Results for the six months ended 31 December 2005

20 February 2006
Disclaimer

Forward looking statements
Such forward looking statements involve 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.
“Headline earnings have increased to R131 million for the six months under review, with Modikwa having reported improved results and ARM Ferrous’ earnings negatively impacted by market conditions.

We have made significant progress in the release and completion of our projects, through establishing a strong base for future growth.”
Overview and highlights

Patrice Motsepe, Executive Chairman
Financial highlights

• Headline earnings for the six months to December 2005 of R131 million significantly higher than the R19 million for the comparable period
• Revenue for the period of R2.3 billion - similar to that of the comparative period
• Net gearing comfortably at 16% with net debt at R1.5 billion, having increased mainly as a result of the Two Rivers Platinum Project
Highlights

• ARM Ferrous results impacted by negative market conditions in the manganese operations in particular

• ARM Platinum (Modikwa Platinum and Nkomati Nickel) has been able to benefit from strong US$ prices

• Two Rivers Platinum Project released in June 2005 shows excellent progress in development

• Dwarsrivier chrome mine completed below budget and ahead of schedule
Highlights

• Exploration assets outside South Africa listed through TEAL on the Toronto Stock Exchange
  – growth into Africa
• Assmang shareholders’ agreement re-negotiated and delisting approved
• Release of the 8.4 million tons per annum export BKM Iron Ore Mine
• Nkomati Expansion approved from 30 000 to 100 000 tons per month
Growth strategy

• We expect similar volume demand across our commodity portfolio
  – manganese ore and ferrochrome demand, however, weaker

• We remain confident that longer term US$ prices for bulk commodities will continue at levels higher than experienced before the 2004/2005 price increases

• Growth will be underpinned in the medium term by the favourable US$ prices we are currently experiencing in certain commodities
  – iron ore, PGMs and gold prices will remain strong
  – ferro-manganese prices appear to have stabilised

• Logistical rail and port capacity are key to our bulk commodities’ growth projections and we have made significant progress in this regard

• The continued release of growth projects will set a strong base for ARM to achieve our growth strategy to double production by 2010
WE DO IT BETTER

- Significant organic growth expected through the building of new mines and the upgrading of two operations
  - double production output by 2010
  - increased efficiencies, thereby continue to be a low cost producer

Operationally more efficient to improve and retain competitiveness

Organic growth in key commodities and core assets

A VALUE PLAYER

Well positioned for acquisitive growth

Growth in Africa through TEAL

2 X 2010
Operational review

André Wilkens, Chief Executive Officer
During the period under review, we have been able to benefit from the existing commodity cycle across most of our businesses

- strong US$ prices for platinum, nickel and gold
- volume growth and price increases in iron ore
- weaker prices for ferromanganese (now stabilising) and ferrochrome
- low volume demand for manganese ore and ferrochrome
Profit from operations before exceptional items

Results for six months ended 31 December 2005 – R million

- Decline in ARM Ferrous’ results over reporting period vs. the 2nd six months mainly attributable to:
  - ferromanganese prices reduced from around US$1 350 per ton to around US$570 per ton
  - lower manganese ore prices
  - ferrochrome prices reduced from around the mid US$0,70 cents/lb. to the mid US$0,50 cents/lb.
Headline earnings from Assmang

