

KUMBA IRON ORE LIMITED

2011 Annual results presentation

Real Mining. Real People. Real Difference



AngloAmerican

KUMBA IRON ORE

Proudly delivering on our promises.

First ore leaving Kolomela mine for Saldanha

DISCLAIMER

Certain statements made in this presentation constitute forward-looking statements. Forward-looking statements are typically identified by the use of forward-looking terminology such as 'believes', 'expects', 'may', 'will', 'could', 'should', 'intends', 'estimates', 'plans', 'assumes' or 'anticipates' or the negative thereof or other variations thereon or comparable terminology, or by discussions of, e.g. future plans, present or future events, or strategy that involve risks and uncertainties. Such forward-looking statements are subject to a number of risks and uncertainties, many of which are beyond the Company's control and all of which are based on the Company's current beliefs and expectations about future events. Such statements are based on current expectations and, by their nature, are subject to a number of risks and uncertainties that could cause actual results and performance to differ materially from any expected future results or performance, expressed or implied, by the forward-looking statement. No assurance can be given that such future results will be achieved; actual events or results may differ materially as a result of risks and uncertainties facing the Company and its subsidiaries. The forward-looking statements contained in this presentation speak only as of the date of this presentation and the Company undertakes no duty to, and will not necessarily, update any of them in light of new information or future events, except to the extent required by applicable law or regulation.

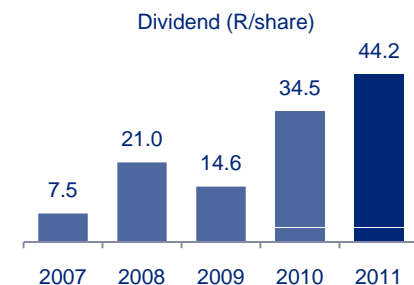
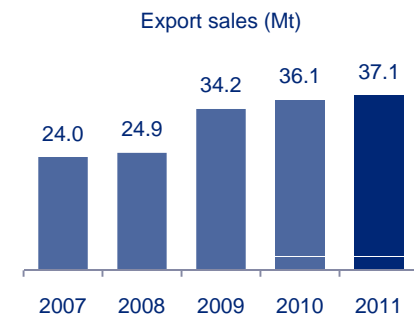
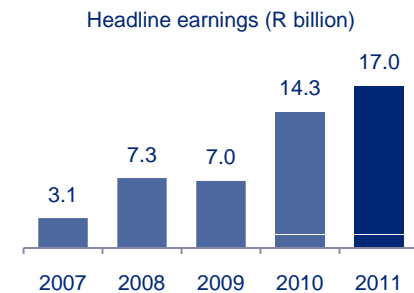


PERFORMANCE OVERVIEW

KEY FEATURES – 2011

Record: safety, exports, earnings and dividends

- Exceptional safety performance
- Headline earnings of R17 billion, up by 19%; R53.13 per share
- Record export sales volumes of 37.1Mt despite production challenges at Sishen mine
- R21 billion paid to shareholders which included:
 - R17.9 billion paid in dividends
 - R2.7 billion capital returned to employees through Envision phase 1
- R8.7 billion paid to South African government
- Kolomela mine delivered five months ahead of schedule and within budget
- Judgment on High Court Review delivered

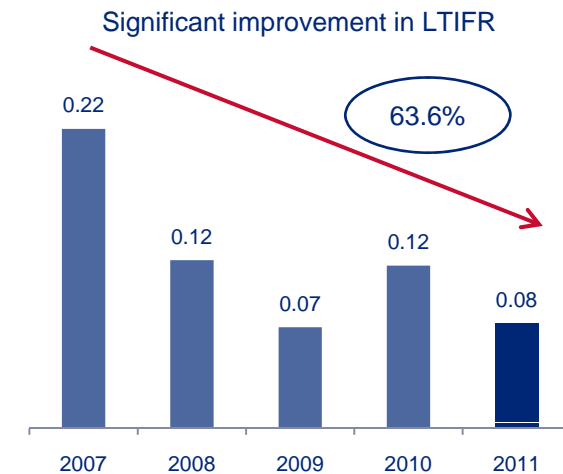


SAFETY, HEALTH AND ENVIRONMENT

Record safety performance

SAFETY

- No loss of life in 2011 for the first time since Kumba's listing
- LTIFR improved by 33% from 0.12 in 2010 to 0.08
- Kolomela achieved 22 million fatality-free and LTI-free man hours
 - 23 months without any lost-time injury
- Aggressive focus on fatal risk prevention

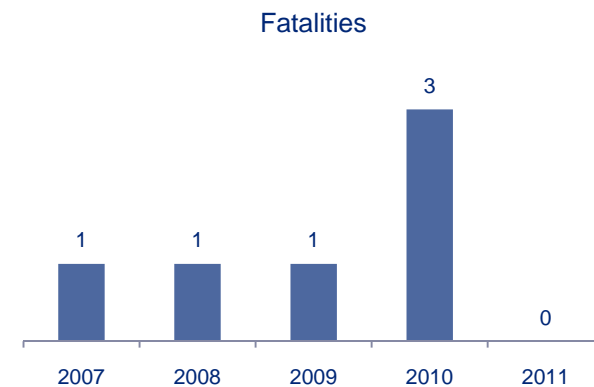


HEALTH

- Raised profile on health with focus on reducing exposure to noise and dust
- Continued improvement in HCT participation

ENVIRONMENT

- Continued commitment to reduction targets for energy consumption, CO₂ emissions and water use





OPERATIONAL REVIEW

SISHEN MINE

Better 2H11 but not sufficient to catch up on production

- Planned increase in waste mined, up by 17% Y-on-Y to 119.0Mt; stripping ratio increased to 2.6x
- Sishen mine's production decreased by 6% to 38.9Mt
 - DMS plant production decreased by 9% to 25.4Mt owing to mining feedstock constraints
 - Jig plant production increased by 2% to 13.5Mt - in excess of design capacity

Mt	12 months 31 Dec 2011	12 months 31 Dec 2010	% change	6 months 31 Dec 2011	6 months 30 Jun 2011	% change
Total tonnes mined	165.0	153.2	8%	88.3	76.7	15%
– Waste mined	119.0	102.0	17%	67.2	51.8	30%
– ROM production	46.0	51.2	(10%)	21.1	24.9	(15%)
Production	38.9	41.3	(6%)	20.3	18.6	9%
– DMS plant	25.4	28.0	(9%)	13.1	12.3	7%
– Jig plant	13.5	13.3	2%	7.2	6.3	14%
Stripping ratio*	2.6	2.0		3.2	2.1	
Finished product inventory (closing)	1.1	4.7		1.1	4.9	

*Waste tonnes mined / ex-pit ore

THABAZIMBI MINE

LOM remains 2016

- Waste mined increased by 33% to 44.2Mt as development of the last new pit progressed
- Production down by 55% to 0.9Mt; planned as mine nears end of life, and unplanned due to production difficulties
- Domestic sales down by 30% to 1.4Mt, due to AMSA's reduced off-take
- Minimal contribution to Kumba's profit
- Project Phoenix will replace production from Thabazimbi mine beyond 2016

Mt	12 months 31 Dec 2011	12 months 31 Dec 2010	% change	6 months 31 Dec 2011	6 months 30 Jun 2011	% change
Total tonnes mined	45.9	35.2	30%	21.6	24.3	(11%)
– Waste mined	44.2	33.2	33%	20.7	23.5	(12%)
– ROM production	1.7	2.0	(15%)	0.9	0.8	(13%)
Production	0.9	2.0	(55%)	0.4	0.5	(20%)
Sales – domestic	1.4	2.0	(30%)	0.3	1.1	(73%)
Stripping ratio	26.0	16.6		23.0	29.4	
Finished product inventory (AMSA)	0.7	1.2	(42%)	0.7	0.5	40%

KOLOMELA MINE

Delivered five months ahead of schedule with record safety performance

- Record safety performance
- Delivered five months ahead of schedule due to excellent performances by Kumba and Transnet
- Successfully commissioned during 2011; delivered production of 1.5Mt
- First ore shipped to China and Europe in December
- R7.0 billion of capex spent to date
 - 420 houses still to be built, additional mining equipment to be delivered and production ramp up facilitated
- On track to produce between 4Mt and 5Mt while ramping up in 2012, and 9Mtpa from 2013

Mt	12 months 31 Dec 2011	12 months 31 Dec 2010	% change	6 months 31 Dec 2011	6 months 30 Jun 2011	% change
Total tonnes mined	34.6	18.6	86%	19.3	15.3	26%
– Waste mined	30.3	18.6	63%	15.6	14.7	6%
– ROM production	4.3	-	-	3.7	0.6	-
Production	1.5	-	-	1.5	-	-
Stripping ratio	7.1	-	-	4.2	-	-

LOGISTICS AND SALES

Record volumes railed and exported

- Record tonnes of 39.1Mt railed to port by Transnet, up by 7%
- Total sales increased by 1% to 43.5Mt; supplemented by stockpiles
- Record export sales volumes, up 3% to 37.1Mt

