



African Rainbow Minerals Limited

Merrill Lynch 8th Annual
One-on-One Conference

Sun City, 27 – 28 March 2007



“Headline earnings increased by 318% to R548 million for the six months under review.

We continue to make good progress in building a globally competitive diversified mining company.”

Patrice Motsepe, Executive Chairman





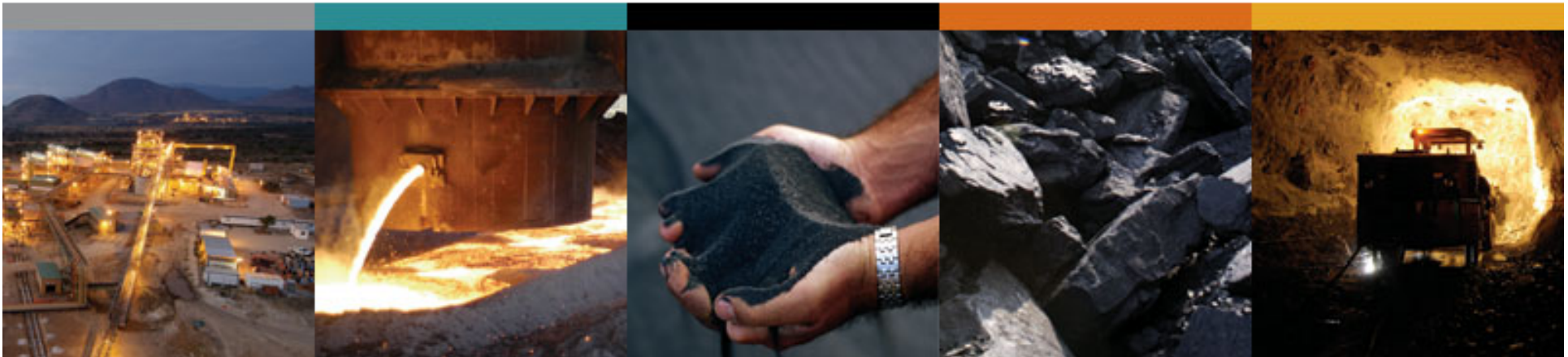
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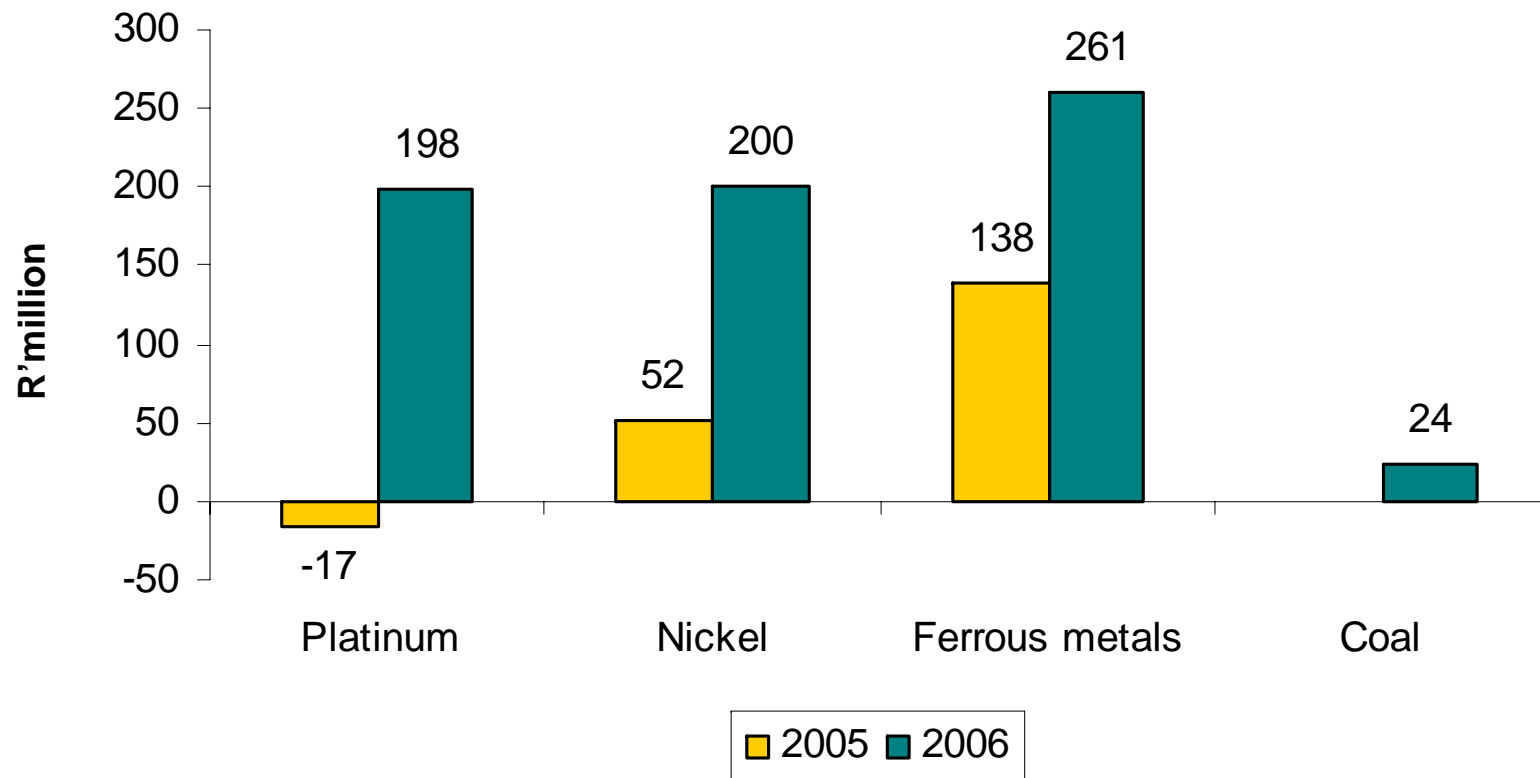
Overview and strategy

