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KUMBA IRON ORE

KUMBA IRON ORE LIMITED

INTERIM FINANCIAL RESULTS PRESENTATION 2011

Real Mining. Real People. Real Difference.

KUMBA IRON ORE

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 involves 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.

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PERFORMANCE OVERVIEW

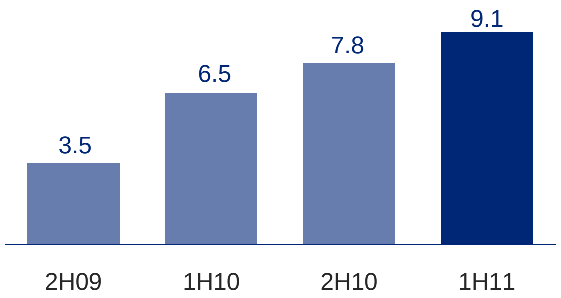
Real Mining. Real People. Real Difference.

HIGHLIGHTS

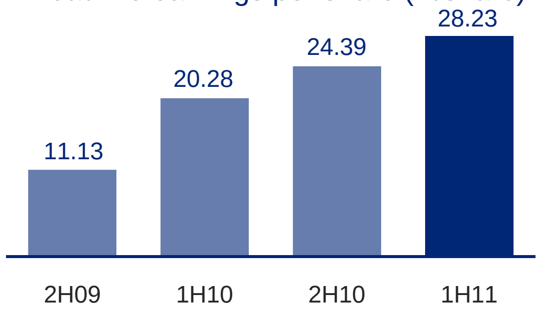
Significant all-round performance

- Exceptional safety performance; significant improvement in LTIFR
- Robust market performance; 56% increase in export prices
- Headline earnings of R9.1 billion, up 40%; R28.23 per share
- Record interim cash dividend of R7 billion declared; R21.70 per share
- Sishen mine 2Q11 production and export sales up 18% and 15% respectively on 1Q11
- Substantial progress made on Kolomela mine development

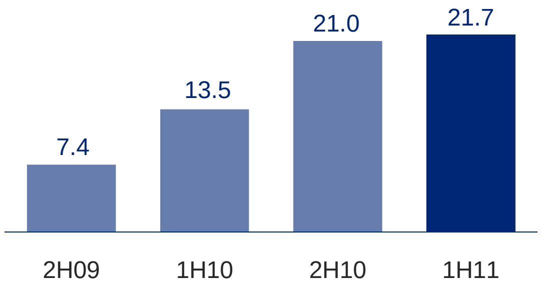
Headline earnings (R billion)



Headline earnings per share (R/share)



Dividend (R/share)



SAFETY

Substantial improvement in the journey to zero harm

No fatalities

Significant improvement in safety performance

- LTIFR improved 58% from 0.12 in 2010 to 0.05

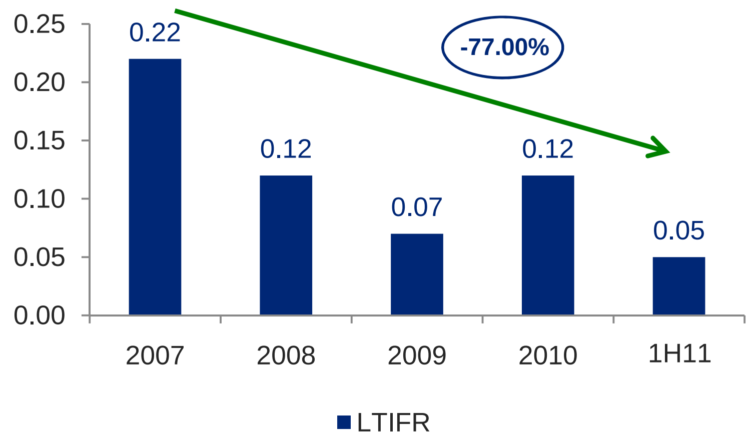
1H11 record achievements

- Sishen mine: 6.2 million LTI-free man hours before 26 May 2011
- Kolomela project: 13.3 million LTI-free man hours
- Kolomela mine: 3.2 million LTI-free man hours

Ongoing improvement initiatives

- Safety improvement plans revisited
- Application of learning from safety incidents reinforced

Significant reduction in LTIFR



OPERATIONAL REVIEW

SISHEN MINE

Production impacted by abnormal rainfall

- 52 days of rainfall – production severely impacted
- Further 59 days – waste mining affected due to wet pit conditions

SISHEN MINE

Production impacted by abnormal rainfall but 2Q11 up 18% on 1Q11

- Tonnes mined increased 6% to 76.7Mt
- Sishen mine production decreased 12% to 18.6Mt, mainly due to mining constraints caused by wet pit conditions
  - DMS plant production decreased 16% to 12.3Mt
  - Jig plant production decreased 2% to 6.3Mt
- Production increased 18% in 2Q11 compared to 1Q11
- Increase of 12% in waste mined YoY; stripping ratio increased to 2.08
- Stock of 2.8Mt supplemented production volumes to sustain sales

Mt	**6 months 30 June 2011**	6 months 30 June 2010	% change	6 months 31 Dec 2010	% change
Total tonnes mined	**76.7**	72.1	6%	81.1	(5%)
Waste mined	**51.8**	46.1	12%	55.9	(7%)
Ex-pit ore	**24.9**	26.0	(4%)	25.2	(1%)
Final product	**18.6**	21.1	(12%)	20.2	(8%)
– DMS	**12.3**	14.7	(16%)	13.3	(8%)
– Jig	**6.3**	6.4	(2%)	6.9	(9%)
Stripping ratio*	**2.08**	1.77		2.22	
Jig as a % of final product	**34%**	30%		34%	
Finished product inventory (closing)	**2.2**	4.9	(55%)	4.7	(53%)

** Waste tonnes mined/Ex-pit ore*

SISHEN MINE

Logistics and sales

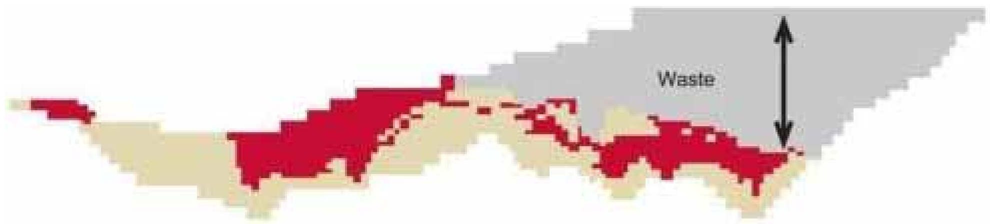
- Total tonnes railed from Sishen – 21.3Mt
- Record tonnes of 19.5Mt railed to port – up 7%
- Total sales maintained YoY at ~21Mt; supplemented from stockpiles
  - Export sales volumes of 18.4Mt
  - Domestic sales volumes up 18% to 2.6Mt – increased demand from AMSA

Mt	**6 months 30 June 2011**	6 months 30 June 2010	% change	6 months 31 Dec 2010	% change
Production	**18.6**	21.1	(12%)	20.2	(8%)
Railed to port (including Saldanha Steel)	**19.5**	18.2	7%	18.3	7%
Railed inland	**1.8**	1.7	6%	2.2	(18%)
Total sales	**20.9**	21.0	–	20.1	4%
– Export	**18.4**	18.8	(2%)	17.3	6%
– Domestic	**2.6**	2.2	18%	2.8	(7%)
Finished product inventory between ports (closing)	**2.7**	1.7	59%	2.1	29%
– Saldanha	**1.1**	0.8	38%	0.9	22%
– Qingdao (including ore in transit)	**1.6**	0.9	78%	1.2	33%

SISHEN MINE

Pit selection driven by value maximising criteria

2005 Sishen pit



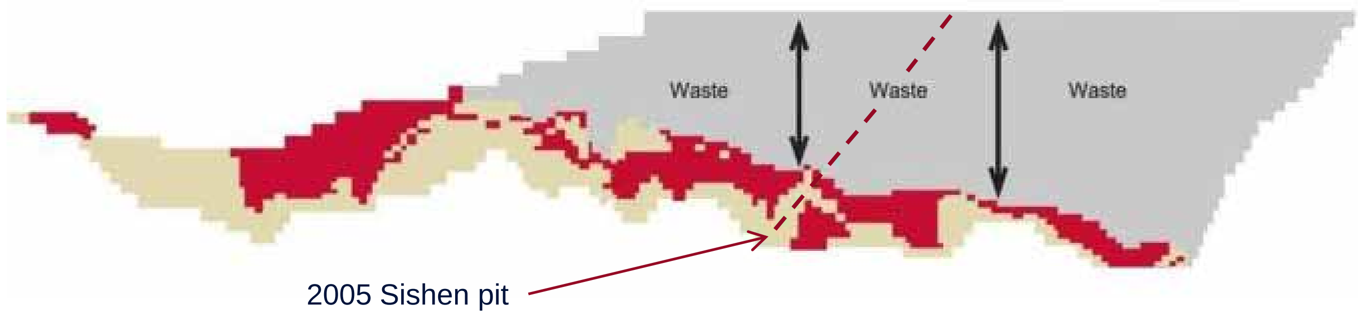
- LOM = 16 years
- Stripping ratio = 1.9 average
- Ore reserves = 911Mt

- **LOM and waste stripping determined by:**
  - Long-term economics
  - Maximising shareholder returns

- **Waste stripping level must ensure**
  - Mining risk mitigated to acceptable levels
  - Flexibility created to respond to changing market conditions

Larger 2010 Sishen pit* – value maximised

- Increase in ore reserves and waste volumes



- LOM = 20 years
- Stripping ratio = 3.5 average
- Ore reserves = 1 128Mt

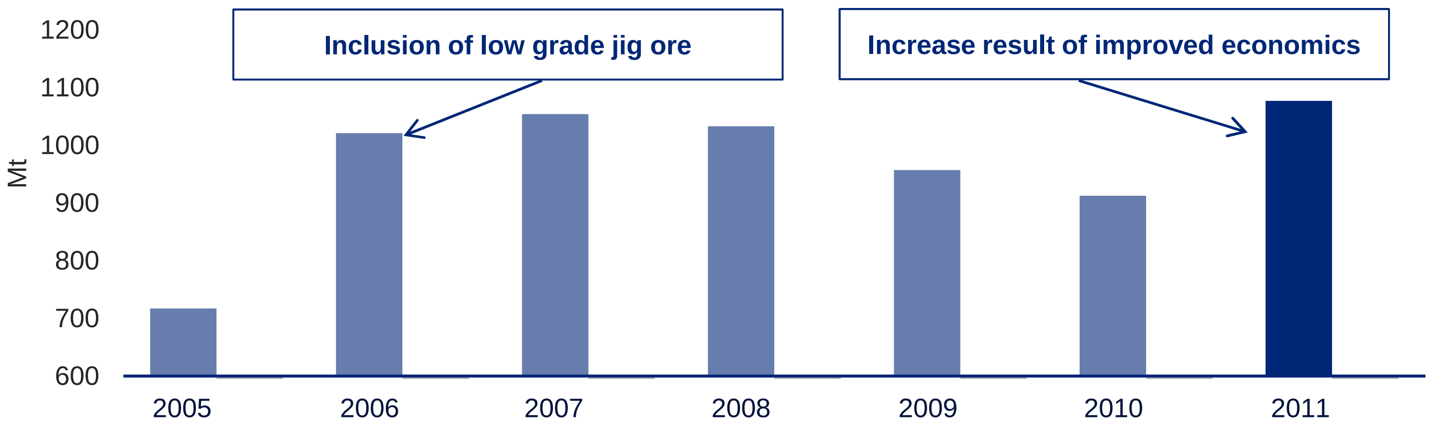
** All figures stated as at start of 2010 calendar year*