Results for six months ended 31 December 2005 – R million


2004 | 2005
2 x 2010 growth

ARM is in the process of building new mines and further upgrading operations

<table>
<thead>
<tr>
<th></th>
<th>From</th>
<th>To</th>
<th>Status</th>
</tr>
</thead>
<tbody>
<tr>
<td>Two Rivers  – PGMs</td>
<td>–</td>
<td>220 000 PGM oz</td>
<td>√</td>
</tr>
<tr>
<td>Modikwa – PGMs</td>
<td>210 000 PGM oz</td>
<td>350 000 PGM oz</td>
<td>-</td>
</tr>
<tr>
<td>Nkomati – PGMs</td>
<td>5 000 t Ni</td>
<td>16 500 t Ni</td>
<td>-</td>
</tr>
<tr>
<td>Dwarsrivier – chrome</td>
<td>0,65m t</td>
<td>1,5m t</td>
<td>√</td>
</tr>
<tr>
<td>Nchwaning 3 – manganese</td>
<td>2,1mt</td>
<td>2,8mt</td>
<td>√</td>
</tr>
<tr>
<td>Gloria* – manganese</td>
<td>190 000t</td>
<td>280 000t/ 700 000t</td>
<td>-</td>
</tr>
<tr>
<td>Beeshoek and BKM – iron ore</td>
<td>6,1m t</td>
<td>16m t</td>
<td>√</td>
</tr>
</tbody>
</table>

* Upgrading / feasibility
• Solid project pipeline
• Large resource base in key commodity sectors
• Long-life, high quality resources
ARM Ferrous - stake in Assmang

• Revenue flat at R1.9 billion
  – increased volumes of iron ore and manganese alloys
  – manganese ore volumes significantly less than for the comparable period
  – weaker US$ prices for manganese alloys and ferrochrome (particularly when compared to first half of 2005 calendar year)
• Continued success in increased efficiencies and lower costs
  – Nchwaning 3 fully operational and will reduce production costs
  – Dwarsrivier chrome mine completed ahead of schedule and within budget
  – On mine cost at the manganese and iron ore mines decreased significantly
  – Manganese alloy smelter cost contained below inflation
  – Chrome division cost was higher than the previous period due to more tons produced from underground and less from the opencast mine
### ARM Ferrous

#### Assmang product volumes sales

<table>
<thead>
<tr>
<th>Product</th>
<th>2005</th>
<th>2004</th>
<th>% change</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>‘000 metric tons</td>
<td>‘000 metric tons</td>
<td></td>
</tr>
<tr>
<td>Manganese ore *</td>
<td>573</td>
<td>766</td>
<td>(25%)</td>
</tr>
<tr>
<td>Iron ore</td>
<td>2,600</td>
<td>2,541</td>
<td>2%</td>
</tr>
<tr>
<td>Manganese alloys</td>
<td>130</td>
<td>105</td>
<td>24%</td>
</tr>
<tr>
<td>Charge chrome</td>
<td>89</td>
<td>104</td>
<td>(14%)</td>
</tr>
<tr>
<td>Chrome ore *</td>
<td>56</td>
<td>23</td>
<td>144%</td>
</tr>
</tbody>
</table>

* Excluding intra-group sales
ARM Ferrous

• Exciting growth through new projects:
  – double production by 2010
  – new 8.4 mtpa iron ore BKM project released
  – construction at Dwarsrivier Chrome Mine ahead of schedule
  – Nchwaning 3 manganese mine completed and fully operational

• Volumes likely to be maintained over the next six months, but some price pressures in manganese ore expected

• Significant progress made for higher capacities on rail and at ports
ARM Ferrous

BKM Iron Ore Mine

- The new 8.4 million tons per annum BKM iron ore mine, at a capital cost of R3.2 billion, has been approved by the Boards
- Construction will commence in early 2006
- Project team established, all key project appointments made and process of issuing key long-lead suppliers in motion
- Current focus is on detailed engineering and design
- BKM will substantially replace Beeshoek
ARM Ferrous

Iron ore build-up – Beeshoek and BKM

- Beeshoek
- BKM
ARM Ferrous

BKM – mine and plant layout

Discard dump

Wash, screen & beneficiation plant

ROM blending stockpiles with stackers & reclaimers
ARM Platinum

Modikwa

• ARM jointly manages Modikwa with Anglo Platinum
• Reported cash operating profits for the six months of R70 million (at 50% ownership) (2004: R8 million)
• New mining method introduced to reach design capacity in next reporting period
• Deepening of current infrastructure being evaluated
• Significant growth potential: total resource above 70 million ounces of PGM – 22 km strike, currently mining 8 km
**ARM Platinum**

