

KEY PERFORMANCE INDICATORS

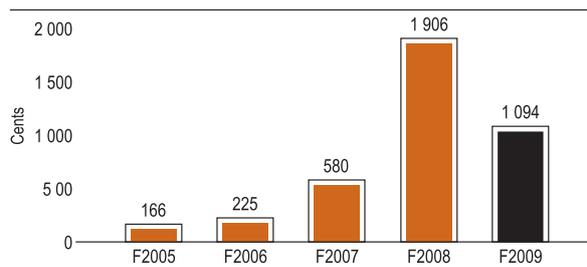
Overview of ARM's Key Performance Indicators, covering financial and sustainability performance for F2009 with comparable indicators for preceding years. Definitions of indicators are included where appropriate.

Financial

Headline earnings per share (HEPS)

In F2009, HEPS declined to 1 094 cents from 1 906 cents a year earlier as international demand for commodities, and their prices, fell sharply. The performance was also affected by increased costs at TEAL and losses in the platinum segment.

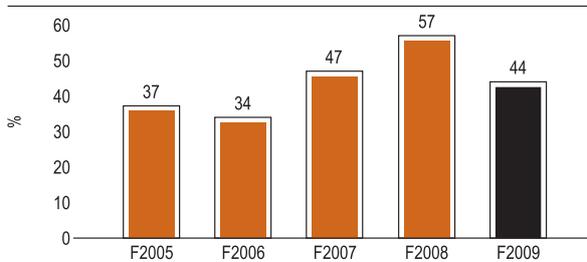
Headline earnings comprise earnings adjusted for items of a capital nature. This is then divided by the weighted average number of shares in issue to arrive at headline EPS.



EBITDA margin

The EBITDA margin declined from 57% in the previous year to 44% in F2009 as world commodity demand and prices fell.

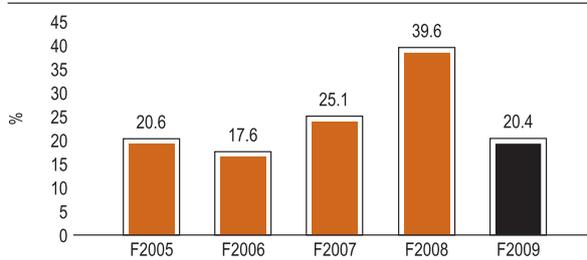
The EBITDA margin is earnings before interest, taxation, depreciation and amortisation, excluding exceptional items and income from ARM's associates, divided by sales.



Return on operational assets

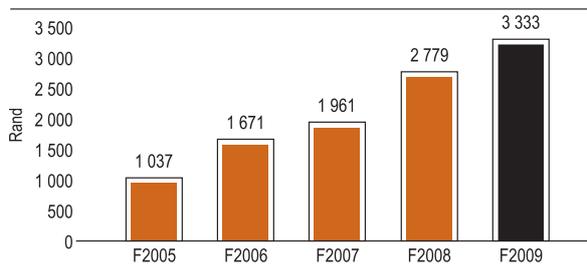
Return on operational assets was 20.4% in the year from 39.6% a year earlier.

Return on operational assets is the profit from operations divided by tangible assets, excluding capital work in progress.



Capital expenditure (capex)

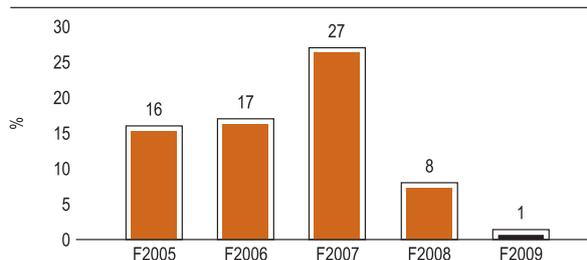
Capex attributable to ARM increased to R3.3 billion in F2009 from R2.8 billion in F2008. The largest expenditure was at ARM Ferrous, where ARM's share was R1.3 billion. As a result of the focus on cash conservation and debt reduction, a strong balance sheet with low gearing ensures that ARM can proceed with funding key growth projects.



