

NEWS RELEASE**28 July 2020****RESILIENT AND CAPITAL EFFICIENT BUSINESS, WELL POSITIONED IN A CHALLENGING ENVIRONMENT**

Themba Mkhwanazi, Chief Executive of Kumba, said, "Kumba adapted its business quickly and comprehensively to meet the human, operational and market challenges of the likely enduring reality of Covid-19. The company delivered a strong performance in the first half of the year, with EBITDA of R17.4 billion at a margin of 55%. We are a resilient and capital efficient business with a robust balance sheet, well positioned to navigate the current environment and the longer term.

" The safety and health of our employees and contractors has always been our first priority. We have now marked four years of being fatality-free. In these unprecedented times it is even more critical to safeguard both lives and livelihoods and support the ecosystem in which we operate. We have implemented an extensive WeCare programme across four pillars of physical health, mental health, living with dignity, and community response that supports our workforce, communities and suppliers. In practice, this programme includes screening and testing, workforce education and communication, mental health support, contingency plans to ensure social distancing at work and to allow for periods of self-isolation, as well as remote working. We are contributing to our local communities by providing essential services such as water, healthcare, and medical services in partnership with the Provincial Department of Health and the local municipalities. With the support of our host communities, unions and government and the safe practices of our people, we have been able to re-open and ramp-up production safely.

"Kumba's production of 17.9 Mt and sales of 18.6 Mt were in line with our Covid-19 adjusted guidance for the first half of the year, following continued improvements as we returned to pre-Covid-19 run-rates in June. Our strong EBITDA performance translated into R7.1 billion of attributable free cash flow. Taking into account our strong earnings, the resilience required for our new operating conditions, and need for a robust balance sheet, the Board declared an interim cash dividend of R19.60 per share, representing a payout ratio of 75% of headline earnings.

"We remain committed to our strategic imperatives of margin enhancement and life extension which are key to our sustainability. Our margin continued to benefit from constructive market prices and currency weakness, as well as the early and decisive action taken to protect our margin through additional cash preservation measures including delivering R700 million in cost savings for the year to date.

"Kumba has been through challenging times before and we know how to respond. Our approach to navigating the pandemic is based on ensuring the resilience of our business, living our values of care and respect, and fulfilling our purpose to reimagine mining to improve people's lives. We are building on our strategy to further strengthen our business and ensure that we remain agile, resilient and able to meet the challenges that we face."

KEY FEATURES**Well positioned in a challenging environment:**

- Attributable **free cash flow** of R7.1 billion
- **ROCE of 84%**
- **Interim cash dividend** of R19.60 per share

Improving People's Lives:

- 4 years of **fatality free** production
- **Occupational diseases reduced** to zero
- 4 years without any level 3-5 environmental incidents
- R13 billion of **shared value created**
- R56 million in additional WeCare Covid-19 **community support**

A Resilient Business:

- Average **realised FOB export price** of US\$93/tonne
- **Cost savings** of R700 million
- Protected **EBITDA margin of 55%**
- **Net cash of R15.7 billion**

Concluding, Mkhwanazi said, "Our competitive products, flexible value chain, and geographically diverse customer portfolio base ensures that we are in a position of strength. These unprecedented times further highlight the importance of maintaining our cost discipline, talented workforce and the ability to adapt quickly to a fast-evolving environment with care and respect for all of our stakeholders. We delivered a solid first half performance with R17.4 billion of EBITDA and R7.1 billion in attributable free cash flow. Our robust balance sheet and capital discipline provide us with the financial flexibility to allocate capital where it is needed most in our business during this time of uncertainty, while delivering sustainable returns to our shareholders."

The full Interim Results are available on our website **here** and attached.

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Notes to editors:

Kumba Iron Ore Limited, a member of the Anglo American plc group, is a leading value-adding supplier of high quality iron ore to the global steel industry. Kumba produces iron ore in South Africa at Sishen and Kolomela mines in the Northern Cape Province. Kumba exports iron ore to customers in a range of geographical locations around the globe including China, Japan, Korea and a number of countries in Europe and the Middle East.

www.angloamericankumba.com

Anglo American is a leading global mining company and our products are the essential ingredients in almost every aspect of modern life. Our portfolio of world-class competitive operations, development projects and undeveloped resources, provides many of the metals and minerals that enable a cleaner, greener, more sustainable world and that meet the fast growing consumer-driven demands of developed and maturing economies. With our people at the heart of our business, we use innovative practices and the latest technologies to mine, process, move and market our products to our customers – and to discover new resources – safely and sustainably.

As a responsible producer of diamonds (through De Beers), copper, platinum group metals, the steelmaking ingredients of iron ore and metallurgical coal, and nickel – with crop nutrients in development and thermal coal operations planned for divestment – we are committed to being carbon neutral across our operations by 2040. We work together with our business partners and diverse stakeholders to unlock sustainable value from precious natural resources for the benefit of the communities and countries in which we operate, for society as a whole, and for our shareholders. Anglo American is re-imagining mining to improve people's lives.

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