African Rainbow Minerals

Mining Indaba 5 February 2013

Chief Executive Officer: Mike Schmidt

We do it better

African Rainbow Minerals

"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

Disclaimer

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.

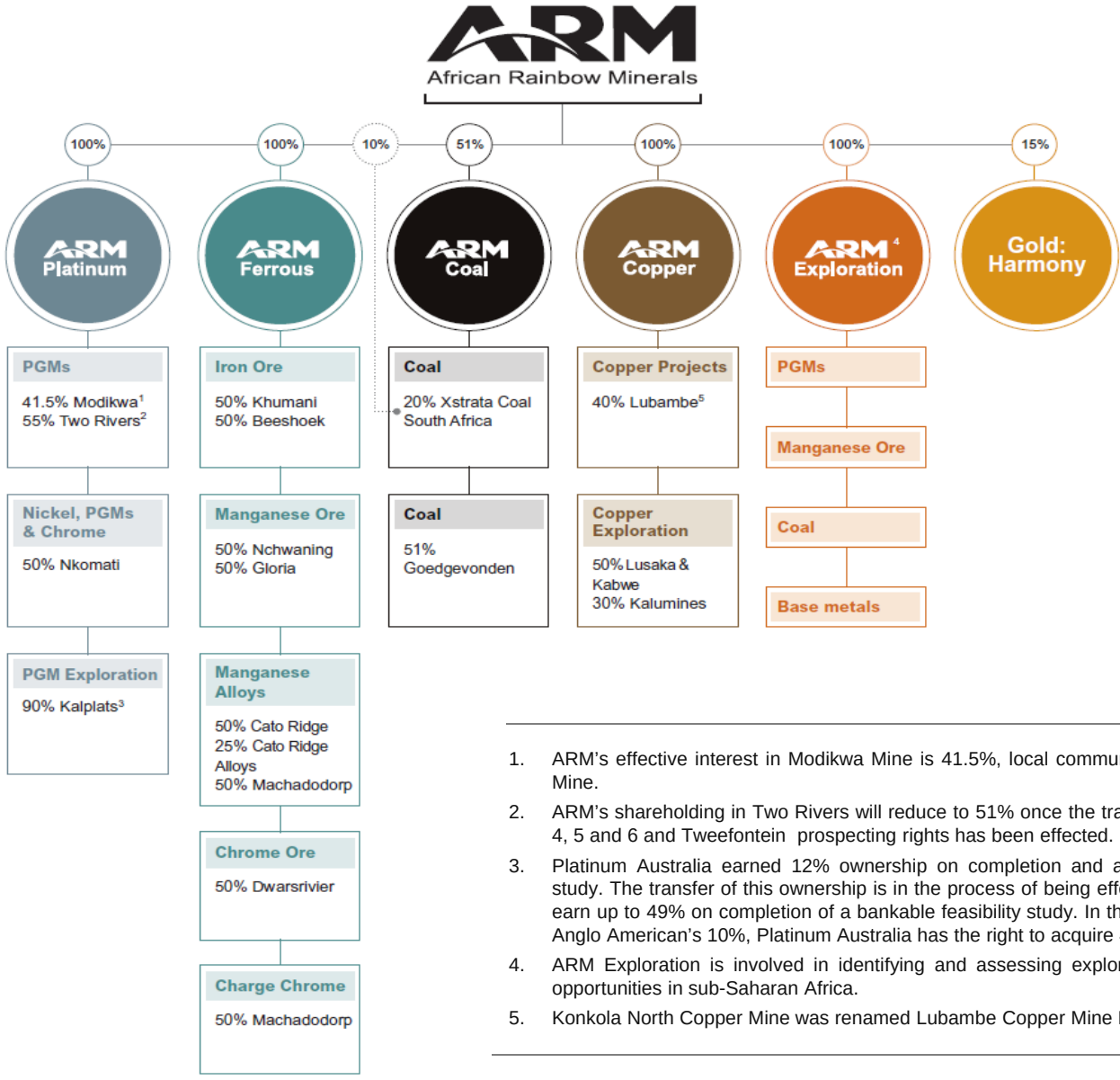
African Rainbow Minerals (ARM)

Listing information

Primary listing	JSE Limited (ticker ARI)
Share price	ZAR 201.23 per share
Market capitalisation	ZAR 43.3 billion
Market capitalisation (at an exchange rate of R8.97/US$)	US$ 4.8 billion
Average daily volume traded in preceding 12 months	395 041 shares per day
12 month high	ZAR 204.88 per share
12 month low	ZAR 144.00 per share
Other listings	Sponsored Level 1 ADR (ticker AFRBY)