Modikwa continuing to improve and will meet targets

<table>
<thead>
<tr>
<th>Operational statistics</th>
<th>6 months to December 2005</th>
<th>6 months to December 2004</th>
<th>% change</th>
</tr>
</thead>
<tbody>
<tr>
<td>Tons milled</td>
<td>1.29</td>
<td>1.14</td>
<td>13%</td>
</tr>
<tr>
<td>Head grade (4E)</td>
<td>4.15</td>
<td>4.35</td>
<td>(5%)</td>
</tr>
<tr>
<td>Platinum in concentrate</td>
<td>65 445</td>
<td>60 000</td>
<td>9%</td>
</tr>
<tr>
<td>Cash cost</td>
<td>373</td>
<td>373</td>
<td>-</td>
</tr>
<tr>
<td>Cash cost</td>
<td>7 349</td>
<td>7 067</td>
<td>(4%)</td>
</tr>
<tr>
<td>Capex</td>
<td>60</td>
<td>54</td>
<td>11%</td>
</tr>
</tbody>
</table>
ARM Platinum

Two Rivers Platinum Project

• Trial mining commenced 18 months ago
  – Trial mining will provide 1 million tons of ore on surface by September 2006
• Total project capex of R1.3 billion fully funded
• Attractive Pt : Pd ratio of 5 : 3
• Operating costs expected to be within lower quartile of operators
• Planned full production: 230 000 oz PGMs per annum (120 000 oz of platinum)
• Scheduled for concentrator to come into operation by September 2006
ARM Platinum

Two Rivers – section view / access declines

- Declines 66% complete
ARM Platinum

PGM production attributable

- Modikwa
- Two Rivers
- Nkomati
## ARM Platinum

### Nkomati Nickel Mine

#### For the six months ended

<table>
<thead>
<tr>
<th></th>
<th>December 2005</th>
<th>December 2004</th>
<th>% change</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>100% basis</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Operational statistics</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cash operating profit</td>
<td>R million</td>
<td>195</td>
<td>178</td>
</tr>
<tr>
<td>Tons milled</td>
<td>('000)</td>
<td>182</td>
<td>184</td>
</tr>
<tr>
<td>Nickel head grade</td>
<td>(% nickel)</td>
<td>1.97</td>
<td>1.94</td>
</tr>
<tr>
<td>Cash cost (net of by products) “(C1 Cost)”</td>
<td>US$/lb.</td>
<td>0.87</td>
<td>1.32</td>
</tr>
<tr>
<td><strong>Market sales</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Nickel</td>
<td>tons</td>
<td>2 534</td>
<td>2 585</td>
</tr>
<tr>
<td>Copper</td>
<td>tons</td>
<td>1 485</td>
<td>1 693</td>
</tr>
<tr>
<td>Cobalt</td>
<td>tons</td>
<td>42</td>
<td>49</td>
</tr>
<tr>
<td>PGMs</td>
<td>oz</td>
<td>16 431</td>
<td>21 502</td>
</tr>
</tbody>
</table>
ARM Platinum

Nkomati Nickel Expansion Project

• Project approved to increase from a 30 000 tons per month to a 100 000 tons per month mine and concentrator
• Mining the MMZ orebody
  – 47 000 tons per month from current underground infrastructure
  – 53 000 tons per month from new open pits
• New 100 000 tons per month concentrator and tailings dam
• Current nickel production sustained
  – stand alone project 5 000 tons per annum nickel for 10 years
• R384 million capital over 18 months
• The above forms part of the final expansion project currently under review
TEAL Exploration & Mining Inc.