Mt	12 months 31 Dec 2011	12 months 31 Dec 2010	% change	6 months 31 Dec 2011	6 months 30 Jun 2011	% change
Railed to port	39.1	36.5	7%	19.6	19.5	1%
– Sishen mine (incl. Saldanha Steel)	38.7	36.5	6%	19.2	19.5	(2%)
– Kolomela mine	0.4	-	-	0.4	-	-
Total sales	43.5	43.1	1%	21.4	22.1	(3%)
– Export	37.1	36.1	3%	18.7	18.4	2%
– Domestic	6.4	7.0	(8%)	2.7	3.7	(27%)
– Sishen mine	5.1	5.0	2%	2.5	2.6	(4%)
– Thabazimbi mine	1.3	2.0	(35%)	0.2	1.1	(82%)
Finished product inventory at ports (closing)	3.0	2.1	43%	3.0	2.7	11%
– Saldanha	1.3	0.9	44%	1.3	1.1	18%
– Qingdao	1.7	1.2	42%	1.7	1.6	6%

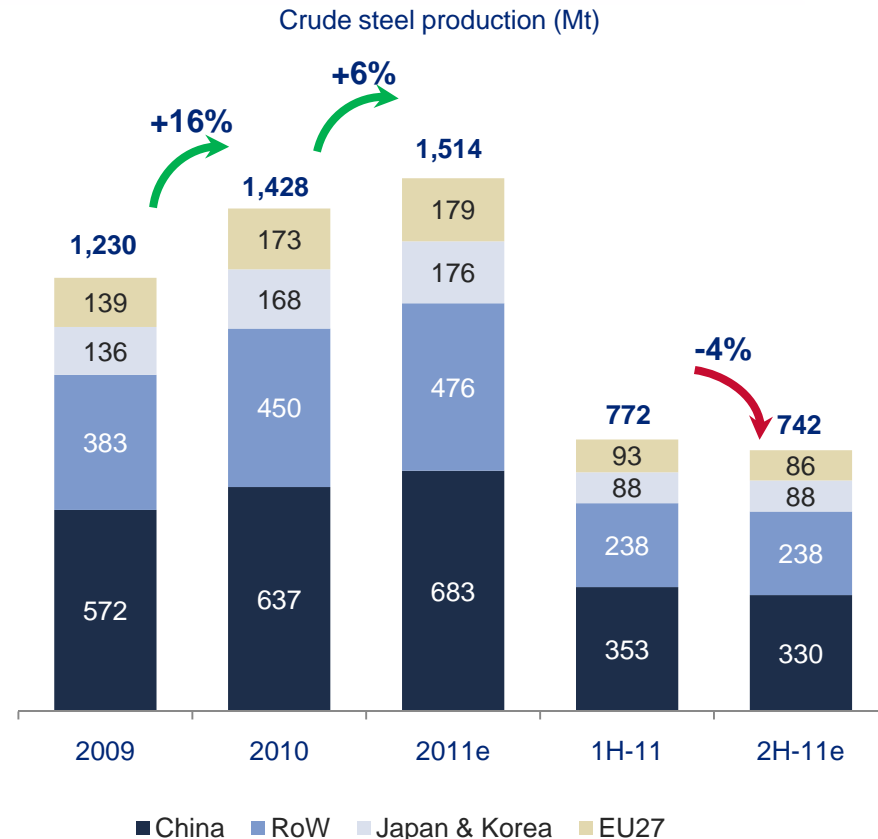


MARKET PERFORMANCE

MARKET PERFORMANCE

Global 2011 crude steel production – Strong start but weaker finish

- Global crude steel production **up** by 6% in 2011 as a whole...
 - + 7% in China
 - + 4% in Kumba’s traditional markets (EU, Japan, Korea)
- ...but **down** 4% in 2H11 vs. 1H11
 - - 6% in China
 - - 4% in EU, Japan, Korea
- 2011 started strong but ended weak
 - BF closures in EU due to weak demand
 - Small Y-on-Y growth in Japan and Korea as Korean growth offset Japanese declines
 - Annualised production in China slowed at the end of 4Q11



Source: WSA, GMO Analysis

MARKET PERFORMANCE

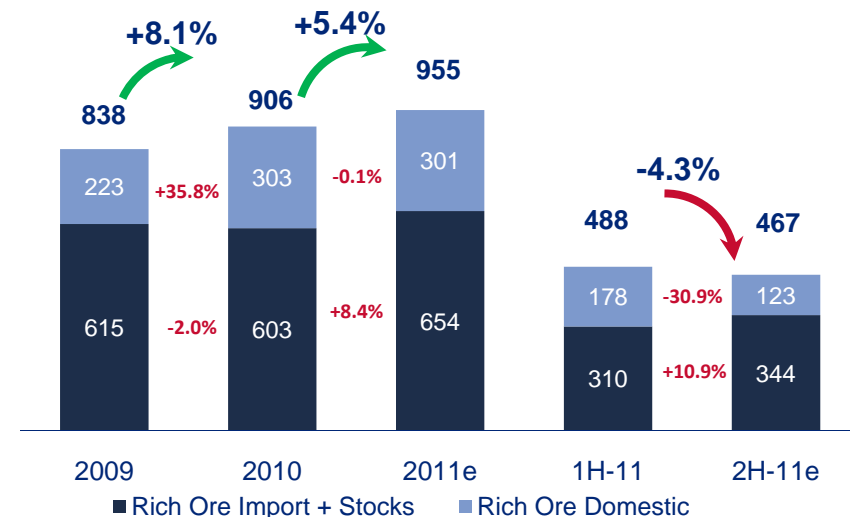
Global seaborne exports – Strong second half

- Global seaborne iron ore exports **up** by 7% Y-on-Y, in line with global crude steel production...
 - Strong growth from Australia (+10%) and non-traditional sources (Iran, Indonesia, Vietnam, + 27%)
 - Modest growth from Brazil (+ 6%)
 - Sharp decline from India (-18%)
- ...and **up** 10% in 2H11 vs. 1H11
 - Brazil and Australia recovered strongly from weather disruptions in 1H11 (+21%)
 - India fell sharply due to political constraints (-44%)
- Chinese domestic ore supplemented seaborne imports, balancing Chinese supply and demand, and underpinning prices
 - 178Mt* in 1H11
 - Falling to 123Mt* in 2H11 as Australian and Brazilian exports increased and iron ore prices declined
 - Chinese domestic ROM production grew strongly, up by 24% Y-on-Y, but grades continued to fall

Global seaborne iron ore exports*

	1H11	2H11e	HoH	2010	2011e	Y-on-Y
	in Mt			in Mt		
	%			%		
Brazil	157	196	+25	332	353	+6
Australia	203	240	+18	402	442	+10
India	57	32	-44	109	89	-18
S. Africa	29	26	-10	51	55	+8
RoW	59	64	+8	97	123	+27
Total	505	558	+10	991	1,063	+7

Chinese iron ore imports versus implied use of domestic ore* (Mt)



* Rich ore equivalent

Source: WSA, GTIS, CNBS, EUROSTAT, GMO Analysis

MARKET PERFORMANCE

Strong export prices – easing in final quarter

- **Record prices in 1H11**
 - Crude steel production up 7% Y-on-Y
 - Seaborne exports up ‘only’ 4% Y-on-Y
- **Prices eased in 2H11**
 - Combination of lower steel prices, crude steel production and higher seaborne supplies
 - Higher seaborne supply reduced the need for high-priced Chinese domestic ore
 - 62% Fe index fell by 35% in six-week period from mid-September to end-October, but stabilised towards year end
- Pricing mechanisms adapted in China and Europe from a lagging quarter mechanism

Source: Kumba Iron Ore

Export sales and prices

	1H11	2H11	Total
Total export sales (Mt)	18.4	18.7	37.1
- Contract (%)	71	77	73
- Spot (%)	29	23	27
Average FOB price received (US\$/tonne)	169	149	159
Average Platts freight rate (US\$/tonne)	13	18	15

Export sales geographical split

%	2009	2010	2011
Europe and MENA	11	17	14
Japan and Korea	14	22	18
China	75	61	68
Total	100	100	100