Patrice Motsepe

Executive Chairman

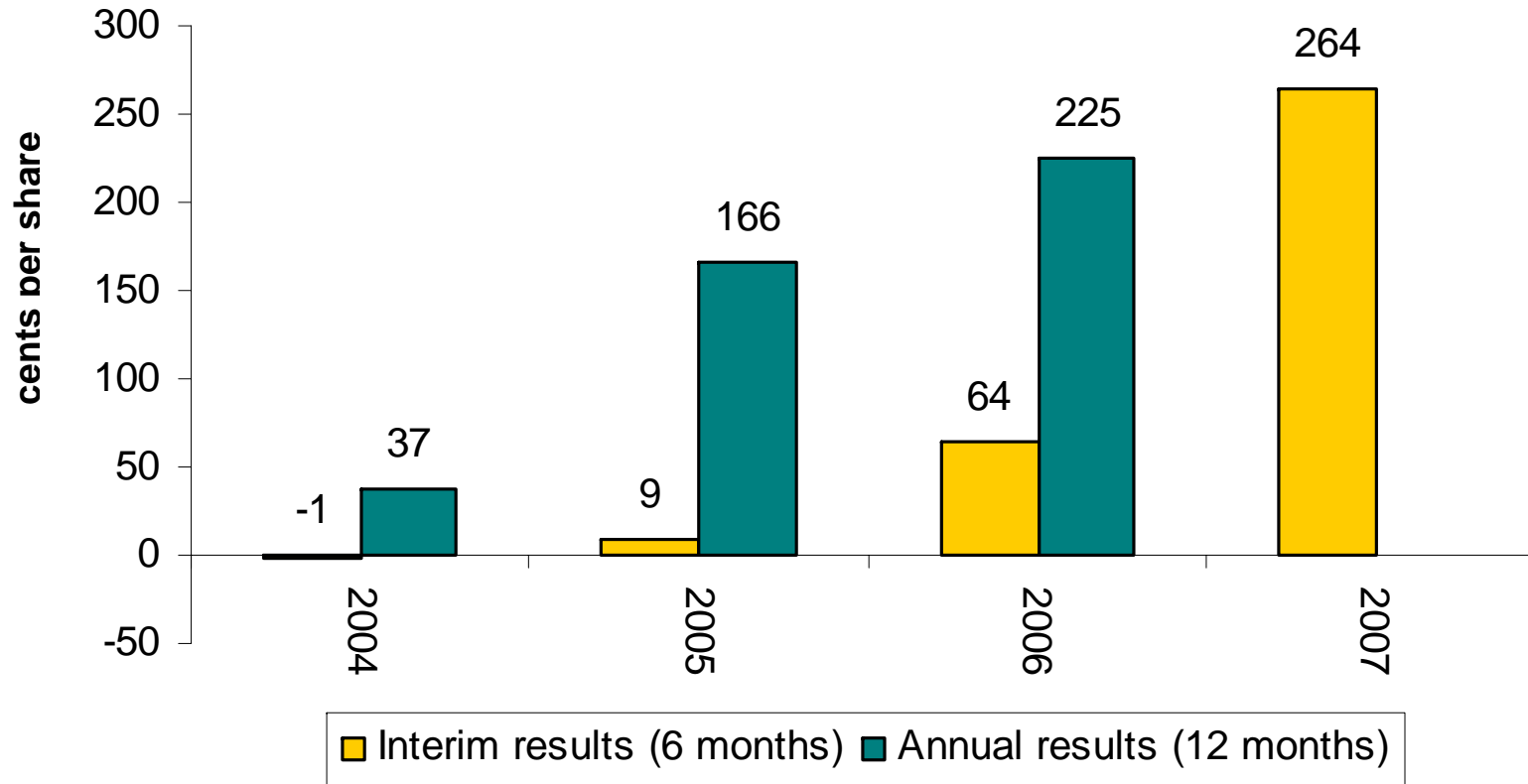


- Headline earnings increased by 318% to R548 million from R131 million
- Headline earnings by operation significantly up period-on-period





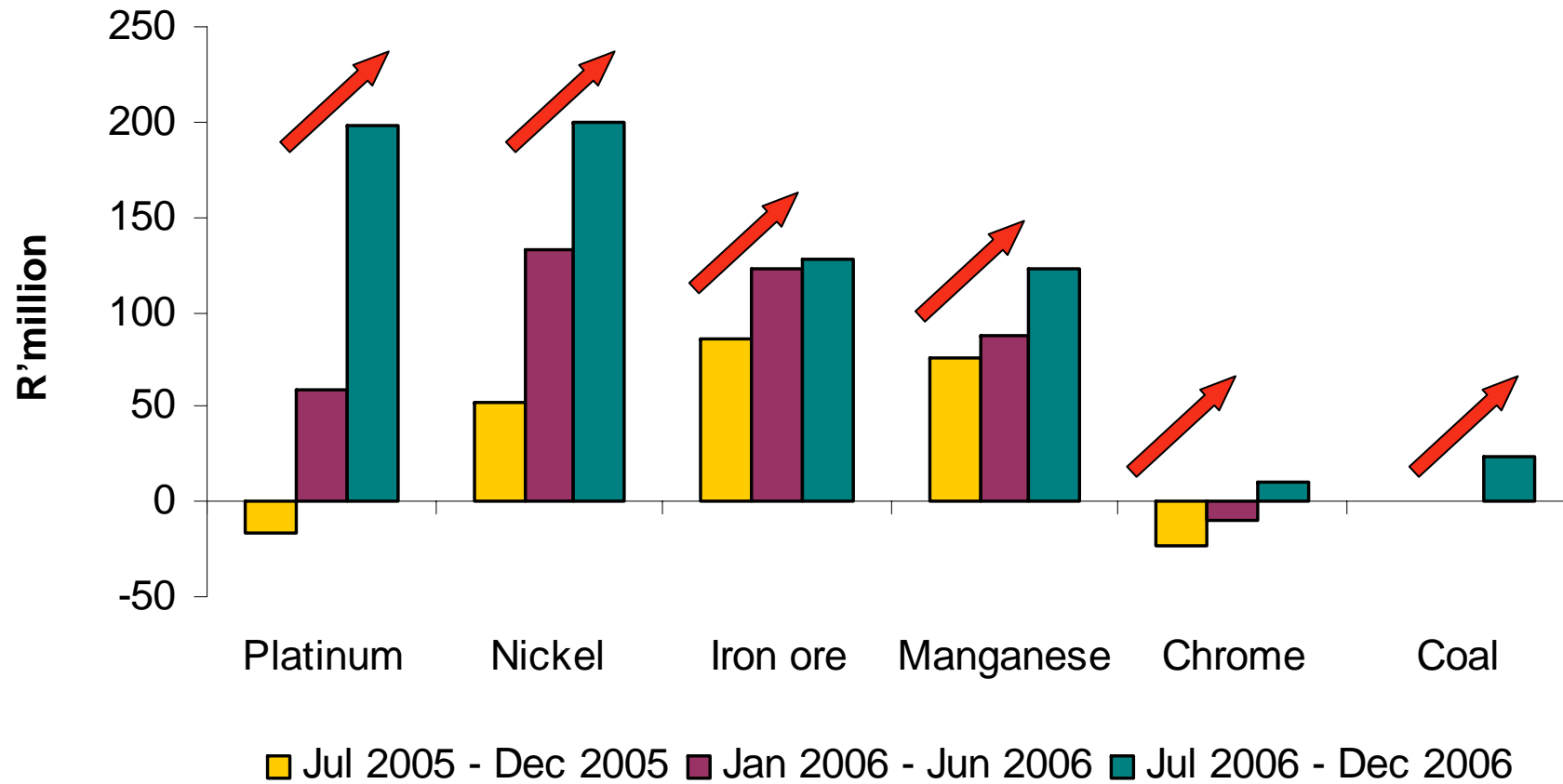
Headline earnings per share over 3 years





