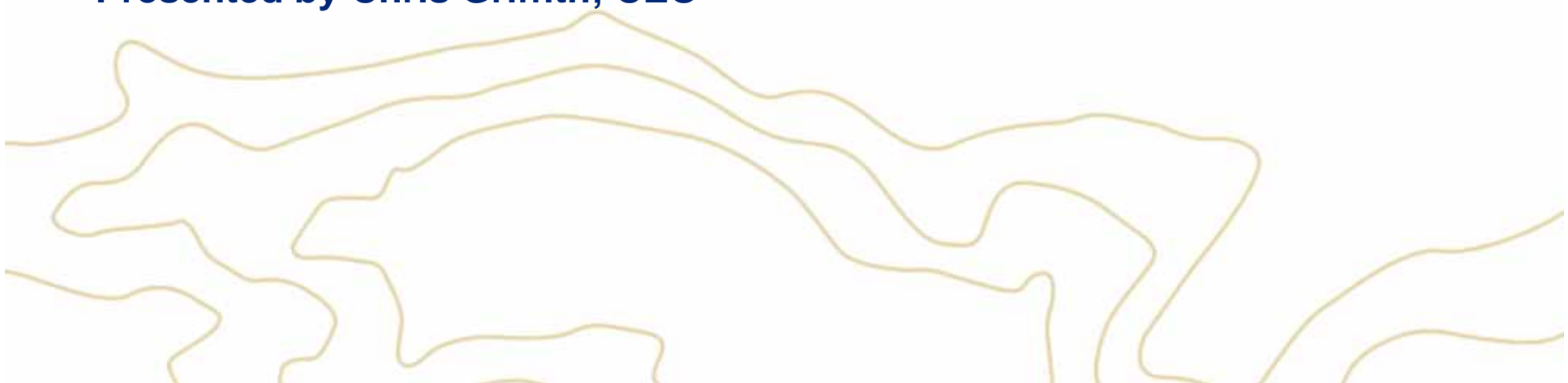


KUMBA IRON ORE LIMITED

**Deutsche Bank BRICS Global Metals and Mining Conference 2010
3 November 2010**

Presented by Chris Griffith; CEO



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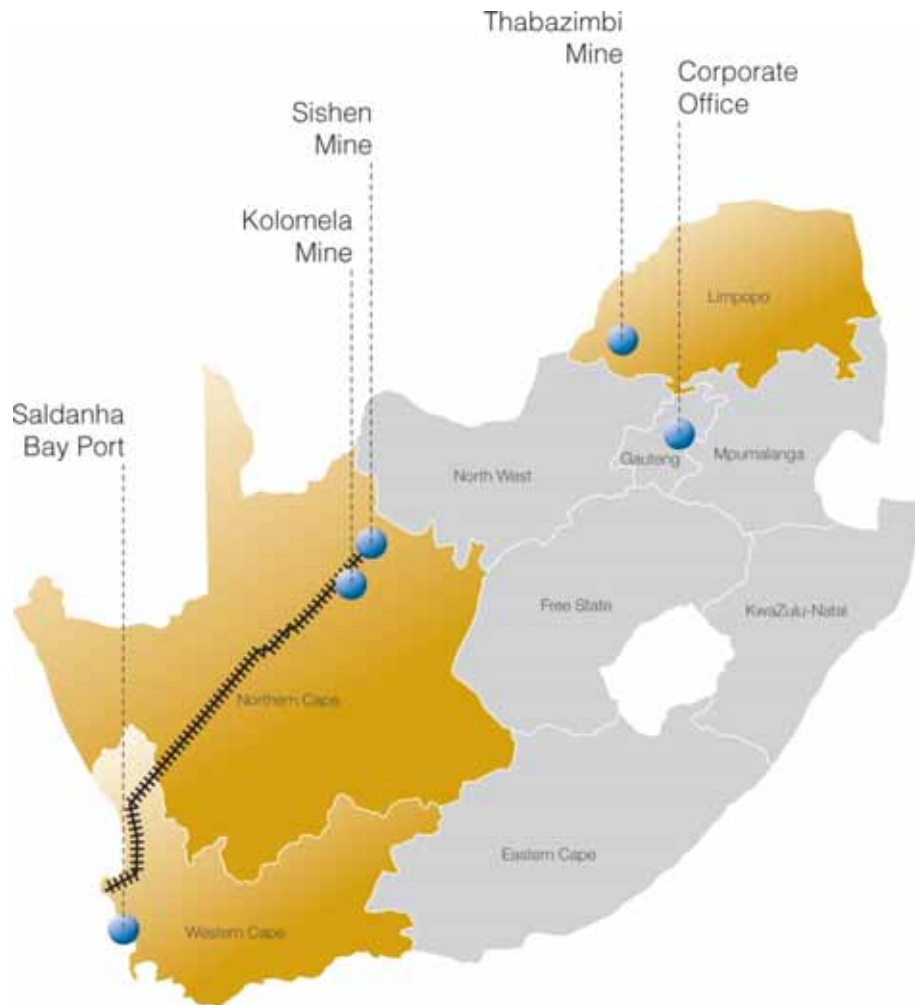
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AGENDA

- Overview of Kumba Iron Ore
- Safety
- Operational performance
- Financial performance
- Projects update
- Legal update
- Iron ore market
- Outlook

1.0 Overview of Kumba Iron Ore

KUMBA – VALUE ADDING SUPPLIER TO THE STEEL INDUSTRY



- Kumba is a South-African based pure iron ore company
- Mining for more than 70 years
- Operates two opencast mines
 - Sishen Mine
 - Thabazimbi Mine
- Production capacity in excess of 40Mtpa
 - ~80% of South African production
 - ~4% of global seaborne trade (4th largest supplier)
- Third mine under development – Kolomela Mine
- Mineral resources of c.2.0 Bt of ore
- Only hematite ore producer that beneficiates 100% of its product
- Exported over 34 Mt of superior iron ore in 2009 from the port at Saldanha Bay
- Well situated to service geographically dispersed customers in Europe and Asia

