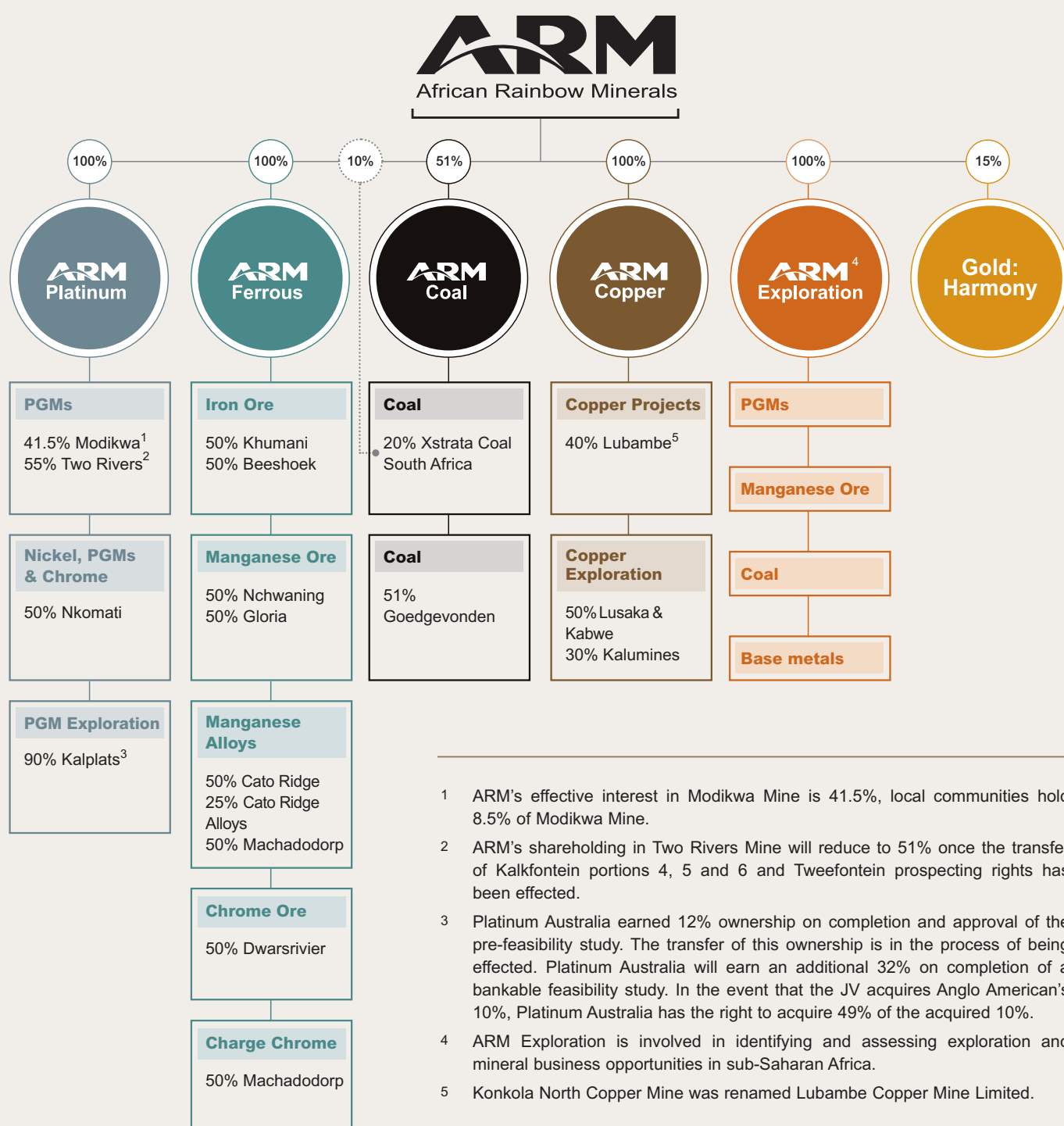


About **ARM**

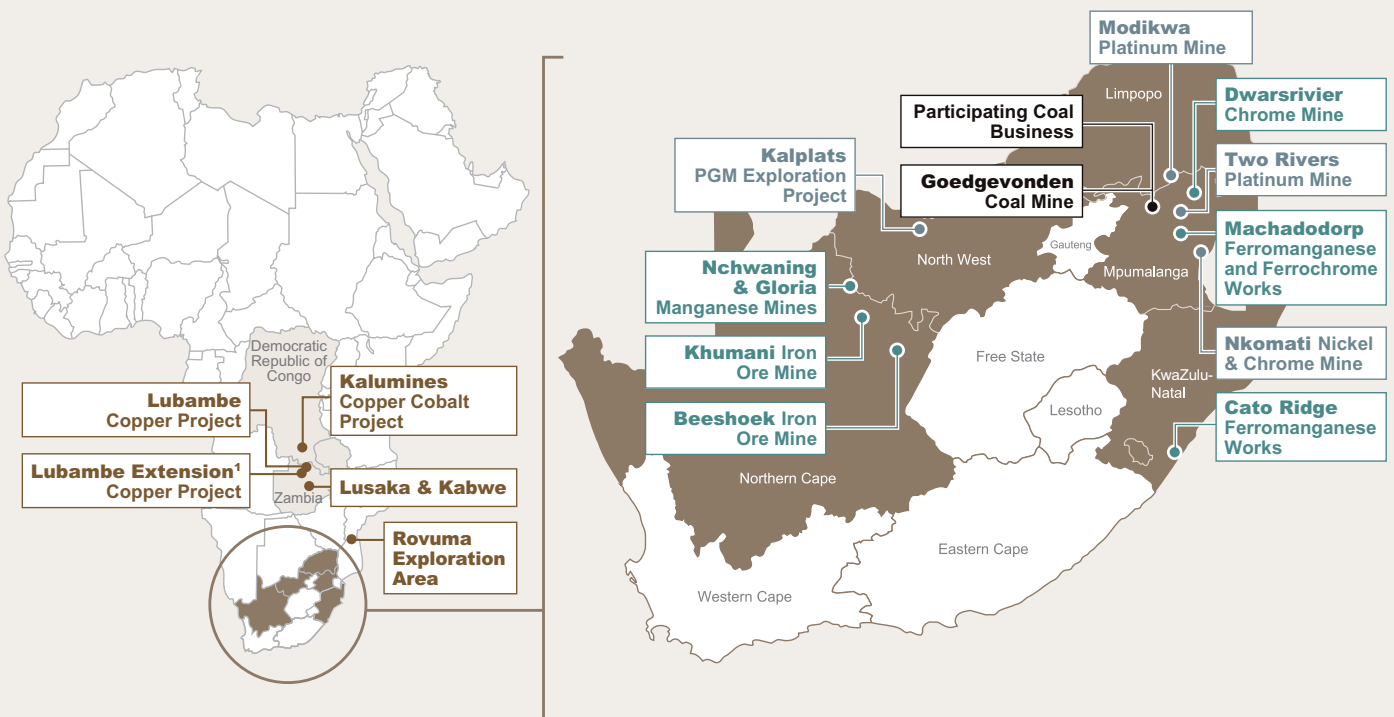
**We do it better**

African Rainbow Minerals (ARM) is a leading South African diversified mining and minerals company with long-life, low unit cost operations and significant growth opportunities.

