

**New standards**

The following new standards have been issued but are only effective for future periods:

Standard or interpretation	Effective date	Date issued	
IAS 1	Presentation of Financial Statements	1 January 2009	September 2007
IAS 23	Borrowing Costs	1 January 2009	March 2007
IAS 27	Amendments to Consolidated and Separate Financial Statements	1 July 2009	May 2008
IAS 32	Amendments to IAS 32 Financial Instruments: Presentation	1 January 2009	February 2008
IAS 39	Amendment to IAS 39 – Financial Instruments: Recognition and Measurement – Eligible hedged items	1 July 2009	July 2008
IFRS 1	Amendments to IFRS 1 First-time adoption of International Financial Reporting Standards – Cost of an investment in a subsidiary, jointly controlled entity or associate	1 January 2009	November 2008
IFRS 2	Amendment to IFRS 2 Share-based Payment – Vesting conditions and cancellations	1 January 2009	January 2008
IFRS 3	Business Combinations	1 July 2009	January 2008
IFRS 8	Operating Segments	1 January 2009	November 2006
IFRIC 15	Agreements for the construction of real estate	1 January 2009	July 2008
IFRIC 16	Hedges of a net investment in a foreign operation	1 October 2008	July 2008
IFRIC 17	Distribution of non-cash assets	1 July 2009	December 2008
IFRIC 18	Transfer of assets from investments	1 July 2009	January 2009

**Impact of the above**

IAS 1	This statement requires additional disclosure and will have an impact on presentation.
IFRS 8	This statement requires the amount reported for each segment to be the measure reported to the chief operating decision-maker for the purpose of allocating resources to that segment and assessing their performance. The Group assessed the impact of IFRS 8 and concluded that some additional information that is not critical to the business may have to be disclosed in a single segment report. Most of the information is already disclosed in the Annual Report.
Other	None of the other standards or interpretations are expected to have a significant effect on the results of operation or the financial position of the Group.

**2 Segmental information**

**Primary segmental information**

**Business segments**

For management purposes, the Group is organised into four major operating divisions. The operating divisions are ARM Platinum (which includes platinum and nickel), ARM Ferrous, ARM Coal and ARM Exploration.

ARM has a strategic holding in Harmony (gold).

Platinum comprises Two Rivers Platinum Mine as a 55% subsidiary and ARM Mining Consortium Limited through which ARM holds an effective 41.5% interest in the Modikwa Platinum Mine.

Nickel comprises Nkomati Mine as a 50% joint venture for both its nickel and chrome operations. In the corporate structure Nickel is included under ARM Platinum.

ARM Ferrous comprises Assmang as a 50% joint venture. Assmang comprises iron ore, manganese and chrome operations.

ARM Coal, a 51% joint venture for accounting purposes, consists of a 10.2% participating investment in the existing coal operations of XCSA and a 26% joint venture interest in the Goedgevonden Mine. In addition, ARM has a direct 10% participating investment in the existing coal operations of XCSA.

ARM Exploration comprises TEAL as a 64.9% held subsidiary up to February 2009 and thereafter as a 50% joint venture. In addition, this new division is involved in identifying and assessing exploration and mineral business opportunities in sub-Saharan Africa.

The commodity groupings predominantly reflect the risks and rewards of trading and the operating divisions are therefore identified as the primary reporting segments.