Volumes shipped

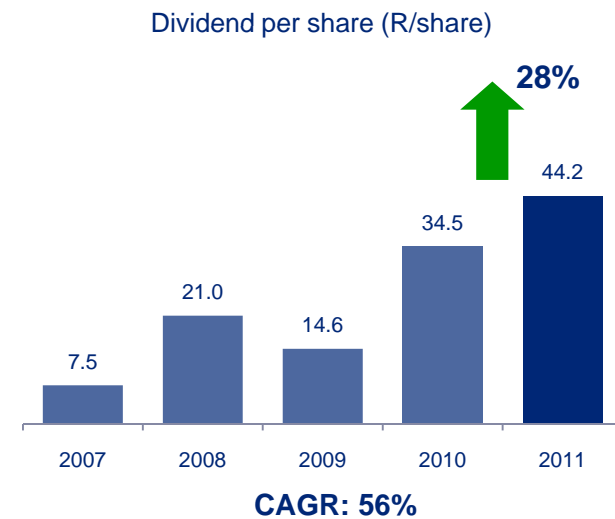
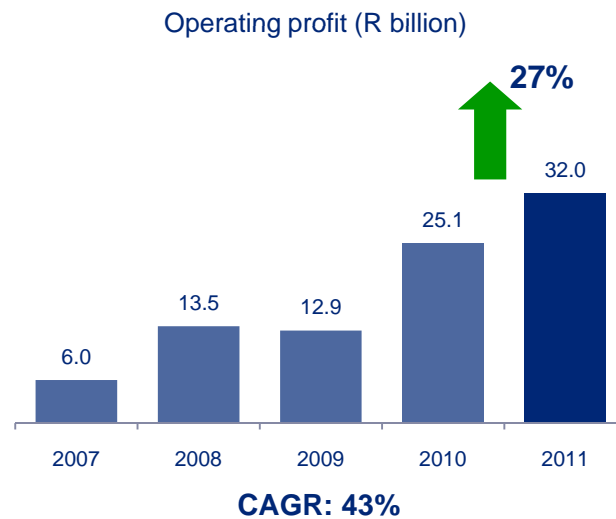
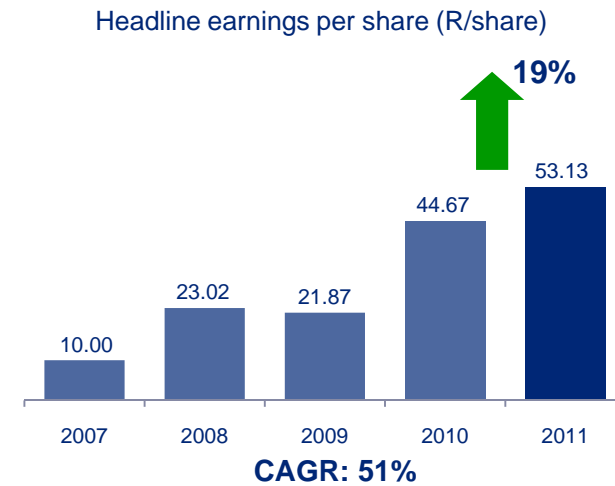
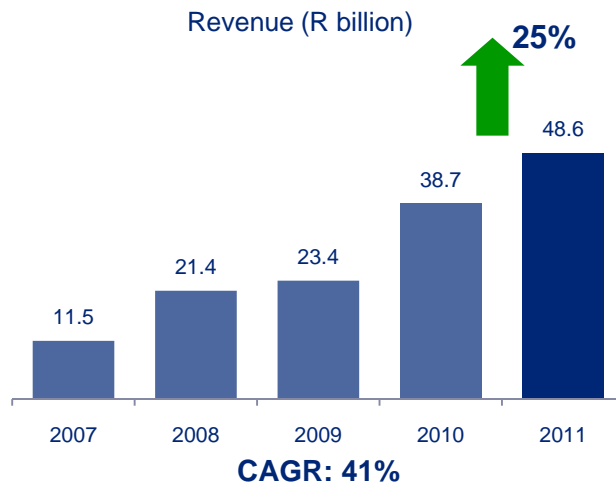
Mt	2009	2010	2011
Total Kumba ore shipped	34.8	36.8	37.7
Total shipped by Kumba	21.6	18.7	21.7



FINANCIAL REVIEW

FINANCIAL REVIEW

Excellent financial performance



FINANCIAL REVIEW

Headline earnings up 19%

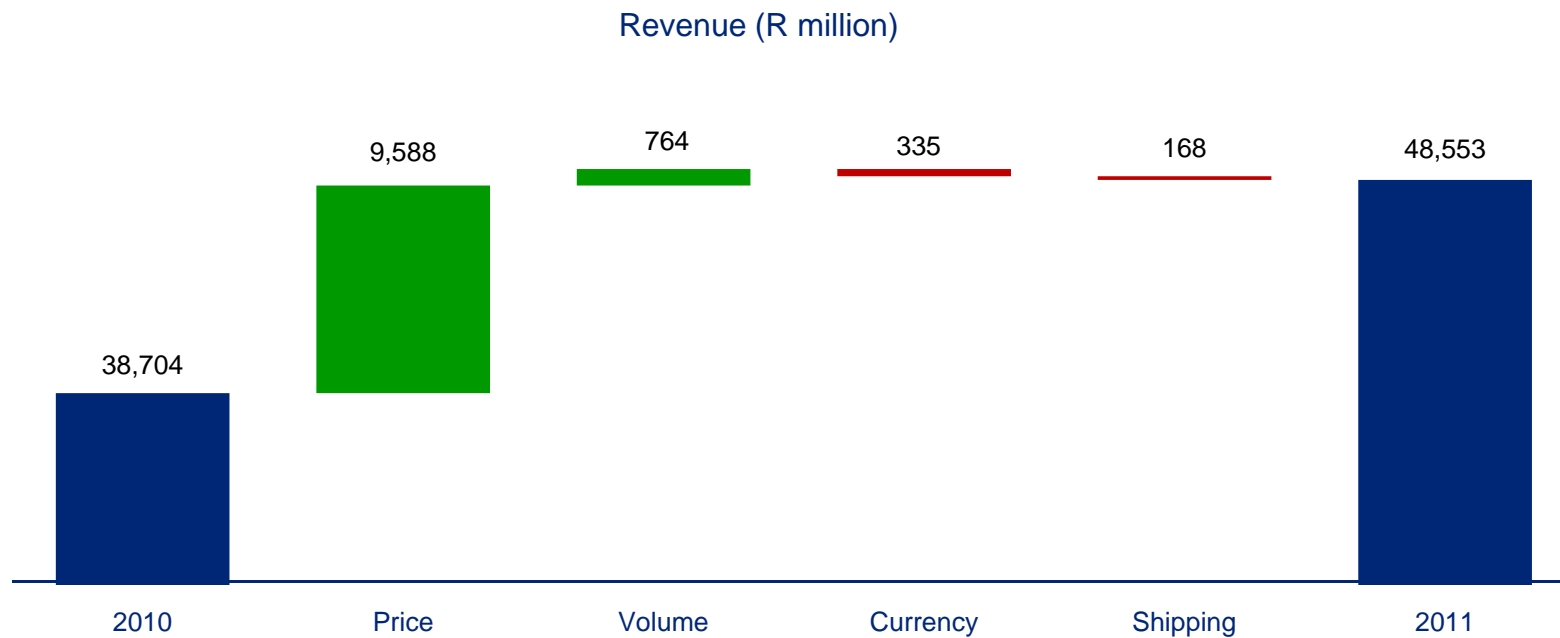
Rand million	12 months 31 Dec 2011	12 months 31 Dec 2010	% change	6 months 31 Dec 2011	6 months 30 Jun 2011	% change
Revenue	48,553	38,704	25%	24,487	24,066	2%
Operating expenses	(16,587)	(13,573)	22%	(9,438)	(7,149)	32%
Operating expenses (excl. royalty)	(14,825)	(12,163)	22%	(8,518)	(6,307)	35%
Mineral royalty	(1,762)	(1 410)	25%	(920)	(842)	9%
Operating profit	31,966	25,131	27%	15,049	16,917	(11%)
Operating margin (%)	66%	65%		61%	70%	
Profit attributable to:	22,298	18,289	22%	10,462	11,836	(12%)
Equity holders of Kumba	17,042	14,323	19%	7,990	9,052	(12%)
Non-controlling interest	5,256	3,966	33%	2,472	2,784	(11%)
Headline earnings	17,048	14,329	19%	7,987	9,061	(12%)
Effective tax rate (%)*	25%	24%		25%	25%	
Cash generated from operations	32,631	25,555	28%	18,644	15,037	24%
Capital expenditure	5,849	4,723	24%	3,951	1,898	108%

