“ARM’s financial position remains robust despite a significant decline in US Dollar commodity prices. Very good unit cost control was achieved at most operations.

ARM is committed to continue paying dividends and declares a dividend of 350 cents per share.”

Patrice Motsepe
Executive Chairman
Overview and strategy

Patrice Motsepe, Executive Chairman
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.
ARM's shareholding in Two Rivers Mine reduced from 55% to 51% on 6 February 2015.

ARM concluded an agreement for the disposal of its 50% effective interest in Dwarsrivier Chrome Mine to Assore for a consideration of R450 million subject to regulatory approval.
Salient features

Headline earnings decreased by 58% to R1 744 million (F2014: R4 108 million).
Headline earnings per share were 803 cents (F2014: 1 900 cents).

ARM’s financial position remains robust despite a significant decline in US Dollar commodity prices. The decline in commodity prices was partially offset by a weaker Rand/US Dollar exchange rate.

ARM is committed to continue paying dividends and declares a dividend of 350 cents per share (F2014: 600 cents per share).
Cash generated from operations increased to R2 508 million (F2014: R2 073 million) while the dividend from Assmang was R1 500 million (F2014: R1 750 million).

Basic earnings were 97% lower at R104 million (F2014: R3 289 million) largely as a result of:
- impairments of R292 million after tax in ARM Ferrous
- unrealised mark-to-market loss after tax on the Harmony investment of R534 million and
- an attributable impairment adjustment at the Lubambe Copper Mine of R784 million.
Salient features

Increased focus on cost reduction yielded good results at all operations with the exception of the Modikwa and Black Rock mines.

Attributable segmental capital expenditure guidance for F2016 was reduced by R500 million (from R2 900 million to R2 400 million).

The Lubambe Copper Mine plan was revised substantially to improve unit costs and mining efficiencies. The revised plan defers ramp up to full production of 45 000 tonnes per annum to F2019 and resulted in an attributable R784 million impairment.
Salient features

Additional uneconomical manganese alloy furnaces were placed on care and maintenance in the financial year.

Disposal of ARM’s 50% effective interest in Dwarsrivier Chrome Mine for R450 million was concluded subject to regulatory approval.
ARM is committed to creating a safe and healthy work environment for all our employees.

Despite ongoing efforts to ensure that the highest safety standards are maintained, two Khumani Mine employees were fatally injured in an accident on 12 April 2015.

ARM’s Lost Time Injury Frequency Rate (LTIFR) improved by 5% from 0.37 (per 200 000 man hours) in F2014 to 0.35 in F2015.
Headline earnings were impacted by a significant decline in US Dollar commodity prices.
Six monthly headline earnings

Six monthly headline earnings (R million)

<table>
<thead>
<tr>
<th>Year</th>
<th>First half (1H)</th>
<th>Second half (2H)</th>
</tr>
</thead>
<tbody>
<tr>
<td>F2011</td>
<td>1 562</td>
<td>1 812</td>
</tr>
<tr>
<td>F2012</td>
<td>1 997</td>
<td>1 454</td>
</tr>
<tr>
<td>F2013</td>
<td>2 331</td>
<td>1 406</td>
</tr>
<tr>
<td>F2014</td>
<td>2 341</td>
<td>1 767</td>
</tr>
<tr>
<td>F2015</td>
<td>1 026</td>
<td>718</td>
</tr>
</tbody>
</table>
ARM is committed to continue paying dividends.

Headline earnings per share and dividends per share (cents)

<table>
<thead>
<tr>
<th>Year</th>
<th>Headline Earnings per Share</th>
<th>Dividends per Share</th>
</tr>
</thead>
<tbody>
<tr>
<td>F2011</td>
<td>1,585</td>
<td>450</td>
</tr>
<tr>
<td>F2012</td>
<td>1,615</td>
<td>475</td>
</tr>
<tr>
<td>F2013</td>
<td>1,735</td>
<td>510</td>
</tr>
<tr>
<td>F2014</td>
<td>1,900</td>
<td>600</td>
</tr>
<tr>
<td>F2015</td>
<td>803</td>
<td>350</td>
</tr>
</tbody>
</table>
EBITDA margins by commodity

- **Coal (GGV)**: 40% (F2014), 39% (F2015)
- **Iron Ore**: 37% (F2014), 34% (F2015)
- **Manganese ore**: 26% (F2014), 27% (F2015)
- **PGM**: 26% (F2014), 32% (F2015)
- **Chrome ***: 20% (F2014), 16% (F2015)
- **Nickel**: 27% (F2014), 15% (F2015)
- **Manganese alloys**: 5% (F2014), (6%) (F2015)
- **Copper ****: (16%) (F2014), (9%) (F2015)

* The Chrome Division includes Dwarsrivier Chrome Mine which is reflected as a discontinued operation under the ARM Ferrous segmental information.

