



Results presentation – 31 December 2006

Poised for growth

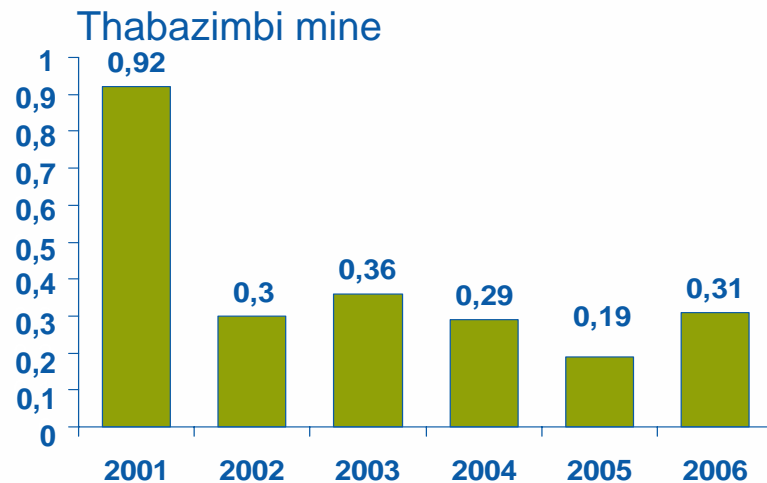
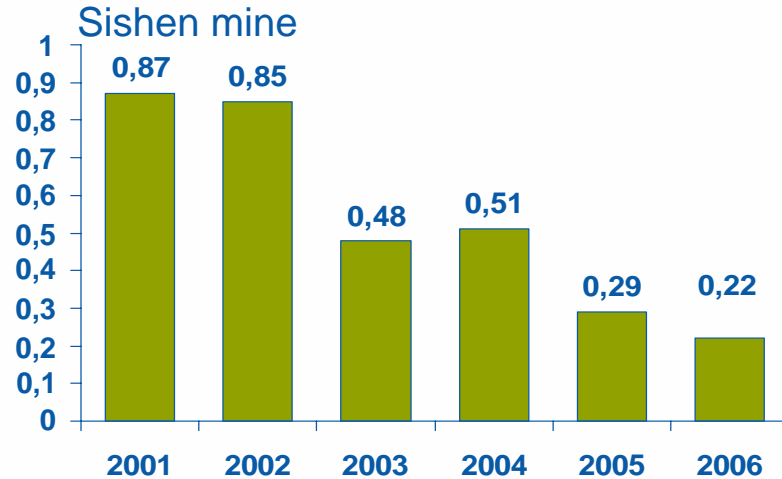
HIGHLIGHTS – YEAR ON YEAR

- Revenue up 32%
- Operating profit up 36%
- Headline earnings increase 33%
- Production volumes up 1%
- Export volumes down 3%
- Maiden dividend of 80cps

A photograph of a worker in a blue hard hat and safety vest looking over an industrial facility at sunset. The worker is in the foreground, looking towards the right. The background shows a large industrial complex with various structures and equipment, including a large building and a conveyor system. The sky is orange and yellow from the setting sun.

OPERATIONAL OVERVIEW

SAFETY (LOST TIME INJURY FREQUENCY RATE)



Highlights

- 5,3 million injury free man-hours at Sishen mine
- 4 000 fatality free production shifts at Thabazimbi mine

Low points

- One fatality at Sishen mine

OPERATIONAL PERFORMANCE – SISHEN

- Sustained production achieved
- Stripping ratio and waste mined in line with mine plans
- Pressure on production costs

	2006	2005	2004
Waste mined (Mtpa)	59,3	58,6	54,7
Stripping ratio ⁽¹⁾	1,9	1,8	1,7
Total production (Mtpa)	28,7	28,5	27,5
Total production cost (Rand / ton)	79,59	62,43	56,01

OPERATIONAL PERFORMANCE – THABAZIMBI

- Production impacted by logistical constraints
- Waste mined and stripping ratio in line with life of mine plan

	2006	2005	2004
Waste mined (Mtpa)	18,6	25,0	34,5
Stripping ratio ⁽¹⁾	6,4	7,5	11,2
Total production (Mtpa)	2,4	2,5	2,5
Total production cost (Rand / ton)	188,02	198,55	174,08

OPERATIONAL PERFORMANCE – LOGISTICS AND SALES

- Exports impacted by shiploader breakdown in September 2006
- Shiploader 2 back in operation by August 2007
- Domestic sales impacted by logistics constraints and lower Mittal demand in 2006

Mtpa	2006	2005	2004
Saldanha railed	24,3	24,0	22,0
Export shipments	21,5	22,1	20,7
Sales total	29,8	31,3	30,3
Sales export	21,5	22,1	20,9
Sales domestic	8,3	9,2	9,4