* Excluding Secondary Taxation on Companies (STC) and the mineral royalty

FINANCIAL REVIEW

Revenue record: Stronger export prices

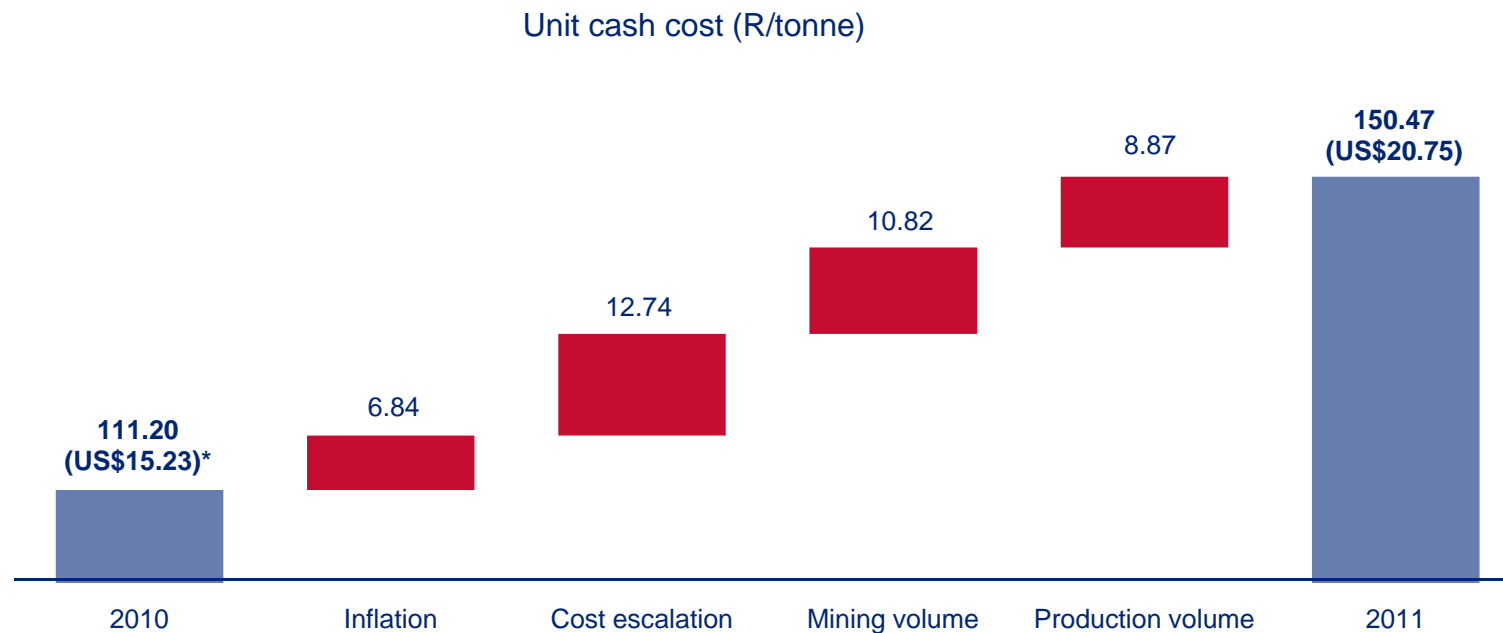
- Revenue up 25% to R48.6 billion, driven by
 - Weighted average increase of 26% in export prices
 - 3% or 1Mt increase in export sales volumes
 - Offset by the strengthening Rand/US Dollar exchange rate (2011:R7.25; 2010: R7.30)



FINANCIAL REVIEW

Sishen mine unit cash cost: Input cost pressure and lower production

- Unit cash cost increased by 35% Y-on-Y to R150/tonne
 - Above inflationary cost escalations in input costs (R12.74/tonne), of which diesel comprised R7.00/tonne
 - Planned 17% increase in waste mining volumes (R10.82/tonne)
 - 6% decrease in production volumes (R8.87/tonne)

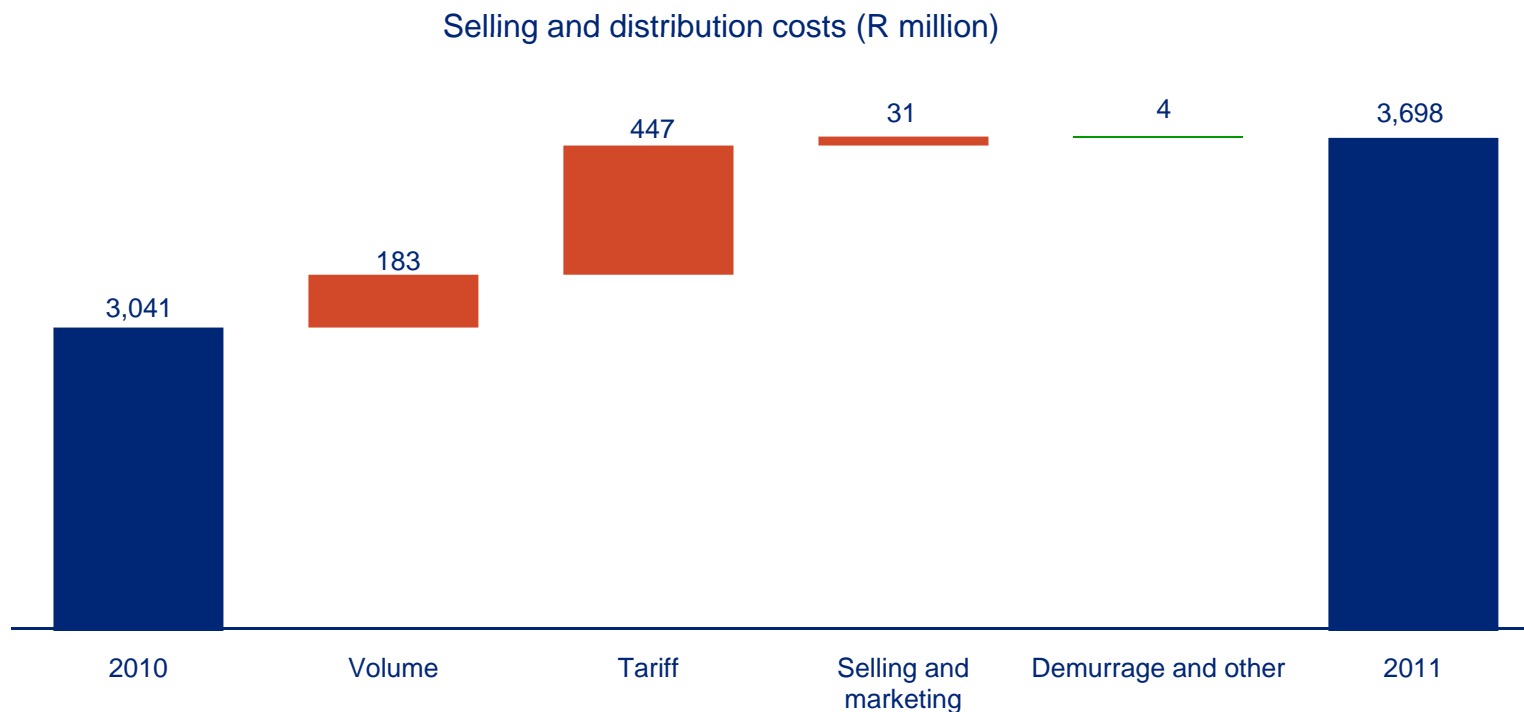


* The 2010 unit cash cost was restated to take into account non-cash share-based payment expenses

FINANCIAL REVIEW

Selling and distribution costs: Record volumes moved

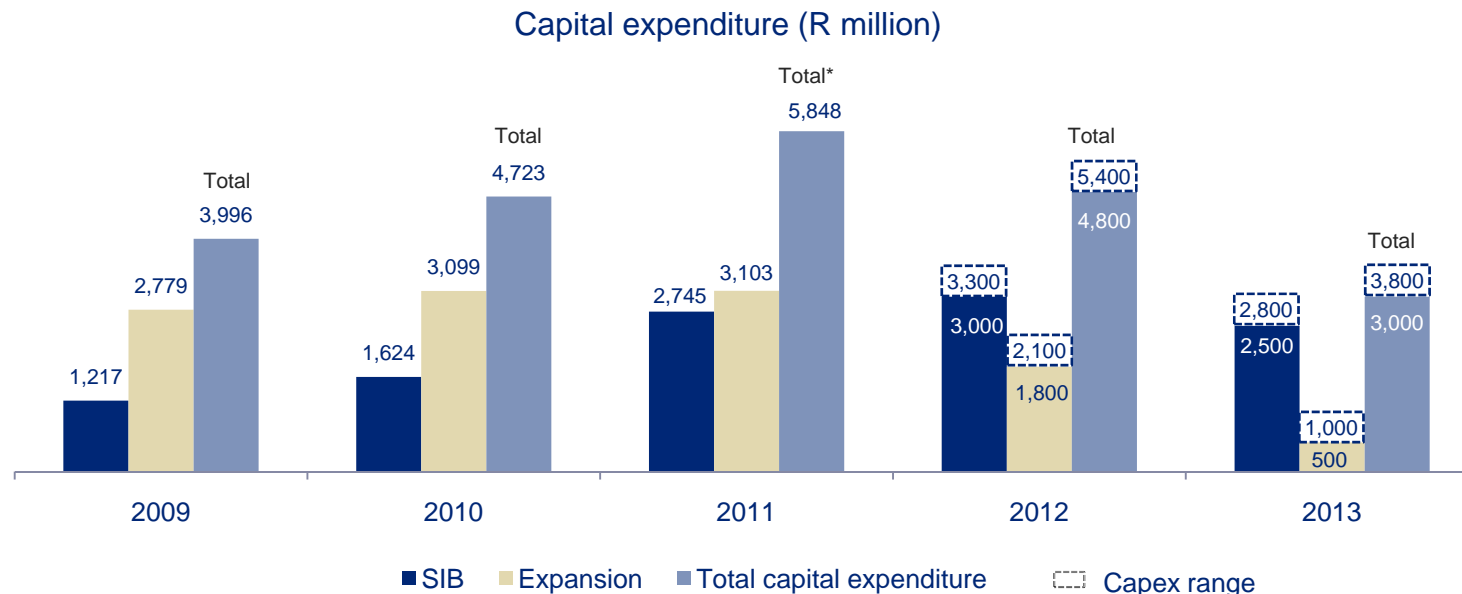
- 22% increase in selling and distribution costs
 - 7% increase in volumes railed on Sishen-Saldanha export channel to record 39.1Mt
 - 3% increase in volumes shipped from Saldanha port to 37.6Mt
 - Increase in rail and port tariffs, driven by:
 - ~9% annual tariff escalation
 - 4.1Mt railed at super tariff
 - 0.4Mt railed from Kolomela mine