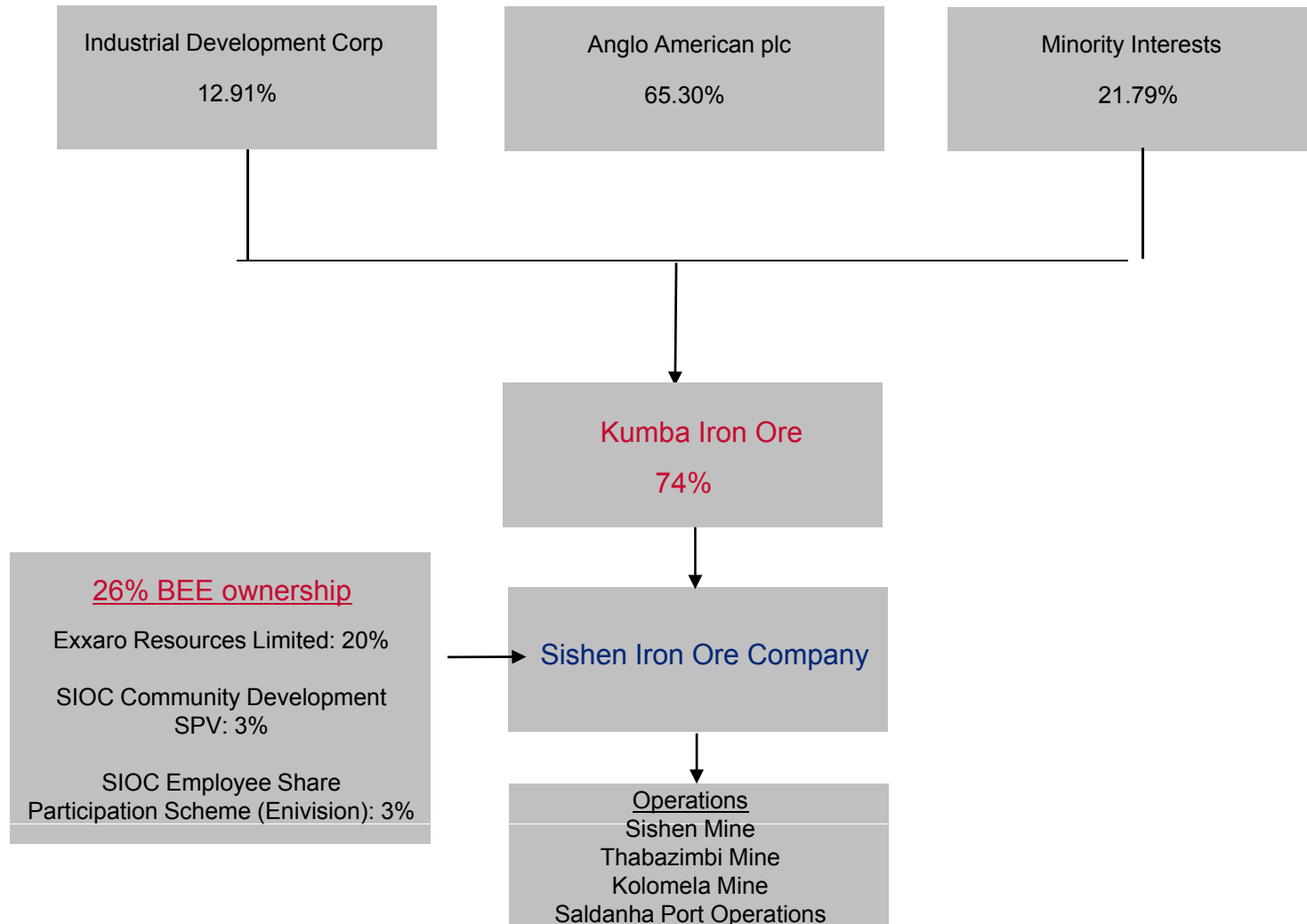
OUR VISION

- Kumba is a leading value adding iron ore supplier to the global steel industry

OUR BUSINESS STRATEGY

- **Optimise the value of current operations** by successfully executing Asset Optimisation initiatives, the start of Bokamoso and Sishen product portfolio optimisation
- **Capture value across the value chain** through the niche product strategy, logistics and Ocean Freight Management (OFM)
- **Deliver on growth projects** in Limpopo and the Northern cape to realise additional 29Mtpa production
- **Enhance organisational responsibility and capability** by matching strategy with resources and capability and delivering on our S&SD objectives

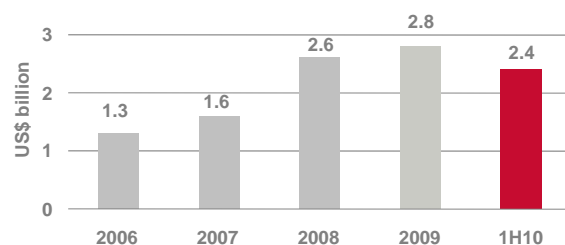
KUMBA IRON ORE OWNERSHIP STRUCTURE



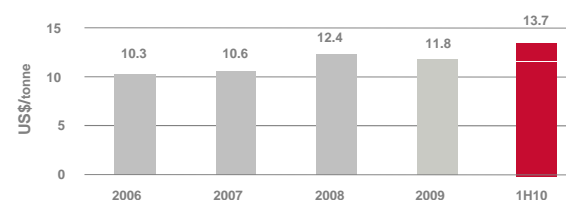
KUMBA – STRONG FINANCIAL PERFORMANCE SINCE 2006

US\$m	1H10	FY09	FY08	FY07	FY06	FY06 -FY09 CAGR (%)
Revenue	2375	2819	2575	1635	1286	30
Operating profit (before special items)	1489	1526	1618	835	796	24
Operating margin (%)	63	54	63	51	62	–
Attributable earnings	863	831	874	452	502	19
Cash generated from operations	1258	1533	1630	831	632	34
Capital expenditure	190	495	252	300	254	25
Average Rand/US\$	7.53	8.41	8.27	7.05	6.77	

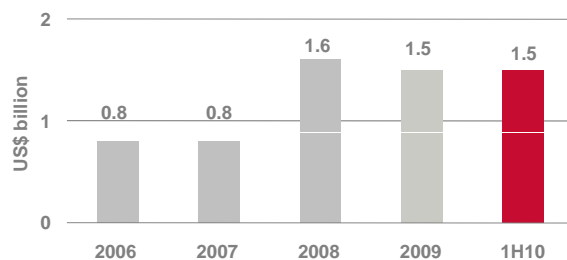
REVENUE



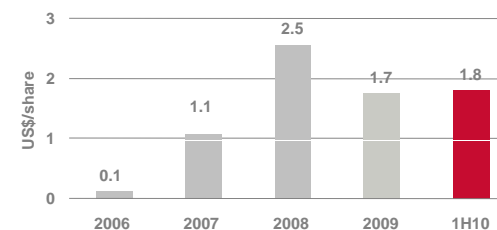
SISHEN MINE UNIT CASH COST (FOR)



OPERATING PROFIT



DIVIDENDS PER SHARE

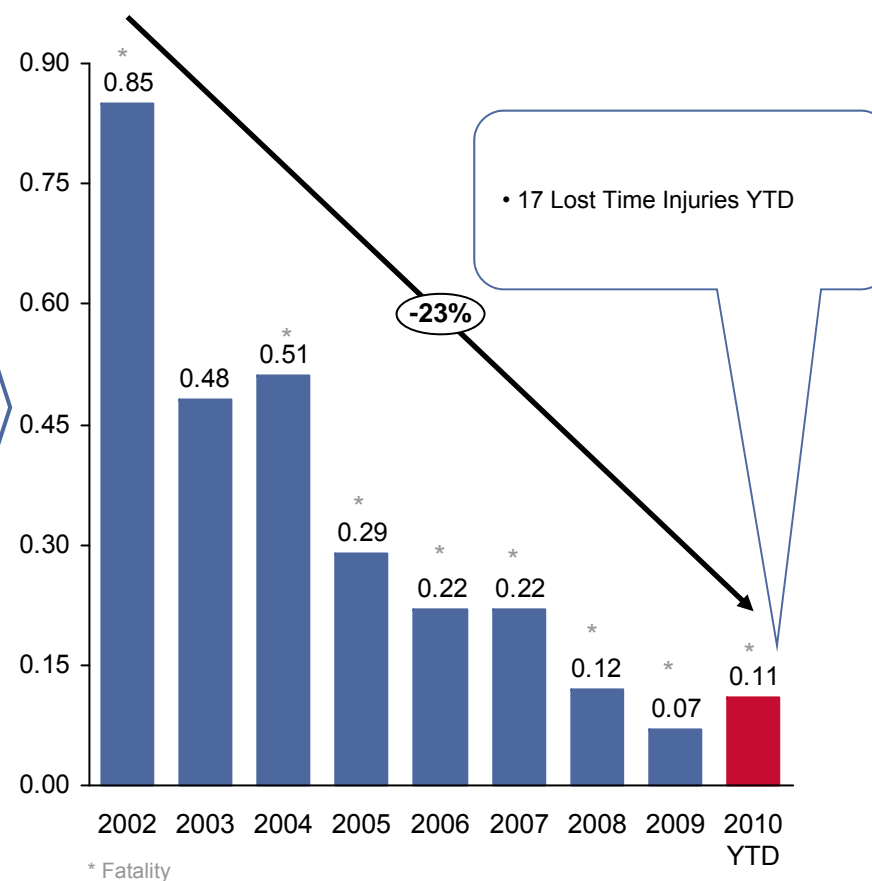


2.0 Safety

SAFETY: WE ARE COMMITTED TO ZERO HARM

- Commitment to zero harm returning visible achievements
- LTIFR reduced by 23% since 2002 to 1H10 (weighted average p.a. reduction)
- 2010 achievements:
 - Sishen: Fatality-free for 26 months
 - Thabazimbi: Fatality-free for 8 yrs
 - Kolomela: > 6.2 million LTI free man hours
- 2010 low lights:
 - Mr Moses Machacha fatally injured on 23 February 2010 – tyre explosion (overhead power lines)
 - Mr Fanie Ramalapi fatally injured on 24 July 2010 – tyre explosion (driving with a flat tyre)
 - Increase in LTIFR from 2009

Significant reduction in LTIFR



3.0 Operational performance

OVERVIEW OF SISHEN MINE



Geology

- Mining started in 1953, first ore exported in 1976
- Large hematite ore body: $\pm 14\text{km} \times 3.2\text{km} \times 400\text{m}$: 2.4bt resource → 1.6bt reserve
- Lump to fine ratio of 60:40 compared with 30:70 globally. Lump ore is highly valued by steelmakers. Lump ore is a rare commodity and on the decline



