong Deepening Project is ahead of plan

- ✓ Accident frequency rates improved quarter on quarter, however, we regret to report that three ARMgold employees and one Freegold employee died as a result of work related incidents. Our sincerest condolences are extended to their families, friends and colleagues.

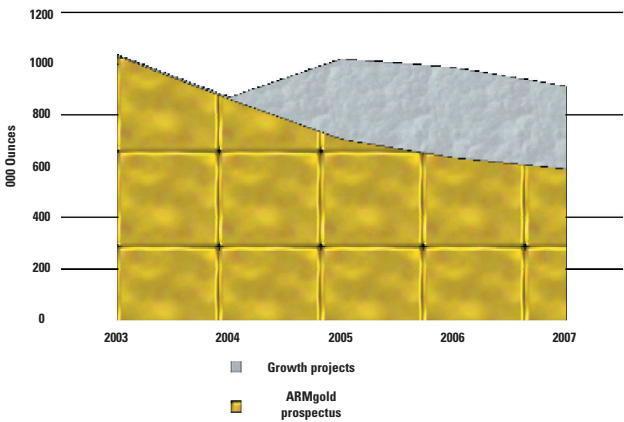
BASIS OF ACCOUNTING

The unaudited results for the quarter and the 15 months have been prepared on the historical costs basis in accordance with the South African Statements of Generally Accepted Accounting Practice. The accounting policies are, in all material respects, consistent with the financial results for the year ended 31 December 2001.

Cash operating income



The graph below indicates the effect of the above growth projects on the LoM reserves – ounces profile



FINANCIAL RESULTS

ABRIDGED INCOME STATEMENT – Rand

Line No.	15 Months Jan 02 to Mar 03		Quarter ended Dec 2002		Variance R'mill	% Change
	Unaudited R'mill	CONSOLIDATED for the period	Unaudited R'mill	Quarter ended Mar 2003 Unaudited R'mill		
1	4 256,4	Gold revenue	861,7	718,5	(143,2)	(17)
2	2 436,5	Cash operating costs	513,4	522,1	(8,7)	(2)
3	1 819,9	Cash operating income	348,3	196,4	(151,9)	(44)
4	1,1	Post retirement benefits	0,0	0,0	0,0	0
5	25,4	Rehabilitation costs	2,5	6,6	(4,1)	(164)
6	152,7	Amortisation	36,0	31,4	4,6	13
7	1 640,7	Operating income	309,9	158,4	(151,5)	(48,9)
8	52,1	Corporate expenditure	10,6	14,1	(3,5)	(33)
9	0	Tribute expenditure	0,0	0,0	0,0	0
10	1 588,6	Mining income	299,3	144,3	(155,0)	(52)
11	159,9	Other income/expenses – net	61,1	56,2	(4,9)	(8)
12	1 748,5	Income before taxation	360,4	200,5	(159,9)	(44)
13	640,3	Taxation	135,7	74,9	60,8	45

ABRIDGED BALANCE SHEET – Rand

Line No.	CONSOLIDATED as at	Reviewed 31 Dec 2002 R'mill	Unaudited 31 Mar 2003 R'mill
	ASSETS		
1	Non-current assets	1 604,4	1 570,6
2	Current assets	2 299,9	2 575,6
3	Cash and cash equivalents	2 137,9	2 397,4
4	Other	162,0	178,2
5	TOTAL ASSETS	3 904,3	4 146,3
	EQUITY AND LIABILITIES		
	Capital and reserves		
6	Ordinary share capital and share premium	1 132,6	1 132,6
7	Retained earnings	991,2	1 116,7
8	Shareholders' equity	2 123,8	2 249,3
9	Non-current liabilities	746,1	776,6
10	Long-term borrowings	505,4	529,3
11	Rehabilitation and closure cost obligation	240,7	247,3
12	Current liabilities	1 034,4	1 120,3
13	TOTAL EQUITY AND LIABILITIES	3 904,3	4 146,2

STATEMENT OF CHANGES IN EQUITY – Rand

Line . No	CONSOLIDATED as at	Audited 31 Dec 01 R'000	Reviewed 31 Dec 02 R'000	Unaudited 31 Mar 03 R'000
Share capital				
Ordinary shares				
1	Balance at beginning of the period	50	50	96
2	Ordinary shares issued during the period	0	46	0
3	Balance at end of the period	50	96	96
Share premium				
4	Balance at beginning of the period	0	0	1 132 454
5	Share premium raised on issue of shares	0	1 209 973	0
6	Expenses written-off against share premium	0	(77 519)	0
7	Balance at end of the period	0	1 132 454	1 132 454
Retained earnings				
8	Balance at beginning of the period	76 142	8 613	991 179
9	Net earnings for the period	132 471	982 584	125 553
10	Dividends paid during the period	(200 000)	0	0
11	Capitalisation shares issued	0	(18)	0
12	Balance at end of the period	8 613	991 179	1 116 732