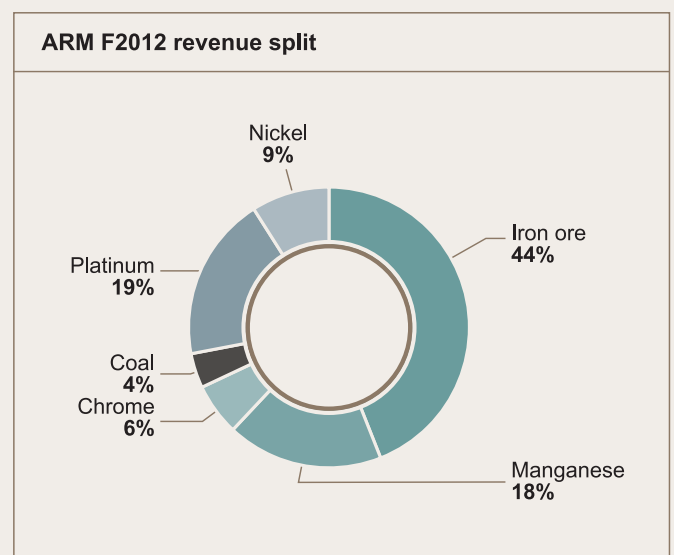
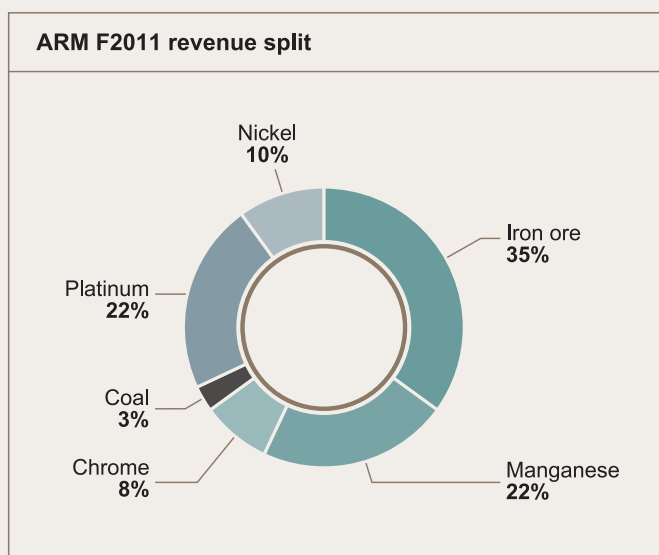


**ARM mines and beneficiates iron ore, manganese ore and alloys, chrome ore and alloys, platinum group metals, copper, nickel and coal. ARM also has an investment in gold through its shareholding in Harmony.**

ARM's strategy is **focused on quality growth within its portfolio of assets** and ensuring that all ARM's operations are positioned below the 50th percentile of each commodity's global cost curve. This is **achieved, in conjunction with ARM's joint venture partners**, through volume growth and continuous improvement in operational efficiencies. In 2010 ARM **successfully achieved its 2 x 2010 strategy to double production** in its diversified portfolio of assets, and in **2012 ARM delivered its iron ore, coal and nickel growth projects**. ARM's growth of existing assets is supplemented by **continuous assessment of acquisition and partnership opportunities and exploration in Africa.**



<sup>1</sup> Previously known as Konkola North Area A.

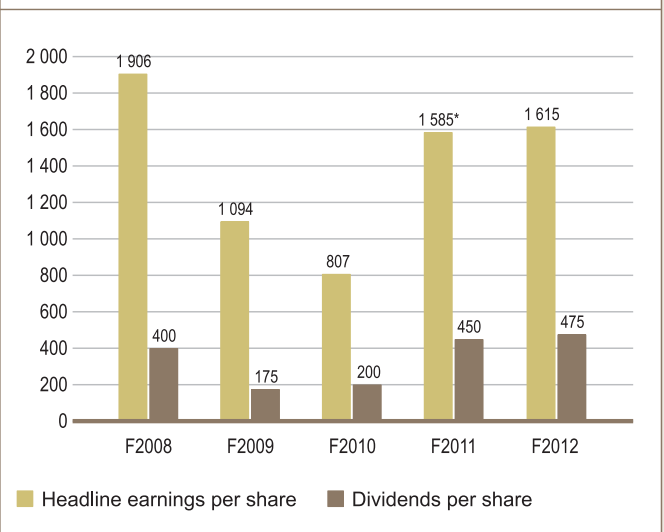


## 2012 Financial year integrated salient features

“ARM significantly increased sales volumes across all its commodities except ferrochrome and Nkomati chrome ore. We also increased headline earnings and dividends despite challenging global markets”

Patrice Motsepe, Executive Chairman

Headline earnings and dividends per share (cents)