More balanced and diversified

Growth in headline earnings on a six monthly basis



- Two Rivers Platinum Mine commissioned and contributed R97 million to headline earnings for the period – capex R197 million below budget and ahead of schedule
- ARM Coal transaction with Xstrata successfully completed
 - Xstrata acquired Total SA's 50% stake in ATC and ATCOM mines
- Khumani export iron ore mine construction commenced
 - evaluating the opportunity to increase first phase from 8.4 mtpa to 10 mtpa
- Record profits from Nkomati Nickel Mine



- Significant increases in product sales:

▪ PGMs	↑	46% to 213 thousand ounces
▪ Iron ore	↑	7% to 2.8 million tonnes
▪ Manganese ore	↑	82% to 1 million tonnes
▪ Ferromanganese	↑	2% to 133 thousand tonnes
▪ Chrome ore	↑	23% to 69 thousand tonnes
▪ Chrome alloys	↑	20% to 107 thousand tonnes

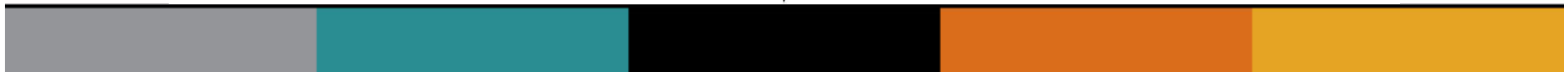
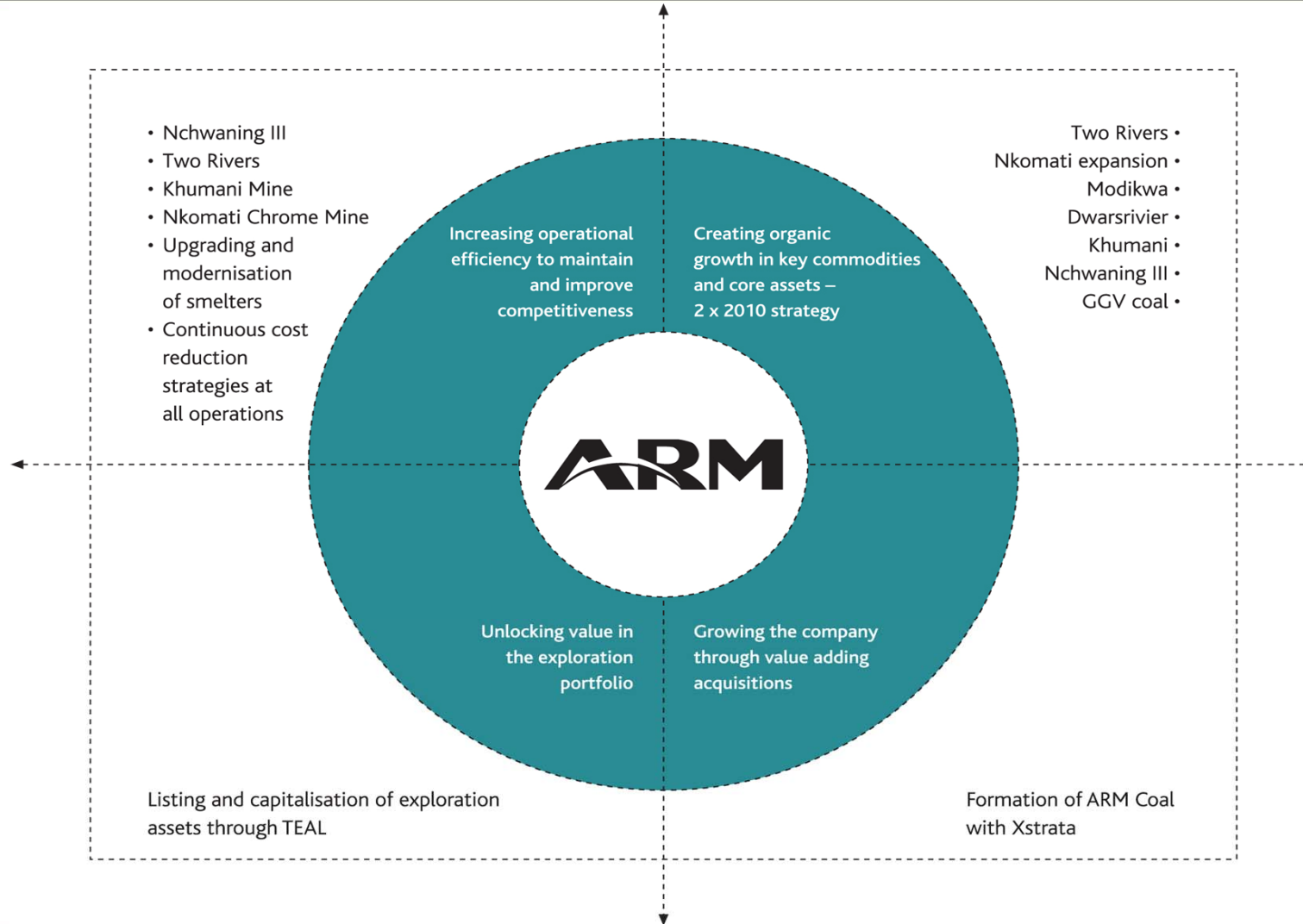