Information as at 25 January 2013

Group structure



1. ARM's effective interest in Modikwa Mine is 41.5%, local communities hold 8.5% of Modikwa Mine.
2. ARM's shareholding in Two Rivers will reduce to 51% once the transfer of Kalkfontein portions 4, 5 and 6 and Tweefontein prospecting rights has been effected.
3. Platinum Australia earned 12% ownership on completion and approval of the prefeasibility study. The transfer of this ownership is in the process of being effected. Platinum Australia will earn up to 49% on completion of a bankable feasibility study. In the event that the JV acquires Anglo American's 10%, Platinum Australia has the right to acquire 49% of the acquired 10%.
4. ARM Exploration is involved in identifying and assessing exploration and mineral business opportunities in sub-Saharan Africa.
5. Konkola North Copper Mine was renamed Lubambe Copper Mine Limited

Dividend and earnings history

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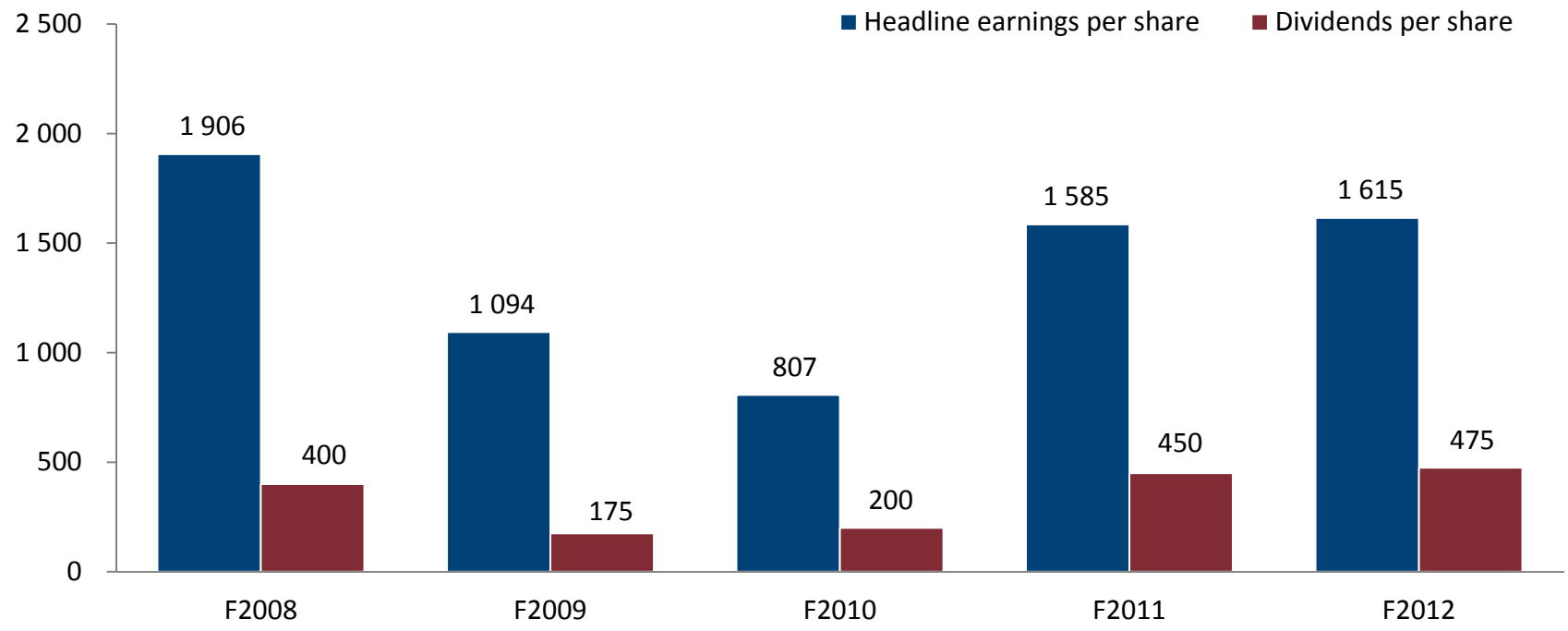
Headline earnings per share and dividends per share (cents per share)



**Restated due to IFRIC 20*

Dividend cover	**4.8 X**	**6.3 X**	**4.0 X**	**3.5 X**	**3.4 X**

As a globally competitive company, ARM is committed to paying dividends and funding growth.