SISHEN MINE

Mineable reserves increased 50% since 2005

- Despite annual depletion through production, mineable reserves have increased:
  - By 304Mt in 2005 through the introduction of jigging technology to beneficiate lower grade ore; and
  - By 165Mt in 2010 through improved long-term economics and pit optimisation
- Kumba elected to increase waste mining to access reserves that can now be mined economically
  - This results in a larger operation with a longer life and/or growth options
  - Requires additional ~30Mt of waste to be mined per year for three more years to 2014 at an average cost of R20 per tonne mined, before optimisation. Thereafter waste mining stabilises
- Optimisation initiatives including the start of the Bokamoso programme, the introduction of ultra-class mining equipment and product portfolio study are designed to drive down the costs of the additional waste mining
- Growth projects being studied to utilise lower grade materials currently classified as waste

Sishen mineable reserves



THABAZIMBI MINE

- Tonnes mined increased 61% to 24.1Mt
- Sales to AMSA up 22% to 1.1Mt; supplemented by stockpiles
- Planned decline in production; down 38% to 0.5Mt but also lower due to the abnormal rainfall
- Minimal contribution to Kumba's profit
- Project Phoenix will replace production from Thabazimbi mine beyond 2016

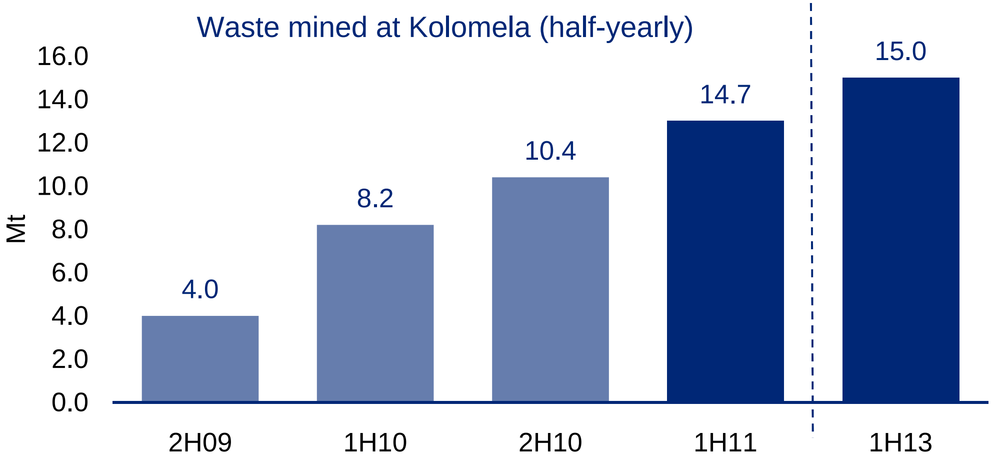
Mt	**6 months 30 June 2011**	6 months 30 June 2010	% change	6 months 31 Dec 2010	% change
Total tonnes mined	**24.1**	15.0	61%	20.2	19%
Waste mined	**23.5**	14.1	67%	19.1	23%
Ex-pit ore	**0.6**	0.9	(33%)	1.1	(45%)
Production	**0.5**	0.8	(38%)	1.2	(58%)
Sales – domestic	**1.1**	0.9	22%	1.1	–
Stripping ratio	**39.2**	15.7		17.4	
Finished product inventory (AMSA)	**0.5**	1.1	(55%)	1.2	(58%)

KOLOMELA MINE

Substantial progress made

- Waste mined up 41% to 14.7Mt; total waste mined since 2008 of 37.3Mt
- 600Kt of ore mined and stockpiled for commissioning of the plant
- LOM extended by 8 years to 28 years as reserves increased
- 840 new permanent jobs created, with 692 people upskilled and placed to date

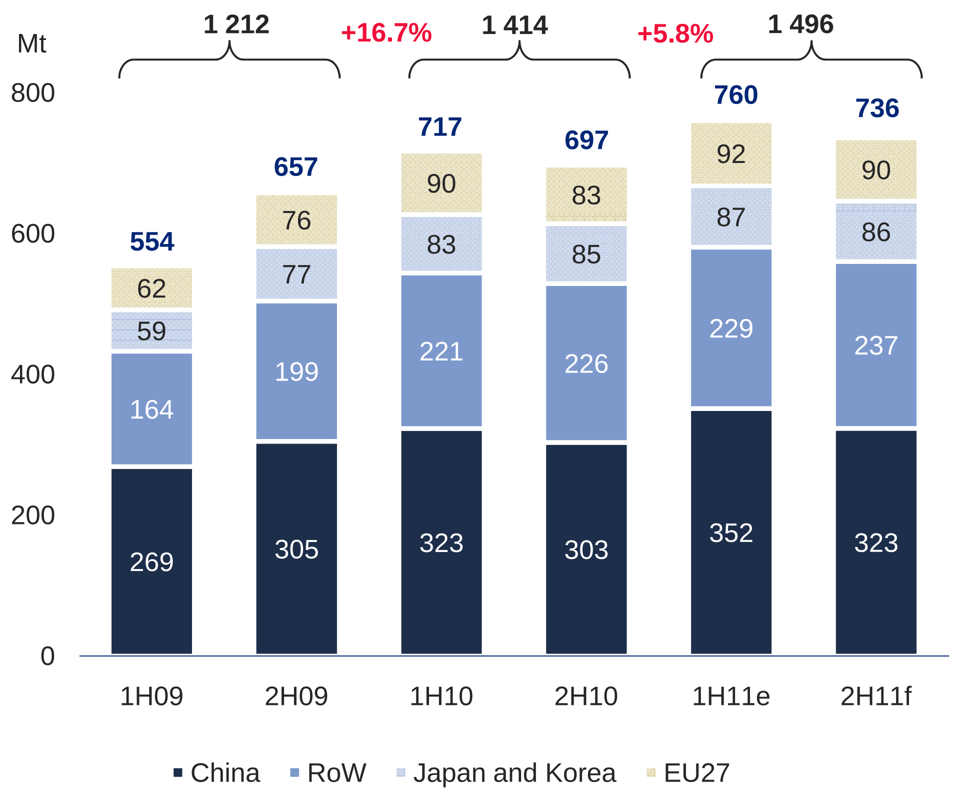
Mt	**6 months 30 June 2011**	6 months 30 June 2010	% change	6 months 31 Dec 2010	% change
Total tonnes mined	**15.3**	10.4	47%	8.2	87%
Waste mined	**14.7**	10.4	41%	8.2	79%
ROM production (capitalised)	**0.6**	–	–	–	–
Production	**–**	–	–	–	–
Stripping ratio	**–**	–	–	–	–



SALES AND MARKETING

Global 2011f crude steel production up 6%

- World crude steel production in 1H11e:
  - 6% YoY increase to 760Mt:
    - 9% YoY in China to 352Mt
    - 4% YoY in Kumba's 'traditional markets' (EU27, Japan, Korea) to 180Mt
    - 4% YoY World ex-China to 409Mt
  - 9% increase in 1H11 vs. 2H10 from 697Mt:
    - 16% growth in China
    - 7% expansion in traditional markets
    - 1% in rest of world
- Chinese YTD production annualises at 708Mtpa against forecast 675Mt:
  - 2H11 production is expected to slow vs. 1H11; basis ongoing economic restructuring, policy targeting inflation and seasonally lower steel output
  - However, YoY 2H11 is expected to be up 7%
- Traditional market output growth greater than expected:
  - EU27 production firm growth, post slowing in 2H10
  - Strong output growth in Korea, post 2H10 acceleration
  - YTD Japan has maintained rates near 2010 averages post the March 2011 earthquake



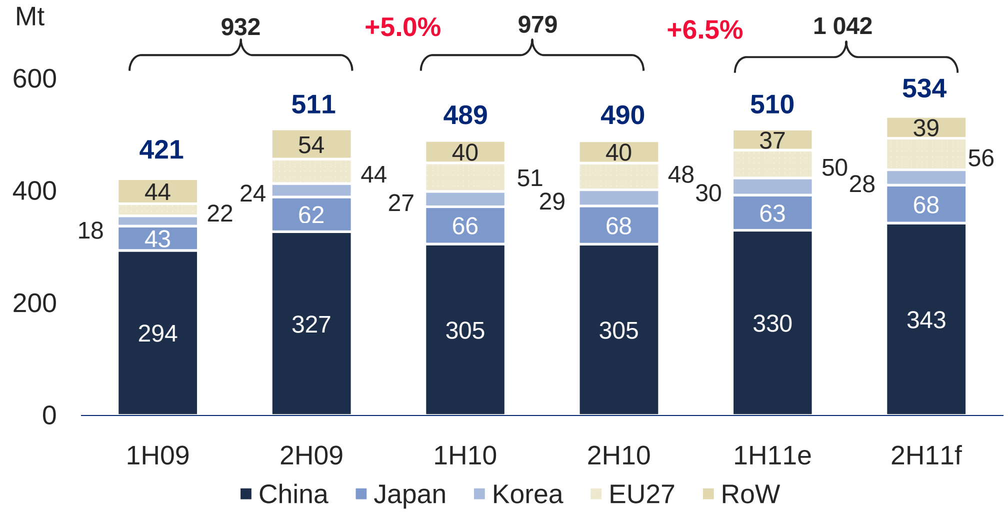
Source: WSA, AA GMO analysis

SALES AND MARKETING

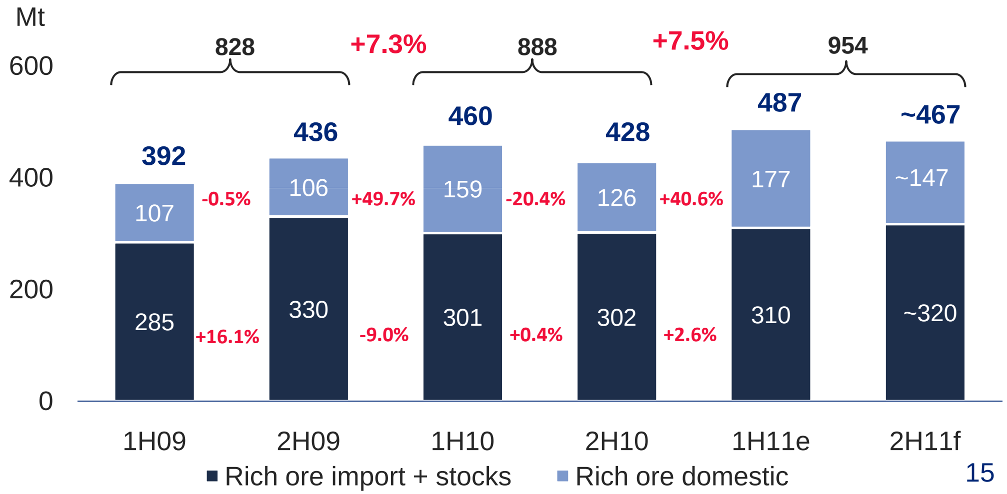
Tight seaborne markets necessitate a rise in China's domestic iron ore use