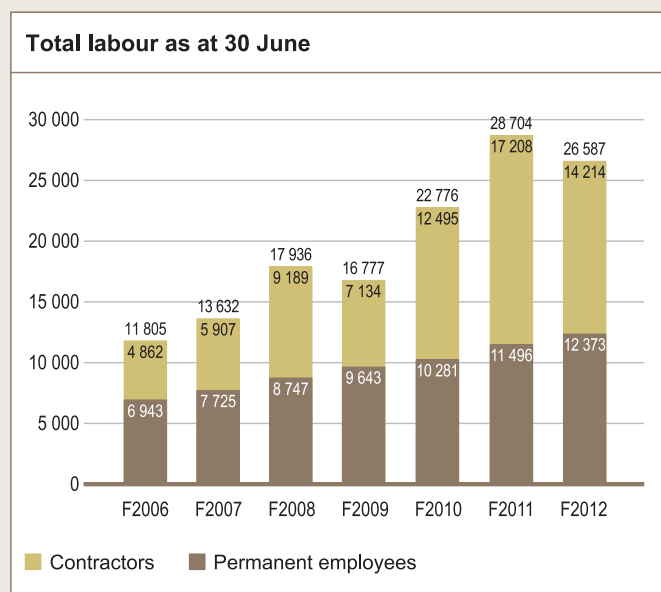
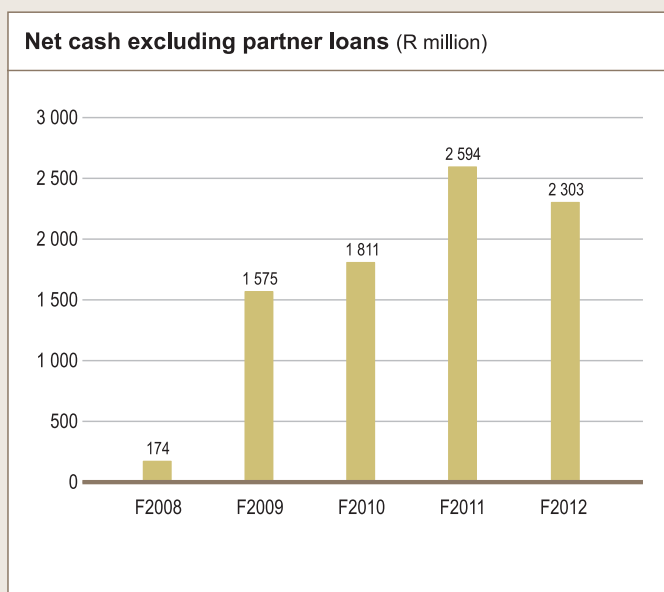


\* Restated for early adoption on IFRIC 20.

### Financial

- Headline earnings increased 2% to R3.45 billion (F2011 restated: R3.37 billion) in difficult market conditions. The headline earnings per share were 1 615 cents compared to 1 585 cents in F2011 (restated).
- ARM declared an increased dividend of 475 cents per share, compared to the F2011 dividend of 450 cents per share.
- Sales revenue increased 18% to R17.53 billion due to increased sales volumes achieved.
- ARM maintained a robust financial position with net cash (excluding partner loans) of R2.3 billion (F2011: R2.6 billion).





## Operational

- Significant sales volume increases across all ARM commodities excluding ferrochrome and Nkomati Mine chrome ore.
- Satisfactory cost containment at Two Rivers Mine, the PCB coal operations, the manganese ore mines, the manganese alloy operations, the Nkomati Mine and the chrome ore mine.
- Update on growth projects:
  - The Khumani Iron Ore Expansion Project from 10 mtpa to 16 mtpa was successfully handed over to the mine one year ahead of schedule and well below budget.
  - Full production ramp-up to 6.4 mtpa was achieved at Goedgevonden Mine.
  - Significant improvement in the operational performance during the ramp-up phase of the Nkomati Mine in the second half of the financial year.
  - Lubambe Copper Project (previously known as Konkola North Copper Project) is progressing on time and within budget with plant commissioning expected by the end of the 2012 calendar year.