Growth strategy

- We will continue investing capital in our organic growth programme to double production in key commodities in South Africa by 2010 :

Goedgevonden	➤ coal	TEAL	➤ copper / gold
Khumani	➤ iron ore	Modikwa	➤ platinum
Nkomati	➤ nickel	Manganese smelters	

- Significant exploration investment into Africa through TEAL
- We expect volume demand and commodity prices to remain strong
- Growth will be underpinned in the medium term by the favourable prices on certain key commodities
 - iron ore, PGMs, nickel and gold to remain strong
 - ferromanganese and ferrochrome have stabilised
- Good progress on our projects will continue to set a strong base for ARM to achieve its growth strategy

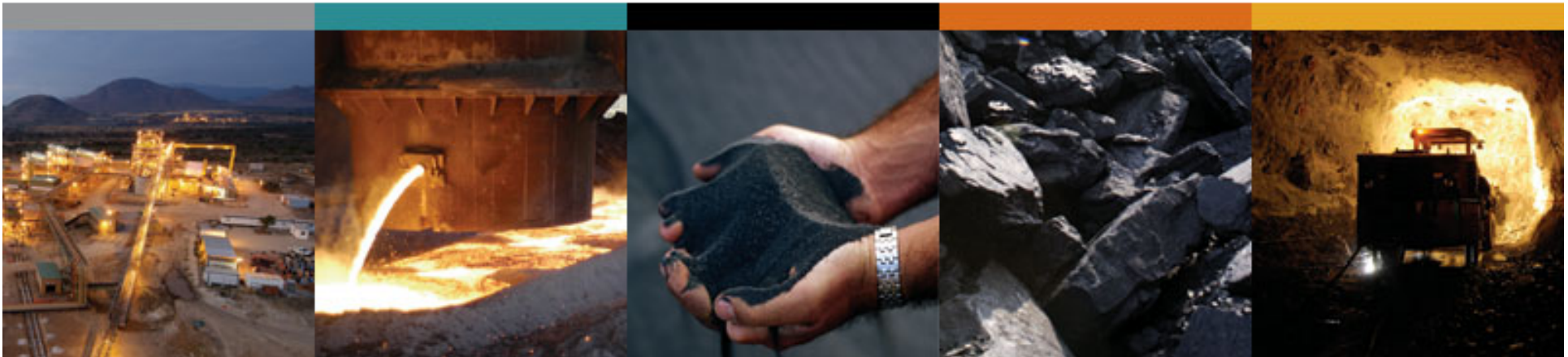




Business review

André Wilkens

Chief Executive Officer





2 x 2010 growth strategy – 100% basis

ARM Platinum at a glance

Operation	Steady-state, ramp-up or exploration / project	Production in FY 2006	At steady state		Life of mine (years)
			Production	Financial year	
Modikwa	Ramp-up	293 313 oz PGMs	350 000 oz PGMs	2007	30 years on the UG2 orebody
Two Rivers	Ramp-up	n/a	220 000 oz PGMs	2008	20 years on the UG2 orebody
Nkomati Extension	Ramp-up	5 616 t Ni 3 398 t Cu 49 437 oz PGMs	5 000 t Ni n/a	n/a	10 years without large scale expansion released
Nkomati Large Scale Expansion	Project	n/a	21 500 t Ni 12 000 t Cu 130 000 oz PGMs	2010	20
Nkomati Chrome	Ramp-up	n/a	720 000 tpa	2007	5
Kalplats PGM Project	Exploration	n/a	n/a	n/a	n/a



2 x 2010 growth strategy – 100% basis

ARM Ferrous at a glance

Operation	Metal / product	Production in FY 2006 Tonnes (000)	Capacity at steady-state		Life-of- mine (years)
			Tonnes 000 p/a	Financial year	
Nchwaning II & III	Manganese	2 424	3 000	Volumes dependent on market demand and logistical constraints	30
Gloria	Manganese	148	600	Volumes dependent on market demand and logistical constraints	30
Dwarsrivier	Chrome	526	1 500	2009	30
Beeshoek	Iron ore	5 536	6 000	Volumes to decline as Khumani ramp-up occurs	7
Khumani Ph1	Iron ore	Nil	8 400	2008	30
Khumani Ph 2			16 800	2010	










Attributable capital expenditure by division

R million	Actual	Estimate		
	June 2006	June 2007	June 2008	June 2009
ARM Platinum	1 114	820	355	257
• Modikwa	107	184	171	161
• Nkomati	50	213	54	-
• Two Rivers**	957	423	130	96
ARM Ferrous	554	907	920	583
ARM Coal	n/a	177	428	262
TEAL	2	73	1	1
ARM company	1	1	1	1
TOTAL	1 671	1 978	1 570	944

* Excluding Nkomati Expansion and Modikwa Expansion (currently in feasibility)

** Consolidated (Impala share to be 45%)

Unit cost improvements			% decline for the period
ARM Ferrous (Assmang) (real terms)	Iron ore		(6)
	Manganese ore		11
	Manganese alloys		6
	Chrome		(3)
ARM Platinum	Modikwa		(6)
	Two Rivers		In build-up phase
Nickel	Nkomati (C1 cost)		87



Khumani Iron Ore Project

- Construction of Phase 1 (8,4 mtpa) commenced on site in 2006
- R2 billion committed to date
- Application for mining license approved in December 2006
- On schedule for first export railings in April 2008
- Completion July 2008
- Saleable tonnage at Beeshoek continues at 5 mtpa
- On mine production costs anticipated to reduced by 20% to 30% compared with Beeshoek
- Negotiations with Transnet for a long term (25 years) export contract nearing finality
- 10 mtpa expansion and Phase 2 to be presented to boards during early 2007
- Funding from internal Assmang resources and debt capacity

Earnings for Assmang – 100% basis

Six months ended 31 December

R'million	2006	2005
Iron ore division	260	169
Manganese division	244	152
Chrome division	21	(46)
Total	525	275



Assmang product sales volumes – 100% basis

Six months ended 31 December

	2006 '000 metric tonnes	2005 '000 metric tonnes	% change
Iron ore	2 783	2 600	7%
Manganese ore *	1 046	573	82%
Manganese alloys	133	130	2%
Charge chrome	107	89	20%
Chrome ore *	69	56	23%