For the year ended 30 June

R million	ARM Platinum		ARM Ferrous	ARM Coal	ARM Exploration	Corporate* and other	Gold	Total
	Platinum	Nickel						
<b>2 Segmental information (continued)</b>								
<b>2.1 Year to 30 June 2009</b>								
Total sales	1 750	543	7 632	121	50	–	–	10 096
Inter-Group sales to ARM Ferrous	–	2	–	–	–	–	–	2
Sales	1 750	541	7 632	121	50	–	–	10 094
Cost of sales	(2 317)	(491)	(3 007)	(84)	(177)	28	–	(6 048)
Other operating income	8	24	615	1	–	268	–	916
Other operating expenses	2	(48)	(462)	(1)	(515)	(231)	–	(1 255)
<b>Segment result</b>	<b>(557)</b>	<b>26</b>	<b>4 778</b>	<b>37</b>	<b>(642)</b>	<b>65</b>	<b>–</b>	<b>3 707</b>
Income from investments	69	8	220	–	6	111	–	414
Finance cost	(60)	(1)	(36)	(15)	(49)	(68)	–	(229)
Finance cost Implats:								
Shareholders' loan Two Rivers	(70)	–	–	–	–	–	–	(70)
Finance cost ARM:								
Shareholders' loan Two Rivers	(86)	–	–	–	–	–	–	(86)
Income from associate	–	–	–	147	–	–	–	147
Exceptional items	1	(1)	–	–	567	(53)	–	514
Taxation	152	(4)	(1 802)	(7)	(4)	(62)	–	(1 727)
Minority interest	204	–	–	–	–	(6)	–	198
<b>Contribution to basic earnings</b>	<b>(347)</b>	<b>28</b>	<b>3 160</b>	<b>162</b>	<b>(122)</b>	<b>(13)</b>	<b>–</b>	<b>2 868</b>
<b>Contribution to headline earnings</b>	<b>(348)</b>	<b>29</b>	<b>3 150</b>	<b>135</b>	<b>(689)</b>	<b>40</b>	<b>–</b>	<b>2 317</b>
<b>Other information</b>								
Segment assets, including investment in associate	5 334	1 791	8 292	2 973	483	1 535	5 091	25 499
Investment in associate	–	–	–	1 327	–	–	–	1 327
Segment liabilities	1 535	332	815	1 463	497	1 298	–	5 940
Unallocated liabilities (tax and deferred tax)	–	–	–	–	–	–	–	2 808
Consolidated total liabilities	–	–	–	–	–	–	–	8 748
Cash inflow/(outflow) from operating activities	830	177	4 034	414	(554)	(851)	–	4 050
Cash (outflow)/inflow from investing activities	(475)	(866)	(1 388)	(498)	147	(55)	–	(3 135)
Cash (outflow)/inflow from financing activities	(270)	149	(263)	211	276	(274)	–	(171)
Capital expenditure	524	878	1 335	572	22	2	–	3 333
Amortisation and depreciation	323	28	378	36	20	2	–	787
Impairment	–	1	–	–	42	–	–	43
EBITDA	(234)	54	5 146	73	(622)	67	–	4 484

\* Corporate, other companies and consolidation adjustments.