## Sustainability

- Nkomati, Beeshoek and Khumani mines achieved in excess of two million fatality-free shifts while Black Rock Mine, Dwarsrivier Mine and Cato Ridge Works each achieved in excess of a million fatality-free shifts.
- The ARM Lost time Injury Frequency Rate (LTIFR) improved from 0.43 in F2011 to 0.40 in F2012.
- Regrettably, four lives were lost as a result of three accidents.
- Our performance against our internal HIV & Aids benchmark improved, for the first time exceeding the high standard we set for our operations in F2008.
- Total Corporate Social Responsibility investment (which includes expenditure in terms of Corporate Social Investment, Local Economic Development and the ARM BBEE Trust) improved from R125 million in F2011 to R126 million in F2012.
- ARM contributed to 24 classrooms, five schools, four school halls and three crèches in F2012.
- ARM has for the second year met application level A+ of the Global Reporting Initiative (GRI) G3 guidelines and has been successfully assured for third consecutive year.

## Operational overview

ARM's **"We do it better"** management style brings **entrepreneurial flair to the businesses** it manages and is invested in. ARM's partners provide **access to markets, skills and value generating growth opportunities.**

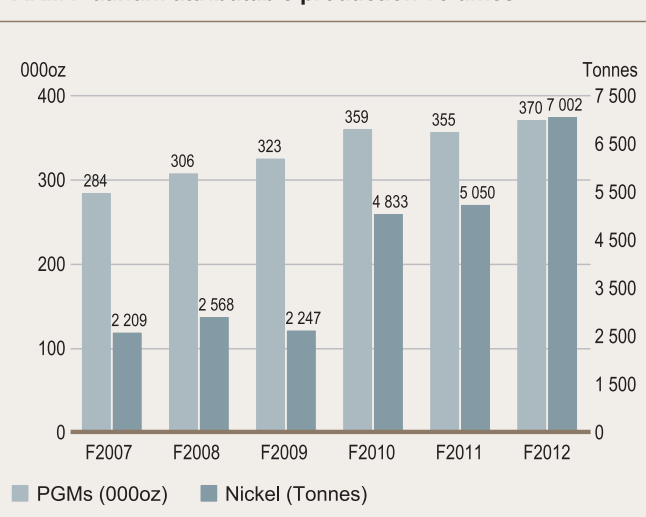
### ARM Platinum

		F2012	F2011*	%
Headline earnings	Rm	60	515	(88)
EBITDA Margin	%	17	32	
EBITDA	Rm	852	1 540	(45)

\* Restated for early adoption on IFRIC 20.

Total attributable capital expenditure	R0.9 billion
Total labour in F2012	11 490 (including 6 189 contractors)
Key projects invested in during the year	Nkomati Nickel Large-Scale Expansion Project

ARM Platinum attributable production volumes



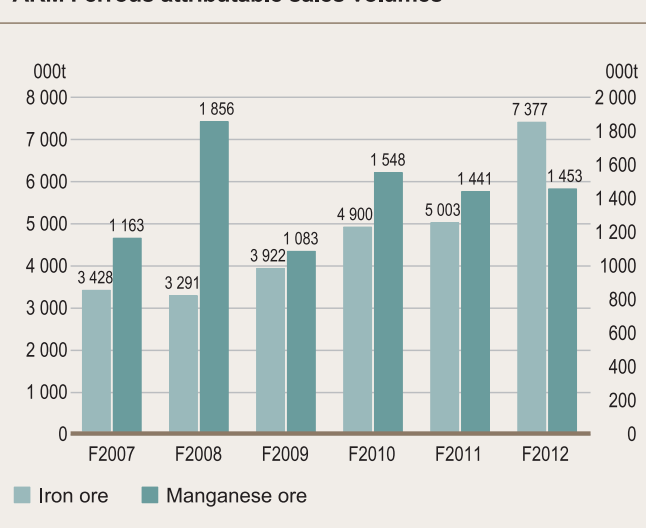
### ARM Ferrous

		F2012	F2011*	%
Headline earnings	Rm	3 495	2 897	21
EBITDA Margin	%	45	50	
EBITDA	Rm	5 373	4 728	14

\* Restated for early adoption on IFRIC 20.

Total attributable capital expenditure	R2.2 billion
Total labour in F2012	10 192 (including 3 460 contractors)
Key projects invested in during the year	Khumani Iron Ore Expansion Project from 10 to 16 million tonnes per annum

ARM Ferrous attributable sales volumes



## ARM attributable

		<b>F2012</b>	F2011*	%
Headline earnings	Rm	<b>3 451</b>	3 319	2
EBITDA Margin	%	<b>37</b>	43	
EBITDA	Rm	<b>6 531</b>	6 517	2

\* Restated for early adoption on IFRIC 20.

