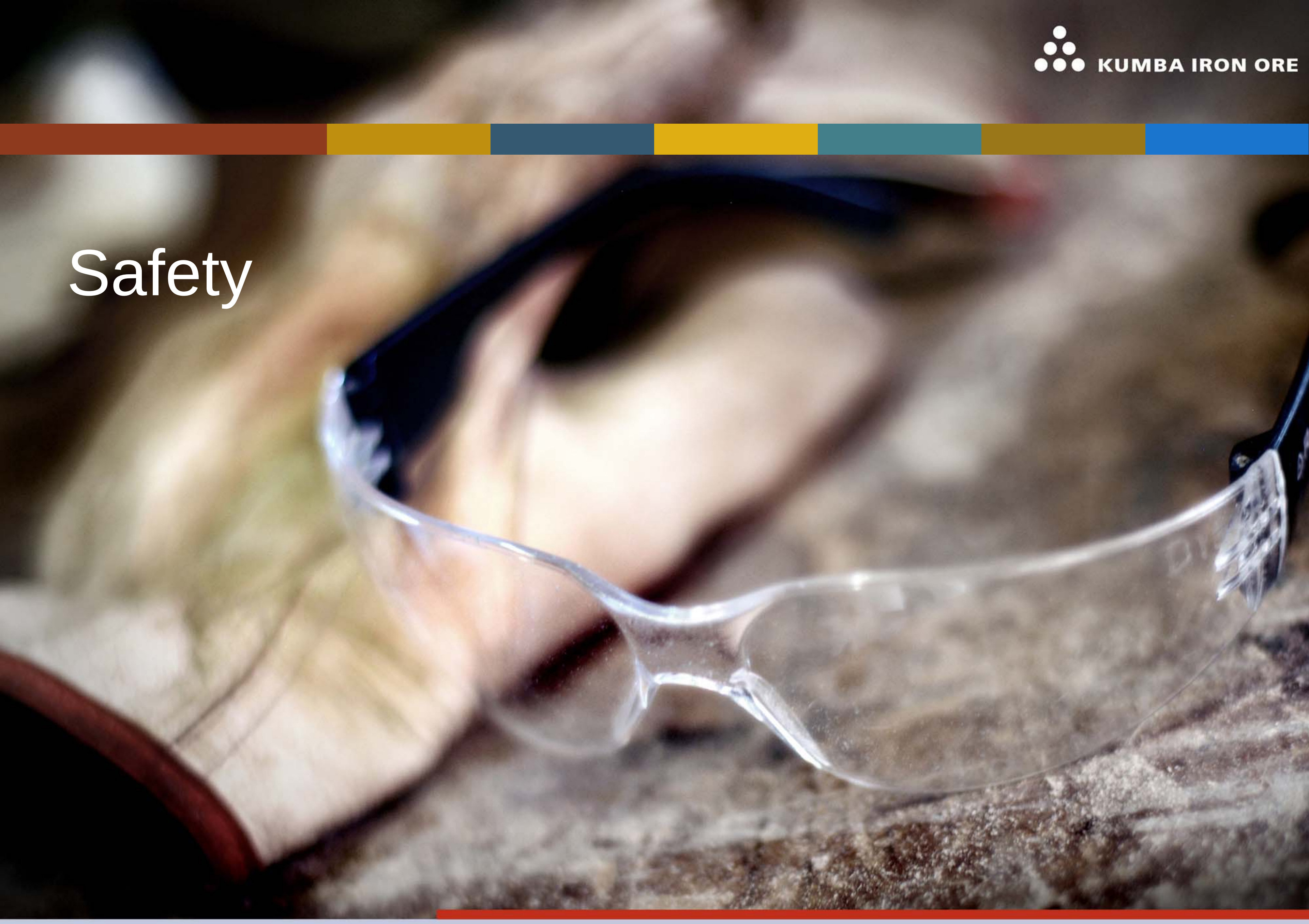
KUMBA IRON ORE

Interim financial results

23 July 2009

Highlights

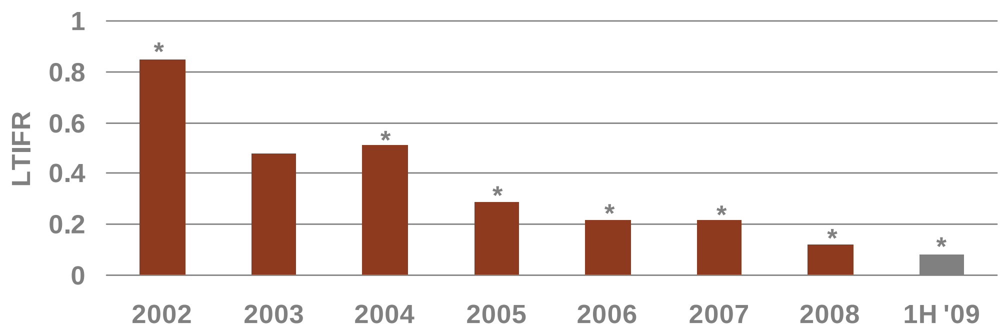
- Outstanding **safety performance** continues
- Sishen Mine **10% production growth** on track: 18.0Mt in 1H09, +14%
- Solid increase in export sales volumes: +29% to 17.1Mt
- **Stockpiles reduced** to 4.6Mt, down from a peak of 7.5Mt
- Cost management and revenue enhancement initiatives progressing well: over R700 million operating profit generated
- Strong **cash flow generation**: cash flow from operations R7.5 billion, +63%
- **Cash returned to shareholders**: Interim dividend of R2.3 billion declared



Safety

Safety: Outstanding performance continues

- Regrettably one fatality at Sishen South Project during January 2009
- Improved LTIFR: -33% to 0.08
- Thabazimbi Mine LTI free for 21 months by period end
- Thabazimbi Mine now almost 7 years without a fatality
- Commitment to zero harm, visible achievements



* Fatality

Operational review

Sishen Mine: On track for 10% production growth FY09

- Sishen Mine production up 14% to 18.0Mt
- DMS production of 13.6Mt
- Jig plant production ramps up to 4.4Mt
- Additional high-cost production initiatives discontinued
- Increased waste volumes as planned

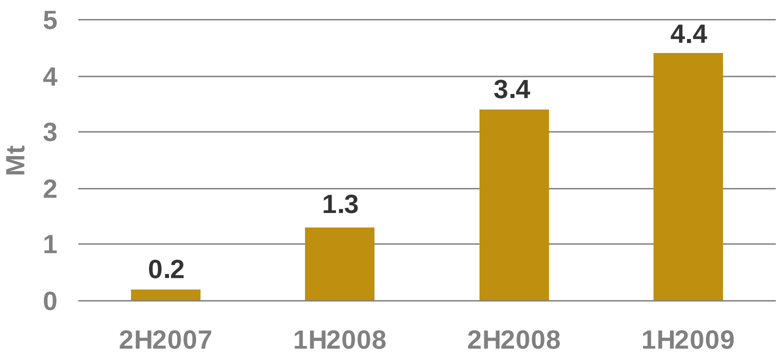