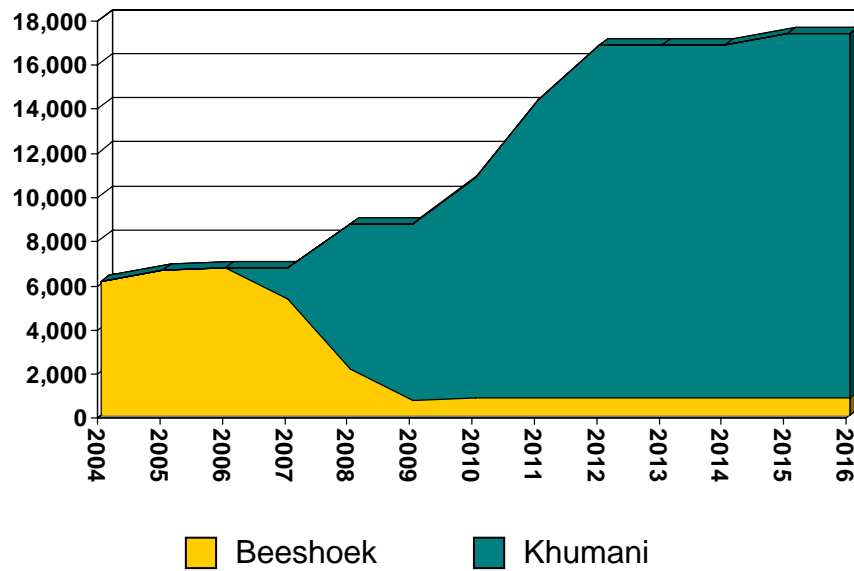
* Excluding intra-group sales



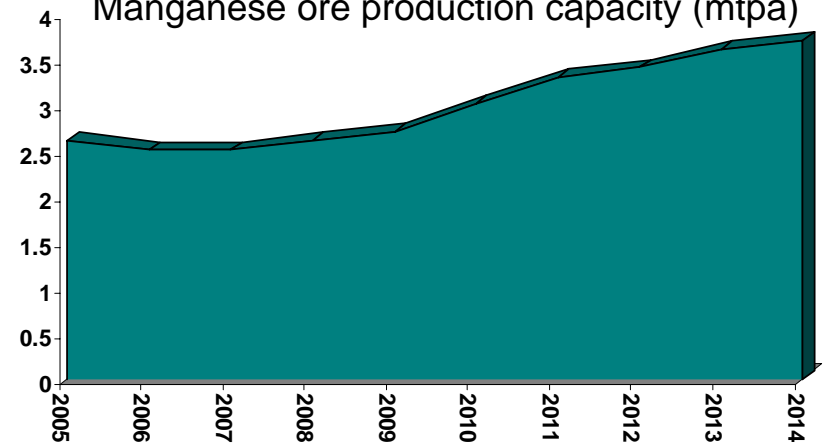


ARM Ferrous – production growth

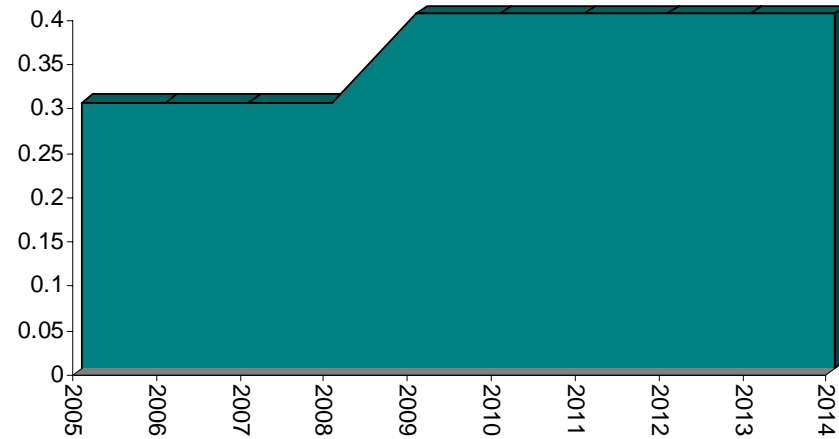
Iron ore: Projected export volumes (tpa)



Manganese ore production capacity (mtpa)



Ferromanganese production capacity (mtpa)



- Modikwa Platinum Mine
 - Modikwa reported attributable earnings of R101 million, up from a loss of R17 million for the prior period
 - PGM in concentrate up by 8%
 - Cost per PGM ounce increased by 6% to R3 528 (US\$487 per PGM ounce)
 - Ramp-up substantially complete and change in mining method (to breast mining on strike) sufficiently advanced
 - Opportunity to focus more aggressively on cost targets
- Future strategies:
 - entrench production levels
 - 24 km of strike and substantial amount of resources in the ground
 - further optimisation plans of the orebodies are being considered
 - Merensky trial mining



Modikwa – 100% basis		Six months ended 31 December		
		2006	2005	% change
Tonnes milled	Million tonnes	1.31	1.29	2
Head grade (4E)	g/t	4.43	4.15	7
PGMs-in-concentrate	ounces	158 247	145 932	8
Cash cost:	• R/tonne	426	373	(14)
	• R/Pt oz	7 808	7 349	(6)
	• R/4E oz	3 528	3 311	(7)
Capex	R million	99	60	65
Cash operating profit	R million	491	82	499

- Two Rivers Platinum Mine
 - Plant started ahead of schedule with ore throughput in August 2006
 - Cost capitalised to September 2006
 - Design milling capability of 225 000 tonnes per month achieved in January 2007 on a weekly basis
 - Mine to be at full capacity during Q4 of 2007 calendar year



Two Rivers Platinum Mine

Current status

Project capex	R1.104 billion
Projected capital saving	R197 million
Mining production	
<ul style="list-style-type: none"> • initial ore stockpile • footwall decline down to 7 level • + North decline 	<p>1 220 000 tonnes</p> <p>40 000 tonnes per month</p>
Concentrator	
<ul style="list-style-type: none"> • concentrator design throughput 	225 000 tonnes per month