STATEMENT OF CHANGES IN EQUITY – Dollar

Line No.	CONSOLIDATED as at	Audited 31 Dec 01 US\$'000	Reviewed 31 Dec 02 US\$'000	Unaudited 31 Mar 03 US\$'000
	Share capital			
	Ordinary shares			
1	Balance at beginning of the period	10	10	14
2	Ordinary shares issued during the period	0	4	0
3	Balance at end of the period	10	14	14
	Share premium			
4	Balance at beginning of the period	0	0	111 526
5	Share premium raised on issue of shares	0	119 141	0
6	Expenses written-off against share premium	0	(7 615)	0
7	Balance at end of the period	0	111 526	111 526
	Retained earnings			
8	Balance at beginning of the period	13 196	11 651	106 677
9	Net earnings for the period	15 122	95 028	15 367
10	Dividends paid during the period	(16 667)	0	0
11	Capitalisation shares issued	0	(2)	0
12	Balance at end of the period	11 651	106 677	122 044
	Foreign currency translation reserve			
13	Balance at beginning of the period	(3 140)	(10 939)	29 015
14	Exchange differences for the current period	(7 799)	39 954	22 123
15	Balance at end of the period	(10 939)	29 015	51 138

12	1 748,5	Income before taxation	360,4	200,5	(159,9)	(44)
13	640,3	Taxation	135,7	74,9	60,8	45
14	1 108,2	Income for the period	224,7	125,6	(99,1)	(44)
		Adjustments:				
15	13,8	– Profit on sale of mining assets	7,2	5,5	(1,7)	(24)
16	1 094,4	Headline earnings	217,5	120,1	(97)	(45)
		Earnings per share – cents				
17	1 329	– Basic earnings	235	131	(104)	(44)
18	1 313	– Headline earnings	228	126	(102)	(45)
		Calculated number of shares in issue				
19	83,38	– Weighted average (million)	95,50	95,50	0	0

FINANCIAL RESULTS – CONSOLIDATED
ABRIDGED INCOME STATEMENT – Dollar

Line No.	15 months Jan 02 to Mar 03 Unaudited US\$' mill	CONSOLIDATED for the period	Quarter ended Dec 2002 Unaudited US\$' mill	Quarter ended Mar 2003 Unaudited US\$' mill	Variance US\$' mill	% Change
1	427,3	Gold revenue	91,1	88,0	(3,1)	(3)
2	244,6	Cash operating costs	54,3	63,9	(9,6)	(18)
3	182,7	Cash operating income	36,8	24,1	(12,7)	(34)
4	0,1	Post retirement benefits	0	0	0,0	0
5	2,6	Rehabilitation costs	0,3	0,8	(0,5)	(206)
6	15,3	Amortisation	3,8	3,9	(0,1)	(3)
7	164,7	Operating income	32,8	19,4	(13,4)	(41)
8	5,2	Corporate expenditure	1,1	1,7	(0,6)	(55)
9	0	Tribute expenditure	0	0	0,0	0
10	159,5	Mining income	31,6	17,7	(13,9)	(44)
11	16,0	Other income/expenses – net	6,5	6,9	0,4	6
12	175,4	Income before taxation	38,1	24,6	(13,5)	(35)
13	64,3	Taxation	14,3	9,2	5,1	36
14	111,1	Income for the period	23,8	15,4	(8,4)	(35)
		Adjustments:				
15	1,4	– Profit on sale of mining assets	0,8	0,7	(0,1)	(13)
16	109,8	Headline earnings	23,0	14,7	(8,3)	(36)
		Earnings per share - US cents				
17	133	– Basic earnings	25	16	(9)	(36)
18	132	– Headline earnings	24	15	(9)	(38)
		Calculated number of shares in issue				
19	83,38	– Weighted average (million)	95,50	95,50	0,00	0

12	Current liabilities	1 034,4	1 120,3
13	TOTAL EQUITY AND LIABILITIES	3 904,3	4 146,2

ABRIDGED BALANCE SHEET – Dollar

Line No.	CONSOLIDATED as at	Reviewed 31 Dec 2002 US\$'mill	Unaudited 31 Mar 2003 US\$'mill
	ASSETS		
1	Non-current assets	186,8	198,8
2	Current assets	267,7	326,0
3	Cash and cash equivalents	248,9	303,5
4	Other	18,8	22,5
5	TOTAL ASSETS	454,5	524,8
	EQUITY AND LIABILITIES		
	Capital and reserves		
6	Ordinary share capital and share premium	111,5	111,5
7	Retained earnings	106,7	122,1
8	Foreign currency translation reserve	29,0	51,1
9	Shareholders' equity	247,2	284,7
10	Non-current liabilities	86,8	98,3
11	Long-term borrowings	58,8	67,0
12	Rehabilitation and closure cost obligation	28,0	31,3
13	Current liabilities	120,5	141,8
14	TOTAL EQUITY AND LIABILITIES	454,5	524,8