FINANCIAL REVIEW

Capital expenditure analysis

- 24% Y-on-Y increase in capital expenditure to R5.8 billion
 - Expansion capex of R3.1 billion
 - Stay-in-business (SIB) capex of R2.7 billion
- Capex peaked in 2011 as construction of Kolomela nears completion
- Sishen Westerly Expansion Project commenced in 2011; R1.2 billion project capex
- SIB capex of some ~R3 billion for 2012 and 2013, mainly due to:
 - Sishen mining fleet replacement and associated infrastructure

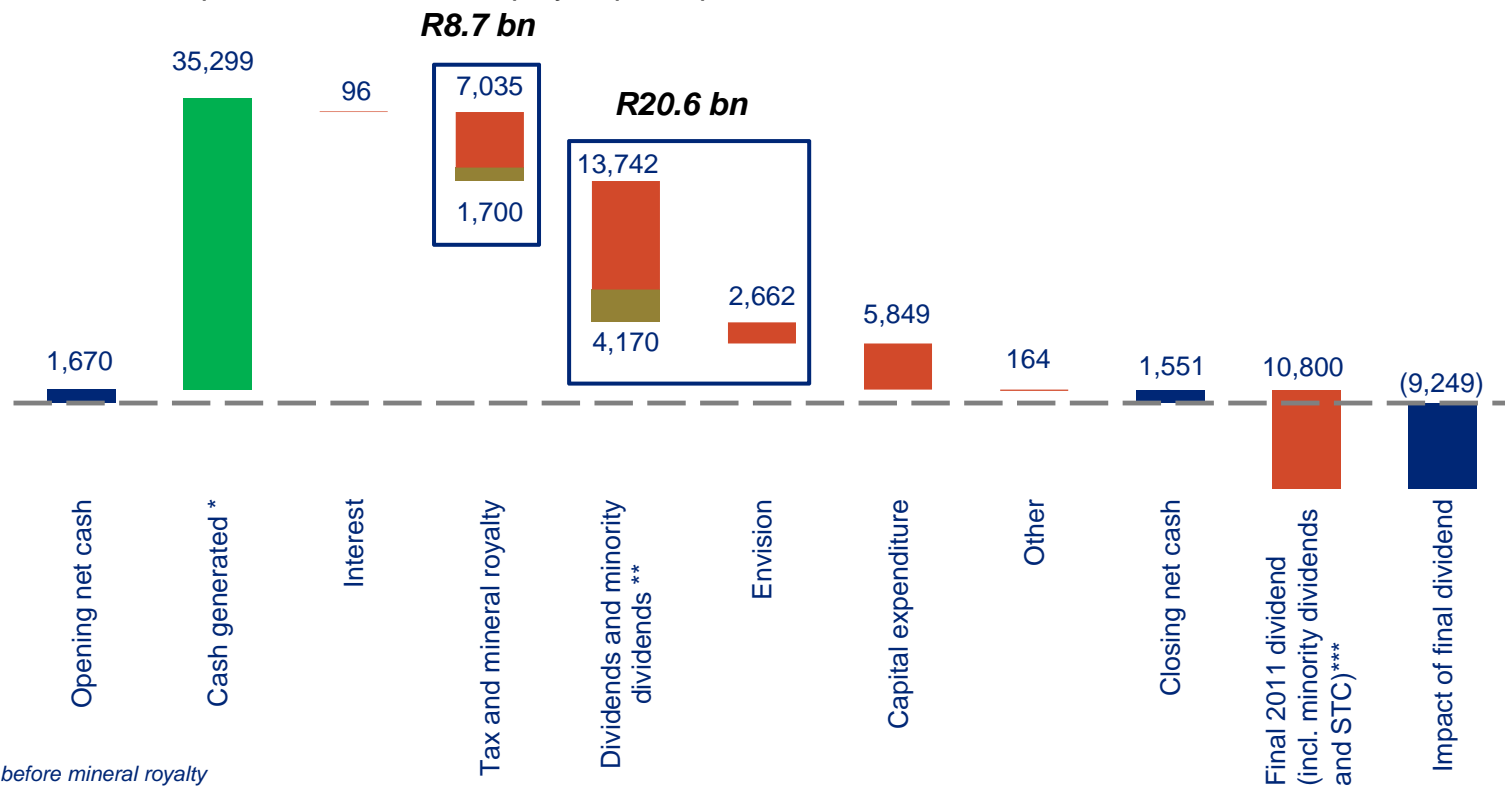


* Includes R953 million (2010: R604 million; 2009: R189 million) capitalised mining operating expenses – Kumba ceased capitalisation of operating expenses on Kolomela mine on 1 December 2011 when the mine achieved commercial production

FINANCIAL REVIEW

Cash flow variance: Substantial cash returns to stakeholders

- 31% increase in cash generated Y-on-Y to R35.3 billion (before mineral royalty of R1.7 billion)
- R8.7 billion paid to the South African government
- R20.6 billion returned to shareholders via cash dividends, including
 - R4.2 billion dividend flow to BEE shareholders
 - R2.7 billion Envision capital distribution to employee participants



* Cash generated before mineral royalty

** Dividends paid 2011 consist of the final cash dividend for 2010 of R21.00/share (R6.7 billion) and the interim dividend for 2011 of R21.70/share (R7.0 billion)

*** The final SIOC and Kumba dividends were declared after 31 December 2011 and are included for information purposes only

FINANCIAL REVIEW

Gearing

- Strong balance sheet; net cash position of R1.6 billion
- R3.2 billion term facility maturing in 2012 – alternative funding options being considered

Rand million	12 months 31 Dec 2011	12 months 31 Dec 2010
Interest-bearing borrowings	3,191	3,185
Cash and cash equivalents	(4,742)	(4,855)
Net cash	(1,551)	(1,670)
Total equity	20,592	18,376
Interest cover (times)	206	77
Gross debt/equity (%)	15%	17%
Gross debt/market capitalisation (%)	2%	4%

FINANCIAL REVIEW

SIOC dividend: Realising essential empowerment in SA

- BEE shareholders have received R13.6 billion* in dividends since inception five years ago
 - R852 million paid to our communities
 - Our employees received R374 million, after loan repayment
- Exxaro Resources has received R10.4 billion

Rand million	2011	2010	2009	2008	2007
Gross dividend declared by SIOC	21,192	15,381	6,925	9,928	3,630
STC	1,926	1,399	630	888	364
Dividend declared by SIOC	19,266	13,982	6,295	9,040	3,266
- Kumba	14,250	10,348	4,658	6,690	2,417
- Exxaro	3,851	2,796	1,259	1,808	653
- SIOC Community Development Trust	578	419	189	271	98
- Envision (Employee share ownership scheme)	587	419	189	271	98
Dividend cash flows to BEE shareholders**	4,170	1,876	1,811	1,076	392
- Exxaro	3,516	1,810	1,744	1,036	374
- SIOC Community Development Trust	527	4	8	8	7
- Envision (Employee share ownership scheme)	127	62	59	32	11

* Including the 2011 final dividend

** Dividend cash flows in 2011 consist of the final cash dividend for 2010 and the interim dividend for 2011

FINANCIAL REVIEW

Kumba dividend

- Total shareholder return of R119/share in 2011
 - Capital growth to R500/share at 31 December 2011 (2010: R425/share)
 - Total dividend of R44.20/share (Final 2011 dividend: R22.50/share)
- 2011 dividend cover of 1.2
- Cash dividend sustained through continued global economic uncertainties

	Total dividend 2011	Final dividend 31 December 2011	Interim dividend 30 June 2011	Total dividend 2010	Total dividend 2009
Earnings per share (Rand per share)	53.11	24.88	28.23	44.66	21.94
Dividend per share (Rand per share)	44.20	22.50	21.70	34.50	14.60
Total dividend declared (Rm)	14,250	7,247	7,003	11,101	4 671
Dividend cover (times)	1.2	1.1	1.3	1.3	1.5



LEGAL UPDATE

LEGAL UPDATE

Continuing to protect shareholders' interests

HIGH COURT REVIEW

- Oral arguments heard from 15 to 18 August 2011 and judgment handed down on 21 December 2011
 - Excellent result in that SIOC has secured 100% of Sishen's mineral rights
 - 21.4% prospecting rights granted to ICT set aside
 - Judgment stands until set aside
- DMR and ICT lodged applications to appeal on 3 February 2012

ARBITRATION WITH AMSA

- Kumba continues to believe that the Sishen supply contract with AMSA has lapsed. This is what the arbitration will determine
- Arbitration has been postponed until the resolution of the High Court Review
- Interim supply agreement currently extends to 31 July 2012