Mining & Production

- 24 hr, 365 day open pit mining operation
- Positioned in lower half of the FOB cost curve
- Highly mechanized, continuous blending operation
- All products beneficiated through
 - Dense medium separation (DMS)
 - JIG gravity separation
- Sishen products:
 - 25mm 66% Fe lump (DMS)
 - 25mm 64% Fe lump (JIG)
 - 27mm and 20mm 66% Fe lump – niche products
 - 8.0mm 64.5% Fe fines
- Consistent product quality is ensured through final product blending and reclaiming at Sishen before dispatched to customers



Logistics

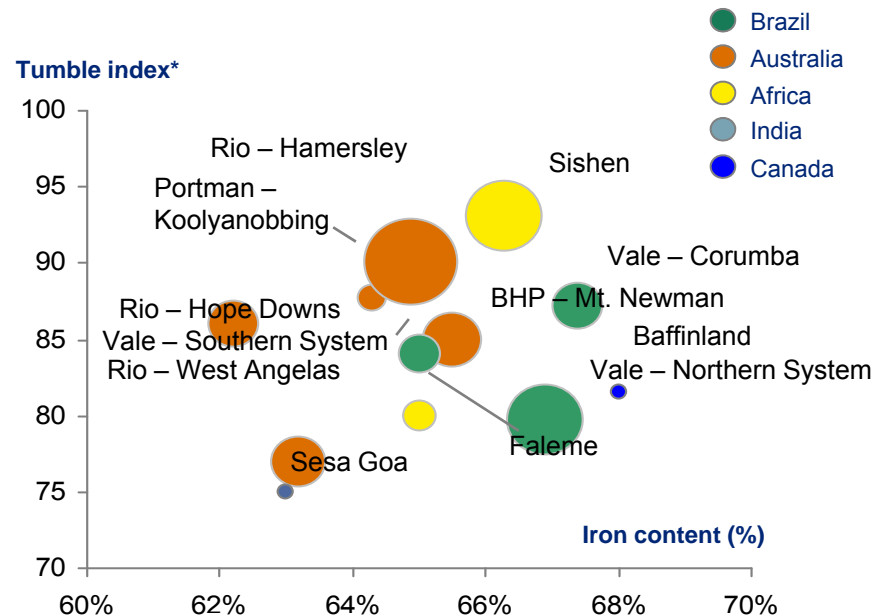
- Export ore is transported via Sishen-Saldanha Iron ore Export Channel (IOEC) to Saldanha. Rail and port operations owned and operated by Parastatal Transnet
- A Technical committee consisting of Transnet and Industry is performing a feasibility study to assess a financially viable expansion option of the IOEC line beyond 60Mtpa

Project pipeline

- Sishen has a number of on-mine brown field expansion projects in various stage of development from opportunity phase to pre feasibility phase (lower grade resources)

SISHEN MINE – ORE OFFERS SUPERIOR PHYSICAL PROPERTIES

- Lump ore is highly valued by steelmakers as it can be fed directly into a blast furnace without the need for sintering or pelletizing
- Lump ore is a rare commodity, with high sources of lump on the decline globally. Lump ore is sold at a premium to fine ore
- Sishen has a 60%:40% lump to fine ratio, compared to 30% globally
- Sishen's lump is high grade and exceptionally hard. This makes Sishen an exceptional asset

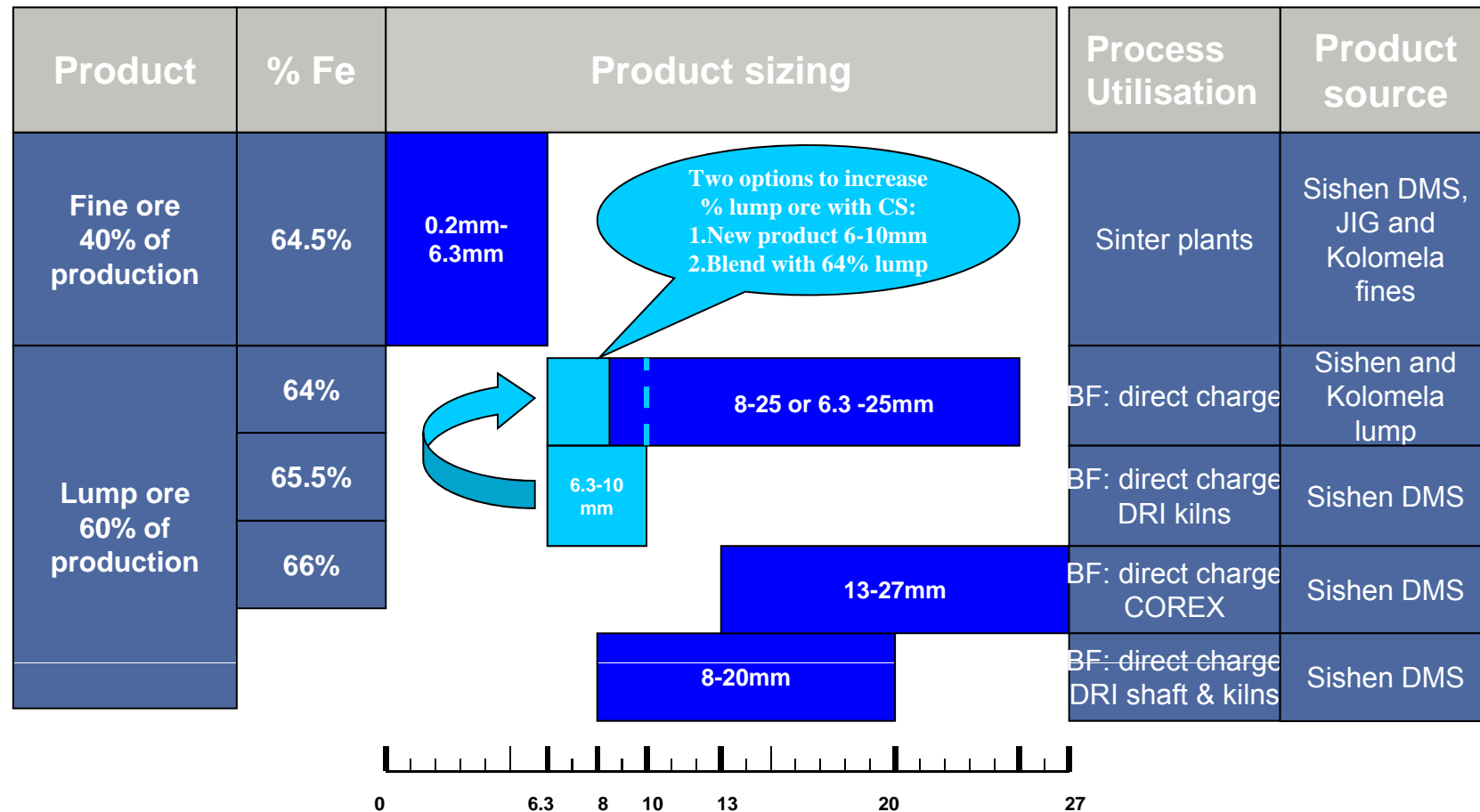


*Note: a higher tumble index means higher physical strength, a desirable quality for lump ore