NOTES TO THE FINANCIAL STATEMENTS continued

For the year ended 30 June

R million	ARM Platinum		ARM Ferrous	ARM Coal	ARM Exploration	Corporate* and other	Gold	Total
	Platinum	Nickel						
<b>2 Segmental information (continued)</b>								
<b>2.1 Year to 30 June 2008 (continued)</b>								
Total sales	3 943	998	7 418	96	147	–	–	12 602
Inter-Group sales to ARM Ferrous	–	12	–	–	–	–	–	12
Sales	3 943	986	7 418	96	147	–	–	12 590
Cost of sales	(1 785)	(419)	(3 193)	(51)	(72)	4	–	(5 516)
Other operating income per income statement	6	46	217	–	–	191	–	460
Other operating expenses per income statement	(31)	(11)	(350)	–	(271)	(193)	–	(856)
<b>Segment result</b>	2 133	602	4 092	45	(196)	2	–	6 678
Income from investments	93	6	36	–	2	31	–	168
Finance cost	(148)	(1)	(14)	(13)	(15)	(84)	–	(275)
Finance cost Implants:								
Shareholders' loan Two Rivers	(73)	–	–	–	–	–	–	(73)
Finance cost ARM:								
Shareholders' loan Two Rivers	(90)	–	–	–	–	–	–	(90)
Income from associate	–	–	–	461	–	–	–	461
Exceptional items	–	(7)	–	–	34	135	–	162
Taxation	(540)	(173)	(1 346)	(1)	(2)	(22)	–	(2 084)
Minority interest	(460)	–	–	–	–	–	–	(460)
<b>Contribution to basic earnings</b>	915	427	2 768	492	(177)	62	–	4 487
<b>Contribution to headline earnings</b>	915	432	2 775	175	(211)	(73)	–	4 013
<b>Other information</b>								
Segment assets, including investment in associate	6 513	1 081	7 771	2 392	413	663	6 045	24 878
Investment in associate	–	–	–	1 298	–	–	–	1 298
Segment liabilities	1 563	112	1 196	930	608	1 592	–	6 001
Unallocated liabilities (tax and deferred tax)	–	–	–	–	–	–	–	3 201
Consolidated total liabilities								9 202
Cash inflow/(outflow) from operating activities	1 369	518	3 005	103	(344)	(482)	–	4 169
Cash (outflow)/inflow from investing activities	(508)	(292)	(1 360)	(361)	(41)	135	–	(2 427)
Cash (outflow)/inflow from financing activities	(776)	–	(51)	274	353	25	–	(175)
Capital expenditure	547	292	1 394	414	130	2	–	2 779
Amortisation and depreciation	241	20	264	6	10	–	–	541
Impairment	–	5	–	–	46	–	–	51
EBITDA	2 374	622	4 366	51	(186)	2	–	7 229

\* Corporate, other companies and consolidation adjustments.

For the year ended 30 June

R million	ARM Platinum		Total
	Two Rivers	Modikwa	
<b>2 Segmental information (continued)</b>			
The ARM platinum segment is analysed further into Two Rivers Platinum Mine and ARM Mining Consortium (which includes Modikwa).			
<b>2.2 Year to 30 June 2009</b>			
<b>Sales</b>			
External sales	1 022	728	1 750
Cost of sales	(1 373)	(944)	(2 317)
Other operating income	7	1	8
Other operating expenses	(7)	9	2
<b>Segment result</b>	(351)	(206)	(557)
Income from investments	19	50	69
Finance cost	(39)	(21)	(60)
Finance cost Implats: Shareholders' loan Two Rivers	(70)	–	(70)
Finance cost ARM: Shareholders' loan Two Rivers	(86)	–	(86)
Exceptional items	1	–	1
Taxation	131	21	152
Minority interest	177	27	204
<b>Contribution to basic earnings</b>	(218)	(129)	(347)
<b>Contribution to headline earnings</b>	(219)	(129)	(348)
<b>Other information</b>			
Segment and consolidated assets	2 853	2 481	5 334
Segment liabilities	1 117	418	1 535
Unallocated liabilities (tax and deferred tax)			638
Consolidated total liabilities			2 173
Cash inflow from operating activities	450	380	830
Cash outflow from investing activities	(294)	(181)	(475)
Cash outflow from financing activities	(168)	(102)	(270)
Capital expenditure	340	184	524
Amortisation and depreciation	251	72	323
EBITDA	(100)	(134)	(234)

For the year ended 30 June

R million	ARM Platinum		Total
	Two Rivers	Modikwa	
<b>2 Segmental information (continued)</b>			
<b>2.2 Year to 30 June 2008 (continued)</b>			
<b>Sales</b>			
External sales	2 363	1 580	3 943
Cost of sales	(1 031)	(754)	(1 785)
Other operating income	6	–	6
Other operating expenses	(6)	(25)	(31)
<b>Segment result</b>	1 332	801	2 133
Income from investments	64	29	93
Finance cost	(105)	(43)	(148)
Finance cost Implats: Shareholders' loan Two Rivers	(73)	–	(73)
Finance cost ARM: Shareholders' loan Two Rivers	(90)	–	(90)
Taxation	(332)	(208)	(540)
Minority interest	(361)	(99)	(460)
<b>Contribution to basic earnings</b>	435	480	915
<b>Contribution to headline earnings</b>	435	480	915
<b>Other information</b>			
Segment and consolidated assets	3 487	3 026	6 513
Segment liabilities	1 126	437	1 563
Unallocated liabilities (tax and deferred tax)			831
Consolidated total liabilities			2 394
Cash inflow from operating activities	777	592	1 369
Cash outflow from investing activities	(355)	(153)	(508)
Cash outflow from financing activities	(677)	(99)	(776)
Capital expenditure	390	157	547
Amortisation and depreciation	154	87	241
EBITDA	1 486	888	2 374