STAKEHOLDER ENGAGEMENT

- SIOC remains committed to and continues engagement with government stakeholders

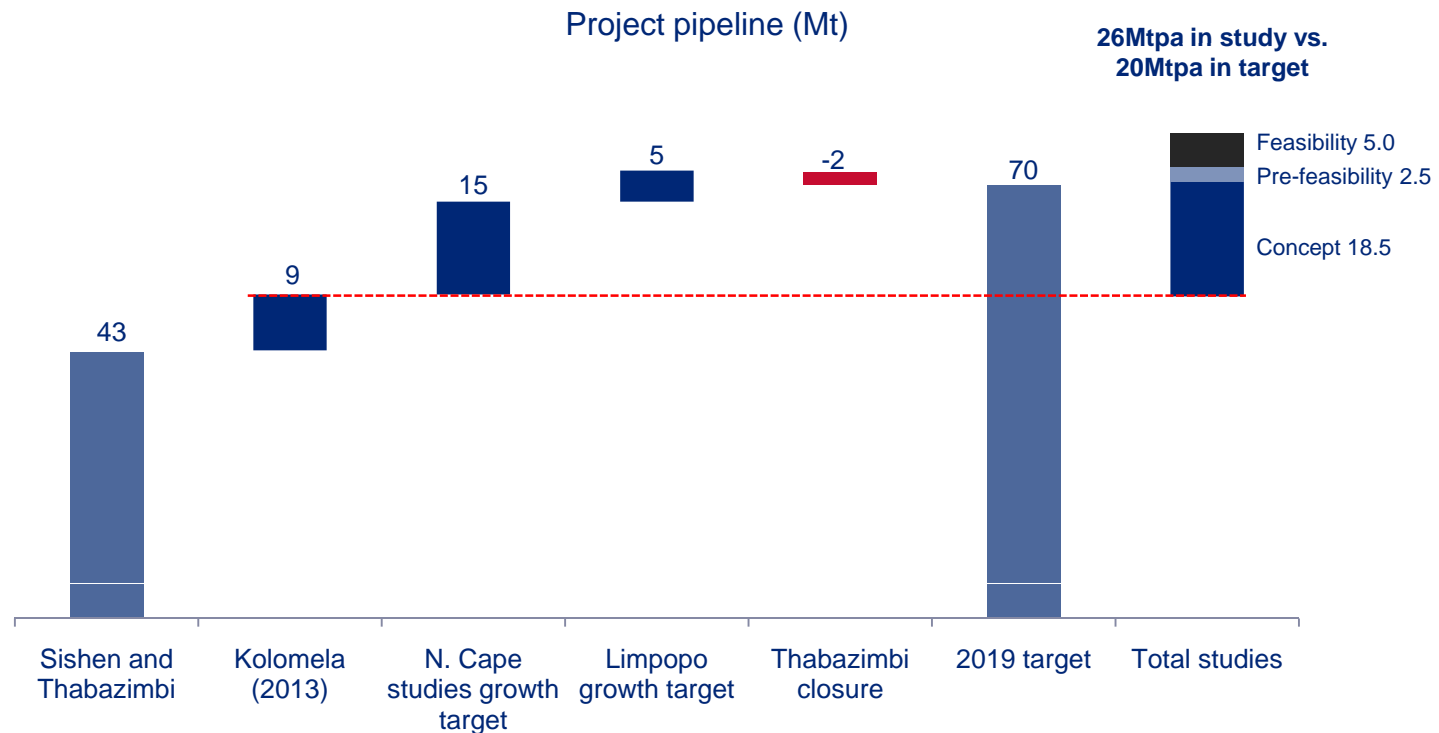


PROJECTS UPDATE

PROJECT PIPELINE

Commitment to South African project pipeline

- Pipeline to achieve 70Mtpa by 2019 in South Africa
 - The current 26Mtpa studies underway are expected to deliver an additional 20Mtpa production by 2019
- Joint Transnet/industry study for expansion of the Sishen-Saldanha Export Channel to increase capacity beyond 60Mtpa
 - Currently at pre-feasibility stage; completion of study anticipated in 1Q12
 - Kumba will align its production growth plan with the study's outcome



PROJECTS

Establishing a second footprint in Africa

- Strategy evolved from being a South African-focused growth company to an African-focused growth company, to establish a second mining footprint in central and west Africa:
 - Joint-venture approach with Anglo American
 - Broad spectrum of options in several target countries:
 - near-development projects
 - early-stage greenfields opportunities
 - African iron ore space is extremely active and information at this stage is still sensitive





OUTLOOK

BUSINESS OUTLOOK

PRODUCTION AND COSTS

- Production at Sishen mine is planned to return to nameplate capacity; Kolomela mine on track to produce between 4Mt and 5Mt in 2012
- Waste mining ramp-up at Sishen mine, which began in 2009, will continue. A planned increase of around 20% in waste mining in 2012 will put upward pressure on unit costs
- Kolomela on-mine costs (FOR) are expected to be slightly lower than Sishen mine, but FOB costs a little higher

SALES

- Export sales volumes anticipated to increase around 3Mt in 2012
 - Increase of 4Mt to 5Mt anticipated from Kolomela mine in 2012 will be offset by lower stock volumes at Sishen mine
- Domestic sales volumes remain dependent on AMSA's off take requirements

MARKETS

- Current market conditions expected to persist in first half of 2012
- 2H12 prices dependent on improvement in overall global economy, and, in particular, monetary policy easing in China

PROFITABILITY

- Profit remains sensitive to price and Rand/US\$ exchange rate

SUMMARY

- Record safety performance as journey towards achieving zero harm continues
- Record financial performance achieved
- Record volumes railed and exported, despite production challenges at Sishen mine
- Exceptional return to stakeholders continues
- Kolomela mine delivered five months ahead of schedule and within budget, with exceptional safety performance recorded
- Continued focus on achieving 70Mt by 2019 in South Africa; studies in progress to establish a second mining footprint in central and west Africa
- High Court judgment delivered in December 2011

THANK YOU

ANNEXURE 1

Revenue: Sector analyses

	12 months 31 Dec 2011	12 months 31 Dec 2010	% change	6 months 31 Dec 2011	6 months 30 Jun 2011	% change
Export (Rm)	42,454	32,951	29%	21,161	21,293	(1%)
Tonnes sold (Mt)	37.1	36.1	3%	18.7	18.4	2%
US Dollar per tonne	158	125	26%	129	168	(23%)
Rand per tonne	1,144	913	25%	1,132	1 160	(2%)
Domestic (Sishen mine) (Rm)	2,480	2,209	12%	1 323	1,157	14%
Tonnes sold (Mt)	5.1	5.0	2%	2.5	2.6	(4%)
Rand per tonne	487	442	10%	529	439	21%
Domestic (Thabazimbi mine) (Rm)	908	665	37%	463	445	4%
Tonnes sold (Mt)	1.4	2.0	(30%)	0.3	1.1	(73%)
Rand per tonne	648	333	95%	1,543	395	291%
Shipping operations (Rm)	2,711	2,879	(6%)	1,540	1,171	32%
Total revenue	48,553	38,704	25%	24,487	24,066	2%
Rand/US Dollar exchange rate	7.25	7.30		7.61	6.88	

ANNEXURE 2

Aggregate operating expenditure

Rand million	12 months 31 Dec 2011	12 months 31 Dec 2010	% change	6 months 31 Dec 2011	6 months 30 Jun 2011	% change
Cost of goods sold	8,761	6,570	33%	5,116	3,645	40%
Cost of goods produced	8,089	6,142	32%	4,667	3,422	36%
Production costs	8,485	6,430	32%	4,774	3,711	29%
Sishen mine	7,064	5,626	26%	3,842	3,222	19%
Thabazimbi mine	976	743	31%	523	453	15%
Kolomela mine	332	-	100%	332	-	100%
Other	113	61	85%	77	36	114%
Inventory movement WIP	(396)	(288)	38%	(107)	(289)	(63%)
A grade	(166)	29	(672%)	(102)	(64)	59%
B grade	(230)	(317)	(27%)	(5)	(225)	98%
Inventory movement finished product	247	(171)	244%	201	46	337%
Other	425	599	(29%)	248	177	40%
Mineral royalty	1,762	1,410	25%	920	842	9%
Sublease rentals	(8)	(8)	-	(4)	(4)	-
Selling and distribution	3,698	3,041	22%	2,016	1,682	20%
Shipping operations	2,374	2,560	(7%)	1,390	984	41%
Operating expenses	16,587	13,573	22%	9,438	7,149	32%