ABRIDGED CASH FLOW STATEMENT– Rand

Line No.	CONSOLIDATED as at	12 months Jan 01 to Dec 01 Audited R'mill	15 months Jan 02 to Mar 03 Unaudited R'mill	Quarter ended Mar 2003 Unaudited R'mill
1	Net cash flow from operating activities	5,3	1 841,7	315,4
2	Net cash flow from investing activities	(38,2)	(1 192,6)	(29,0)
3	Net cash flow from financing activities	0,0	1 630,7	(26,9)
4	Net movement in cash and cash equivalents	(32,9)	2 279,8	259,5
5	Cash and cash equivalents at the beginning of the period	150,5	117,6	2 137,9
6	Cash and cash equivalents at the end of the period	117,6	2 397,4	2 397,4

Directors: P T Motsepe (*Executive Chairman*), A J Wilkens (*Chief Executive Officer*), Dr M M M M Bakane-Tuoane*, J G Cockburn* (*British*), R J Fisher*, L P Fourie, W M Gule, M W King*, Adv P J Manda*, R A Matube, Adv K D Moroka*, C M L Savage*, D V Simelane, Dr R V Simelane*, Dr S P Sibisi*, P W Steenkamp, P Taljaard** (**non executive*) (***company secretary*)

14	Exchange differences for the current period	(7 799)	39 954	22 123
15	Balance at end of the period	(10 939)	29 015	51 138

OPERATING RESULTS– Rand/Metric

Line No.	15 months Jan 02 to Mar 03 Unaudited	CONSOLIDATED for the period	Quarter ended Dec 2002 Unaudited	Quarter ended Mar 2003 Unaudited	Variance	% Change
1	5 647	Ore milled – tonnes '000	1 229	1 134	(95)	(8)
2	2 939	– underground	509	674	165	33
3	8 586	– surface	1 738	1 808	70	4
		– total				
4	7,02	Yield – g/tonne	6,79	6,39	(0,40)	(6)
5	0,66	– underground	0,59	0,62	0,04	6
6	4,84	– surface	4,98	4,24	(0,74)	(15)
		– average				
7	39 648	Gold produced – kg	8 349	7 246	(1 103)	(13)
8	1 950	– underground	300	421	121	40
9	41 598	– surface	8 649	7 667	(982)	(11)
		– total				
10	102 321	Gold price	99 634	93 717	(5 917)	(6)
11	9,96	Exchange rate	9,46	8,17	(1,29)	(14)
12	284	Total cash operating costs	295	289	6	2
13	58 573	– R/tonne	59 357	68 096	(8 739)	(15)
14	62 854	– R/kg	63 806	73 054	(9 248)	(14)
15	62 880	Total production costs	63 806	73 054	(9 248)	(14)
		– R/kg				
16	133	Total cost of sales	31	22	9	30
		– R/million				
17	180	Capital expenditure	182	156	(26)	(14)
18	4,5	Productivity per employee	4,7	4,4	(0,3)	(7)
19	37	– g/TEC	37	37	0	0
		– m ² /TEC				
		– tonnes/TEC				

OPERATING RESULTS– Dollar/Imperial

Line No.	15 months Jan 02 to Mar 03 Unaudited	CONSOLIDATED for the period	Quarter ended Dec 2002 Unaudited	Quarter ended Mar 2003 Unaudited	Variance	% Change
1	6 225	Ore milled – tons '000	1 355	1 250	(105)	(8)
2	3 240	– underground	561	743	182	33
3	9 465	– surface	1 916	1 993	78	4
		– total				
4	0,205	Yield–oz/t	0,20	0,19	(0,01)	(6)
5	0,019	– underground	0,02	0,02	0,00	6
6	0,141	– surface	0,15	0,12	(0,02)	(15)
		– average				
7	1 275	Gold produced–oz'000	268	233	(35)	(13)
8	63	– underground	10	14	4	40
9	1 337	– surface	278	246	(32)	(11)
		– total				
10	319	Gold price	328	357	29	9
11	9,96	Exchange rate	9,46	8,17	(1,29)	(14)
12	26	Total cash operating costs	28	32	(4)	(13)
13	183	– \$/ton	195	259	(64)	(33)
		– US\$/oz				
14	196	Total production costs	210	278	(68)	(33)
		– US\$/oz				
15	196	Total cost of sales	210	278	(68)	(33)
		– US\$/oz				
16	13,4	Capital expenditure	3,3	2,6	1	19
		– US\$ million				
17	5,8	Productivity per employee	5,9	5,0	(1)	(14)
18	48,3	– oz/TEC	51,1	47,6	(3)	(7)
19	40,8	– ft ² /TEC	40,3	40,6	0	0
		– t/TEC				

“We Do It Better”