FINANCIAL OVERVIEW



FINANCIAL PERFORMANCE

Overview of results

	Unaudited 10-month Act 2006	Audited 2-month Act 2006	Unaudited 12- month aggregated 2006	Audited prelisting statement 12-months 2005	% Change
Rand million					
Revenue	6 483	2 171	8 654	6 573	32%
Operating profit	4 669	684	5 353	3 931	36%
Net finance costs	(28)	(36)	(64)	(120)	(87%)
Profit before tax	4 641	648	5 289	3 811	39%
Taxation	(745)	(269)	(1 014)	(1 084)	6%
Basic earnings	3 900	376	4 276	2 727	57%
Headline earnings	1 863	262	2 125	1 596	33%
HE - attributable to minorities	466	114	580	400	45%
Equity holders	2 329	376	2 705	1 996	36%
Tax rate	16%	42%	19%	28%	

FINANCIAL PERFORMANCE

Minority interest

Rand million	Audited 2-month Act 2006	Unaudited 12- month aggregated 2006
Profit for the year	379	4 275
Add back :		
IFRS3 charge	153	153
CGT on above profits	41	41
Attributable profit	573	4 469
Attributable to minorities – 20%	114	894
Headline earnings adjustment		
Add back:		
20% of profit on disposal (R1 571)	-	(314)
Minority interest	114	580

FINANCIAL PERFORMANCE

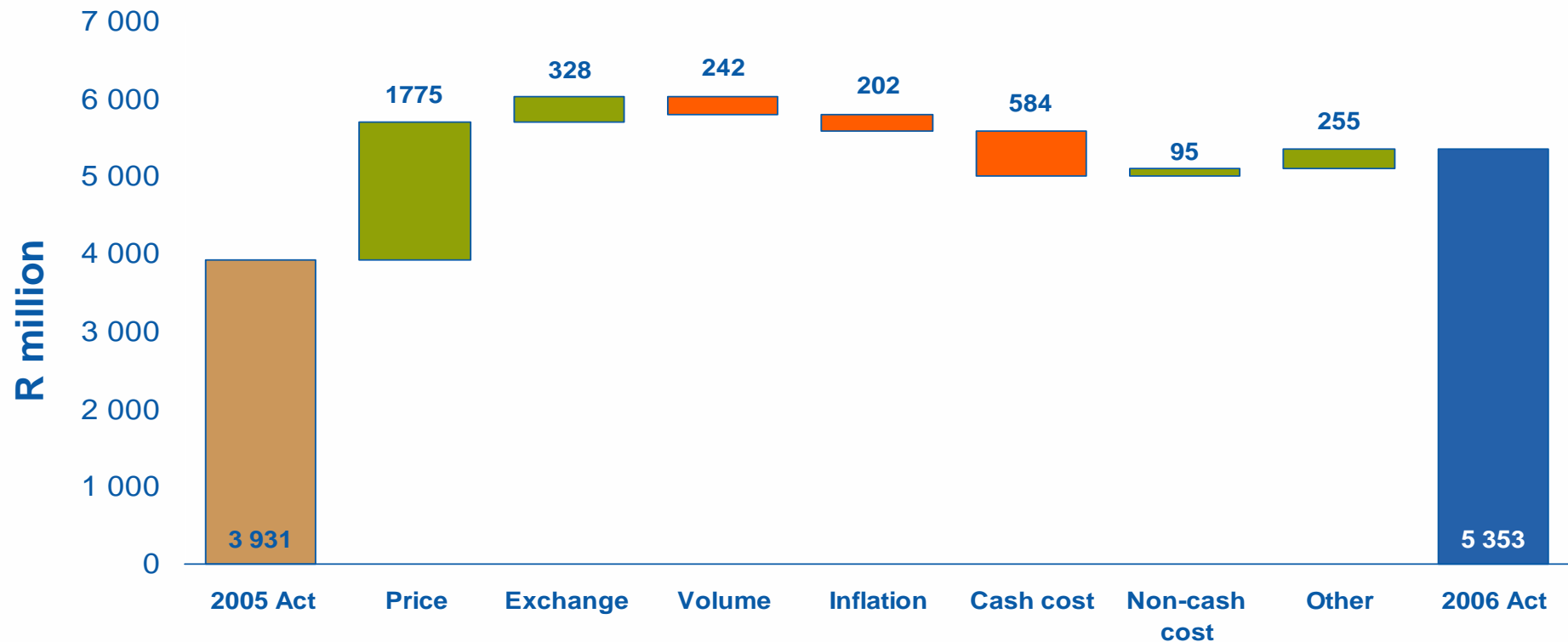
Discussion on once-off charges arising from empowerment transaction