- The capital raising in late 2005 raised US$33.3 million to fund ARM’s development and exploration assets in Africa
  - IPO concluded on 15 November 2005 and TEAL listed on TSX
- Strategic portfolio of near production mineral projects
  - Four advanced projects in Zambia, Namibia and the DRC
    - Defined resources of 15.7 billion lbs copper and 873,000 ounces gold
- Significant discovery potential
  - Strategically positioned properties in highly prospective areas
  - Significant drill-ready exploration targets
- Early mover status
  - 30 years of underinvestment in Zambia and DRC
    - TEAL acquired tenements at beginning of privatisation
  - Developing geological knowledge of an area previously under-explored in Namibia
TEAL Exploration & Mining Inc.

**Growth Profile**

**Zambia**: Nickel, Copper Exploration Phase

**Zambia**: Zinc, Copper Exploration Phase

**DRC**: Copper, Cobalt Drill-Ready Targets

**Namibia**: Gold Project in Drill-Out Phase

**Mineral Resources**:
- Indicated: 8.6Mt @ 2.43% Cu
- Inferred: 78.8Mt @ 2.14% Cu

**Historical Inferred Mineral Resources**:
- 6.7Mt @ 3.13% Cu
- 1.5Mt @ 5.18% Cu

**Inferred Mineral Resource**:
- 25.6Mt @ 1.06g/t
Financial information
## Summarised income statement

**Six months ended 31 December**

<table>
<thead>
<tr>
<th>R’million</th>
<th>2005</th>
<th>2004</th>
</tr>
</thead>
<tbody>
<tr>
<td>Revenue</td>
<td>2 348</td>
<td>2 391</td>
</tr>
<tr>
<td>Profit from operations before exceptional items</td>
<td>498</td>
<td>625</td>
</tr>
<tr>
<td>Income from investments</td>
<td>10</td>
<td>12</td>
</tr>
<tr>
<td>Finance costs</td>
<td>(81)</td>
<td>(98)</td>
</tr>
<tr>
<td>Loss from associate</td>
<td>-</td>
<td>(138)</td>
</tr>
<tr>
<td>Exceptional items</td>
<td>116</td>
<td>284</td>
</tr>
<tr>
<td>Taxation</td>
<td>(166)</td>
<td>(285)</td>
</tr>
<tr>
<td>Profit after tax</td>
<td>377</td>
<td>400</td>
</tr>
<tr>
<td>Minorities</td>
<td>130</td>
<td>161</td>
</tr>
<tr>
<td>Basic earnings</td>
<td>247</td>
<td>239</td>
</tr>
<tr>
<td>Headline earnings</td>
<td>131</td>
<td>19</td>
</tr>
<tr>
<td>Headline earnings per share (cents)</td>
<td>64</td>
<td>9</td>
</tr>
</tbody>
</table>
## Summarised balance sheet

<table>
<thead>
<tr>
<th></th>
<th>31 December 2005</th>
<th>31 December 2004</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>R’million</td>
<td></td>
</tr>
<tr>
<td><strong>ASSETS</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Non-current assets</td>
<td>11 043</td>
<td>8 206</td>
</tr>
<tr>
<td>Current assets</td>
<td>2 977</td>
<td>2 508</td>
</tr>
<tr>
<td><strong>EQUITY AND LIABILITIES</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Capital and reserves</td>
<td>8 227</td>
<td>5 890</td>
</tr>
<tr>
<td>Minority interest</td>
<td>1 604</td>
<td>1 494</td>
</tr>
<tr>
<td>Total shareholders’ interest</td>
<td>9 831</td>
<td>7 384</td>
</tr>
<tr>
<td>Non-current liabilities</td>
<td>2 656</td>
<td>1 704</td>
</tr>
<tr>
<td>Current liabilities</td>
<td>1 533</td>
<td>1 626</td>
</tr>
<tr>
<td><strong>Net debt</strong></td>
<td>1 539</td>
<td>1 395</td>
</tr>
</tbody>
</table>

**EQUITY AND LIABILITIES**

- Capital and reserves: 8 227 R’million (2005) vs. 5 890 R’million (2004)