Source: Independent ViU Analyst

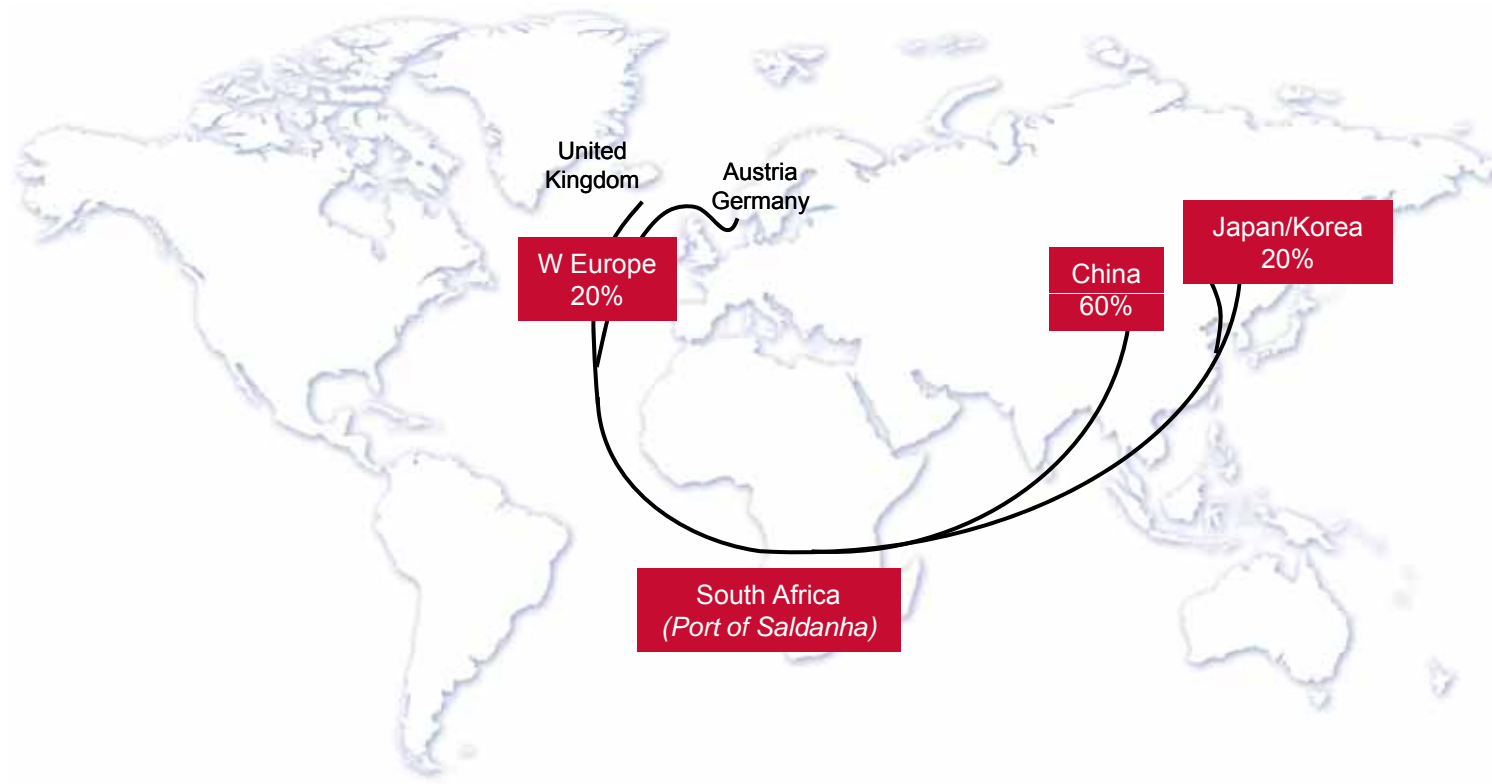
KUMBA'S FUTURE PROUCT PORTFOLIO – PLANNING FOR SPECIFIC CUSTOMER APPLICATIONS

Unique hardness of Kumba iron ore allows production of a niche product portfolio, to add value in our customer's processes



A GLOBAL CUSTOMER SPREAD

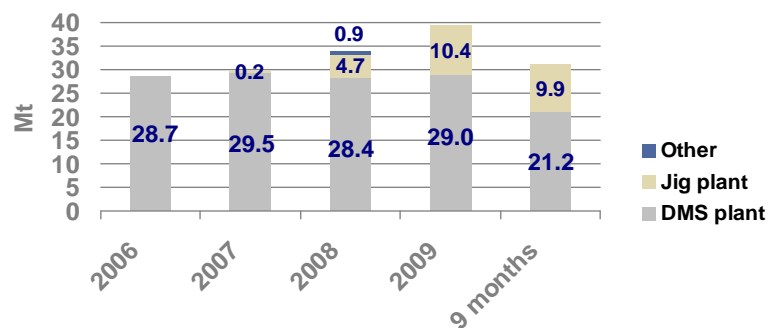
- Balanced geographical spread
- Traditional export sales mix: 60% China, 20% Japan/Korea, 20% Europe
- 2009 export sales mix: 74% China, 26% Japan/Korea/Europe
- Future likely export sales mix as Kolomela ramps up: >60% China, <20% Japan/Korea, <20% Europe



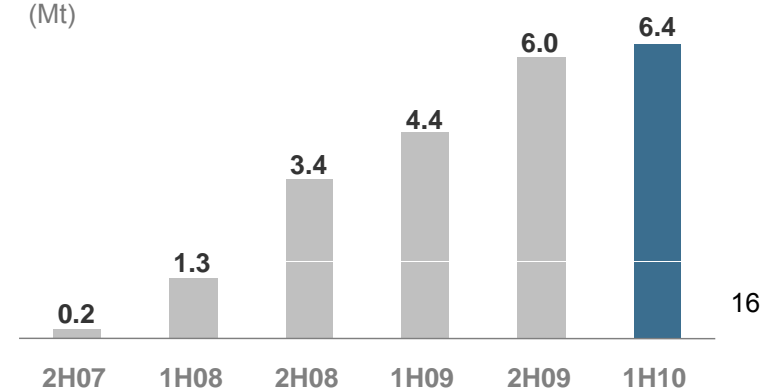
SISHEN MINE – A SUCCESSFUL GROWTH STORY

Mt	9M10	1H10	FY09	FY08	FY07	FY06	FY06- FY09 CAGR (%)
Total tonnes mined	112.6	72.1	128.3	108.8	104.4	90.7	12
- Ore	39.6	26.0	46.2	44.6	38.9	31.3	14
- Waste	73.0	46.1	82.1	64.2	65.5	59.4	11
Production	31.1	21.1	39.4	34.0	29.7	28.7	8
- DMS plant	21.2	14.7	29.0	28.4	29.5	28.7	0.3
- Jig plant	9.9	6.4	10.4	4.7	0.2	-	
- Other	-	-	-	0.9	-	-	
Stripping ratio	1.84	1.77	1.78	1.44	1.68	1.89	

SISHEN MINE PRODUCTION (Mt)



JIG PLANT PRODUCTION (Mt)



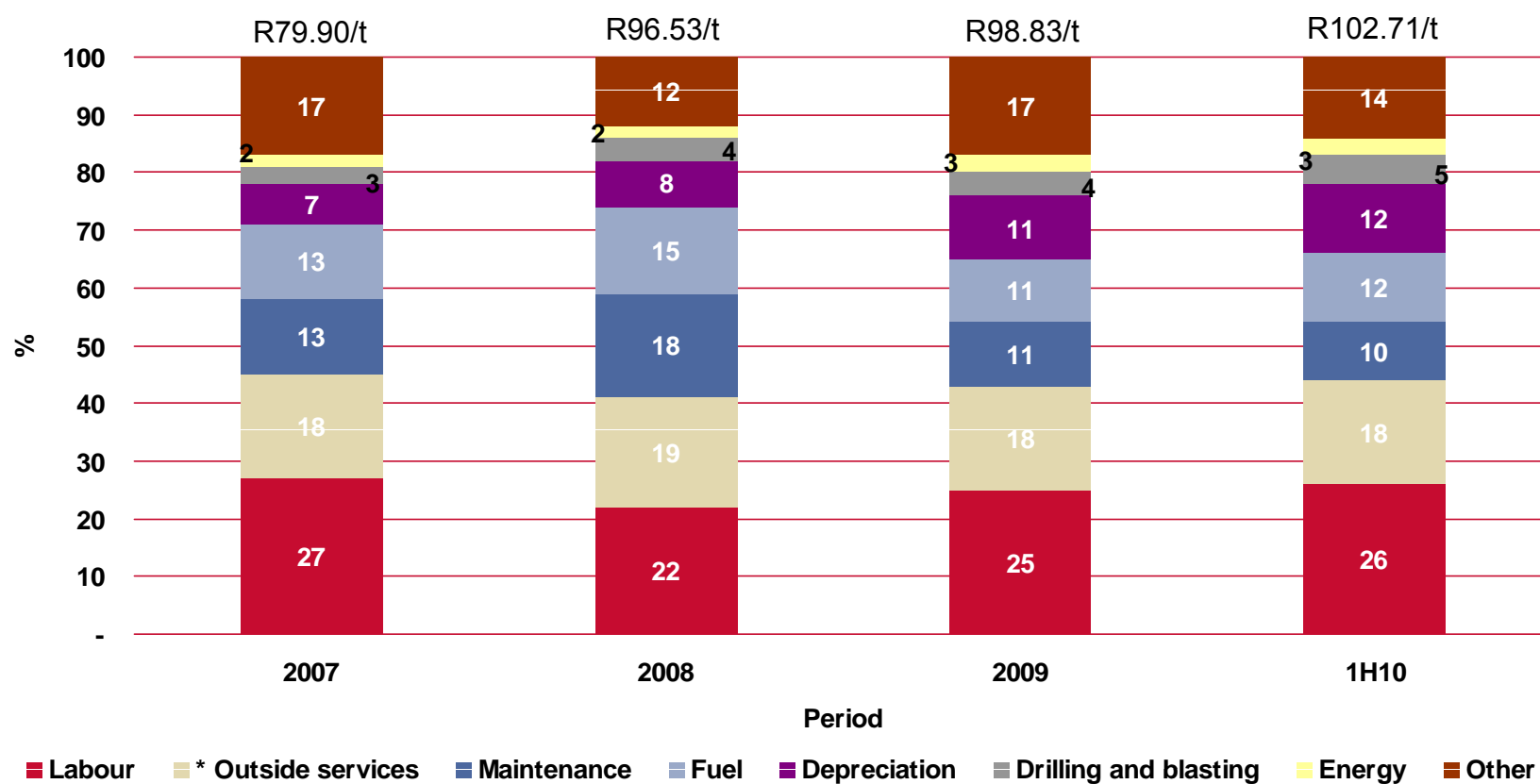
SISHEN MINE – EXPORT SALES 17% CAGR 2006-9