	Unaudited 10-month Act 2006	Audited 2-month Act 2006	Unaudited 12-month aggregated 2006
Rand million			
IFRS 2 charge (i)	–	153	153
Profit on sale of KIBV (ii)	(1 571)	–	(1 571)
Transaction costs (iii)	11	19	30

- (i) Kumba sale of 3% interest in SIOC to SIOC Community Development Trust*
- (ii) Sale of offshore non-iron ore assets to Exxaro*
- (iii) Transaction costs in relation to the Kumba BEE transaction*

FINANCIAL PERFORMANCE

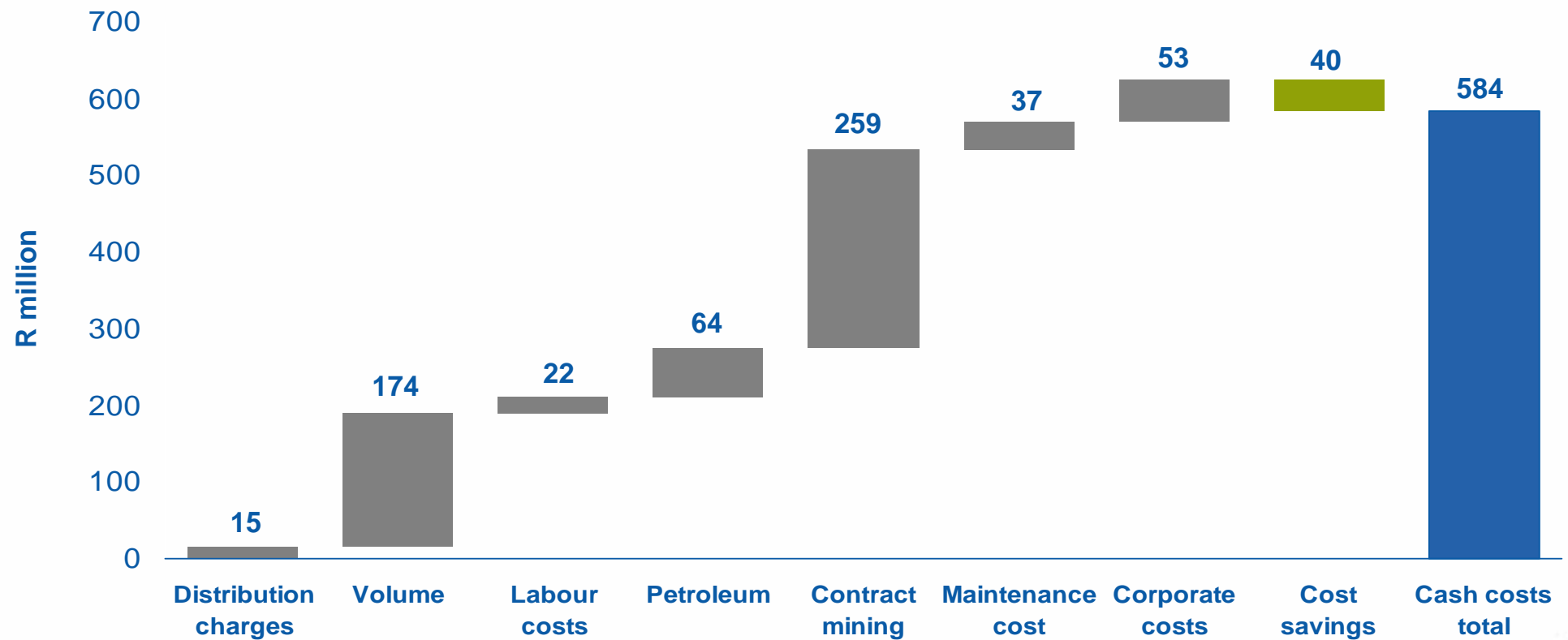
Operating profit variance – unaudited



Other costs include the reversal of the sale of Hope Downs of R1 163 million, the profit on disposal of non-iron ore offshore assets to Exxaro of R1 571 million and the IFRS 2 charge of R153 million