- Global 1H11e seaborne iron ore imports 510 Mt:
  - 4% YoY increase vs. 6% YoY crude steel growth
- In 1H11e Chinese seaborne imports 330Mt:
  - 8% YoY growth vs. 9% YoY increase in crude steel output
  - China's domestic iron ore "use" rose by 11% YoY to 177 Mt
  - In a tight and high priced seaborne market Chinese steel mills sourced greater tonnes domestically
  - China has displayed ability to "flex" capacity, e.g. domestic use reached 40Mt in May 2011
- Chinese imports of Indian ore are set to start declining due to Monsoon which would balance potential 2H11 ex-India seaborne supply increases

Seaborne iron ore imports*



Chinese iron ore imports versus implied use of domestic ore**



* Seaborne China excludes Mongolia and Kazakhstan and is on an unadjusted basis

** Imports and domestic ore use converted to 62% Fe basis

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

SALES AND MARKETING

Export prices increased 56% YoY

- In 1H11, long-term and annual customers accounted for almost half (44%) of index volumes (over and above contractual volumes)
- Long-term and annual customers accounted for 84% of total export sales. Remaining 16% consisted of spot sales
- Realised quarterly contract prices and index prices virtually the same in 1H11
- Top ten customers (by volume) represented 51% of total volume
- Highest ever FOB price achieved in June 2011:
  - Well above US$200/tonne for niche lump

Export sales and prices

	1H10	2H10	1H11
Total export sales (Mt)	18.8	17.3	18.4
Quarterly pricing (%)	72	61	71
Index pricing (%)	28	39	29
Average price received (US$/tonne FOB)	108	144	168

Export sales geographical split

%	2008	2009	2010	1H11
Europe and MENA	31	11	17	16
Japan and Korea	26	14	22	15
China	43	75	61	69
Total	100	100	100	100

Source: Kumba Iron Ore

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FINANCIAL REVIEW

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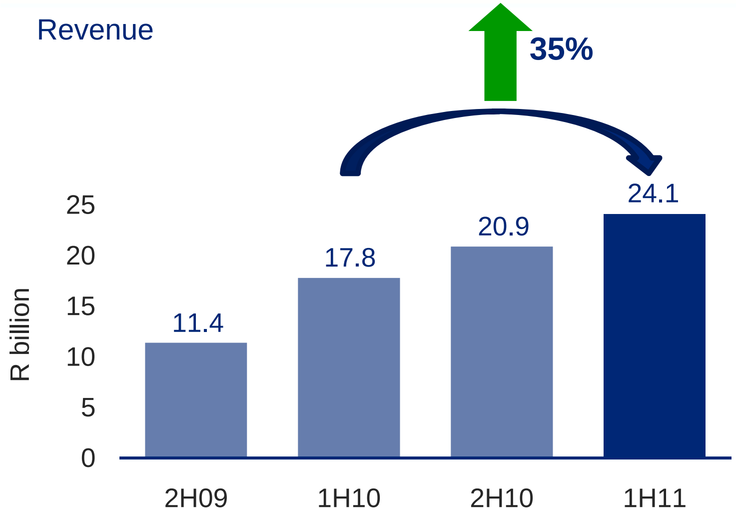
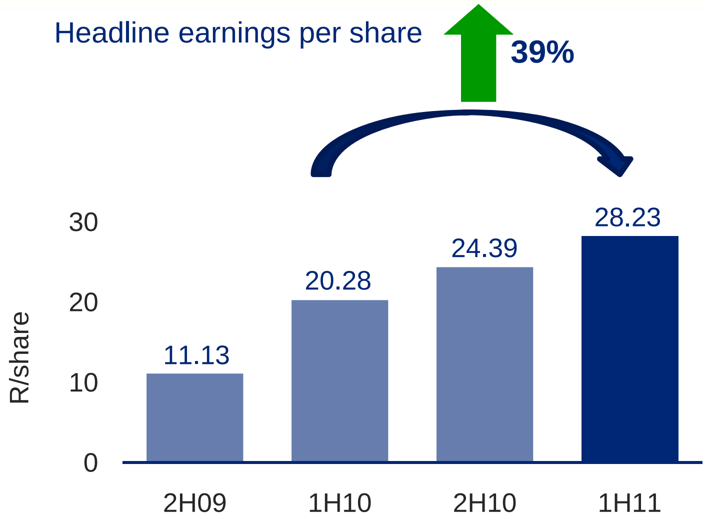
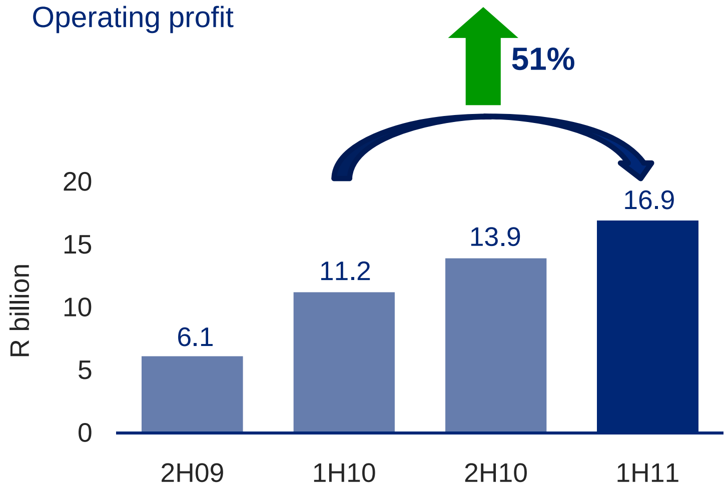
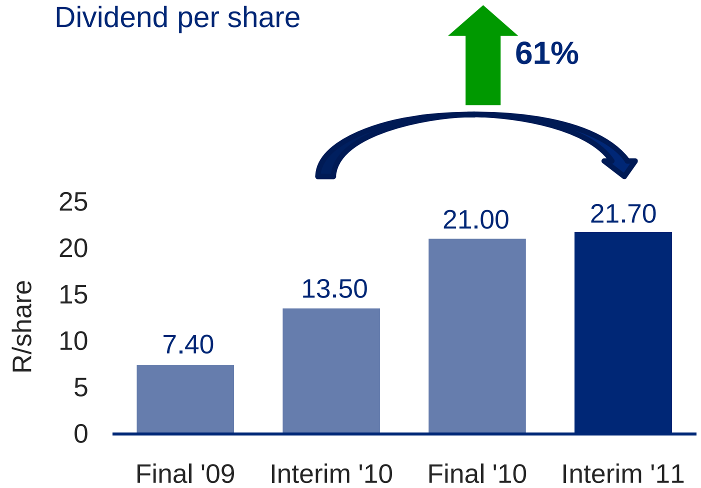
FINANCIAL REVIEW

Financial overview: Record financial growth









FINANCIAL REVIEW

Financial overview: Headline earnings up 40%

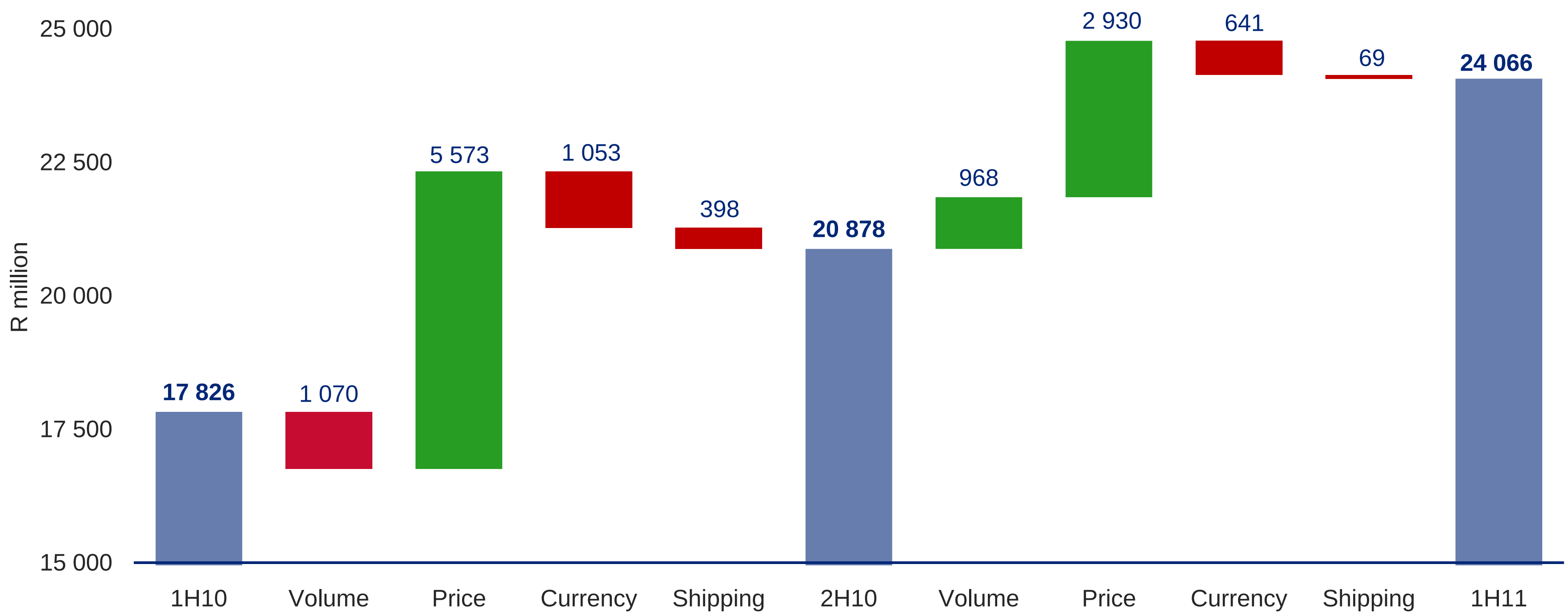
Rm	**6 months 30 June 2011**	6 months 30 June 2010	% change	6 months 31 Dec 2010	% change
Revenue	**24 066**	17 826	35%	20 878	15%
Operating expenses	**(7 149)**	(6 619)	8%	(6 954)	3%
Operating expenses (excl. royalty)	**(6 307)**	(6 073)	4%	(6 090)	4%
Mineral royalty	**(842)**	(546)	54%	(864)	3%
Operating profit	**16 917**	11 207	51%	13 924	21%
Operating margin (%)	**70%**	63%		67%	
Profit attributable to:	**11 836**	8 138	45%	10 151	17%
Owners of Kumba	**9 052**	6 489	39%	7 834	16%
Non-controlling interest	**2 784**	1 649	69%	2 317	20%
Headline earnings	**9 061**	6 492	40%	7 836	16%
Effective tax rate (%)*	**25%**	24%		23%	
Cash generated from operations	**15 037**	9 499	58%	16 056	(6%)
Capital expenditure	**1 898**	1 457	30%	3 266	(42%)