Revenue composition

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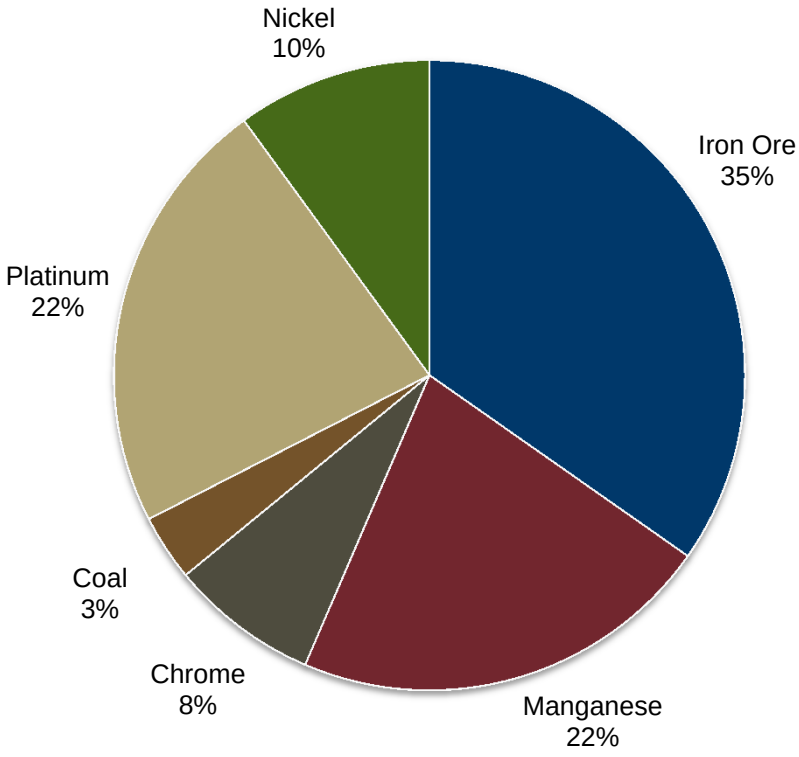
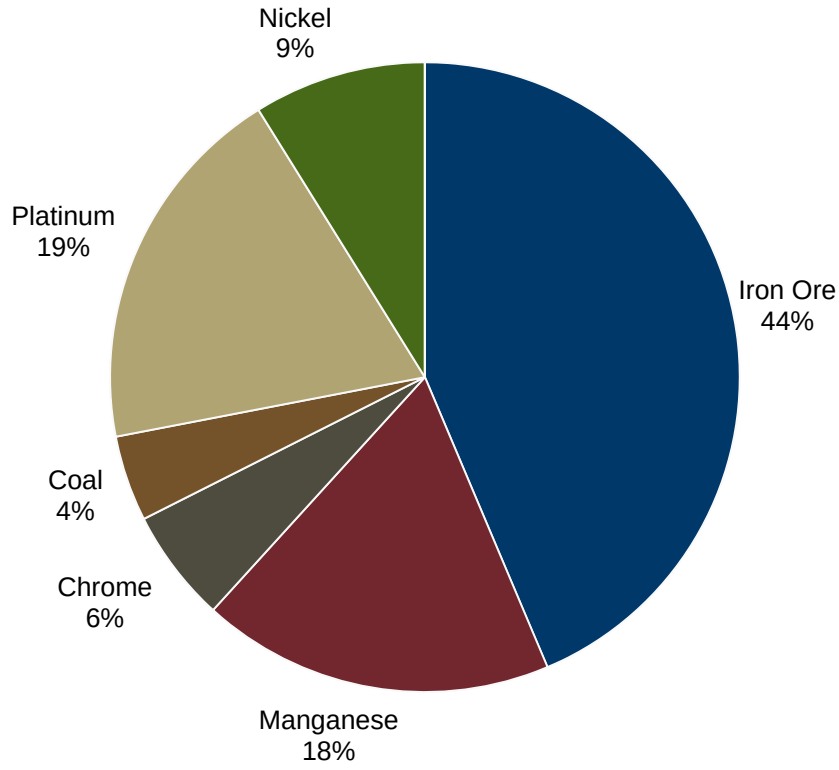
F2011 revenue split