FINANCIAL PERFORMANCE

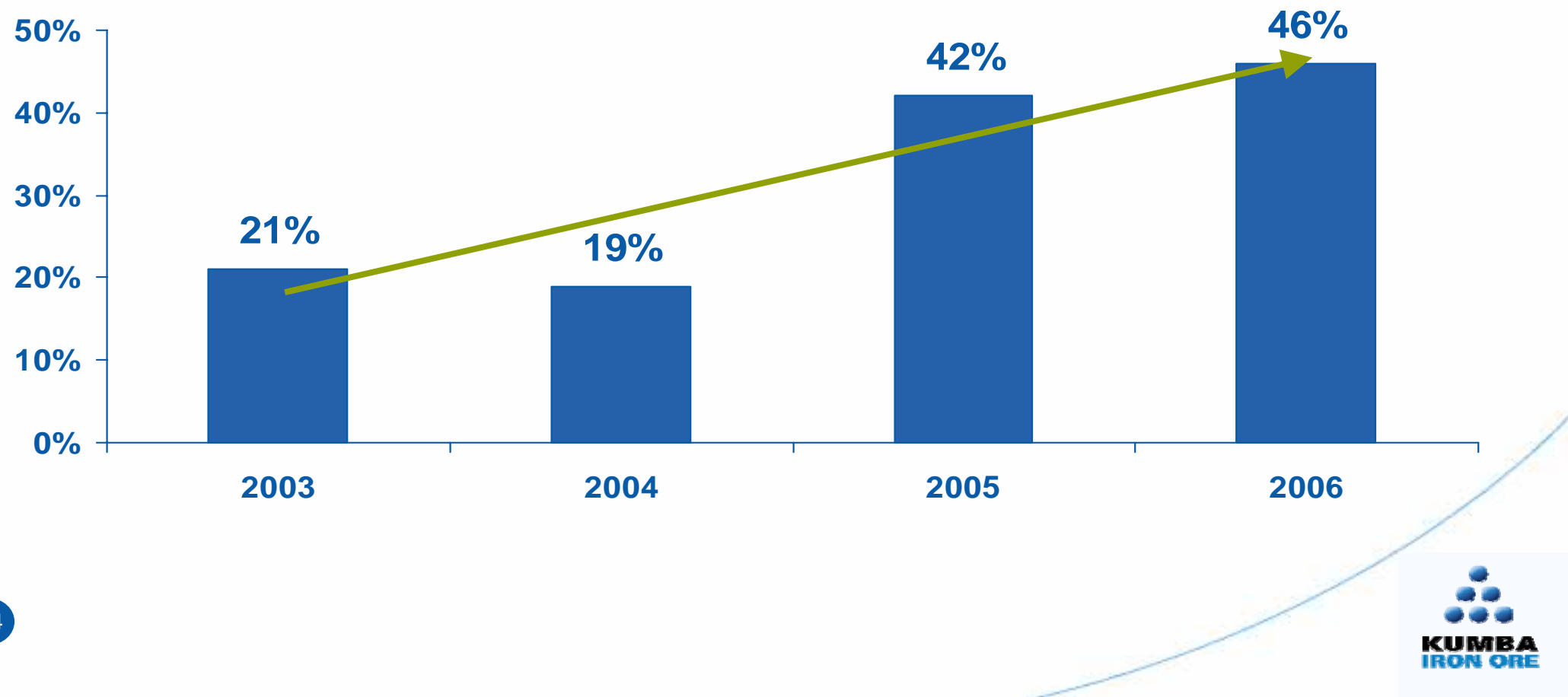
Cash cost detailed analysis – unaudited



FINANCIAL PERFORMANCE

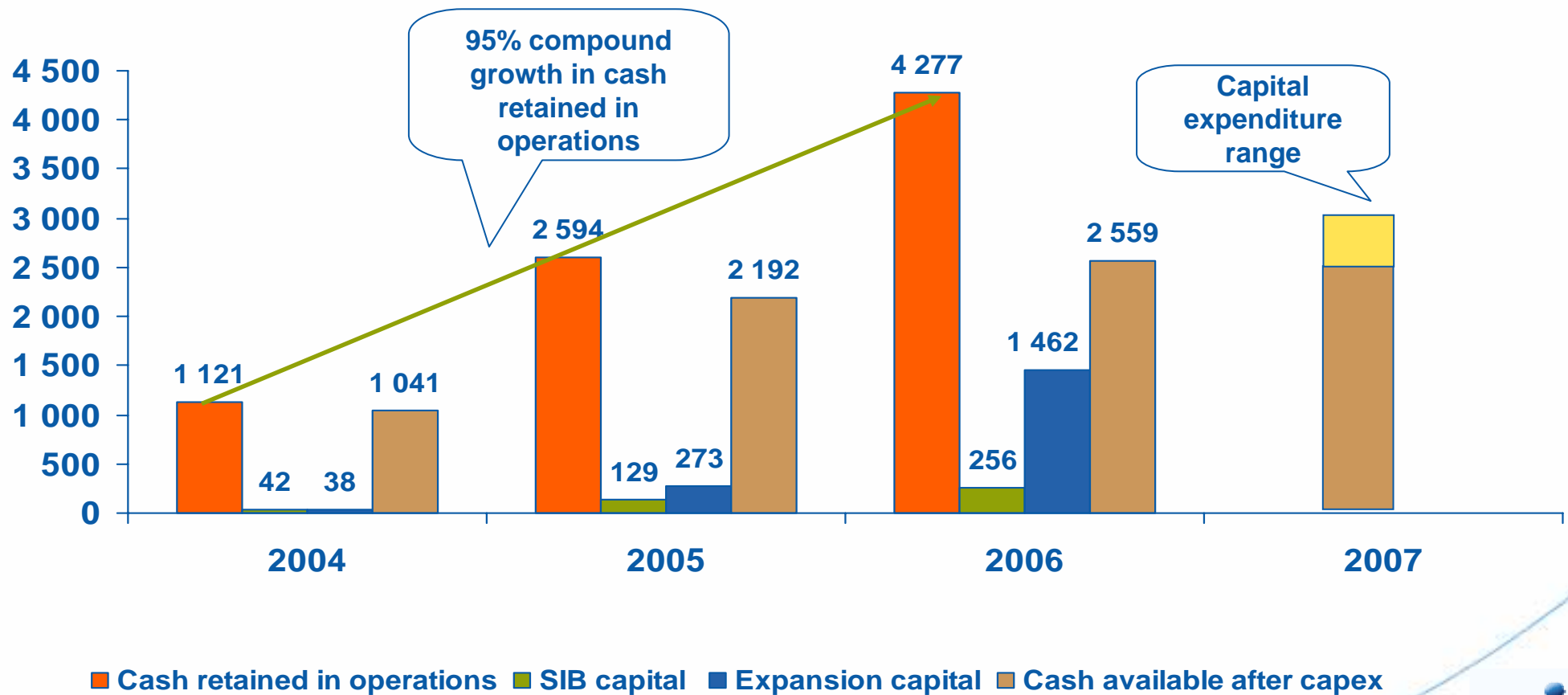
Profit margins – unaudited

