



Production report for the year ended 31 December 2011

Shareholders of the Company are advised that in the second half of 2011, scheduled maintenance during the high electricity tariff winter months and subsequent weaker market conditions, compounded by industrial action, resulted in reduced production at our ferrochrome smelters. Installed capacity utilisation reduced to an average of 65% for 2011 and production volumes were 12% lower compared to 2010.

Ferrochrome production volumes were adversely affected by industrial action during the second half of the year, resulting in production facilities running at a reduced capacity for thirty eight days.

The average European benchmark ferrochrome price for 2011 of \$1.25 per pound remained at a similar level compared to 2010. Due to weaker demand for stainless steel, the European benchmark ferrochrome price for the first quarter of 2012 was settled at \$1.15 per pound which was \$0.05 per pound lower than the price in the fourth quarter of 2011, as per the SENS announcement dated 21 December 2011.

Ferrochrome production attributable to Merafe for the year ended 31 December 2011 was as follows:

	Year ended 31 December 2011	Year ended 31 December 2010
Ferrochrome production (kt)	263	300
Indicative average published price (USc/lb - Metal Bulletin)	125.0	124.3

Sandton

31 January 2012

Sponsor

Deutsche Securities (SA) (Proprietary) Limited