** At Lubambe Copper Mine a new revised mine plan was implemented from April 2015.
ARM strategy

Operational efficiencies

All operations to be below the 50th percentile

Quality growth continues in ARM’s portfolio of commodities

Quality growth continues in ARM’s portfolio of commodities

Ramping up volumes and initiating new growth projects

Acquisitions and partnerships

Continuing to assess acquisitions and joint venture opportunities

Africa

ARM Exploration

Partner of choice

Partnering with communities, workers and other stakeholders

Profit and cash flow focused

World-class management team

Employer of choice

Entrepreneurial management

Owner operator
ARM’s objective is that all operations should be below the 50th percentile.
Pipeline of projects and operations

Quality growth in ARM’s portfolio of commodities

<table>
<thead>
<tr>
<th>Exploration/feasibility</th>
<th>Project development and ramp-up</th>
<th>Steady state (&gt;15 years life-of-mine)</th>
<th>Declining operations</th>
</tr>
</thead>
<tbody>
<tr>
<td>1 Lubambe Extension Area</td>
<td>2 Black Rock Project</td>
<td>3 Beeshoek Village Pit</td>
<td>4 Thermal coal mines</td>
</tr>
<tr>
<td></td>
<td></td>
<td>5 Sakura Ferroalloys Project</td>
<td>6 Manganese smelters</td>
</tr>
<tr>
<td></td>
<td></td>
<td>6 Lubambe Copper Mine</td>
<td>6 Manganese ore mines</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>6 Two Rivers Platinum Mine</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>6 Modikwa Platinum Mine</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>6 Nkomati Nickel Mine</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>6 Goedgevonden Thermal Coal Mine</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>6 Khumani Iron Ore Mine</td>
</tr>
</tbody>
</table>

Note: Beeshoek Village Pit (being replaced by the Beeshoek Iron Ore Mine)
Lubambe Mine ramp up profile has been revised to improve unit costs and mining efficiencies.
Sakura is expected to achieve full production of 170,000 tonnes manganese alloys by F2017.
Acquisitions and partnerships

Continuing to assess acquisitions and joint venture opportunities

Two Rivers life of mine was increased by approximately 30 years through:
- the transfer of Kalkfontein and Buffelshoek prospecting rights from Impala Platinum and
- ARM’s acquisition of Tamboti Platinum (Pty) Ltd.

ARM is in discussions with Impala to incorporate Tamboti into Two Rivers.

ARM concluded an agreement for the disposal of its 50% effective interest in Dwarsrivier Mine to Assore for a consideration of R450 million. The only remaining condition precedent for completion of the transaction is a Section 11 transfer of the Dwarsrivier mining right to Assore.
Operational review

Mike Schmidt, Chief Executive Officer
## Divisional headline earnings

<table>
<thead>
<tr>
<th>R million</th>
<th>12 months ended 30 June</th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>2015</td>
<td>2014</td>
<td>% change</td>
</tr>
<tr>
<td>ARM Platinum</td>
<td>405</td>
<td>883</td>
<td>(54)</td>
</tr>
<tr>
<td>ARM Ferrous</td>
<td>1 588</td>
<td>3 736</td>
<td>(57)</td>
</tr>
<tr>
<td>ARM Coal</td>
<td>(93)</td>
<td>(120)</td>
<td>23</td>
</tr>
<tr>
<td>ARM Copper</td>
<td>(430)</td>
<td>(309)</td>
<td>(39)</td>
</tr>
<tr>
<td>ARM Strategic Services and Exploration</td>
<td>(50)</td>
<td>(81 )</td>
<td>38</td>
</tr>
<tr>
<td>Gold</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Corporate and other</td>
<td>324</td>
<td>(1)</td>
<td>&gt;250</td>
</tr>
<tr>
<td>ARM headline earnings</td>
<td>1 744</td>
<td>4 108</td>
<td>(58)</td>
</tr>
</tbody>
</table>
The proportional EBITDA contribution from iron ore continued to decrease as iron ore prices declined. The contribution from PGM increased.
Segmental profit variance analysis

Unaudited profit variance analysis – Profit from operations before special items (R million)