Group EBIT as percentage of gross turnover



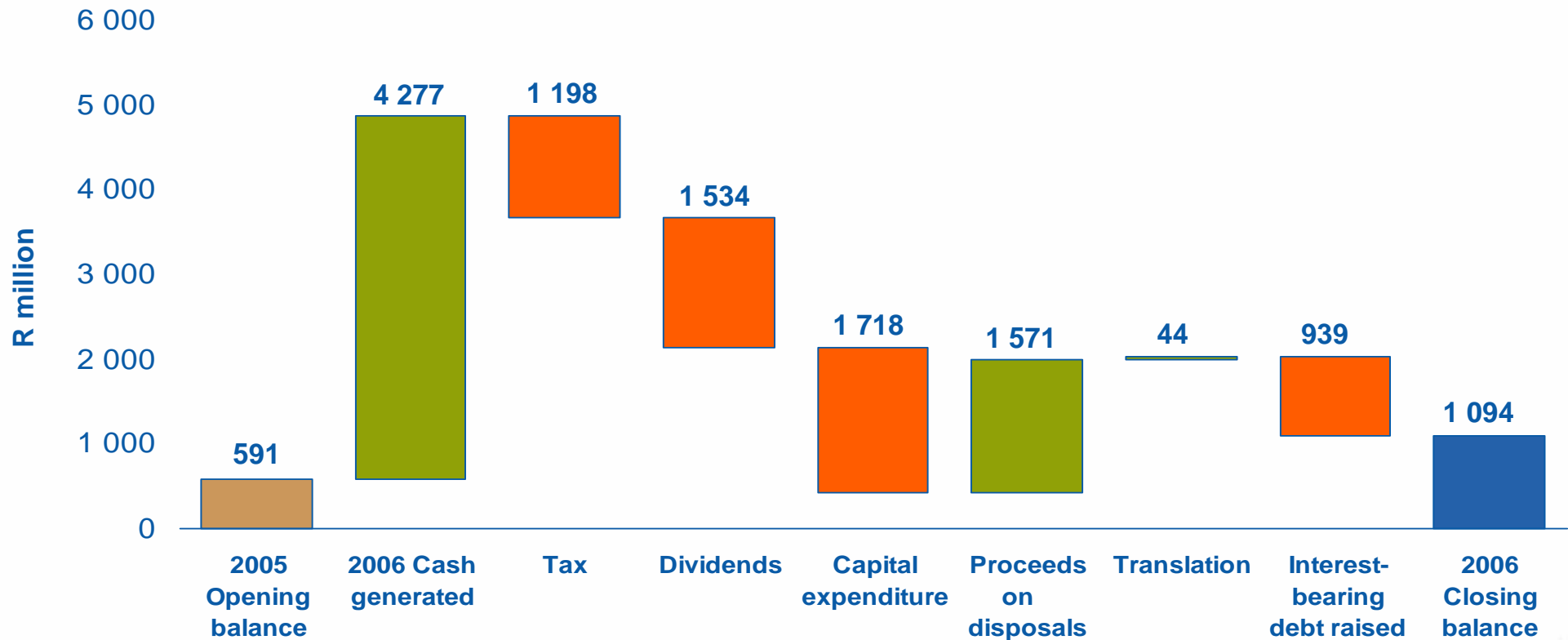
FINANCIAL PERFORMANCE

Cash flow analysis – unaudited



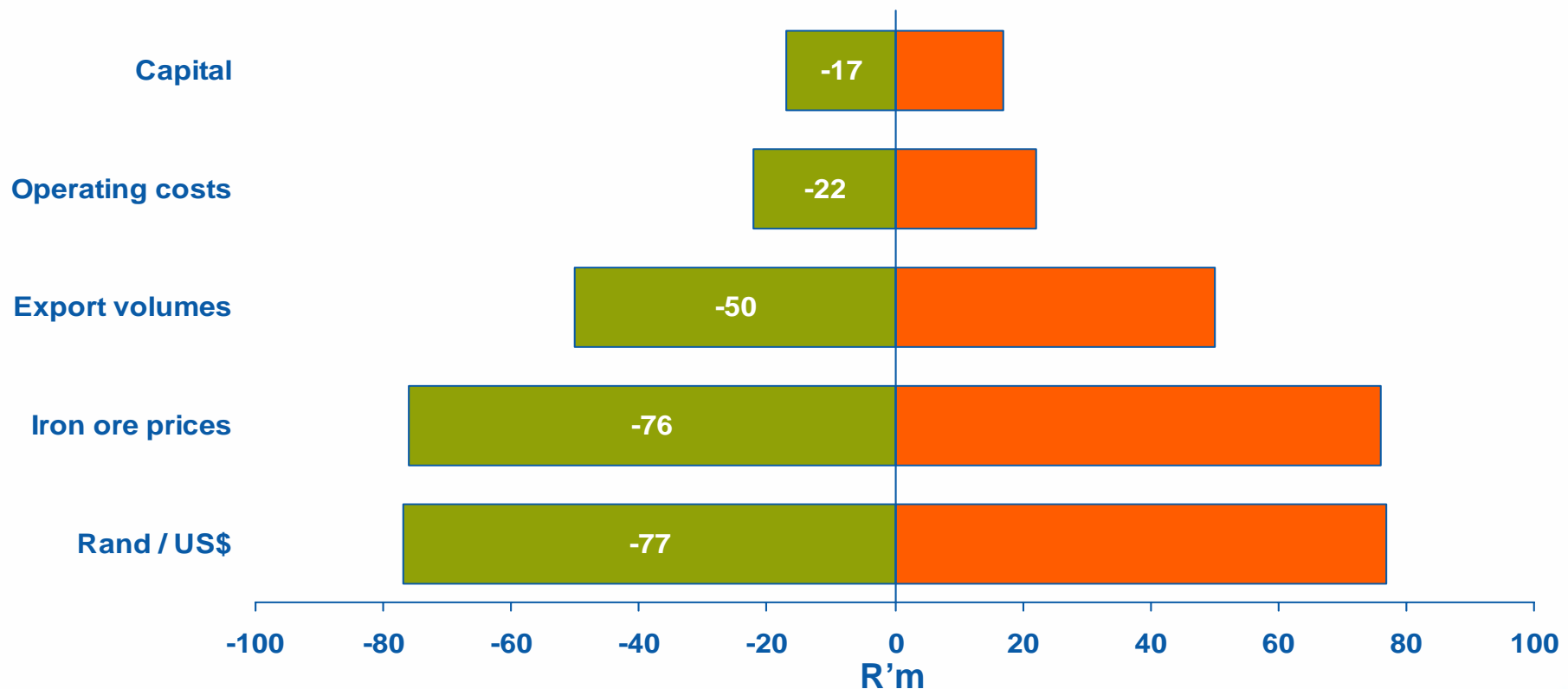