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

FINANCIAL REVIEW

Revenue variance: Record iron ore prices in strong market

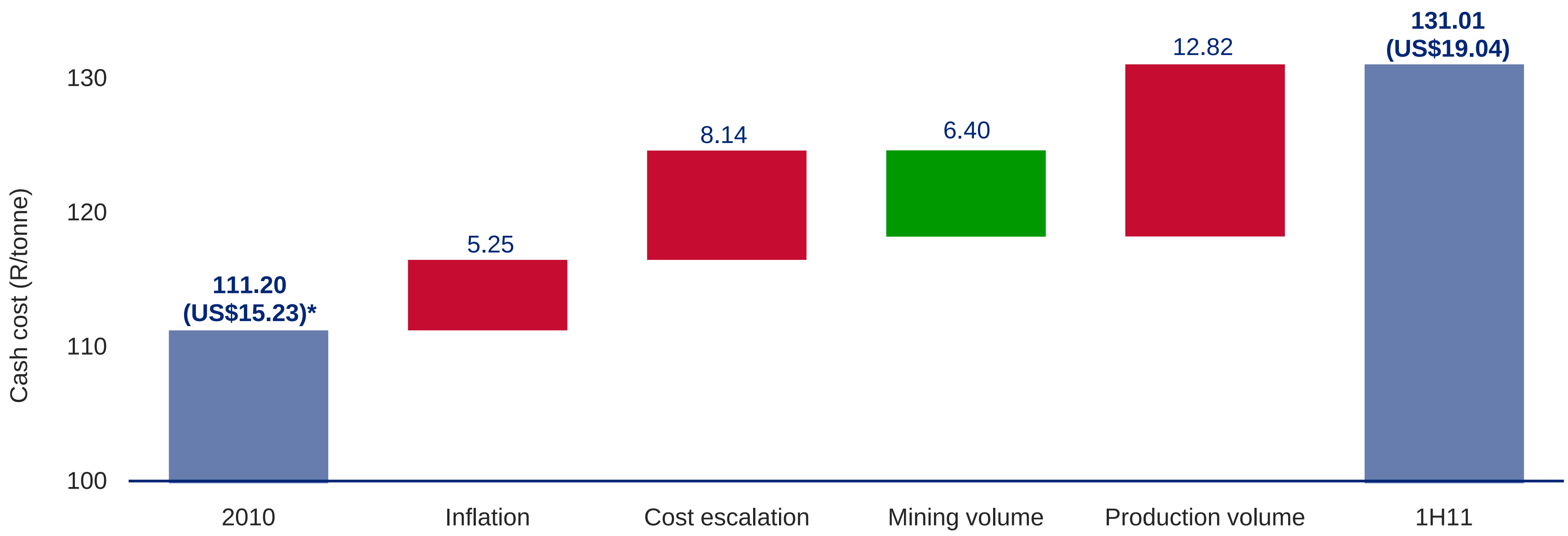
- 35% increase in total revenue YoY to R24.1 billion
  - Driven mainly by 56% increase YoY in weighted average export iron ore prices
  - Offset by strengthening of Rand/US Dollar exchange rate from R7.52/US$1.00 to R6.88/US$1.00
- Total sales volumes maintained at 22Mt; 16% increase YoY in total domestic sales volumes to 3.6Mt
- Interim pricing agreement with AMSA extended to 31 July 2012



FINANCIAL REVIEW

Sishen mine unit cash cost: Above inflationary cost escalations

- Increase of 18% from FY10, driven by:
  - 12% decrease in production volumes to 18.6Mt
  - Above inflationary escalations in key input costs
  - 6% increase in mining activity
- Impact of cost increase contained through asset optimisation and efficiency gains

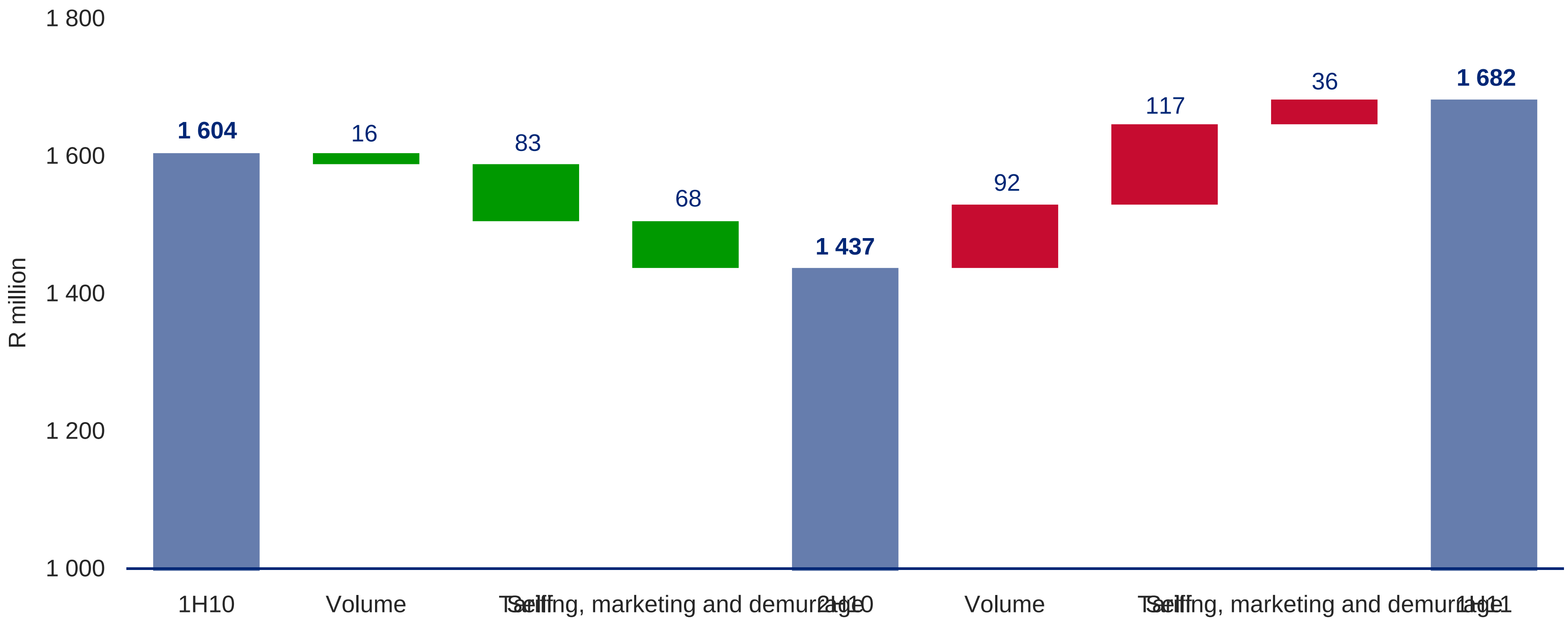


** The 2010 unit cash cost was restated to take into account non-cash share-based payment expenses*

FINANCIAL REVIEW

Selling and distribution costs: Record 1H11 export rail performance

- Selling and distribution costs increased by 5% YoY, driven by:
  - Record volumes of 19.5Mt railed on Sishen-Saldanha line
  - Increase in tariffs as a result of Transnet contract tariff review
- Offset by 2% reduction in volumes shipped from port

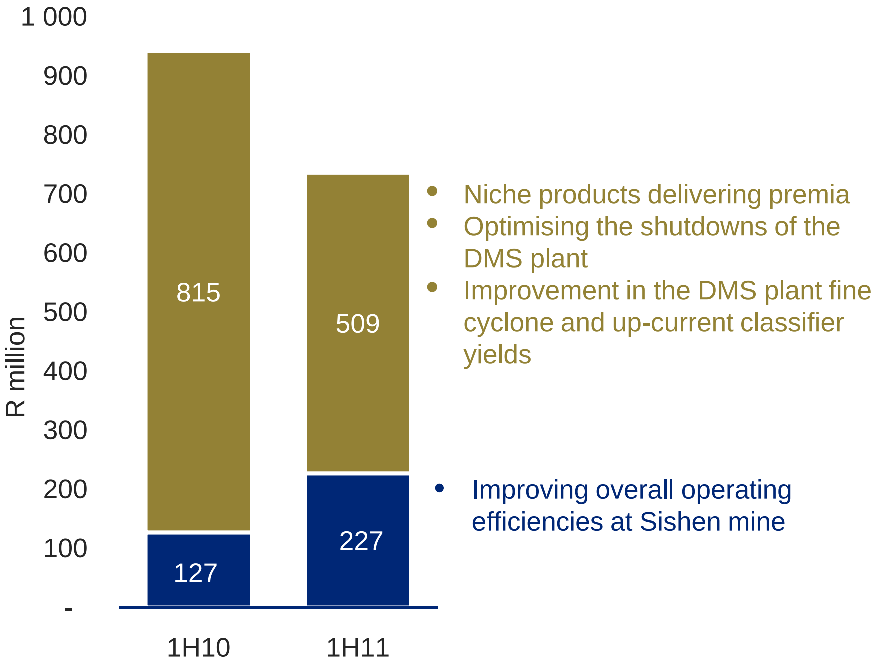


FINANCIAL REVIEW

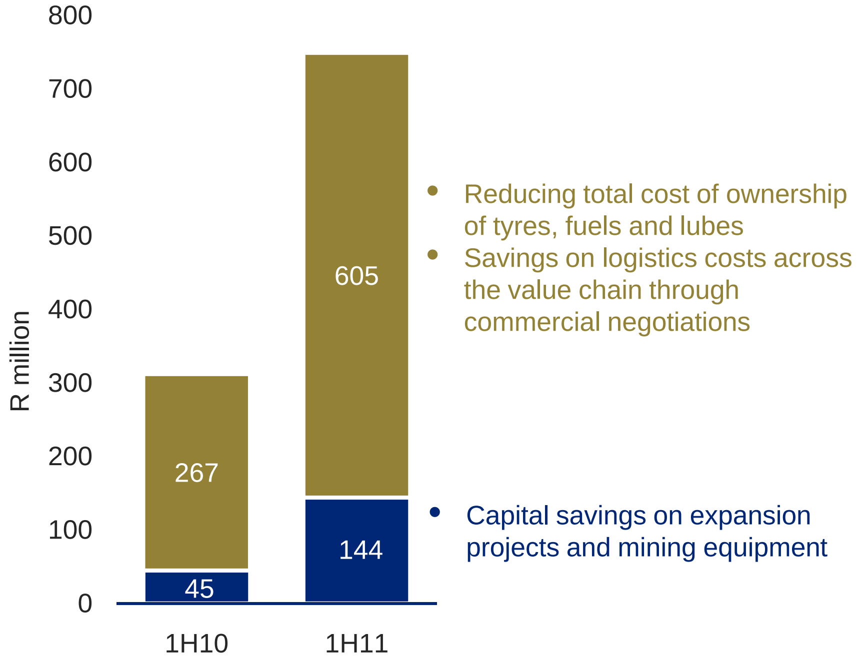
Asset optimisation and procurement benefits