ANNEXURE 3

Reconciliation of non-controlling interest

Rand million	12 months 31 Dec 2011	12 months 31 Dec 2010	6 months 31 Dec 2011	6 months 30 Jun 2011
Opening balance	4,038	1,650	4,976	4,038
Profit for the year	5,256	3,966	2,472	2,784
Exxaro	4,461	3,669	2,091	2,370
SIOC Community Development Trust	669	236	314	355
Envision	126	61	67	59
Dividends paid	(4,078)	(1,834)	(2,196)	(1,882)
Exxaro	(3,516)	(1,811)	(1,893)	(1,623)
SIOC Community Development Trust	(528)	(4)	(285)	(243)
Envision	(126)	(61)	(67)	(59)
Recoupment of Envision dividend*	92	42	49	43
Interest in movement in equity reserves	(456)	256	(492)	36
Non-controlling interest – closing balance	4,760	4,038	4,760	4,976

* Minority interest in the recoupment by SIOC of the dividend received by Envision

ANNEXURE 4

Reconciliation of attributable profit

Rand million	12 months 31 Dec 2011	12 months 31 Dec 2010	6 months 31 Dec 2011	6 months 30 Jun 2011
Profit	22,298	18,289	10,462	11,836
Attributable to non-controlling interests	(5,256)	(3,966)	(2,472)	(2,784)
Exxaro (20%)	(4,461)	(3,669)	(2,091)	(2,370)
SIOC Community Development Trust	(669)	(236)	(314)	(355)
SIOC Employee Share Participation Scheme	(126)	(61)	(67)	(59)
Attributable to owners of Kumba	17,042	14,323	7,990	9,052

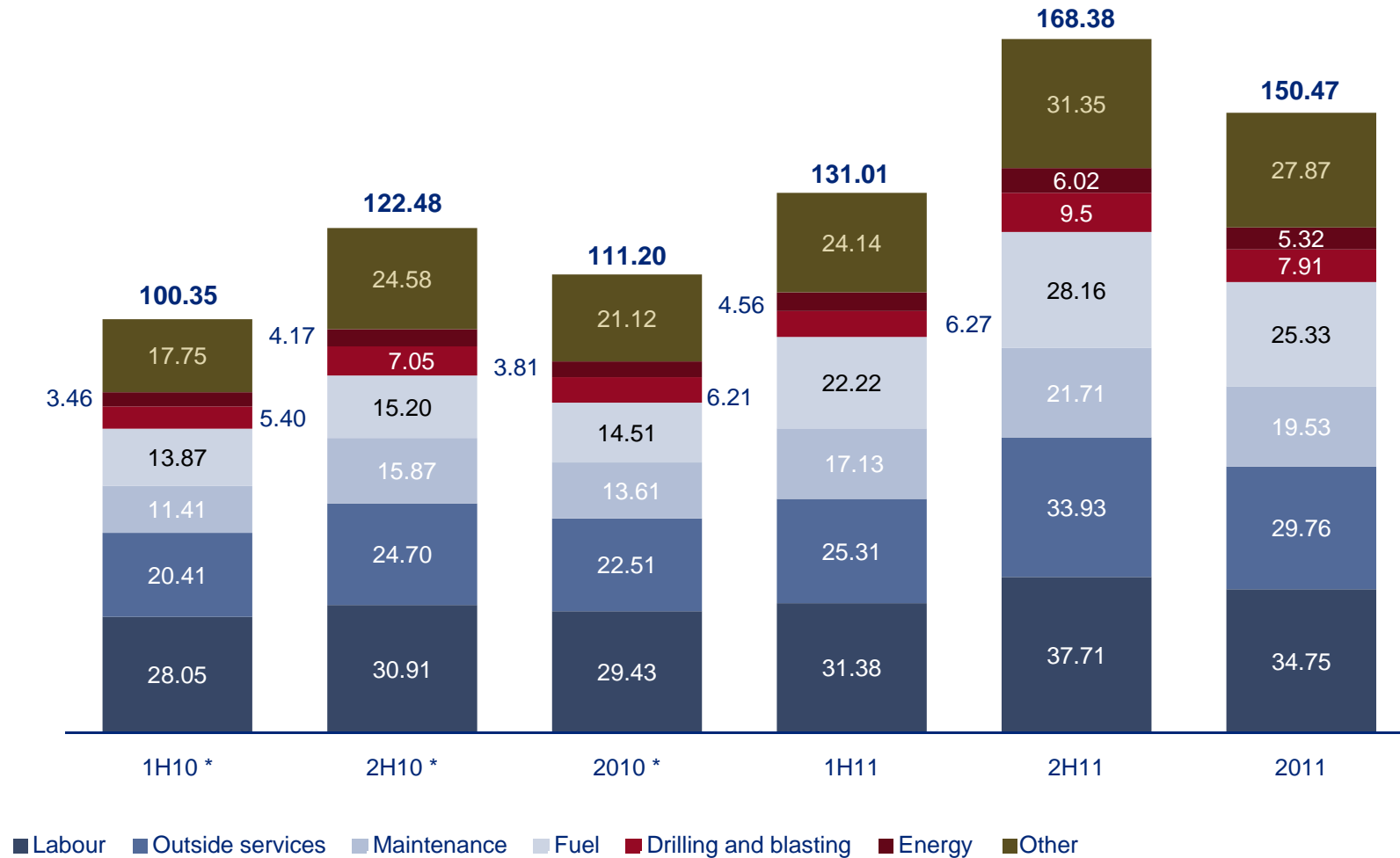
ANNEXURE 5

Headline earnings

Rand million	12 months 31 Dec 2011	12 months 31 Dec 2010	6 months 31 Dec 2011	6 months 30 Jun 2011
Profit attributable to owners of Kumba	17,042	14,323	7,990	9,052
Net loss on disposal and scrapping of property, plant and equipment	10	5	-	10
Net loss on disposal of investment	-	2	-	-
	17,052	14,330	7,990	9,062
Taxation effect of adjustments	(3)	(1)	(5)	2
Non-controlling interest in adjustment	(1)	(1)	2	(3)
Headline earnings	17,048	14,328	7,987	9,061

ANNEXURE 6

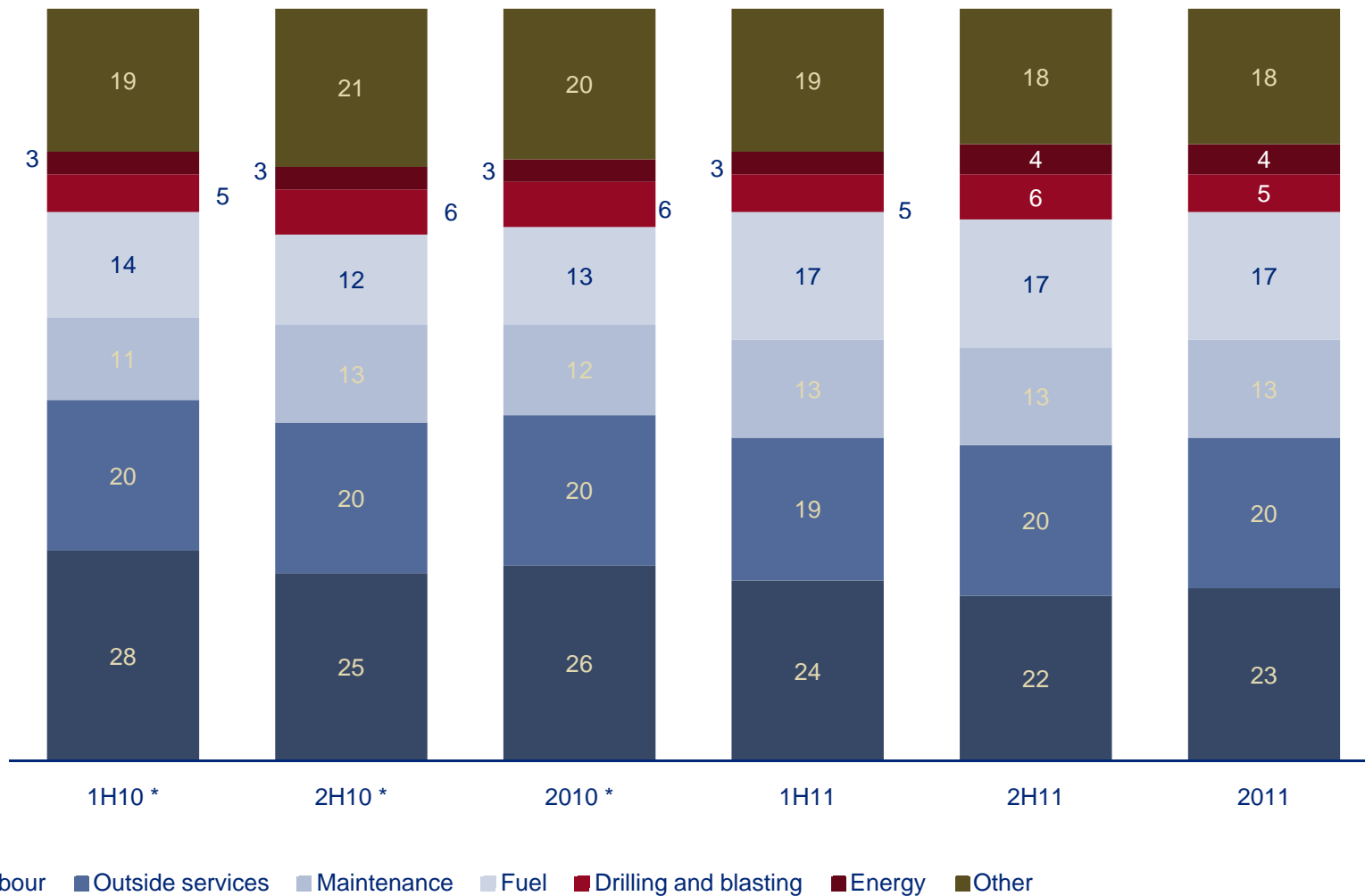
Sishen mine unit cash cost structure (R/tonne)