FINANCIAL PERFORMANCE

Cash flow variance – unaudited



FINANCIAL PERFORMANCE*

Sensitivities on EBIT of a 1% change in



* Unaudited

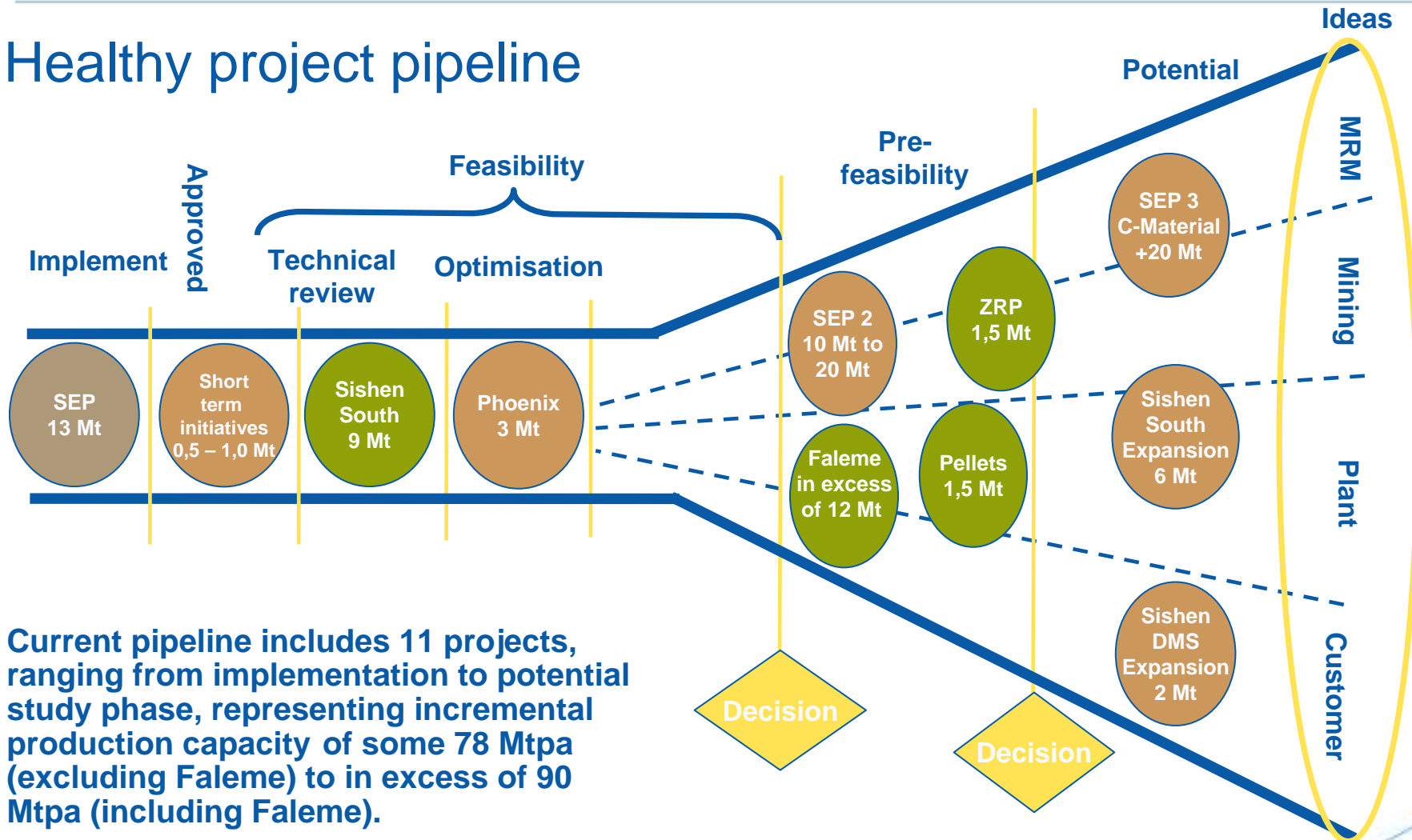
FINANCIAL PERFORMANCE

- Firm iron ore prices
- EBIT margin of 46%, up 10% year on year
- Robust cash flows
- Cost containment programmes in place
- Maiden dividend of 80cps
- Dividend cover of 1,05 times