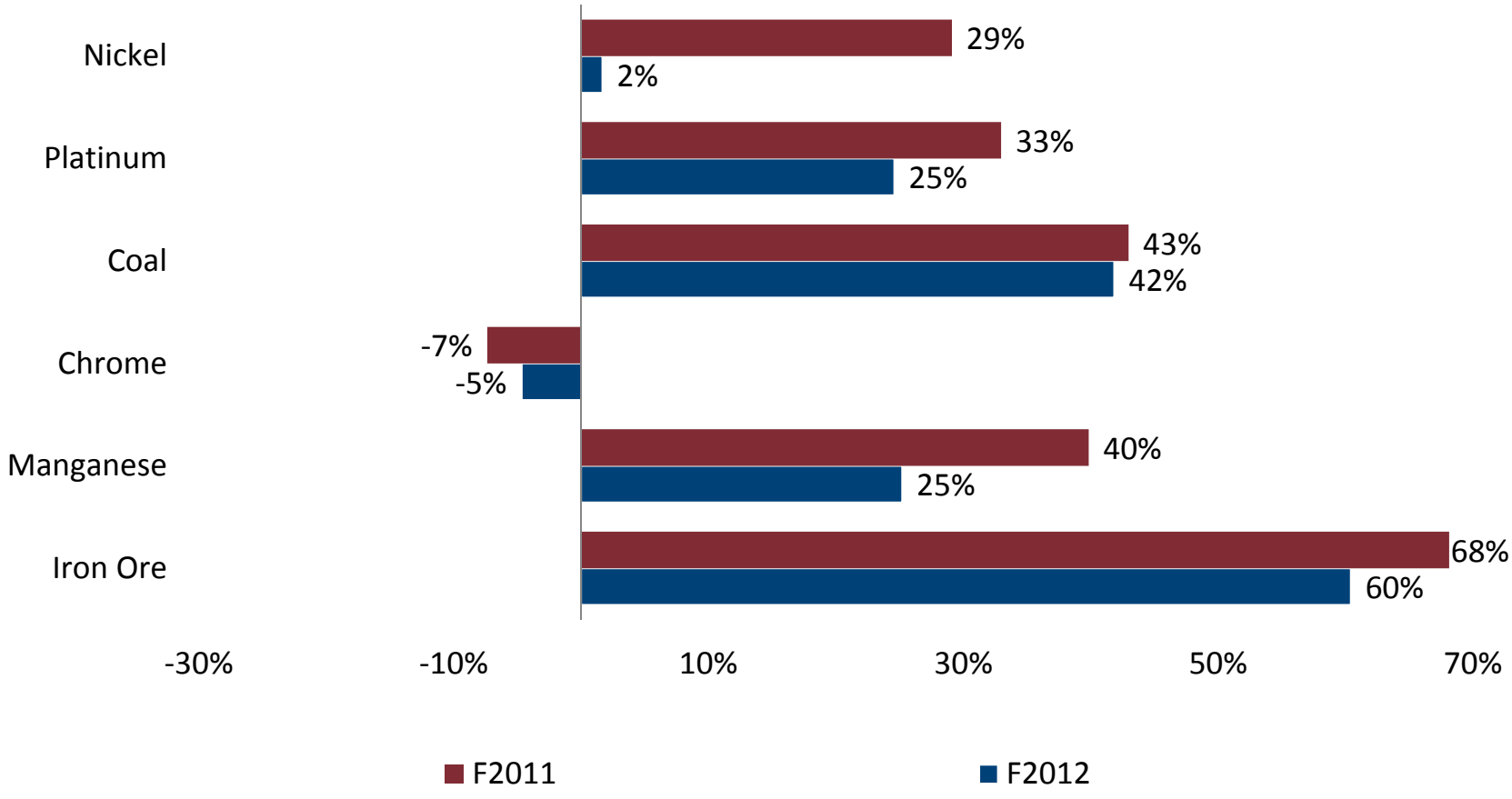
F2012 revenue split



The iron ore contribution to revenue increased as the Khumani Mine ramped up one year ahead of schedule.

EBITDA margins

EBITDA margin (%)