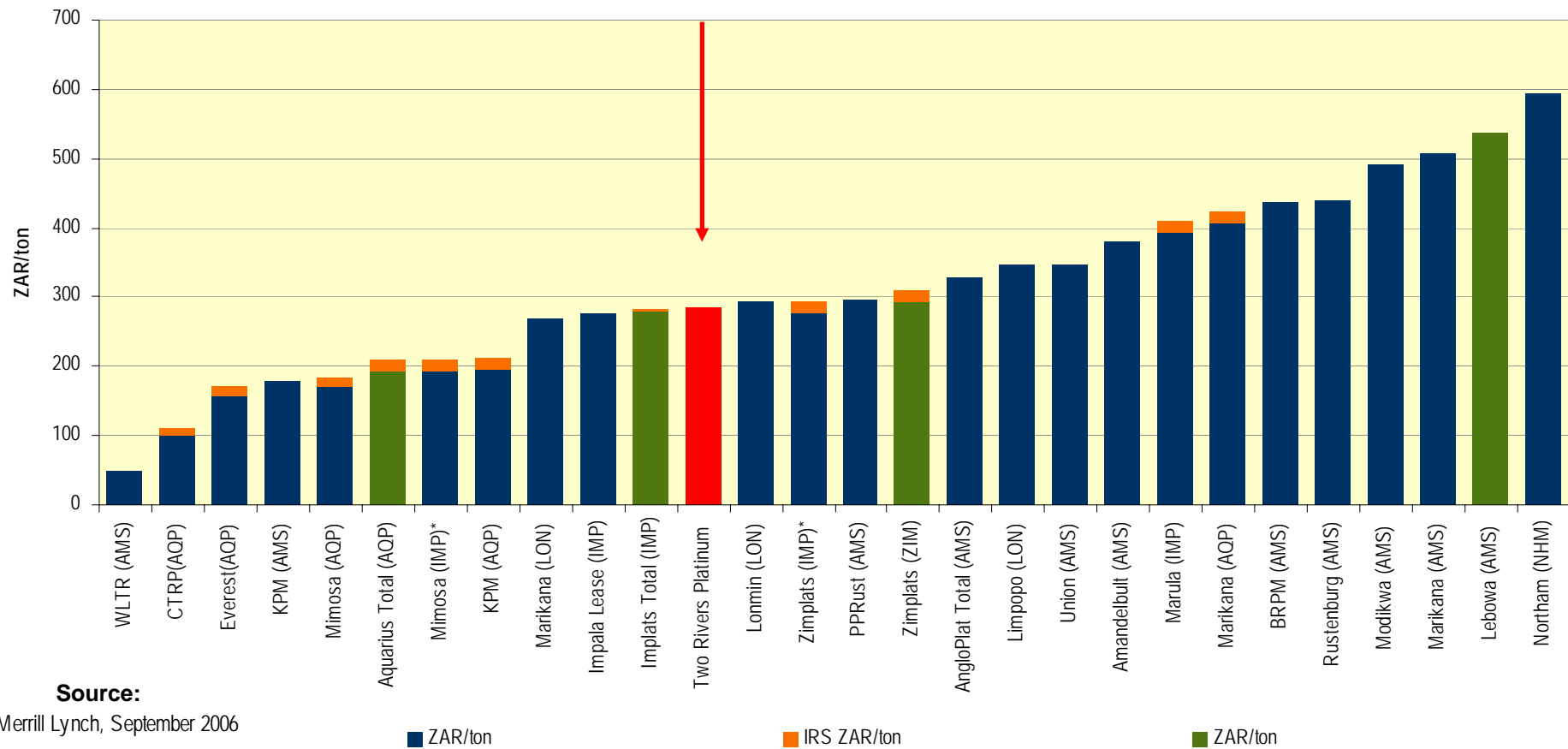


Two Rivers – 100% basis		Six months ended 31 December		
		2006	2005	% change
Tonnes milled	Million tonnes	0.75	n/a	n/a
Head grade (4E)	g/t	3.34	n/a	n/a
PGMs-in-concentrate	ounces	54 882	n/a	n/a
Cash cost:	• R/tonne	284	n/a	n/a
	• R/Pt oz	4 508	n/a	n/a
	• R/4E oz	2 580	n/a	n/a
Capex	R million	228	n/a	n/a
Cash operating profit (3 months)	R million	288	n/a	n/a

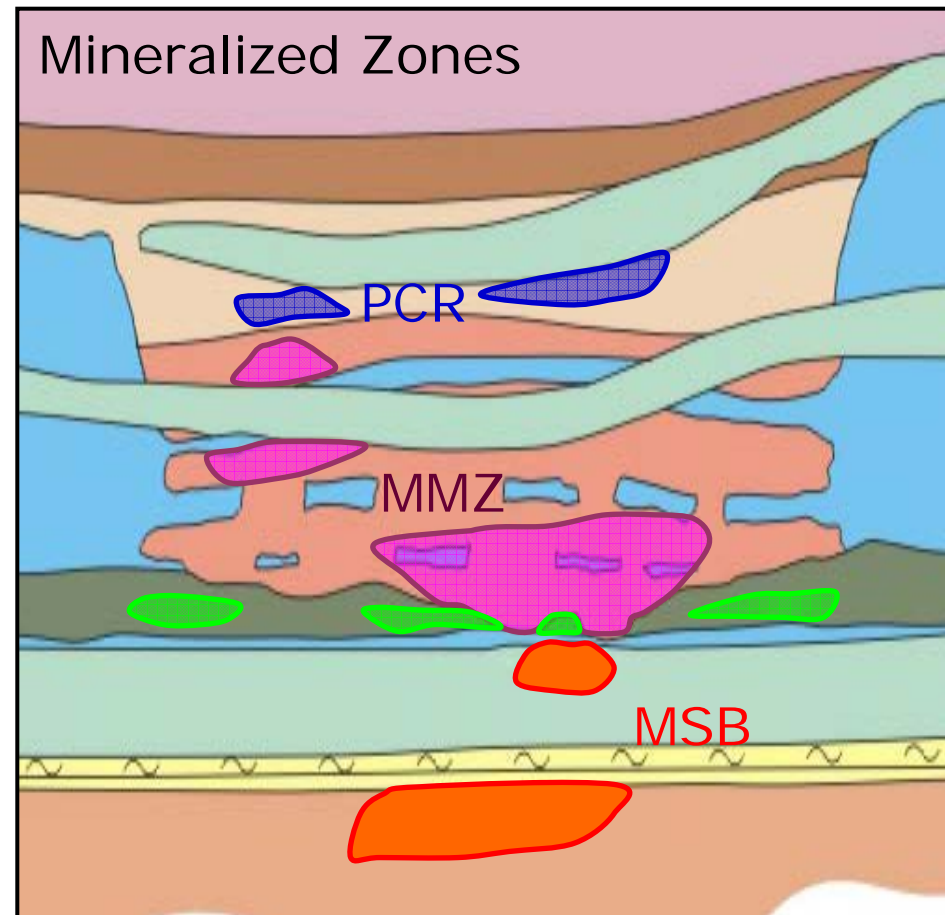


Two Rivers Platinum Mine

Industry cost curve



- Nkomati Nickel Mine
 - Mine fully exploited current high nickel prices
 - Resources and reserves for large scale expansion significantly increased
 - Transformation from low volume / high grade (MSB) to high volume / lower grade (MMZ) to take place this year