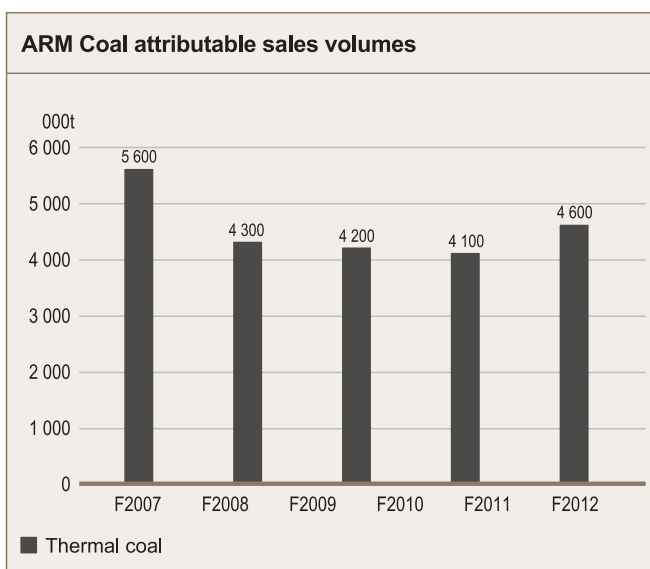
<b>Total attributable capital expenditure</b>	R3.4 billion
<b>Total labour in F2012</b>	26 587 (excluding ARM Coal)

## ARM Coal

		<b>F2012</b>	F2011*	%
Headline earnings	Rm	<b>52</b>	(103)	–
EBITDA Margin	%	<b>42</b>	43	
EBITDA	Rm	<b>323</b>	217	49

\* Restated for early adoption on IFRIC 20.

<b>Attributable capital expenditure</b>	R0.2 billion
<b>Key investment projects during the year</b>	Goedgevonden Coal Mine



## ARM Copper

### Lubambe Copper Project

- Lubambe Copper Project
- Measured and Indicated Resource of 57.4 million tonnes at 2.42% copper.
- 2.5 million tonnes to be milled yielding 45 000 tonnes of copper in concentrate per annum.
- Concentrator plant to be commissioned by the end of the 2012 calendar year, full production in the 2015 financial year.
- Life of mine of 28 years.
- Total capital expenditure of US\$410 million (in July 2010 terms).
- C1 cash cost of US\$1.45/lb (55th percentile at steady state: 2015).
- Potential to increase output to 100 000 tonnes copper per annum (Lubambe Extension Area resource).

## ARM Exploration

The focus of ARM Exploration Division is to identify and assess quality business opportunities in sub-Saharan Africa.

Effective from 1 July 2011, the copper exploration assets that previously formed part of ARM Exploration, including a 30% shareholding in the Kalumines Copper Project and a 50% shareholding in the Lusaka & Kabwe Project, have been moved into the ARM Copper Division.

A highly skilled and experienced exploration team has been established under the leadership of Jan Steenkamp.

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

# Contact details

## African Rainbow Minerals Limited

Registration number: 1933/004580/06  
Incorporated in the Republic of South Africa  
JSE share code: ARI  
ADR ticker symbol: AFRBY  
ISIN: ZAE 000054045

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Internal auditors

KPMG

### Bankers

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FirstRand Bank Limited

The Standard Bank of South Africa Limited

Nedbank Limited

### Sponsors

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### Transfer secretaries

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**Website:** <http://www.computershare.co.za>

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### Directors

P T Motsepe (Executive Chairman)

M P Schmidt (Chief Executive Officer)

F Abbott\*

M Arnold

Dr M M M Bakane-Tuoane\*

T A Boardman\*

A D Botha\*

J A Chissano (Mozambican)\*

W M Gule

M W King\*

A K Maditsi\*

Dr R V Simelane\*

Z B Swanepoel\*

A J Wilkens

\* Independent Non-executive