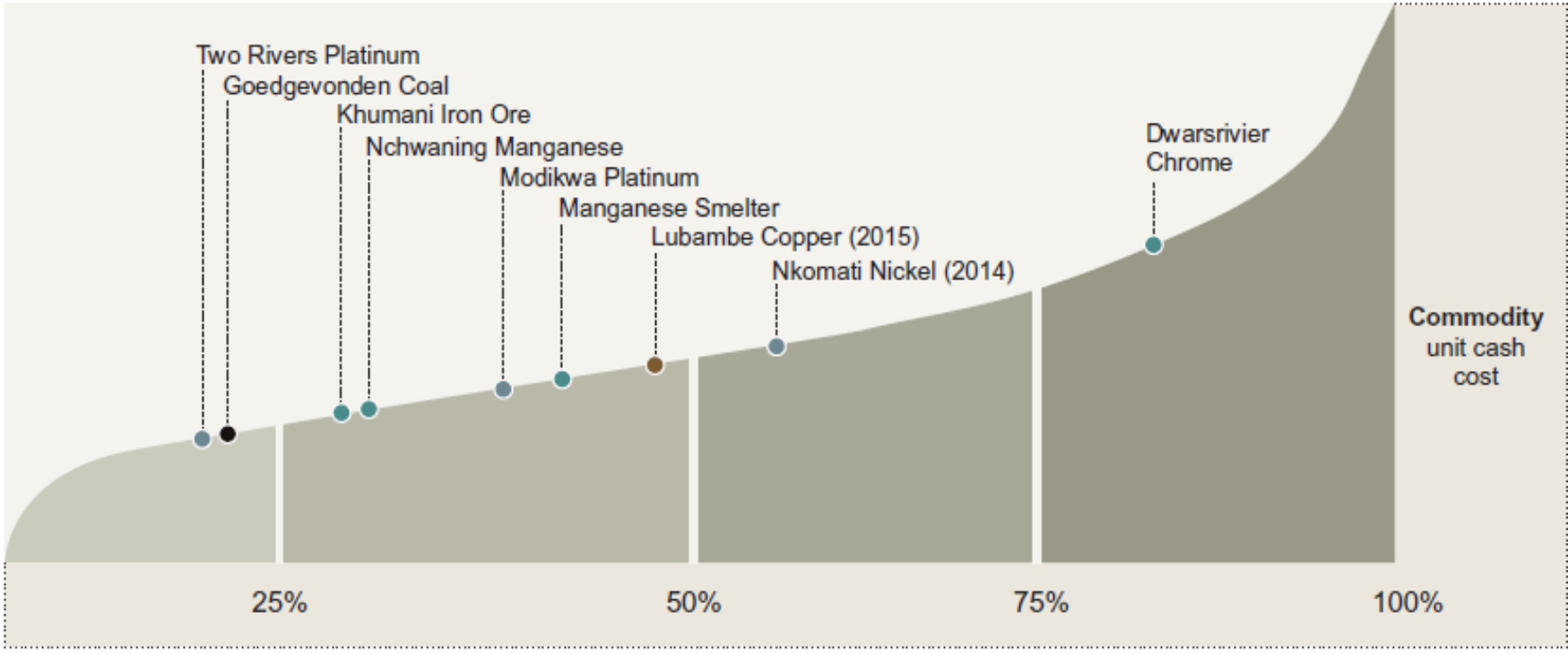
ARM strategy

Owner operator | Entrepreneurial management | Profit focused | Partner of choice

Employer of choice | World-class management team | Responsible community development

Operational efficiencies

ARM positioning for operations on the respective global cost curve.
(ARM estimate, benchmarked at steady-state/ normalised production volumes)



Percentile on cost curve (based on cumulative production)

F2012 analysis of costs

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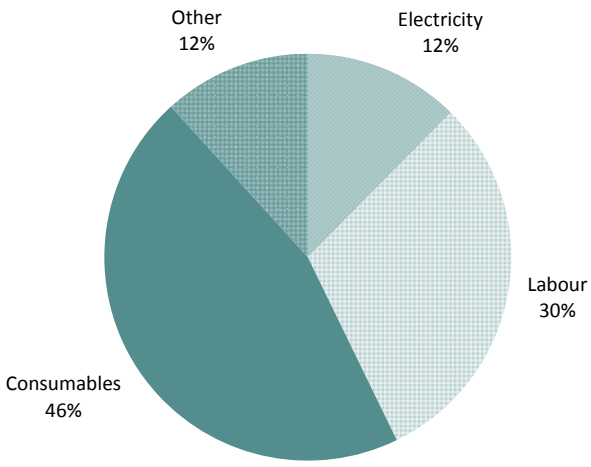
ARM Ferrous

Below inflation cost increases were achieved at the manganese ore and alloy operations. Accelerated ramp-up of the Khumani Mine resulted in a 13% increase in unit production costs at Khumani. .

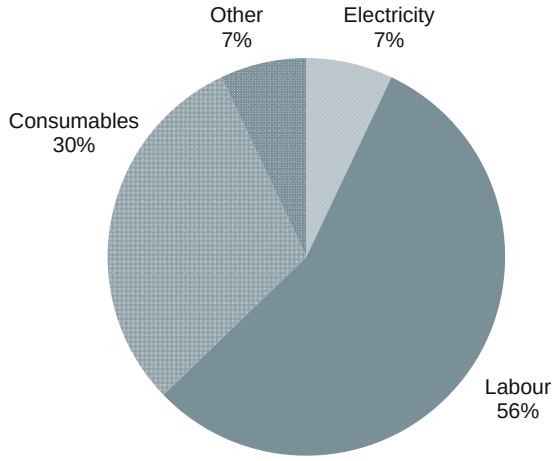
Approximate on-mine cash cost split



ARM Platinum

Nkomati costs net of by-product were negatively affected by a severe decline in chrome prices. Modikwa experienced five week long industrial action which negatively affected cost at the mine.