Nkomati Expansion Phases

		Year 1	Year 2	Year 3	Year 4	Year 5
MSB (30 tpm)	Capex					
	Revenue	█				
MMZ Phase 1 (100 ktpm)	Capex	R 400 m				
	Revenue		█			
MMZ Phase 2 a (+ 375 ktpm) 475 ktpm	Capex		█			
	Revenue				█	
MMZ Phase 2b (Increase Phase 1 to 300 ktpm) 675 ktpm	Capex			█		
	Revenue					█
Phase 3 Nickel refining 21 500t Ni/a	Capex			█		
	Revenue					█



ARM Platinum

Nkomati – 100% basis

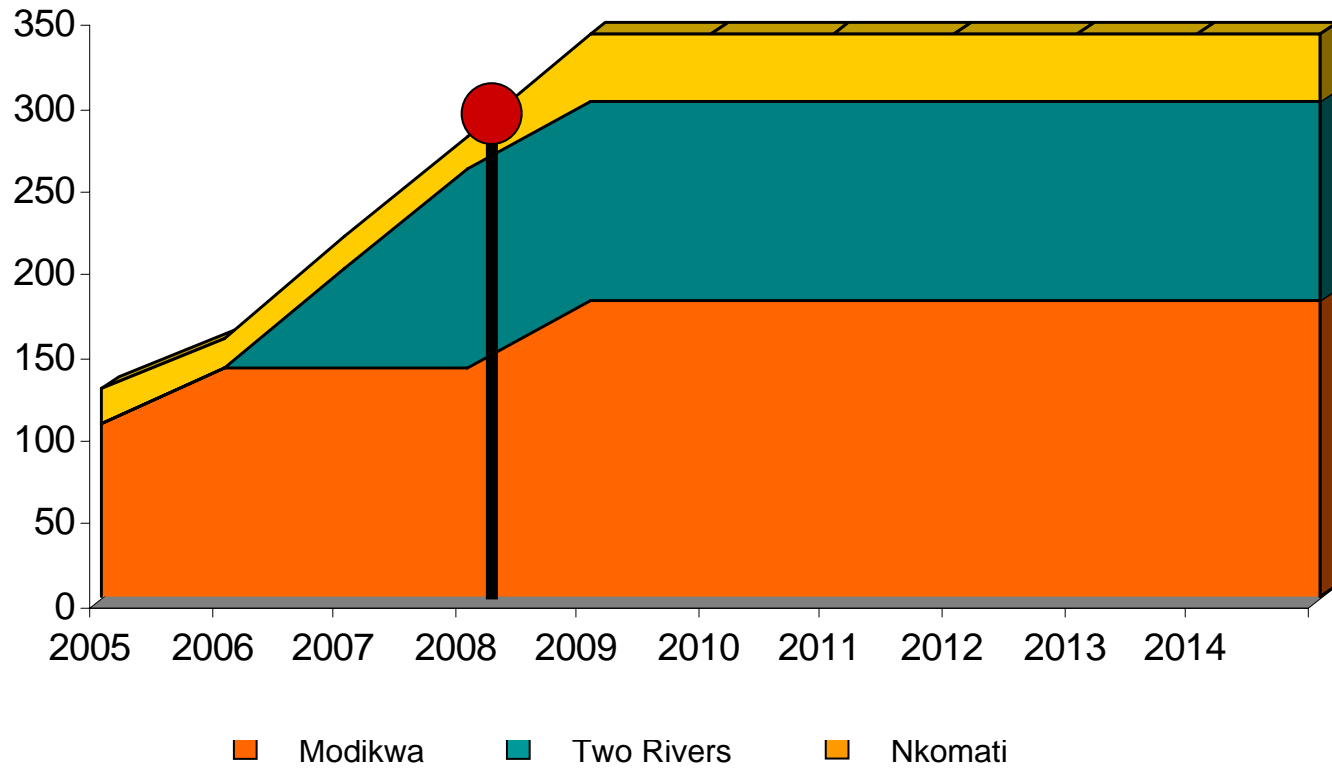
Six months ended 31 December

		2006	2005	% change
Cash operating profit	R million	602	195	209
Tonnes milled	Million tonnes	170	182	(7)
Head grade	% nickel	1.98	1.97	1
On-mine cash cost per tonnes treated	R/tonne	446	508	12
Cash cost (net of by-products)	US\$/lb	0.11	0.87	87
Market sales				
Nickel	tonnes	2 448	2 534	(3)
Copper	tonnes	1 555	1 485	5
Cobalt	tonnes	36	42	(14)
PGMs	ounces	19 428	16 431	18
Chrome ore	tonnes	166 648	n/a	n/a



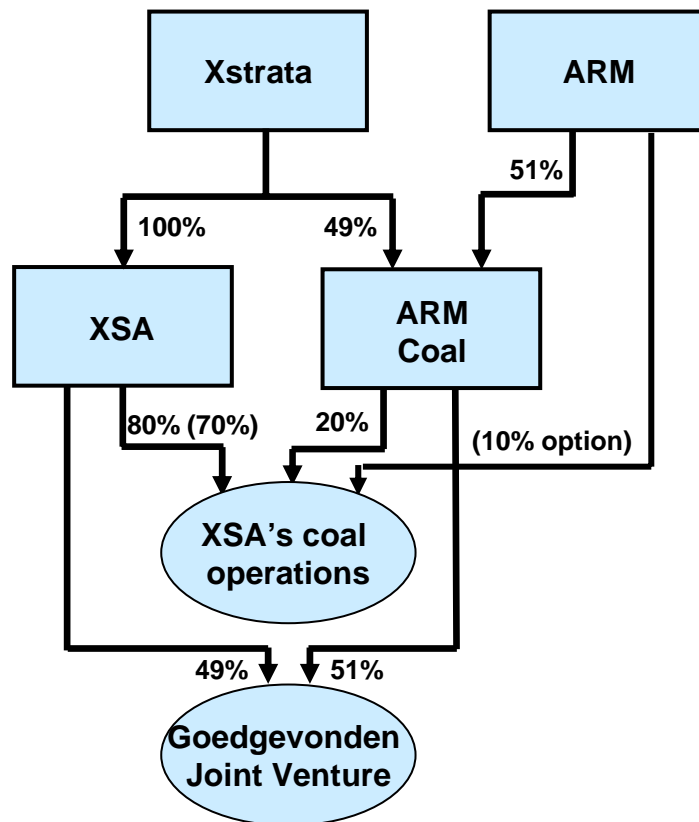
ARM Platinum – PGM production growth

Growth in attributable PGM ounces (000oz)