For the year ended 30 June

R million	Iron ore Division	Manganese Division	Chrome Division	Total	Attributable to ARM
<b>2 Segmental information (continued)</b>					
Additional information					
<b>2.3 Pro forma analysis of the Ferrous segment</b>		100%			50%
<b>Year to 30 June 2009</b>					
<b>Sales</b>	5 018	8 436	1 809	15 263	7 632
Other operating income	329	914	145	1 388	615
Other operating expense	182	532	368	1 082	462
Operating profit	3 080	6 199	277	9 556	4 778
<b>Contribution to earnings</b>	2 170	3 956	193	6 319	3 160
<b>Contribution to headline earnings</b>	2 160	3 927	213	6 300	3 150
<b>Other information</b>					
Consolidated total assets	6 506	8 350	2 038	16 894	8 292
Consolidated total liabilities	1 745	2 506	654	4 905	815
Capital expenditure	1 529	854	397	2 780	1 335
Amortisation and depreciation	409	236	127	772	378
Cash inflow from operating activities	2 844	610	312	3 766	4 034
Cash outflow from investing activities	(1 541)	(840)	(395)	(2 776)	(1 388)
Cash outflow from financing activities	(492)	–	(34)	(526)	(263)
<b>EBITDA</b>	<b>3 478</b>	<b>6 406</b>	<b>424</b>	<b>10 308</b>	<b>5 146</b>
<b>Year to 30 June 2008</b>					
<b>Sales</b>	2 776	9 552	2 507	14 835	7 418
Other operating income	51	320	99	470	217
Other operating expense	136	489	111	736	350
Operating profit	1 079	6 160	946	8 185	4 092
<b>Contribution to earnings</b>	779	4 075	681	5 535	2 768
<b>Contribution to headline earnings</b>	780	4 087	683	5 550	2 775
<b>Other information</b>					
Consolidated total assets	4 324	9 419	2 015	15 758	7 771
Consolidated total liabilities	1 735	3 226	826	5 787	1 196
Capital expenditure	2 231	511	158	2 900	1 394
Amortisation and depreciation	241	184	110	535	264
Cash inflow from operating activities	710	4 175	646	5 531	3 005
Cash outflow from investing activities	(2 080)	(488)	(151)	(2 719)	(1 360)
Cash inflow/(outflow) from financing activities	281	–	(384)	(103)	(51)
<b>EBITDA</b>	<b>1 320</b>	<b>6 344</b>	<b>1 056</b>	<b>8 720</b>	<b>4 366</b>

For the year ended 30 June

R million	Group	
	F2009	F2008
<b>2 Segmental information (continued)</b>		
<b>2.4 Geographical segments</b>		
The Group operates principally in South Africa, however, Vale/ARM joint venture operates in Zambia, the DRC, Namibia and other countries.		
Assets by geographical area in which the assets are located are as follows:		
– South Africa	25 122	23 113
– Europe	73	427
– Americas	114	65
– Far and Middle East	86	726
– Other	104	547
	<b>25 499</b>	<b>24 878</b>
Sales by geographical area		
– South Africa	2 393	4 824
– Europe	2 070	2 404
– Far and Middle East	4 558	3 622
– Americas	458	654
– Other	615	1 086
	<b>10 094</b>	<b>12 590</b>
Capital expenditure		
– South Africa	3 311	2 650
– Rest of Africa	22	129
	<b>3 333</b>	<b>2 779</b>