Mt	9M10	1H10	FY09	FY08	FY07	FY06	FY06 – FY09 CAGR (%)
Railed to port	25.1	18.2	34.6	27.8	24.6	24.3	13
Total sales	30.8	21.0	38.2	30.5	30.5	27.4	12
- Export	27.1	18.8	34.2	24.9	24.0	21.5	17
- Domestic	3.7	2.2	4.0	5.6	6.5	5.9	(12)



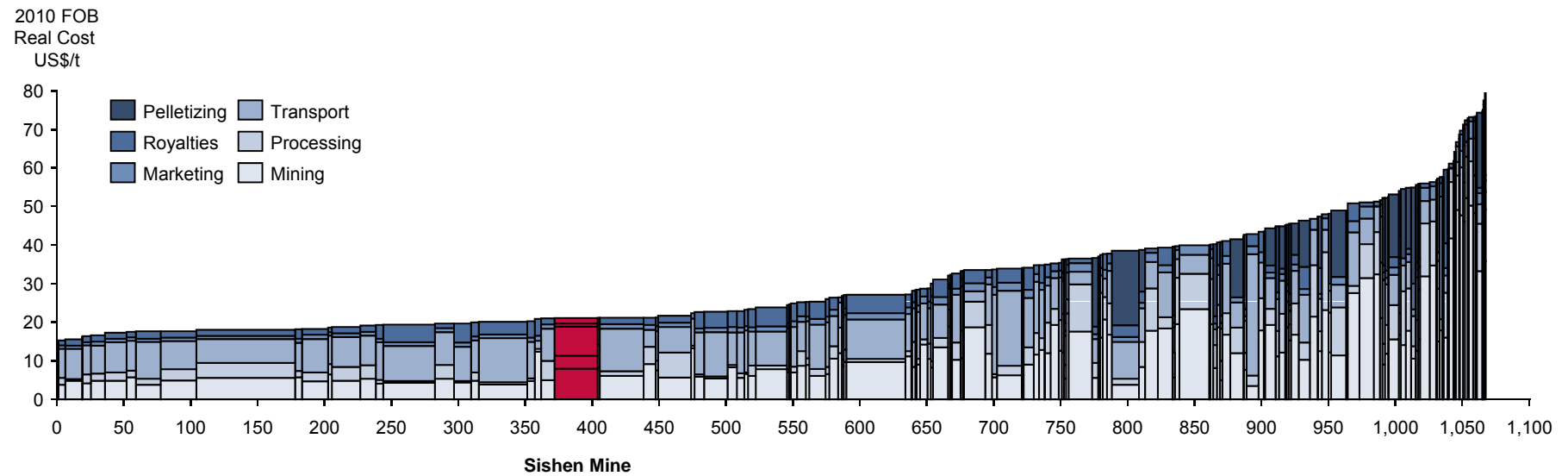
SISHEN MINE - % CONTRIBUTION TO UNIT COSTS

- Labour and mining contractor costs account for c.40 – 50% of Sishen Mine's unit cash costs



*Outside services comprises waste contract mining

SISHEN MINE – AMONGST THE LOWEST COST PRODUCERS



Source: AME 2010

OVERVIEW OF THABAZIMBI MINE



Geology

- Mining started in 1931 as an underground operation. Underground operation stopped in 1997
- Mining from 3 pits
- Ore body: 15Mt ore reserves → 5.5 year LOM (planned closure 2016)
- Lump to fine ratio of 42:58

Mining & Production

- Open pit mining operation using trucks and shovels
- Pre-stripping results in high strip ratio's which increased mining cost significantly
- Entire ROM beneficiated through
 - High yield Dense medium separation (DMS)
- Thabazimbi products:
 - 30mm 62% Fe lump
 - 8mm 62.5% Fe fine



Sales

- Supply agreement with AMSA to supply 2Mtpa domestically to Vanderbijlpark and Newcastle steel mills
- Cost +3% Management contract – managed through a joint Management Committee

Closure

- Phoenix project study progressing and is expected to be implemented in 2017 as a commercial mine as Thabazimbi reaches the end of its life
- Rehabilitation challenges – Extended slope rehabilitation due to steep (35°) slope angles



THABAZIMBI MINE – LOM EXTENDED TO 2016

Mt	9M10	1H10	FY09	FY08	FY07	FY06	CAGR (%)
Total tonnes mined	24.4	15	19.5	12.2	22.3	21.7	(4)
- Ore	1.8	0.9	3.1	2.8	3.3	3.1	–
- Waste	22.6	14.1	16.5	8.9	19.0	18.6	(4)
Production	0.7	0.8	2.5	2.7	2.7	2.4	1
Stripping ratio	12.6	15.7	5.3	2.8	5.8	6.0	(4)
Sales - domestic	1.7	0.9	1.8	2.5	2.4	2.4	(9)

OVERVIEW OF 9Mtpa KOLOMELA PROJECT



Overview

- Total mineral resource of 373Mt at 64.7% Fe
- Production of 9Mtpa of “Direct Shipping Ore” (DSO)
- Low cost mine expected to be within the lower half of the FOB cost curve
- LoM of 29 years with possibility of additional 3Mt of beneficiated product (requires a Phase 2 feasibility study)
- Production start 1H12, and full production by 2013

Safety

- 6.2 Million LTI free man-hours to date

Capital spend

- Cumulative cash flow to date is R4.5billion (\$600million) and forecasted to be completed within budget
- Capital cost forecast within budget of R8.5billion (\$1,017 million)