- Formation of ARM Coal now fully implemented
 - Effective economic stake in Xstrata Coal South Africa at 20.2% (post option exercised by ARM)
 - 51% shareholding in the 6.6 mtpa Goedgevonden project
- Xstrata Coal SA bought the 50% held by Total SA in the ATCOM and ATC mines thereby securing outright control
 - Xstrata now able to enhance efficiency of these mines and resource significantly
- Goedgevonden coal project:
 - 6.6 mtpa saleable coal per annum
 - 3.2 mtpa of the above to be exported
 - total capex of R2.9 billion
 - first production Q1 2009
 - RBCT capacity application submitted

Structure

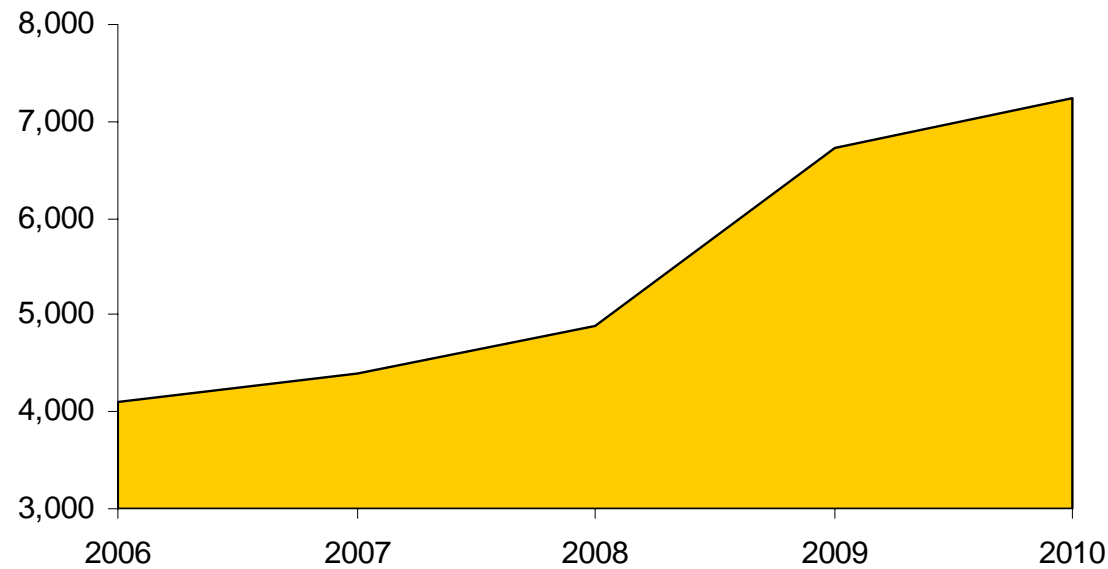


Transaction Steps

- ❶ ARM Coal is established and ARM and Xstrata subscribe for their interests through respective contributions of R400 million and R384 million
- ❷ ARM Coal subscribes for a 20% interest in Xstrata Coal SA in the form of participating preference shares, giving ARM Coal the right to participate in Xstrata's existing South African coal business
- ❸ ARM Coal acquires a 51% controlling stake in the Goedgevonden (unincorporated) Joint Venture
- ❹ On 1 September 2006 ARM acquired an additional 10% direct equity based participation interest in Xstrata Coal South Africa for a subscription price of R400 million

ARM Coal – production growth

Attributable saleable tonnes



- 76% growth over 5 years
- Total synergy with ATC
- Applied for 3,2 mtpa Phase V Richards Bay Coal Terminal
- 18 new prospecting licenses



- Significant upside achieved on Otjikoto gold orebody
 - 873 000 oz defined in IPO prospectus in late 2005
 - Upgraded by 46% to 1 300 000 ounces by 2006
 - Further drill results being analysed
- Mwambashi feasibility study completed
 - 12 000 tonnes per annum of copper
- Konkola North feasibility study expected to be finalised by April 2007
- Progress in the DRC:
 - resolved issue with artisanal miners
 - established drill rigs and bulldozers on site at Kalumines copper-cobalt project
 - Three drill rigs on site



Summarised income statement

R'million	Six months ended 31 December	
	Unaudited** 2006	Reviewed 2005
Revenue	2 641	2 362
Profit from operations	1 039	498
Income from investments	24	10
Finance costs	(151)	(81)
Income from associate	34	-
Exceptional items	14	116
Taxation	(329)	(166)
Minority interest	(71)	(130)
Profit after tax and minorities	560	247
Headline earnings	548	131

** Assmang proportionately consolidated with effect from 1 March 2006

Summarised balance sheet

R'million	Unaudited December 2006	Audited June 2006
ASSETS		
Non-current assets	14 009	12 305
Current assets	3 018	2 306
	17 027	14 611
EQUITY AND LIABILITIES		
Capital and reserves	10 745	10 250
Minority interest	217	143
Total shareholders' interest	10 962	10 393
Non-current liabilities	4 224	2 606
Current liabilities	1 841	1 612
	17 027	14 611
Net debt	3 279	1 813

- Balance sheet strong with total assets of R17 billion



Breakdown of total debt

Long and short term debt at 31 December 2006

	R million
Assmang – 50%	143
ARM Company	1 283
Modikwa	454
ARM Coal	445
Two Rivers (ARM share)	455
ARM attributable debt	2 780
Two Rivers (Impala share)	940
Total debt	3 720
Net gearing (attributable debt)	2 339

- EBITDA for the period strong at R1.2 billion
- Net gearing for ARM relatively low at 21%
- Sufficient capacity to fund current growth

Questions?