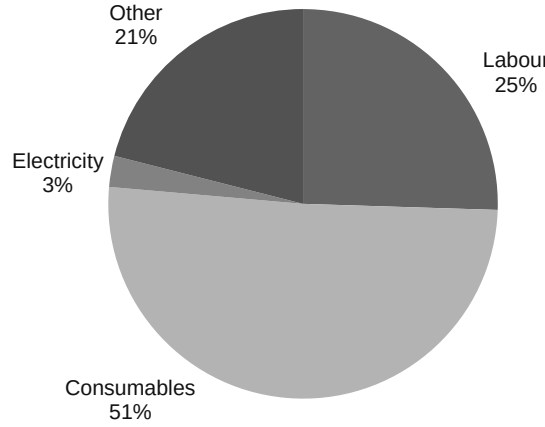
Approximate on-mine cash cost split



ARM Coal

Production costs at GGV were above inflation due to increased overburden removal. This has resulted in higher in pit inventory levels which will benefit the mine in the future

Approximate on-mine cash cost split



Update on growth projects

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The Khumani Iron mine will achieve steady state production this year, one year ahead of schedule and well below budget; volume growth of 60% over 2 years.

There is significant improvement in the operational performance of the Nkomati Nickel Mine and it should achieve steady state production this year, doubling output over the past 2 years.

Lubambe Copper Project was commissioned two months ahead of schedule in September 2012. Copper concentrate was dispatched to the smelter.

Growth strategy

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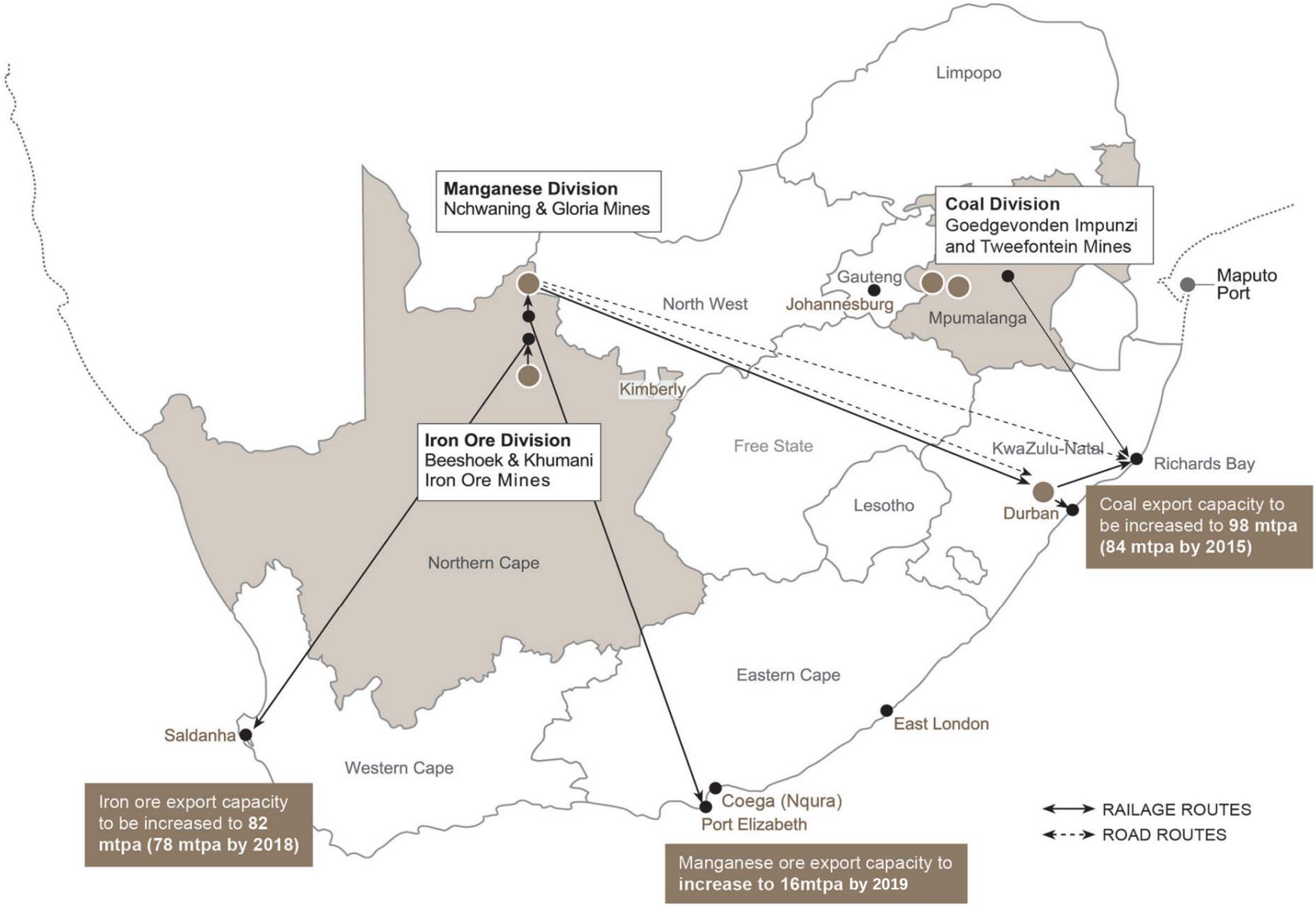
Existing assets