- Asset optimisation entrenched at operations
  – Marketing initiatives continue to extract value for the group of R144 million (US$21 million)
  – Sishen mine optimisation initiatives assisted in mitigating operational losses caused by abnormal weather
- Procurement benefits of R749 million (US$109 million) through participation in the Anglo American Supply Chain organisation

Asset optimisation: R736m (US$108m)*



Procurement: R749m (US$109m)*

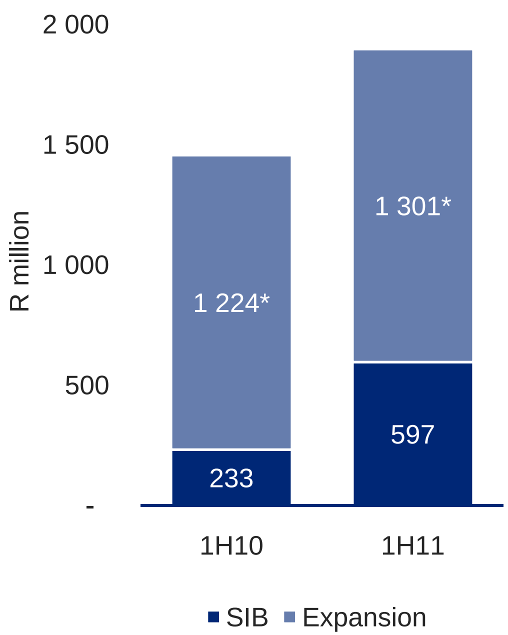


* *The value derived through commercial negotiations with ship owners were reclassified from asset optimisation to procurement in the reported 2010 figures.*

FINANCIAL REVIEW

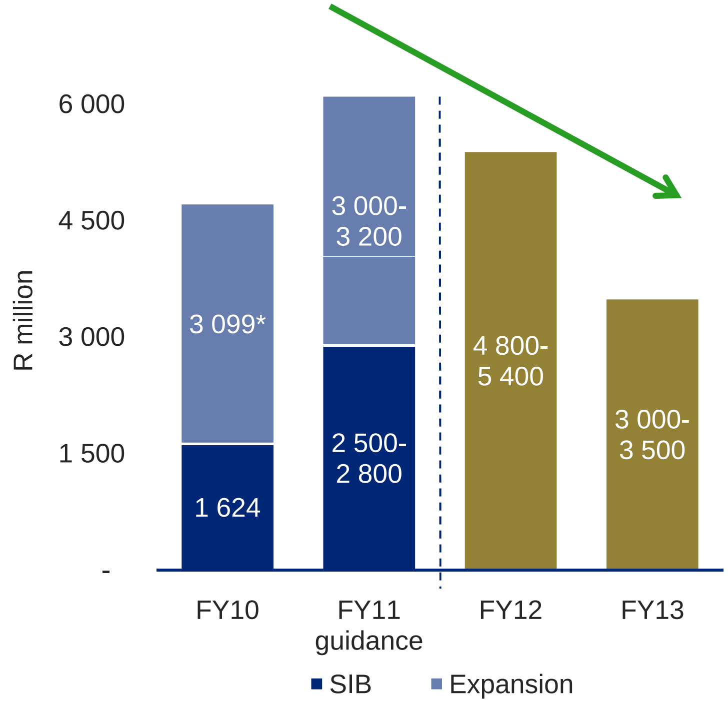
Capital expenditure analysis

- 30% increase in capital expenditure YoY to R1.9 billion:
  - Stay in Business (SIB) capex: R597 million
  - Expansion capex: R1.3 billion
- Capex peaks in FY11 as the construction on Kolomela nears completion
- Sishen Westerly Expansion project commenced in 2011; R1 billion to be spent
- SIB capex of some R3 billion for 2011 and 2012, and R2.5 billion for 2013, mainly due to:
  - Sishen mining fleet replacement and associated infrastructure



- R679m Kolomela project capital expenditure
- R505m Kolomela mine capitalised mining expenses
- R97m SWEP
- R22m Other

- Mainly Sishen mining fleet and other mine infrastructure

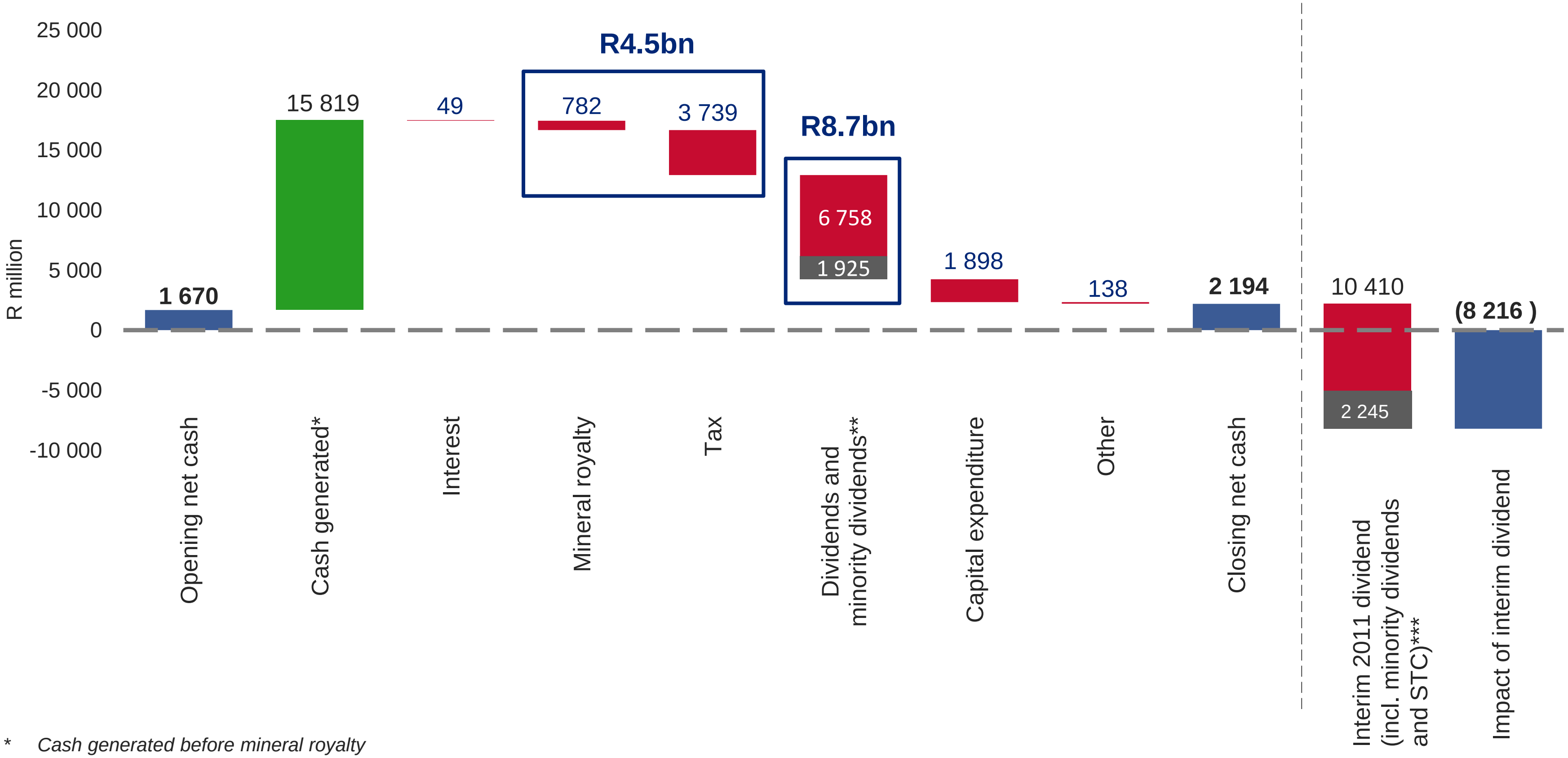


** Includes R505 million (1H10: R226 million; FY10: R604 million) capitalised mining expenses – Kumba will cease capitalisation of operating expenses on Kolomela mine when the mine commences commercial production.*

FINANCIAL REVIEW

Cash flow variance: Substantial cash returns to all stakeholders

- 59% increase in cash generated YoY to R15.8 billion (before mineral royalty of R0.8 billion)
- R8.7 billion returned to shareholders from 2010 final cash dividend (including R1.9 billion to BEE shareholders)



* Cash generated before mineral royalty

** Dividends paid in 1H11 consist of the final cash dividend for 2010 of R21.00/share

*** The final SIOC and Kumba dividends were declared after 30 June 2011 and are included for information purposes only

FINANCIAL REVIEW

Gearing

- Net cash position of R2.2 billion
- Undrawn term facilities of R5.4 billion and uncommitted facilities of R3.9 billion*
- Total term facilities of R8.6 billion:
  - R3.2 billion at 8.43% maturing in 2012 (3-month Jibar + 2.40%)
  - R5.4 billion at 8.37% maturing in 2013 (3-month Jibar + 2.80%)

Rm	**30 June 2011**	30 June 2010	31 Dec 2010
Net (cash)/debt	**(2 194)**	918	(1 670)
Interest-bearing borrowings	**3 188**	3 182	3 185
Cash and cash equivalents	**(5 382)**	(2 264)	(4 855)
Total equity	**21 559**	14 193	18 376
Interest cover (times)	**209**	53	77
Gross debt/equity (%)	**15%**	22%	17%
Gross debt/market capitalisation (%)	**2%**	3%	2%

** Inclusive of a R2.5 billion call facility with Anglo American SA Finance Limited*

FINANCIAL REVIEW

SIOC dividend: Essential empowerment in SA realised

- R11 billion returned to SIOC's empowerment partners since Kumba listing (November 2006)
- SIOC Community Development Trust
  - Debt fully redeemed in 2010
  - R284 million available from interim dividend for projects in our communities
- Envision
  - R279 million returned to employees since inception
  - Scheme matures in November 2011 with significant capital appreciation to be delivered

Rm	**Interim dividend 30 June 2011***	Total dividend 2010	Final dividend 31 Dec 2010	Interim dividend 30 June 2010
Gross dividend declared by SIOC	10 410	15 381	8 928	6 453
STC	946	1 399	812	587
Dividend declared by SIOC	9 464	13 982	8 116	5 866
Kumba	7 003	10 348	6 007	4 341
Exxaro	1 893	2 796	1 623	1 173
SIOC Community Development Trust	284	419	243	176
Envision (Employee share ownership scheme)	284	419	243	176