Factors subject to market conditions
Factors subject to management’s control

- F2015
- Exchange rate
- US Dollar commodity prices
- Mark-to-market adjustment
- Volume
- Cash cost
- Non cash cost
- Corporate and other

Increase
Decrease

Factors subject to market conditions

Factors subject to management’s control

Increase
Decrease

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Factors subject to management’s control

- F2015
- Exchange rate
- US Dollar commodity prices
- Mark-to-market adjustment
- Volume
- Cash cost
- Non cash cost
- Corporate and other

Increase
Decrease
Changes in average US Dollar realised prices and average exchange rate

F2015 versus F2014 average US Dollar realised prices and average exchange rate (%)

<table>
<thead>
<tr>
<th>Product</th>
<th>Increase (%)</th>
<th>Decrease (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Iron ore ($/t)</td>
<td>24</td>
<td>42</td>
</tr>
<tr>
<td>Export coal ($/t)</td>
<td>21</td>
<td>4</td>
</tr>
<tr>
<td>Manganese ore ($/t)</td>
<td>13</td>
<td>21</td>
</tr>
<tr>
<td>Platinum ($/oz)</td>
<td>10</td>
<td>20</td>
</tr>
<tr>
<td>Copper ($/lb)</td>
<td>4</td>
<td>4</td>
</tr>
<tr>
<td>Nickel ($/lb)</td>
<td>6</td>
<td>4</td>
</tr>
<tr>
<td>FeMn ($/t)</td>
<td>11</td>
<td></td>
</tr>
<tr>
<td>Chrome concentrate ($/t)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Palladium ($/oz)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Exchange rate (R/$)</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
Changes in sales volumes

F2015 versus F2014 sales volumes (%)

* F2014 copper sales volumes included concentrate carried over from F2013.
** Manganese alloy sales volumes reduced as uneconomical furnaces were placed on care and maintenance.
Unit cost changes by commodity

F2015 versus F2014 on-mine unit production costs (%)

<table>
<thead>
<tr>
<th>Commodity</th>
<th>Increase</th>
<th>Decrease</th>
</tr>
</thead>
<tbody>
<tr>
<td>Coal: PCB</td>
<td>(16%)</td>
<td>(9%)</td>
</tr>
<tr>
<td>Coal: GGV</td>
<td>(4%)</td>
<td>(3%)</td>
</tr>
<tr>
<td>Nickel</td>
<td>(1%)</td>
<td>(0%)</td>
</tr>
<tr>
<td>Iron ore</td>
<td>(3%)</td>
<td></td>
</tr>
<tr>
<td>PGM: Two Rivers</td>
<td>(1%)</td>
<td>(1%)</td>
</tr>
<tr>
<td>Copper</td>
<td>(0%)</td>
<td></td>
</tr>
<tr>
<td>Manganese alloys</td>
<td></td>
<td>(4%)</td>
</tr>
<tr>
<td>Chrome ore</td>
<td>(5%)</td>
<td>(17%)</td>
</tr>
<tr>
<td>Manganese ore</td>
<td>(5%)</td>
<td>(18%)</td>
</tr>
<tr>
<td>PGM: Modikwa</td>
<td>(17%)</td>
<td>(18%)</td>
</tr>
</tbody>
</table>

ARM’s cost saving initiatives are delivering below inflation unit cost increases at most operations.
ARM Ferrous: Iron ore

Record iron ore sales volumes of 16.19 million tonnes achieved. Iron ore lumpy to fines ratio increased from 50:50 to 55:45.

A 3% reduction in on-mine unit production costs was achieved by the iron ore operations.

Unit production cost reduction of 15% targeted for F2016 at Khumani Mine.

### Iron ore operational performance - 100% basis

<table>
<thead>
<tr>
<th></th>
<th>F2015</th>
<th>F2014</th>
<th>% change</th>
</tr>
</thead>
<tbody>
<tr>
<td>Export sales volumes 000 tonnes</td>
<td>13.69</td>
<td>13.40</td>
<td>2</td>
</tr>
<tr>
<td>Local sales volumes 000 tonnes</td>
<td>2.53</td>
<td>2.20</td>
<td>15</td>
</tr>
<tr>
<td>Change in on-mine unit production costs</td>
<td>(3)</td>
<td>10</td>
<td></td>
</tr>
<tr>
<td>Capital expenditure R million</td>
<td>1 645</td>
<td>2 058</td>
<td>(20)</td>
</tr>
</tbody>
</table>

### Iron ore sales volumes (000t) - 100% basis

- **Export**
  - F2007: 11,400
  - F2009: 13,600
  - F2011: 15,800
  - F2013: 17,000
  - F2015: 17,500
  - F2017e: 18,000

- **Local**
  - F2007: 2,500
  - F2009: 2,600
  - F2011: 2,800
  - F2013: 3,000
  - F2015: 3,500
  - F2017e: 4,000
Unit production costs were 17% higher mainly due to lower production, increased hauling distances and ageing infrastructure.