Exploration

New opportunities

Mergers and acquisitions

Transnet's Market Demand Strategy



Potential future projects

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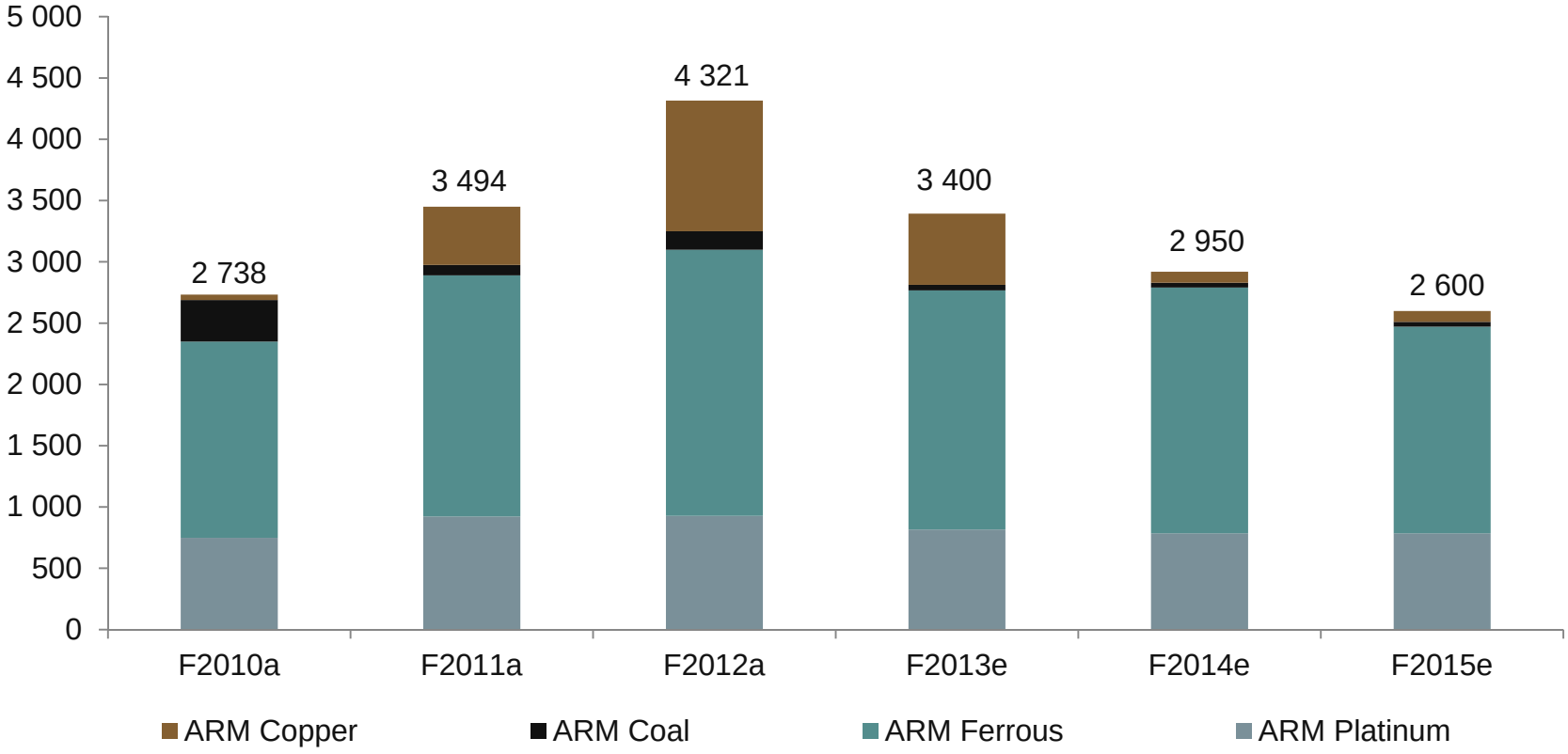
- Iron ore expansion beyond 16 mtpa
- Manganese ore expansion to 5 mtpa
- Expansion of Modikwa Platinum Mine
- Lubambe Copper: Area A
- Exploration with Rovuma Resources
- Thermal coal projects

Capital expenditure

Capital expenditure (R million)*



**The forecasted capital expenditure in 2014 to 2015 is an estimation based on approved projects and projects under consideration*