** The interim dividend was declared after 30 June 2011 and is presented for information purposes only*

FINANCIAL REVIEW

Kumba dividend: R7 billion to be returned to shareholders

- Dividend cover of 1.3 times maintained
- Record total of R7 billion dividend
- Interim cash dividend of R21.70 per share

	Interim dividend 30 June 2011*	Total dividend 2010	Final dividend 31 Dec 2010	Interim dividend 30 June 2010
Earnings per share (Rand per share)	**28.20**	44.66	24.39	20.27
Dividend per share (Rand per share)	**21.70**	34.50	21.00	13.50
Total dividend declared (Rm)	**7 003**	11 101	6 760	4 341
Dividend cover (times)	**1.3**	1.3	1.2	1.5

** The interim dividend was declared after 30 June 2011 and is presented for information purposes only*

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LEGAL UPDATE

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LEGAL UPDATE

Protecting shareholders' interests and seeking solutions

Private Arbitration between SIOC and AMSA

- Lapse of contract mining agreement due to AMSA's failure to convert its mineral rights
- Due to start in May 2012
- Interim pricing agreement extended to 31 July 2012 on same terms

High Court Review (i) against the granting of the prospecting right to ICT and declaritor; and (ii) interdict against the awarding of mining right to ICT

- Open hearing scheduled for week of 15 August 2011
- SIOC successful in having AMSA joined in proceedings
- SIOC and AMSA have different and separate arguments

Stakeholder engagement

- SIOC remains committed to parallel engagement processes with all stakeholders in seeking solutions for developing the South African iron ore, steel and downstream industries
- Kumba has engaged with the inter-departmental task team, DMR, DTI, DED, parliamentary portfolio committees, IDC, and South African Reserve Bank
- Until both the Private Arbitration and the High Court Review are finalised, SIOC cannot conclude any long-term agreements or arrangements for the domestic supply of ore in relation to the output from Sishen mine

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KUMBA IRON ORE

PROJECTS UPDATE

Real Mining. Real People. Real Difference.

PROJECTS UPDATE

Kolomela mine development powers ahead with substantial progress made

- Outstanding Kumba safety record performance
  - 13.3 million LTI-free man hours achieved
- Project construction is substantially completed and cold commissioning of the plant has commenced
- Mine ramp-up during 2012 to produce 4Mt to 5Mt; design capacity of 9Mtpa in 2013
- Transnet’s construction of the direct rail link on schedule for delivery in 4Q11
- 718 new houses being built



PROJECT PIPELINE OVERVIEW

Committed to growth in South Africa with expansion plans into Africa

Kumba's South African project pipeline

- Commitment to achieving 70Mtpa by 2019 remains on track

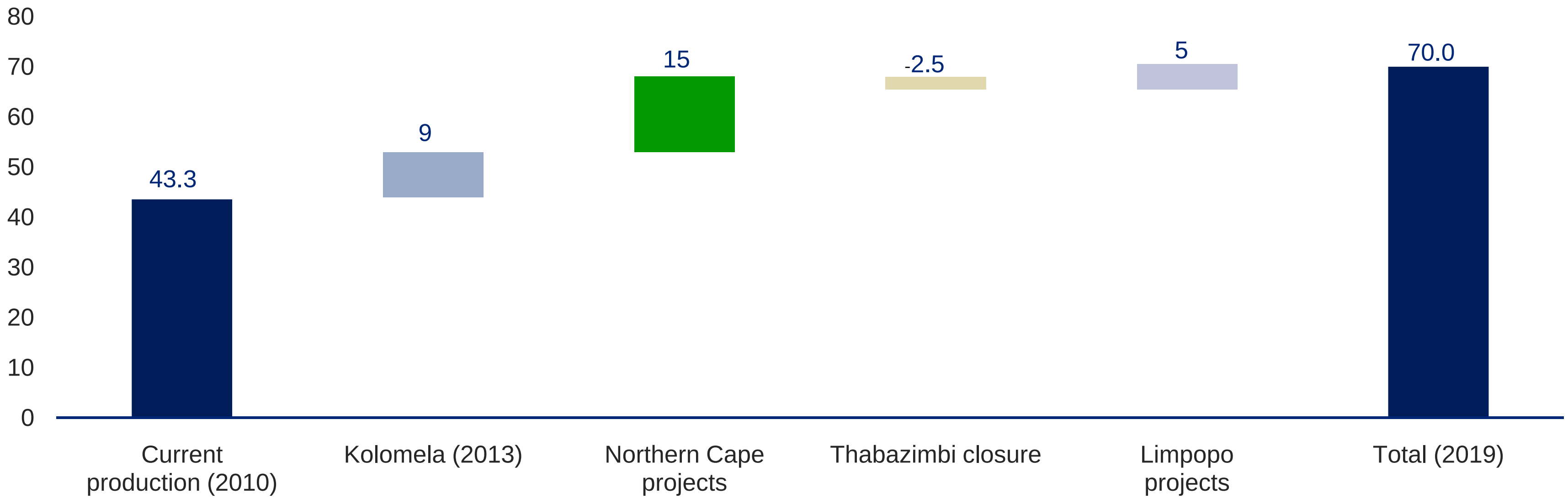
African growth strategy

- Strategy has evolved from being a South African-focused growth company to an African-focused growth company, to establish a second mining footprint in Africa

Sishen/Saldanha Iron Ore Export Channel expansion study

- Joint Transnet/industry study currently in pre-feasibility stage and feasibility study planned for completion in 2012
- Kumba expects an allocation of circa 15Mtpa in line with its Northern Cape growth pipeline

Project pipeline potential



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KUMBA IRON ORE

2011 OUTLOOK

Real Mining. Real People. Real Difference.

2011 BUSINESS OUTLOOK

Production and sales

- In 2011 production is expected to remain stable with 2010 levels as management has implemented focused plans to recover the majority of the shortfall in 1H11 production by the end of 2011
- Export sales volumes are anticipated to be in line with 2010 levels
- Domestic sales volumes remain dependent on the offtake requirements of AMSA

Markets

- Global crude steel production to slow modestly in 2H11 compared to 1H11
- China's use of domestic ore to slow in 2H11 compared to 1H11
- Slight increase in China's seaborne imports expected in 2H11 compared to 1H11

Profitability

- Spot prices anticipated to generally remain strong and potentially volatile
- Profit remains sensitive to the Rand/US$ exchange rate

SUMMARY

- Substantial improvements in safety and significant leaps made in achieving zero harm
- Kolomela mine development powers ahead;
  - cold commissioning commenced during 1H11
  - LOM extended to 28 years before mining commences
- Sales volumes maintained in a strong market and by supplementing production from stockpiles
- Second quarter Sishen mine production and export sales increased by 18% and 15% respectively on first quarter
- Substantial returns to all our shareholders
  - Record interim dividend declared of:
    - R7 billion to Kumba shareholders;
    - R2.4 billion to SIOC's BEE shareholders
  - R11 billion returned to SIOC's BEE shareholders since Kumba's listing (November 2006)
- Continued focus on achieving 70Mt by 2019 in South Africa with growth plans to establish a second mining footprint in Africa
- The High Court Review will be heard during the week of 15 August 2011
- The group:
  - Has continued focus on optimising value of the current operations;
  - Has captured further value across the value chain; and
  - Is well advanced in delivering on its growth projects through the construction of Kolomela mine

THANK YOU

ANNEXURE 1

Revenue: Sector analysis

	6 months 30 June 2011	6 months 30 June 2010*	% change	6 months 31 Dec 2010*	% change
Export (Rm)	**21 293**	15 389	38%	17 562	21%
Tonnes sold (Mt)	**18.4**	18.8	(2%)	17.3	6%
US Dollar per tonne	**168**	108	56%	143	17%
Rand per tonne	**1 160**	819	42%	1 015	14%
Domestic (Sishen mine) (Rm)	**1 157**	936	24%	1 273	(9%)
Tonnes sold (Mt)	**2.6**	2.2	18%	2.8	(7%)
US Dollar per tonne	**64**	57	12%	64	–
Rand per tonne	**439**	425	3%	455	(4%)
Domestic (Thabazimbi mine) (Rm)	**445**	260	71%	405	10%
Tonnes sold (Mt)	**1.1**	0.9	22%	1.1	–
Rand per tonne	**395**	289	37%	369	7%
Shipping operations (Rm)	**1 171**	1 639	(29%)	1 240	(6%)
Total revenue	**24 066**	18 224	32%	20 480	18%

** Domestic revenue adjusted in 1H10 for the implementation of the interim pricing agreement with AMSA in 2H10, effective from 1 March 2010. This adjustment is not reflected in the reported results for the period as it was a non-adjusting event for accounting purposes which occurred after the reporting date*

ANNEXURE 2

Aggregate operating expenditure

Rm	**6 months 30 June 2011**	6 months 30 June 2010	% change	6 months 31 Dec 2010	% change
Cost of goods sold	**3 645**	3 082	18%	3 488	5%
Cost of goods produced	**3 422**	2 756	24%	3 386	1%
Production costs	**3 711**	2 868	29%	3 562	4%
Sishen mine	**3 222**	2 560	26%	3 066	5%
Thabazimbi mine	**453**	274	65%	469	(3%)
Other	**36**	34	6%	27	33%
Inventory movement WIP	**(289)**	(112)	158%	(176)	64%
A grade	**(64)**	(24)	167%	53	(221%)
B grade	**(225)**	(88)	156%	(229)	(2%)
Inventory movement finished products	**46**	85	(46%)	(256)	(118%)
Other	**177**	241	(27%)	358	(51%)
Mineral royalty	**842**	546	54%	864	(3%)
Sublease rent received	**(4)**	(5)	(20%)	(3)	33%
Selling and distribution costs	**1 682**	1 604	5%	1 437	17%
Cost of services rendered – shipping operations	**984**	1 392	(29%)	1 168	(16%)
Operating expenses	**7 149**	6 619	8%	6 954	3%

ANNEXURE 3

Reconciliation of attributable profit

Rm	**6 months 30 June 2011**	6 months 30 June 2010	6 months 31 Dec 2010*
Profit for the period	**11 836**	8 138	10 151
Attributable to non-controlling interest	**(2 784)**	(1 649)	(2 317)
Exxaro (20%)	**(2 370)**	(1 623)	(2 045)
SIOC Community Development Trust	**(355)**	(4)	(232)
Envision	**(59)**	(22)	(39)
Attributable to owners of Kumba	**9 052**	6 489	7 834

* *From 17 August 2010, the SIOC Community Development SPV was deconsolidated, resulting in the effective non-controlling interest in SIOC increasing from 20% to 23% from this date.*