* The 2010 unit cash cost was restated to take into account non-cash share-based payment expenses of R103 million or R2.49/tonne

ANNEXURE 7

Sishen mine unit cash cost structure (%)



* The 2010 unit cash cost was restated to take into account non-cash share-based payment expenses of R103 million for the year or R2.49/tonne

ANNEXURE 8

Strategy in action

1. Optimising value of the current operations by:

- pursuing a value-maximising product portfolio
- improving productivity and operational efficiencies through our asset optimisation programme
- using our technical expertise and resources to drive a technology strategy that achieves a competitive advantage by increasing the exploitation of lower-grade ore resources

2. Capturing value across the value chain by:

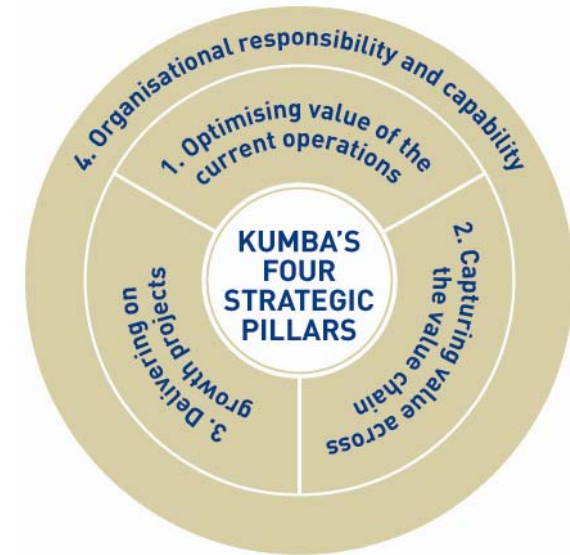
- exploiting the physical properties of our ore to develop niche lump-sized products
- pursuing optimal iron ore pricing mechanisms
- securing a balanced geographical spread of customers to maximise profits and minimise risks
- investigating blending opportunities at our current operations to enhance resource utilisation, and ports of origin and destination to optimise product value

3. Delivering on growth projects by:

- pursuing greenfields and brownfields growth targets in South Africa
- using existing lower-grade resources
- seeking value-enhancing volume growth in Africa

4. Organisational responsibility and capability by:

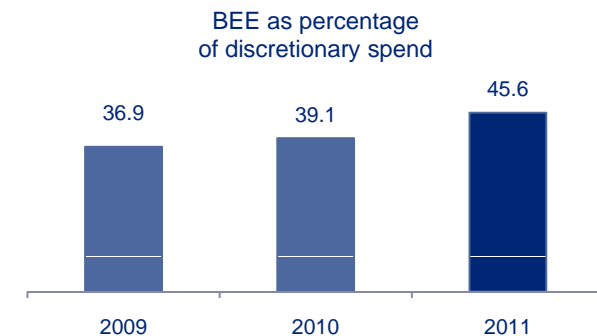
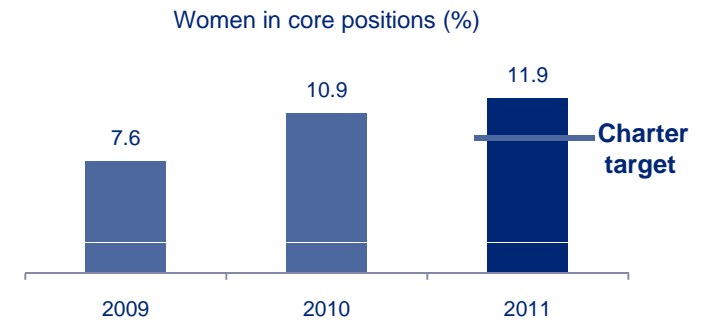
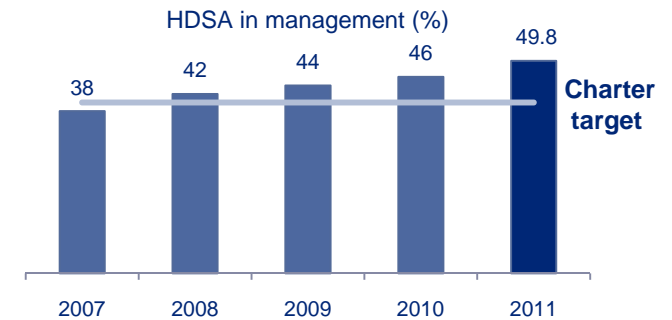
- creating and leaving a positive legacy in the communities in which we operate
- becoming the partner of choice for the broadest range of stakeholders through our commitment to safety and health, environmental management and corporate social investment



ANNEXURE 9

Social development: exceeding Mining Charter targets

- 49.8% HDSAs in management
- 11.9% women in core mining positions across the Group
- 45.6% of discretionary procurement spend with BEE suppliers
- Almost R189 million spent on social development in 2011



Rand million	Total payments	Discretionary ¹ payments	BEE payments ²	BEE as % of discretionary spend
2009	12.5	8.6	3.2	36.9%
2010	13.8	9.4	3.7	39.1%
2011	17.3	13.2	6.0	45.6%

Notes

1. Discretionary spend is only relevant to South Africa and is the value against which the local HDSA spend is measured. It excludes payments to government (for example, taxes and royalties) and parastatals (for example, Eskom and Transnet).
2. BEE payments refers to payments to vendors with a 25% +1 share black ownership

ANNEXURE 10

Empowerment: Envision Employee Share Scheme

- Started November 2006, with listing of Kumba Iron Ore Limited, previously Kumba Resources
- Each employee typically received 3,375 units through scheme
- November 2011: conclusion of first five-year term
- Total payout to 6,209 full-time employees of over R2.6 billion
- All employees below management level, who were with the scheme from the beginning, received pre-tax cash payouts of R576,045 each
- Second five-year term implemented in November 2011



ANNEXURE 11

Northern Cape Province growth portfolio

Kolomela Expansion Project

Location	Kolomela mine, Northern Cape Province
Product	Product quality similar to what is currently being produced by Kolomela mine
Stage of project	Concept study to be completed in 2012. Feasibility study completion planned for 2014
Potential first production	2017
Potential production	6Mtpa
Life of project	20 years

SEP 1B Project

Location	Sishen mine, Northern Cape Province
Product	Fine ore - 0.2mm to 1mm
Stage of project	Feasibility study to be completed in 2012
Potential first production	2013
Potential production	0.75Mtpa
Life of project	20 years

Sishen Lower Grade Project

Location	Sishen mine, Northern Cape Province
Product	Lower quality products
Stage of project	Concept study to be completed by 2014. Feasibility study by 2017
Potential first production	2019
Potential production	3-6Mtpa
Life of project	20 years

Sishen DMS concentrate

Location	Sishen mine, Northern Cape Province
Product	High-grade iron ore -200 micron fraction or pellet feed
Stage of project	Feasibility study to be completed by 2013
Potential first production	2017
Potential production	1.1Mtpa by 2018 – Envisaged to be expanded to 4Mtpa by 2019
Life of project	20 years

ANNEXURE 11 (CONT)

Limpopo Province growth portfolio

Project Phoenix		Zandriverspoort- Polokwane Iron Ore Company (JV: 50%)	
Location	Thabazimbi, Limpopo Province	Location	Near Polokwane, Limpopo Province
Product	Fine ore (75%) and lump ore (25%)	Product	Concentrate or blast furnace pellets. High-quality product – 69% Fe
Stage of project	Feasibility study to be completed by 2014	Stage of project	Phase 1 – Pre-feasibility by 2013 Phase 2 – concept study
Potential first production	2016	Potential first production	Phase 1 – 2015 (2.5Mt) Phase 2 – 2019 (additional 3.5Mt)
Potential production	3.4Mtpa	Potential production	6Mtpa
Life of project	20 years	Life of project	23 years

ANNEXURE 12

External recognition and awards

- Kumba received external recognition for outstanding performance in various categories during 2011, including:
 - Kumba won the top award in the sustainability category and was a joint winner in the socio-economic category at the Nedbank Green Mining Awards
 - Kumba received the ‘fast growth company award’ for investing in people, environment, sustainability and governance at the Annual African Access National Business Awards
 - Kumba’s Responsibility Report was ranked first in the best sustainability report category at the South African Publication Awards
 - Kumba was placed third in the Sunday Times Top 100 companies, for its returns to shareholders over five years
 - Kumba was ranked sixth in the Financial Mail Top Companies 2011 Review
 - Kumba was placed tenth in the Ernst and Young Excellence in Corporate Reporting