PROJECTS

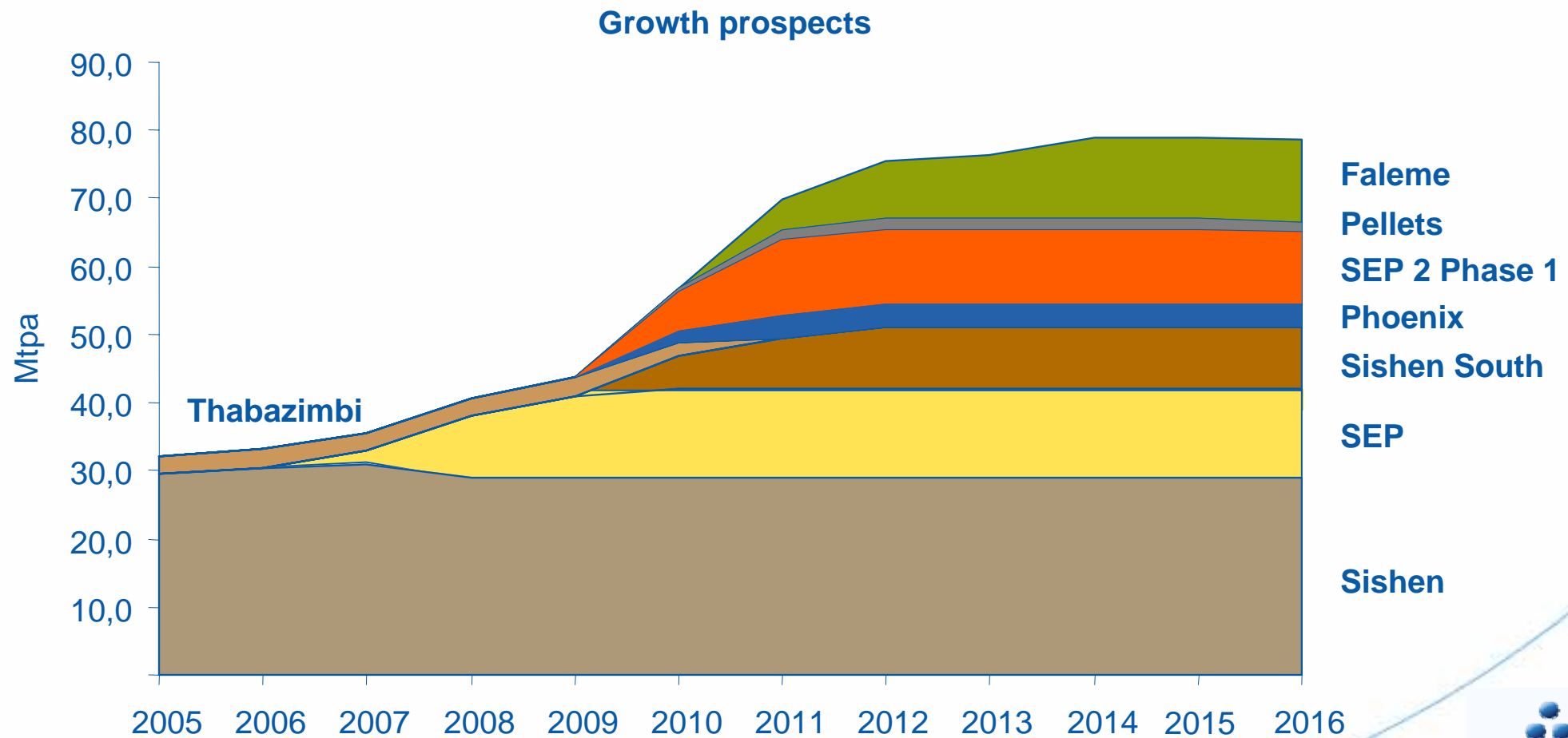
GROWTH STRATEGY

Healthy project pipeline



GROWTH POTENTIAL

Kumba is targeting 70 Mtpa by 2015



SEP – PROGRESS

- On track to deliver first production in Q3 2007
- Project to be delivered within the R5 100 million budget
- Outstanding safety performance
- Strong market support for the product



13 Mtpa brownfields expansion, utilising jigging technology to beneficiate medium grade ores previously considered waste

SISHEN SOUTH – UPDATE

- On track for investment decisions by mid-2007
 - Mine feasibility to be completed by March 2007
 - Transnet export channel expansion feasibility progressing well
- Capex in order of R3 billion
- Ore qualities similar to that of Sishen

Greenfields project of up to 9 Mtpa direct shipping ore,
70 km south of Sishen near Postmasburg

PROJECT PHOENIX – UPDATE

- Mittal informed Kumba in December 2006 that it does not wish to participate in Phoenix
- Feasibility study to be completed
- Kumba is currently considering alternatives to ensure maximum resource utilisation
- The existing commercial arrangements with Mittal are unaffected

Project Phoenix considers an extension of 20 years to the LOM through the utilisation of the banded iron ore formation in combination with hematite ore from the old underground operations

FALEME – UPDATE

- Engagement with the Government of Senegal continues
- Exploration drilling commenced again with permission of the Minister of Mines
- Presence increased: Country manager and branch office

Greenfields project in excess of 12 Mtpa, potential utilising both hematite and magnetite resources, 747km south east of Dakar. Requires infrastructure and export harbour facilities.



TRANSFORMATION

TRANSFORMATION

- Fully compliant on the **26%** HDSA ownership criteria for 2014
- HDSA in management at **33%**
- Women in mining at **13%**
- BEE procurement **26,8%** of discretionary spend
- All applications for conversions submitted and accepted by DME

MARKET

IRON ORE MARKET

- The iron ore industry remains fundamentally attractive
 - Global seaborne iron ore volumes are expected to grow by more than 9% to 730 Mt in 2007
 - Steady growth in demand forecast until at least 2020 (25% growth from today's levels)
 - Demand (particularly seaborne) growing due to Chinese demand and reduced steel scrap availability
 - Greenfield incentive pricing is expected until at least 2015 and Brownfield incentive pricing until 2025
 - Some iron ore producers and steel producers have reached settlement on a 9,5% benchmark iron ore price increase for 2007

KUMBA – POISED FOR GROWTH

Successful debut on the JSE

Fully empowered

Major projects under evaluation

SEP on track to commence production in Q3 2007

Solid financial results

Strong cash flow generation

Maiden dividend of 80 cents per share



Questions and answers