ANNEXURE 4

Reconciliation of non-controlling interest

Rm	**6 months 30 June 2011**	6 months 30 June 2010	6 months 30 Dec 2010
Opening balance	**4 038**	1 650	2 675
Profit for the period	**2 784**	1 649	2 317
Exxaro	**2 370**	1 623	2 046
SIOC Community Development Trust	**355**	4	232
Envision	**59**	22	39
Dividends paid	**(1 882)**	(648)	(1 186)
Exxaro	**(1 623)**	(637)	(1 174)
SIOC Community Development Trust	**(243)**	(4)	–
Envision	**(59)**	(22)	(39)
Recoupment of Envision dividend*	**43**	15	27
Interest in movement in equity reserves	**36**	24	232
Closing balance	**4 976**	2 675	4 038

** Non-controlling interest in the recoupment by SIOC of the dividend received by Envision*

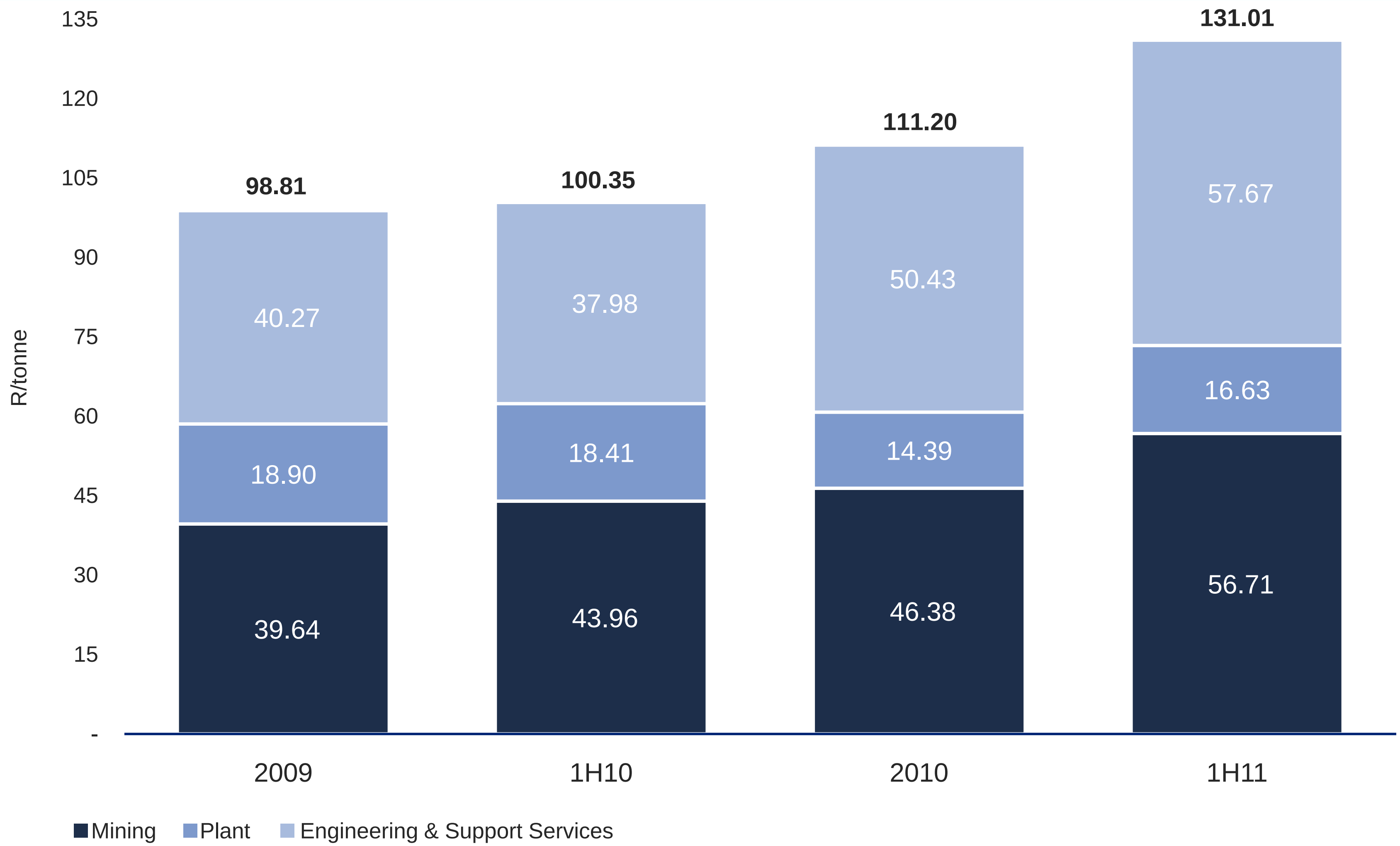
ANNEXURE 5

Headline earnings

Rm	**6 months 30 June 2011**	6 months 30 June 2010	6 months 31 Dec 2010
Profit attributable to owners of Kumba	**9 052**	6 489	7 834
Net loss on disposal and scrapping of property, plant and equipment	**10**	2	3
Net loss on disposal of investment	**–**	2	–
	9 062	6 493	7 837
Taxation effect of adjustments	**2**	(1)	–
Non-controlling interest in adjustments	**(3)**	–	(1)
Headline earnings	**9 061**	6 492	7 836

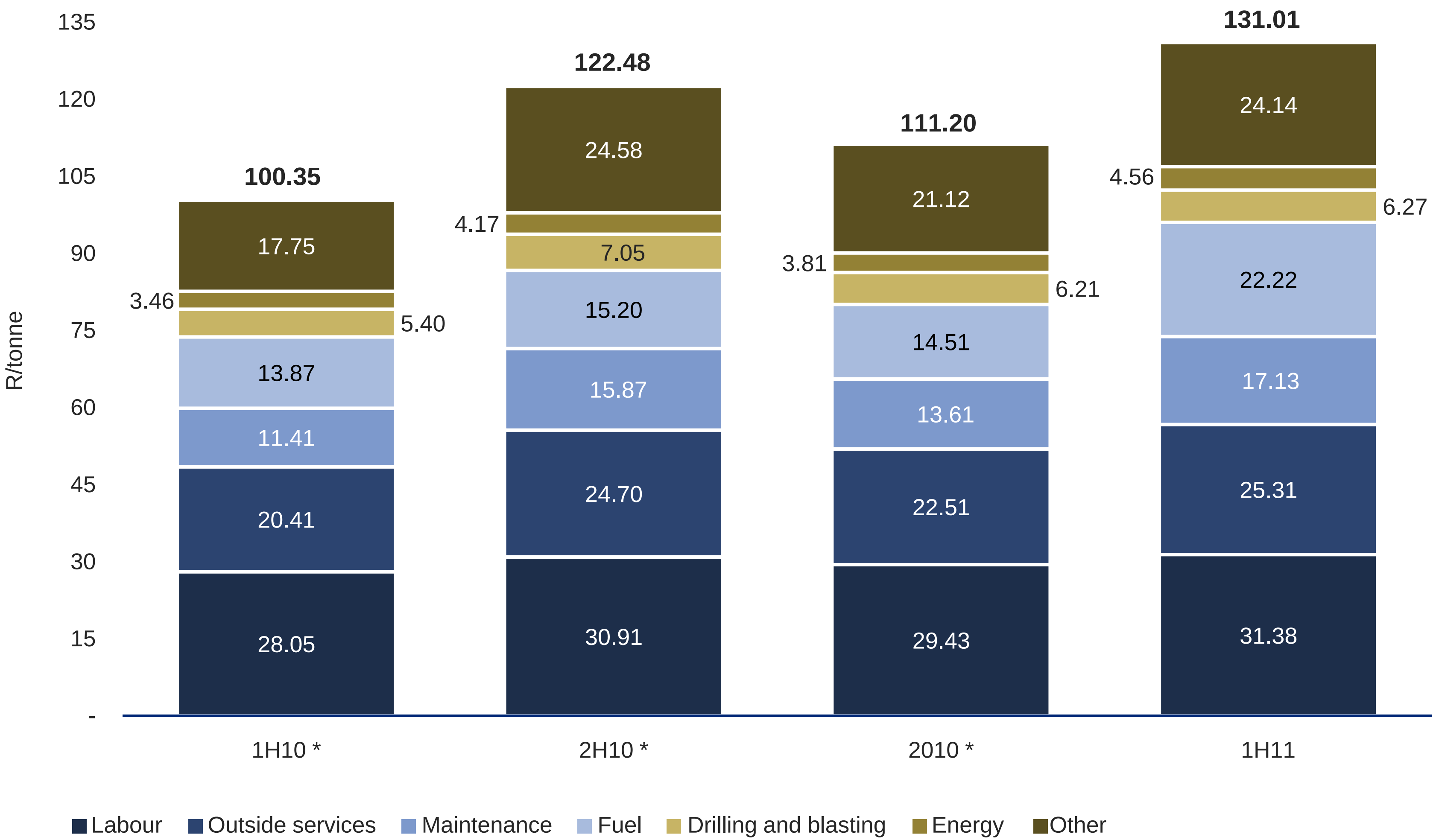
ANNEXURE 6

Sishen mine unit cash cost analysis by activity (Rand per tonne)



ANNEXURE 7

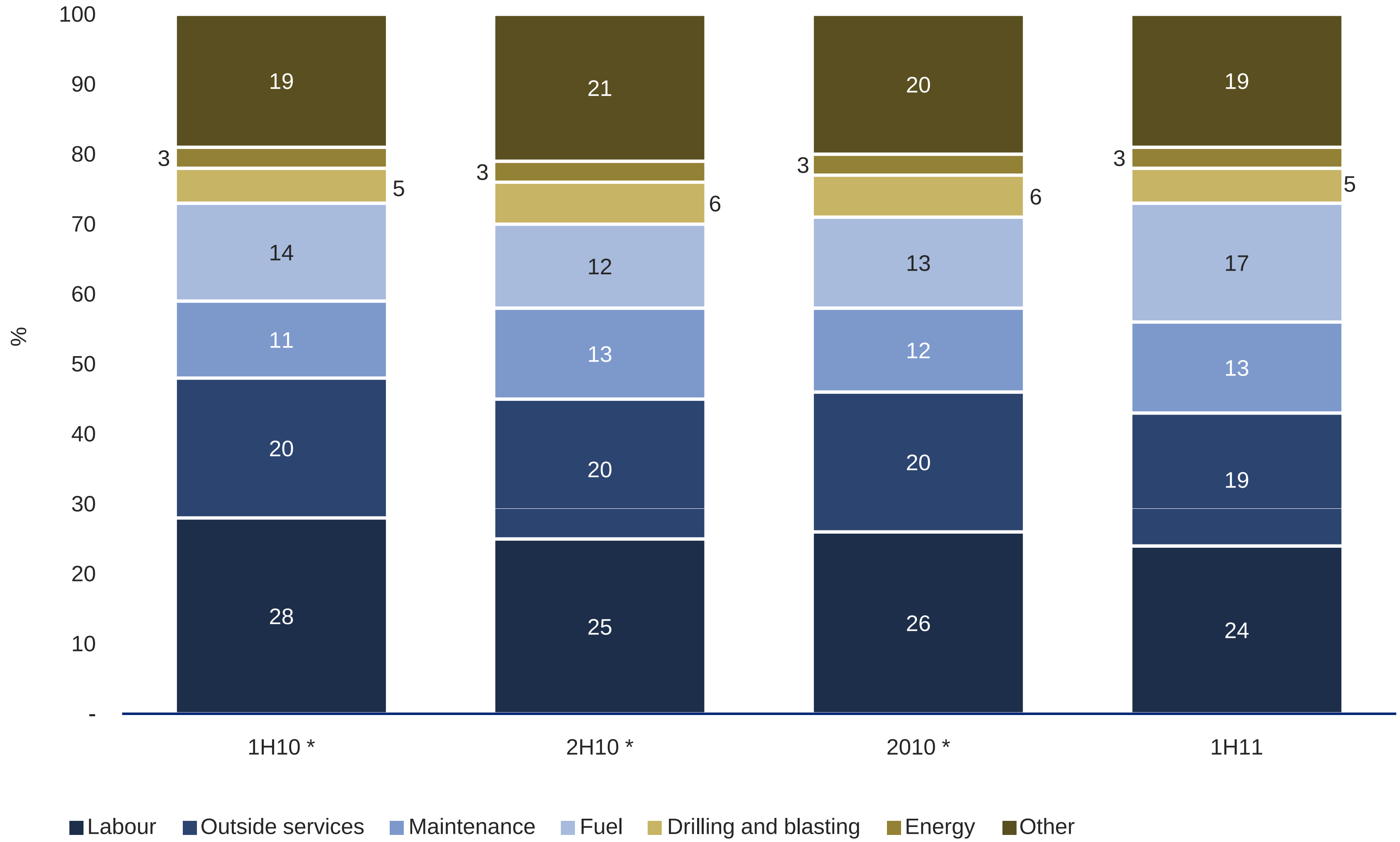
Sishen mine unit cash cost structure (Rand per tonne)