Construction

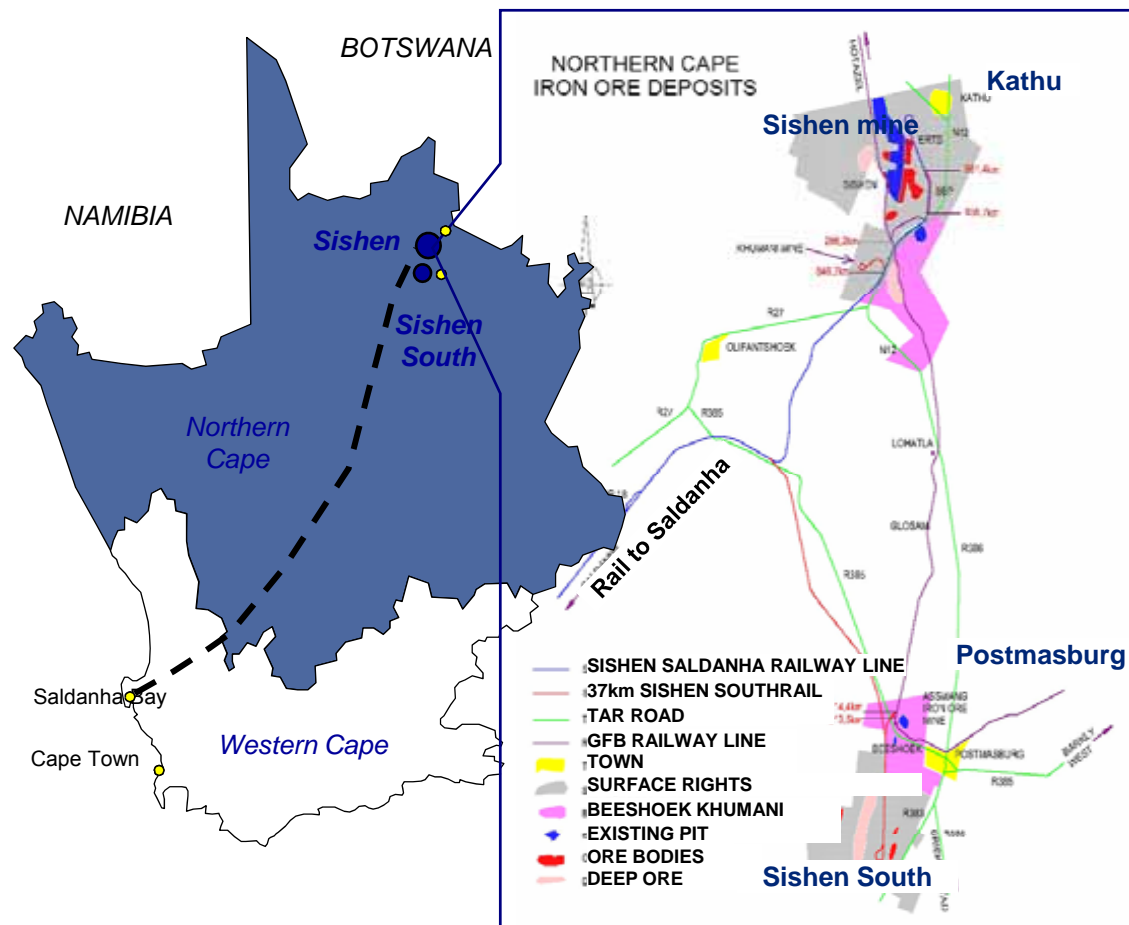
- Most of the long-lead equipment manufactured and ready for delivery
- Mining activity commenced with waste stripping (11.6mt removed to date, 19.2mt expected for 2010, 1.2Mt above target)
- 71.6% completed. On target. Major earthworks concluded.

Rail

- Kumba 15km portion progress on schedule. Major earthworks concluded and plate laying commenced.
- All land agreements for 36km Transnet rail concluded
- 36km private rail sidings and earthworks completed

KOLOMELA MINE

Map of Northern Cape Province



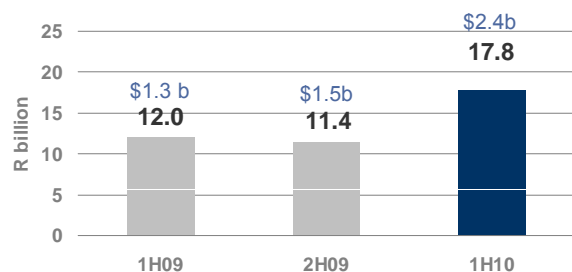
4.0

Financial performance 1H10

HIGHLIGHTS: A RECORD FINANCIAL PERFORMANCE

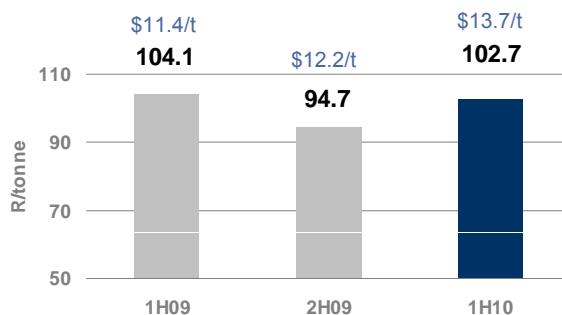
REVENUE

49% up to R17.8 billion



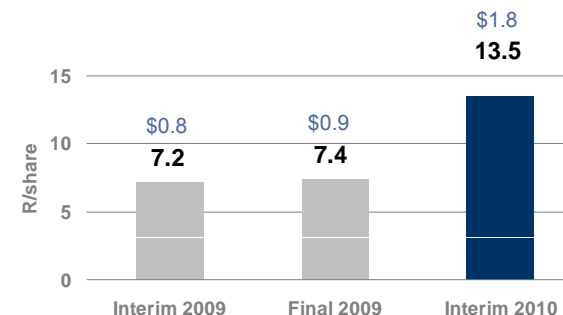
SISHEN MINE UNIT CASH COST

3.9% up from FY09 to
R102.71/tonne



INTERIM 2010 DIVIDEND

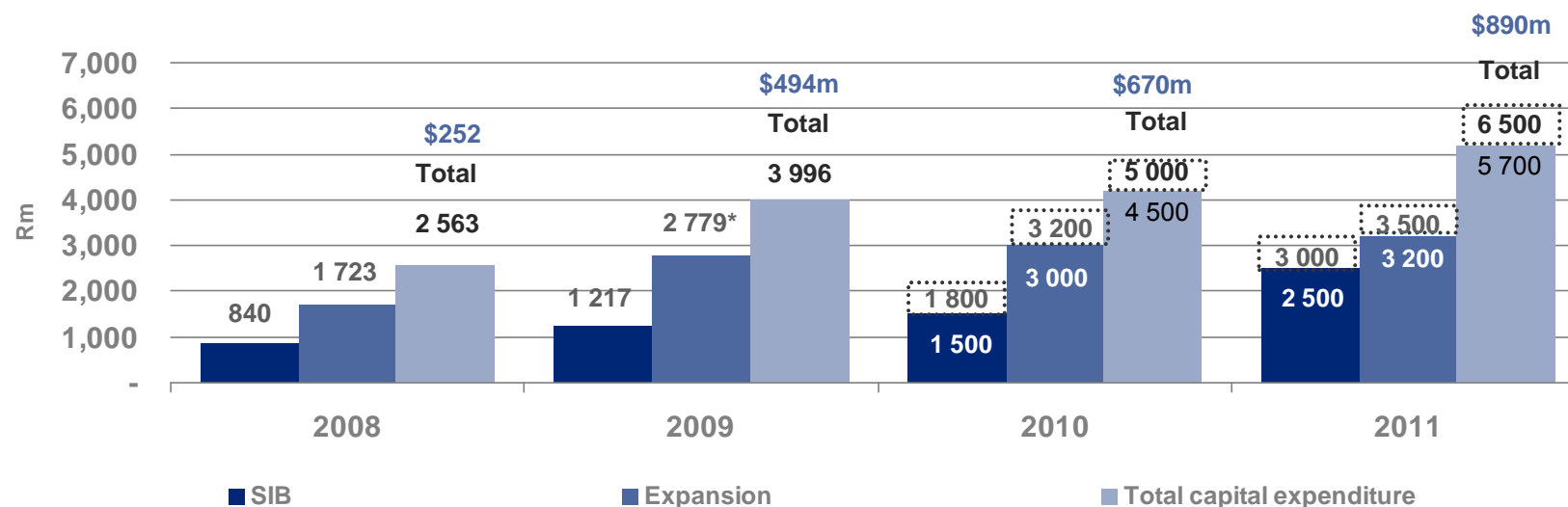
R13.50 per share



- Headline earnings R6.5 billion (R20.28 per share), 90% up year on year
- Operating profit of R11.2 billion generated; 64% up year on year
- Sishen Mine unit cash cost increase from FY09 held to less than 4%, at R102.71 per tonne
- Cash generated by operations: R9.5 billion
- Interim cash dividend of R13.50 per share declared (R4.3 billion)
- Over R1.2 billion operating profit benefit from Asset Optimisation and procurement