Black Rock Mine is in the process of reducing its labour complement.

The Black Rock Project currently underway will improve the grade of ore produced, operational efficiencies and unit cost performance as well as result in additional production capacity.
Additional uneconomical furnaces were placed on care and maintenance.

Production and sales volumes for F2015 have consequently reduced due to market conditions.

Commissioning of the first furnace at the Sakura Ferroalloys Project is expected in the third quarter of F2016.
Two Rivers Mine continues to be the lowest cost underground PGM producer in the world with unit production costs of US$469 per 6E PGM ounce.

Recovery plan being implemented at Modikwa which focuses on labour and operational efficiencies.

Modikwa’s planned capital expenditure for F2016 has been reduced by R290 million.
ARM Platinum: Nickel

Nickel produced decreased to 21,298 tonnes (F2014: 22,874) due to lower grade areas being mined in the pit, consistent with the mine plan.

Chrome concentrate sales increased by 10% to 376,832 tonnes (F2014: 341,809 tonnes).

Nkomati unit production costs have been approximately R300 per tonne milled for four consecutive years.

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**Nickel C1 cash costs net of by-products**

<table>
<thead>
<tr>
<th></th>
<th>F2015</th>
<th>F2014</th>
<th>% change</th>
</tr>
</thead>
<tbody>
<tr>
<td>On-mine cash cost</td>
<td>US$/lb</td>
<td>5.97</td>
<td>5.93</td>
</tr>
<tr>
<td>Off-mine cash cost</td>
<td>US$/lb</td>
<td>2.48</td>
<td>2.70</td>
</tr>
<tr>
<td>By-product credits</td>
<td>US$/lb</td>
<td>(3.60)</td>
<td>(3.82)</td>
</tr>
<tr>
<td>C1 cash cost net of by-products</td>
<td>US$/lb</td>
<td>4.85</td>
<td>4.81</td>
</tr>
<tr>
<td>On-mine unit cost</td>
<td>R/t milled</td>
<td>296</td>
<td>308</td>
</tr>
<tr>
<td>Off-mine unit cost</td>
<td>R/t milled</td>
<td>185</td>
<td>181</td>
</tr>
<tr>
<td>Total unit cost</td>
<td>R/t milled</td>
<td>481</td>
<td>489</td>
</tr>
</tbody>
</table>

**Nickel production volumes (tonnes) – 100% basis**

![](chart.png)
ARM Coal: GGV and PCB

Tweefontein Optimisation Project successfully commissioned R600 million below budget and is delivering a reduction in unit costs.

More than 90% coal produced is from low cost open-cast operations.

Flexible coal specifications produced by all three new modern Coal Handling Processing Plants.

<table>
<thead>
<tr>
<th>GGV and PCB operational performance - 100% basis</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
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<tr>
<td></td>
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<tr>
<td></td>
</tr>
<tr>
<td>Total export sales volumes</td>
</tr>
<tr>
<td>Total Eskom/ local sales volumes</td>
</tr>
<tr>
<td>GGV on-mine saleable cost</td>
</tr>
<tr>
<td>PCB on-mine saleable cost</td>
</tr>
</tbody>
</table>

Saleable production volumes (million tonnes) – attributable basis

Flexible coal specifications produced by all three new modern Coal Handling Processing Plants.
New revised mine plan was implemented from April 2015. The South Limb shaft has been placed on temporary care and maintenance.

The revised plan allows the re-evaluation of the mining layout through the sand zone area.

In the last quarter of F2015 the head grade improved from 1.83% to above 2.10% copper and the C1 cash costs reduced from US$3.11/lb to US$2.48/lb.
Lubambe Mine progress

Tonnes milled (tonnes)

Head grade (%)

Concentrator recoveries (%)

C1 unit cash costs (US$/lb)
Capital expenditure includes (i) deferred stripping at Nkomati and Khumani mines, (ii) Eskom infrastructure as a finance lease at Nkomati Mine (iii) financed fleet replacement and (iv) sustaining capital expenditure but excludes the Sakura Ferroalloys Project.
Thank you