** 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 8

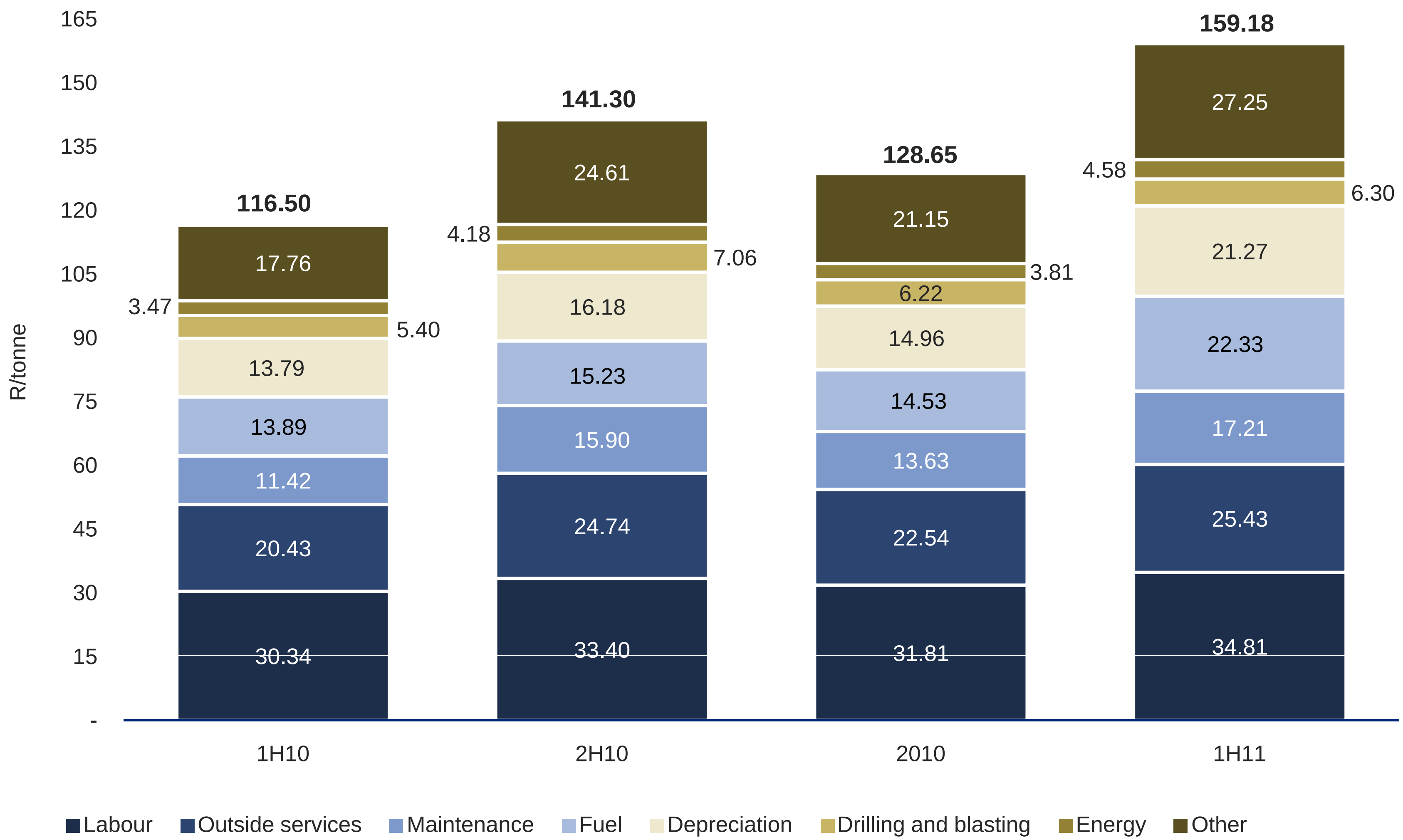
Sishen mine unit cash cost structure (%)



** 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*

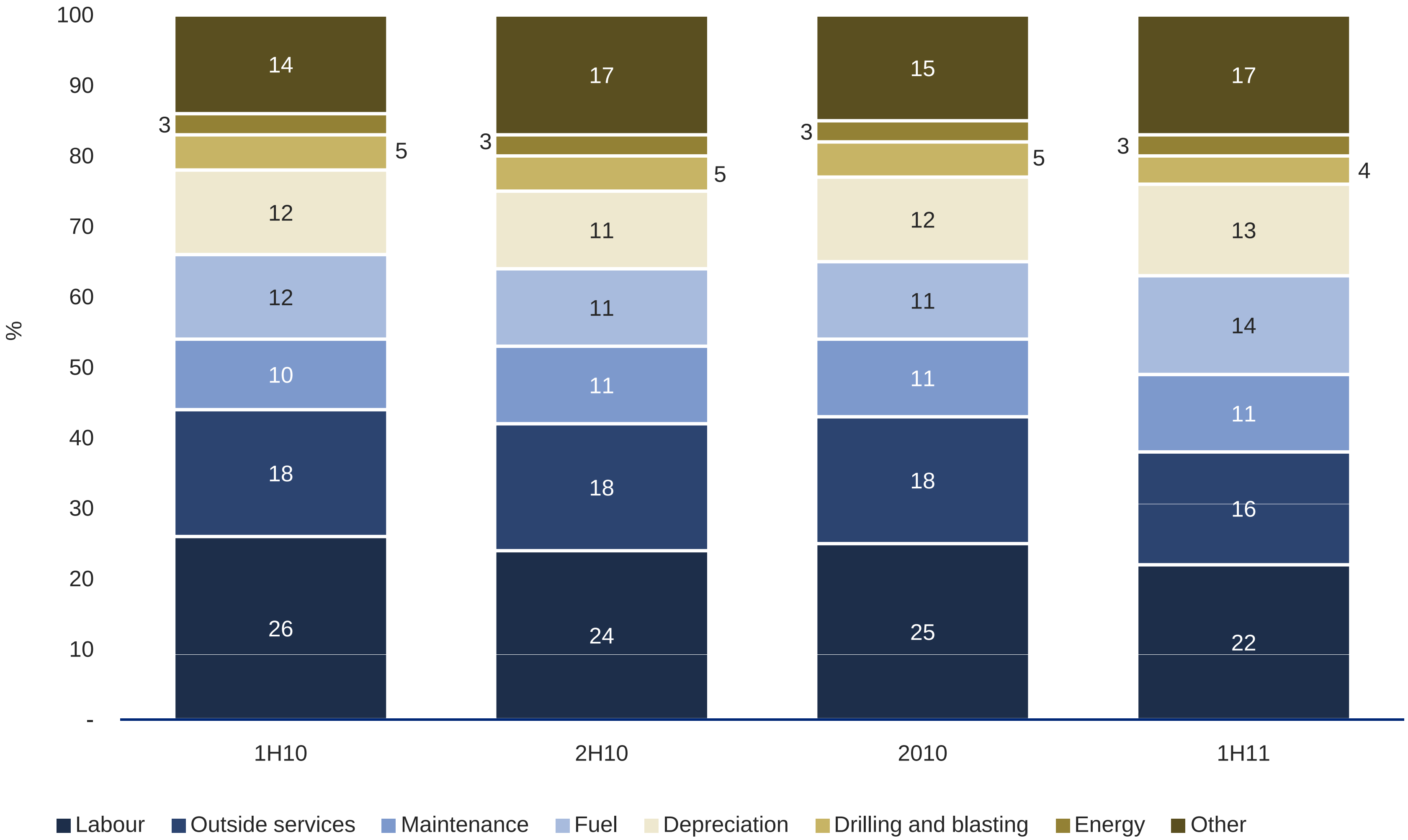
ANNEXURE 9

Sishen mine total unit cost structure (Rand per tonne)



ANNEXURE 10

Sishen mine total unit cost structure (%)



ANNEXURE 11

STRATEGY

Kumba's vision

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

Strategic intent

- Kumba is an African growth company that seeks to maximise total shareholder value sustainably through optimising the value of current operations and opportunities down the value chain, as well as executing growth projects with the potential of becoming a 70Mtpa South African and a 10Mtpa to 20Mtpa African iron ore supplier by 2020. Kumba executes its business in a way that cares for its people, communities and the environment in which it operates

Business strategy

- Optimise the value of current operations through asset optimisation at all operations and moving Sishen from "good" to "great" performance
- Capture value across the value chain through the niche product strategy, adaptive pricing mechanism, and executing its logistics and Ocean Freight Management (OFM) strategies
- Deliver on growth projects in South Africa to realise an additional 29Mtpa production by 2019 (including the Kolomela 9Mtpa by 2013), with an additional African growth target of 10-20Mtpa by 2020
- Enhance organisational responsibility and capability by matching strategy with resources and capability and delivering on the SHE and corporate social development objectives

Competitive strategy

- Be a differentiated niche supplier of iron ore through a sized product offering characterised by unique physical properties delivering a high lump ratio
- Stronger customer relations, uniquely positioned as an alternative supplier of choice to the big three iron ore producers
- Having a good geographical spread to the major customers and an adaptive pricing strategy
- Be a miner of choice to our stakeholders by being a company that leaves a positive legacy in the communities in which we operate