Net debt to equity

ARM's net debt to equity ratio decreased to 1% from 8% in 2008 as operations focused on preserving cash, particularly in the latter half of the year.

The net debt to equity ratio is total debt, less cash and cash equivalents, divided by total equity.

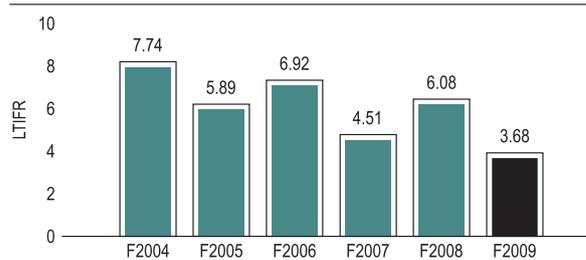




Non-financial

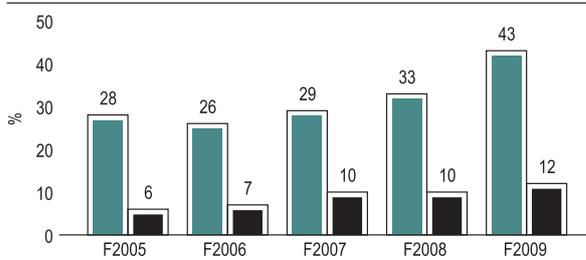
Lost Time Injury Frequency Rate (LTIFR)

While ARM deeply regrets five fatalities in the year under review, reportables and lost time injuries (LTIs) reduced and the LTIFR decreased from 6.08 in F2008 to 3.68 in F2009.



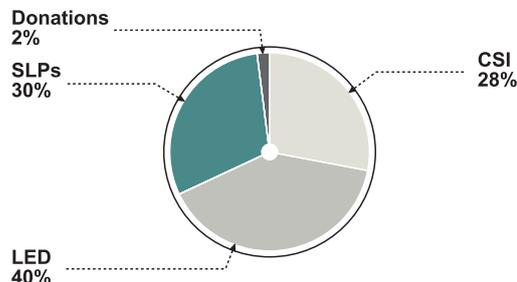
Employment Equity (EE)

Steady progress has been made in terms of employment equity including gender diversity. EE in management has increased to 43% in F2009. With a total number of female employees at 12%, ARM has exceeded the Mining Charter's targets of 10% female representation by 2009.



Community upliftment and social investment

During F2009, approximately R60 million was spent (on a 100% basis) in terms of our strategies under ARM's Social and Labour Plans (SLPs), Local Economic Development (LED) and Corporate Social Investment (CSI).



Voluntary counselling and testing for HIV & AIDS

ARM has used the HIV & AIDS Resource Document compiled by the GRI in 2002 as a framework for establishing policy and process, and to monitor progress according to 16 GRI performance indicators. Each operation is expected to exceed a minimum standard relating to these performance indicators. Prevalence studies indicate an overall HIV & AIDS prevalence rate within ARM to be 18.2%, compared with statistics published by the Department of Health in 2007 which indicate a national average of 22.4%.

Energy efficiency

All operations are signatories to the National Energy Efficiency Campaign which recognises that improvements in energy efficiency are fundamental to South Africa's sustained economic growth and development, and international competitiveness. Operations are focusing on the use of alternative sources of energy and co-generation opportunities are being explored, including the utilisation of surplus carbon dioxide (CO₂).

Total water use*

At the smelting operations, water is sourced from municipalities while at the mining operations, it is sourced from rivers and boreholes in line with integrated water use licences (WUL) obtained through the lead authority, the Department of Water and Environmental Affairs (DWEA). Of the total water used, 61% is recycled.

CO₂ emission intensity

Emissions inventories, which include emission quantification and a point source inventory for the smelting operations, are compiled annually in keeping with legislation.

* Total water withdrawn in F2009 amounted to 12 776 414 cubic metres, total water recycled amounted to 7 802 293 cubic metres (these figures exclude Nkomati – consumption at Nkomati was 490 000 cubic metres, but recycling rates are not measured). The mine is in the process of installing flow meters on water pipelines).