CAPITAL EXPENDITURE ANALYSIS

- 3% decrease in capital expenditure 1H10 vs 1H09 to R1.5 billion
- Stay in Business (SIB) capex of R233 million in 1H10
- Delivery of mining fleet required for increased waste stripping expected in 2H10
- Expansion capex of R1.2 billion in 1H10



* Includes R189 million operational expenditure capitalised on Kolomela (Sishen South) Project

GEARING

- Net debt position decreased – 86% more cash generated vs. 2H09
- Strong balance sheet: Net debt/equity at 6%
- Undrawn term facilities of R5.4 billion as at 30 June 2010
- Debt facilities:
 - R3.2 billion at 10.11% maturing in 2012
 - R5.4 billion at 9.48% maturing in 2013

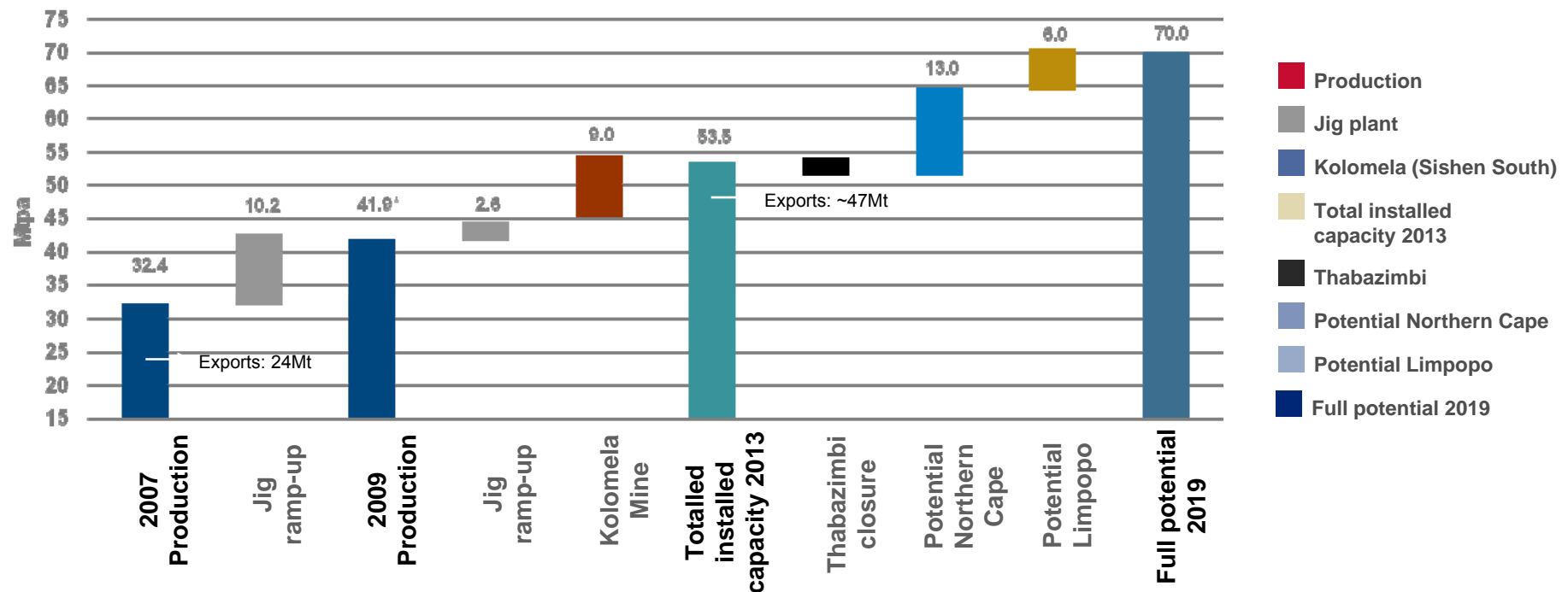
(Rm)	30 Jun 2010	30 Jun 2009	31 Dec 2009
Interest-bearing borrowings	3,182	5,540	3,914
Cash and cash equivalents	(2,264)	(5,157)	(891)
Net debt	918	383	3,023
Total equity	14,193	7,387	8,956
Interest cover (times)	53	51	43
Gross debt/equity (%) ⁽¹⁾	22	75	44
Gross debt/market capitalisation (%)	3.1	9.6	4.0

⁽¹⁾ Historical equity represents the earnings since listed in November 2006, and R464 million acquired on unbundling from Exxaro Resources

5.0 Project pipeline

PROJECT PIPELINE TO SUPPORT GROWTH STRATEGY

- Implementation of Kumba's full project pipeline could result in production of around 70Mt by 2019
- From 2007 Kumba expected to double exports and this is on track for c.47Mt by 2013



*Includes movement of (0.7)Mt from 2007-2009 in production excluding the Jig plant

6.0

Legal update

UPDATE ON MINERAL RIGHTS DISPUTE

Sishen Supply Agreement

- The dispute over the Sishen contract mining agreement with AMSA has been referred to arbitration
- An interim pricing agreement was concluded on 21 July 2010:
 - \$50/tonne FOR - Saldanha; maximum 125,000 tonnes per month
 - \$70/tonne FOR – Inland plants
 - Valid from 1 March 2010 to 31 July 2011 with no escalation
 - Maximum 520,000 tonnes per month; lump:fine ratio 73:27

21.4% residual mining rights

- SIOC has initiated a High Court Review to set aside the award of the prospecting rights to ICT
- Founding affidavits and supplementary affidavits have been filed by SIOC
- The Respondents are required to file Answering affidavits during November 2010
- Hearing anticipated to occur mid 2011

7.0

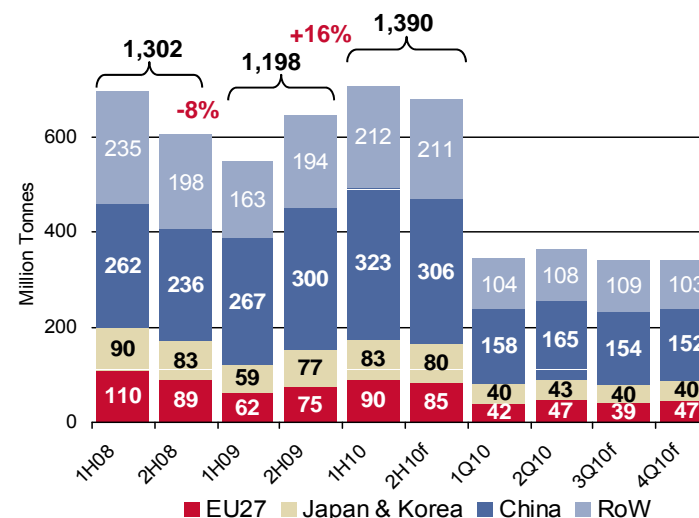
Iron ore market

IRON ORE: OUTLOOK IS ROBUST

- IMF-released economic indicators (Oct 2010) showing a slight slowing in global economic output in recent months
- Forecasted 629Mt crude steel production in China for 2010; expected to grow by 5-10% during 2011
- Domestic iron ore production in China in 2011 unlikely to grow beyond the 2010 level (~290Mt 62% Fe-rich equivalent)
- Additional demand for iron ore in China during 2011 to be sourced from seaborne supply, with RoW demand to maintain 2010 levels
- New iron ore projects expected to be approved in medium-term but long lead-times could result in effective deficit for number of years
- Supply deficit to support higher prices in medium-term