Robust financial position

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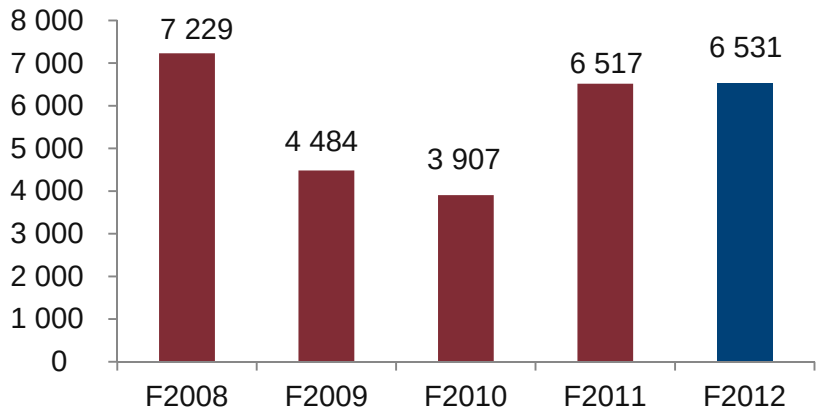
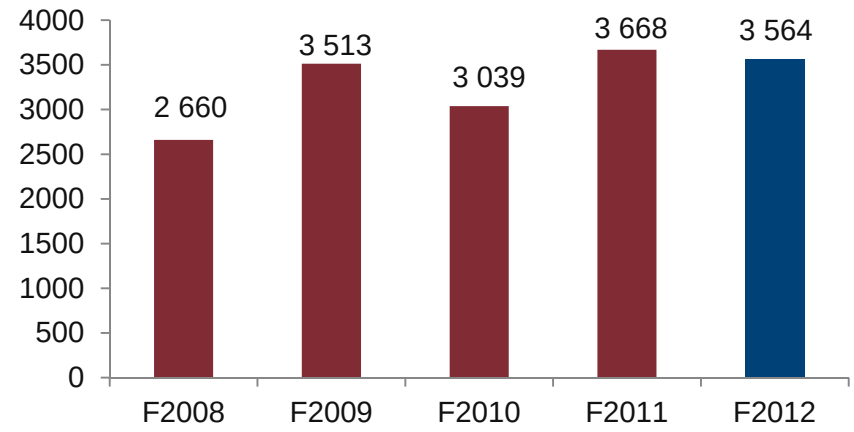
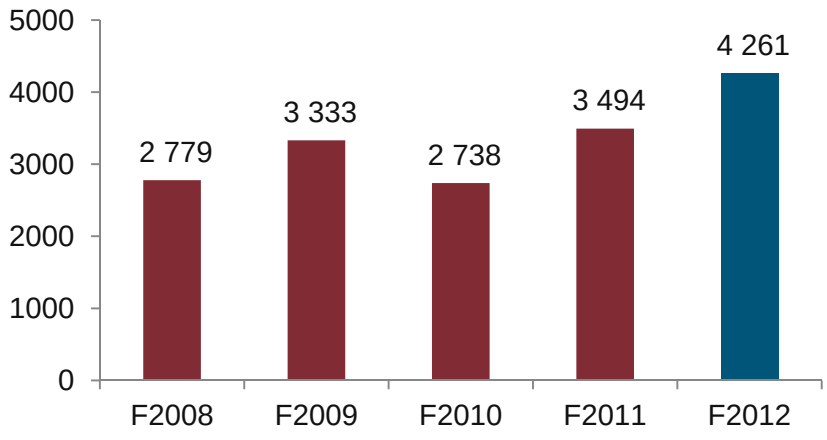
EBITDA excluding exceptional items
R million



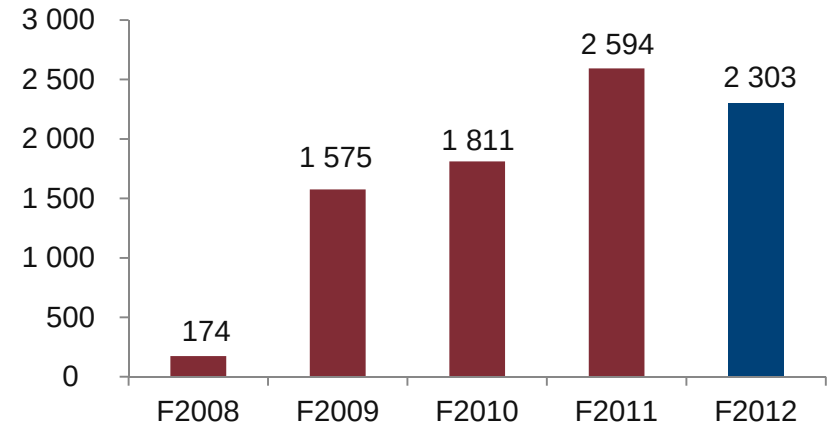
Cash on statement of financial position
R million



Capital expenditure
R million



Net cash excluding partner loans
R million



Questions

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