GLOBAL CRUDE STEEL PRODUCITON ABOVE PRE-'08 CRISIS LEVELS

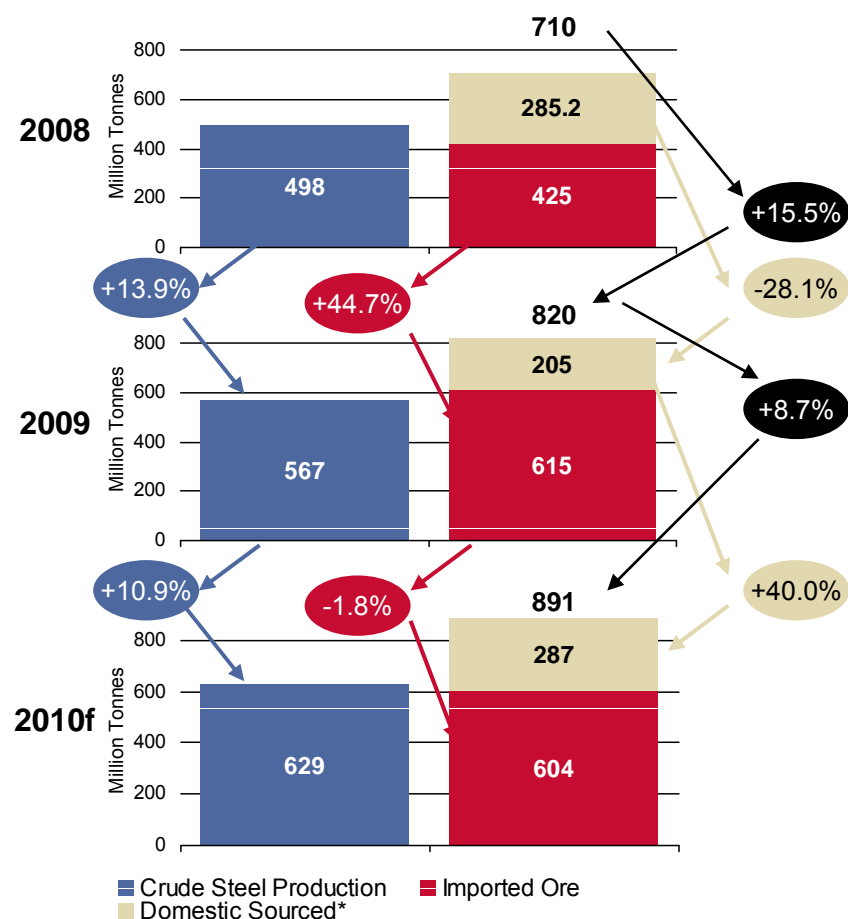
- Steel production in Kumba's traditional markets of Europe, Japan & Korea has almost recovered to pre-crisis levels
- China crude steel production in 2010 expected to show year on year growth, despite government-initiated economic "cool-down", power restrictions and de-stocking through the supply chain
- We expect iron ore prices CFR China in 4Q10 to remain flat versus previous quarters due to government imposed cool-down, but post-holiday and pre-winter restocking should support production levels



Global crude steel production

In Million Tonne	1H08	2H08	1H09	2H09	1H10	2H10f	1Q10	2Q10	3Q10f	4Q10f	2H10f vs. 1H10 (%)
Europe	110	89	62	75	90	85	42	47	39	47	-4.7%
Japan and Korea	90	83	59	77	83	80	40	43	40	40	-3.3%
China	262	236	267	300	323	306	158	165	154	152	-5.4%
Rest of World	235	198	163	194	212	211	104	108	109	103	-0.1%
Total World	697	605	551	647	707	683	344	363	342	341	-3.5%

CHINA CRUDE STEEL PRODUCTION & IRON ORE CONSUMPTION, 2008 - 2010f



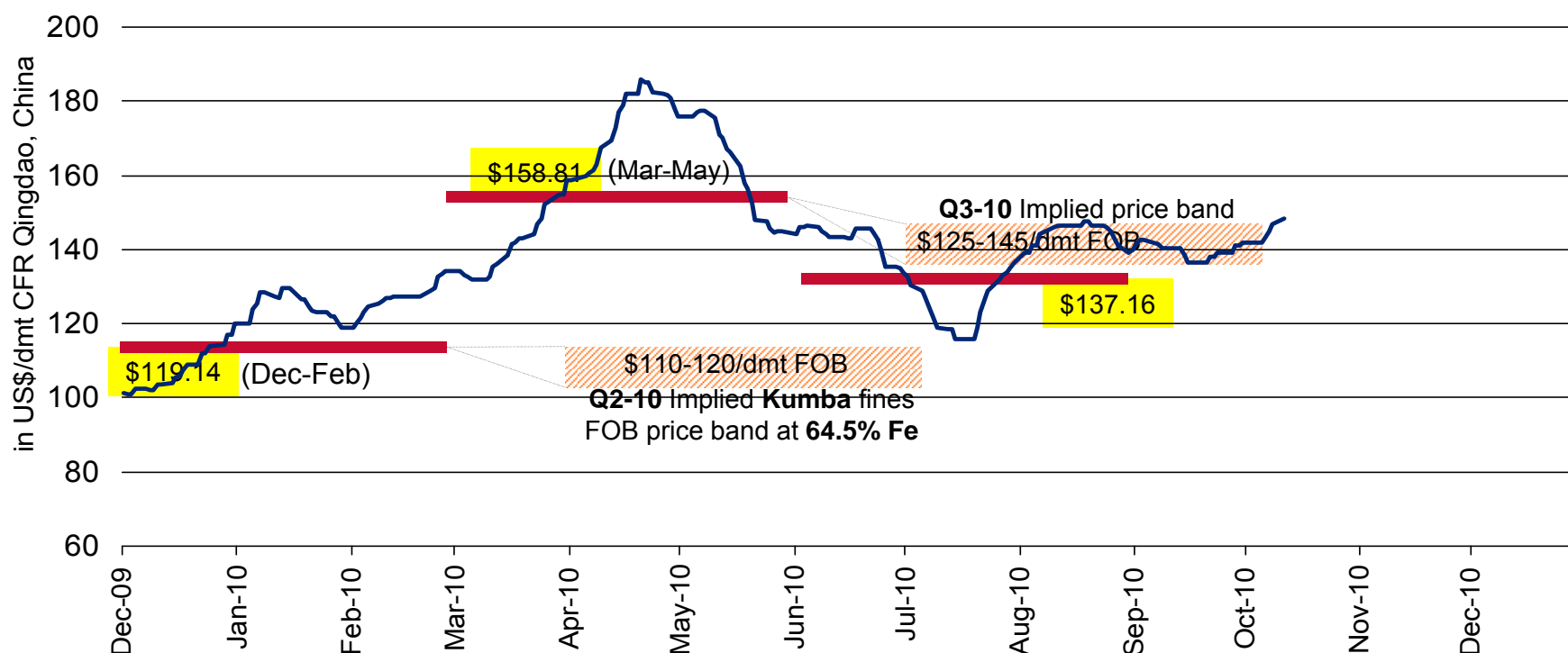
- Strong recovery in demand and an apparent collapse in Chinese domestic supply were the main reasons for the strong growth in 2009 in seaborne imports. On a 62% Fe basis, domestic supply fell by 28% in 2009 YoY
- Seaborne imports are forecast to drop by 2% in 2010 year on year as high spot price levels keep domestic material in the market
- Chinese domestic supply on a 62% “Rich ore” basis is, on current import & domestic pig iron production forecasts, set to account for 287Mt of apparent ore consumption in 2010, accounting for a +40% increase year on year
- 4Q10 brings a seasonal slowing in domestic ore production (winter cold) and could be replaced by increased Australian and Brazilian shipments in 3Q10

Source: WSA, Umetal, Kumba estimates

*Tonnes adjusted to rich-ore equivalent (@ 62% Fe), basis pig iron production and total imports & port stocks

PRICING TRENDS

- Quarterly price derived from 3-month average of Platts index, with or without 1 month lag
- Adjustment for Fe-content, freight, moisture content, quality factors, as well as lump and pellet premium, subject to negotiation
- Pricing mechanism constrained the market when implied quarterly benchmark price was significantly above index
- As Chinese production returned to peak levels, reliance on higher cost domestic ore increased, implementing a CFR equivalent price floor for iron ore to China



7.0 Outlook

OUTLOOK 2H10

Production

- Committed to 5% increase in volumes from Sishen Mine for full year
- Jig Plant expected to deliver 12.5-13Mt
- Waste mined at Sishen Mine to increase 25% year-on-year for FY10

Sales volumes

- Marginal increase in export volumes vs. 2009 as domestic volumes increase
- 2H10 unlikely to match 1H10 due to low stocks at port and Transnet annual shutdown
- China to remain at c.60% of geographic sales mix
- Temporary slow down expected in Chinese steel production and iron ore imports
- The momentum of the recovery of Kumba's traditional markets is slowing

Profitability

- Considerable uncertainty around the future pricing mechanism and price level for iron ore
- Increased waste mining to put upward pressure on cash unit costs
- Operating profit remains highly sensitive to the Rand/US\$ exchange rate
- Continued focus on safety, production, sales and cost management

8.0

Questions and Answers