Mt	6 months 30 Jun 2009	6 months 30 Jun 2008	% change	6 months 31 Dec 2008	% change
Total tonnes mined	58.3	50.9	15%	56.7	3%
Waste mined	37.6	29.3	28%	33.7	12%
ROM production	22.2	21.7	2%	22.9	(3%)
Final product	18.0	15.8	14%	18.2	(1%)
– DMS	13.6	14.0	(3%)	14.4	(6%)
– Jig	4.4	1.3		3.4	29%
– Other	–	0.5		0.4	
Stripping ratio	1.69	1.35		1.47	

Sishen Mine: DMS plant

- Production stable at 13.6Mt for the period, despite increasing geological complexity
- Continued focus on quality of products in current market conditions

Sishen Mine: Jig plant (SEP)

- Production of 4.4Mt for the period: contributing 24% of Sishen Mine's production
- 830Kt achieved in June: annualised equivalent production of 10Mtpa
- On track to reach nameplate capacity of annualised rate of 13Mtpa in Q4 of 2009



Sishen Mine: Logistics and sales

- Export sales volumes up strongly: +29% to 17.1Mt
- Stock levels reduced to 4.6Mt, below 2008 closing levels of 5.8Mt
- Reduced demand from Europe, Japan and Korea; volumes successfully redirected to China
- Domestic sales reduced in line with demand: -26% to 2.0Mt

Mt	6 months 30 Jun 2009	6 months 30 Jun 2008	% change	6 months 31 Dec 2008	% change
Production	18.0	15.8	14%	18.2	(1%)
Railed to port	16.7	12.7	31%	15.1	11%
Total sales	19.1	16.0	19%	14.5	32%
Sales – export	*17.1*	*13.3*	*29%*	*11.6*	*47%*
Sales – domestic	*2.0*	*2.7*	*(26%)*	*2.9*	*(31%)*

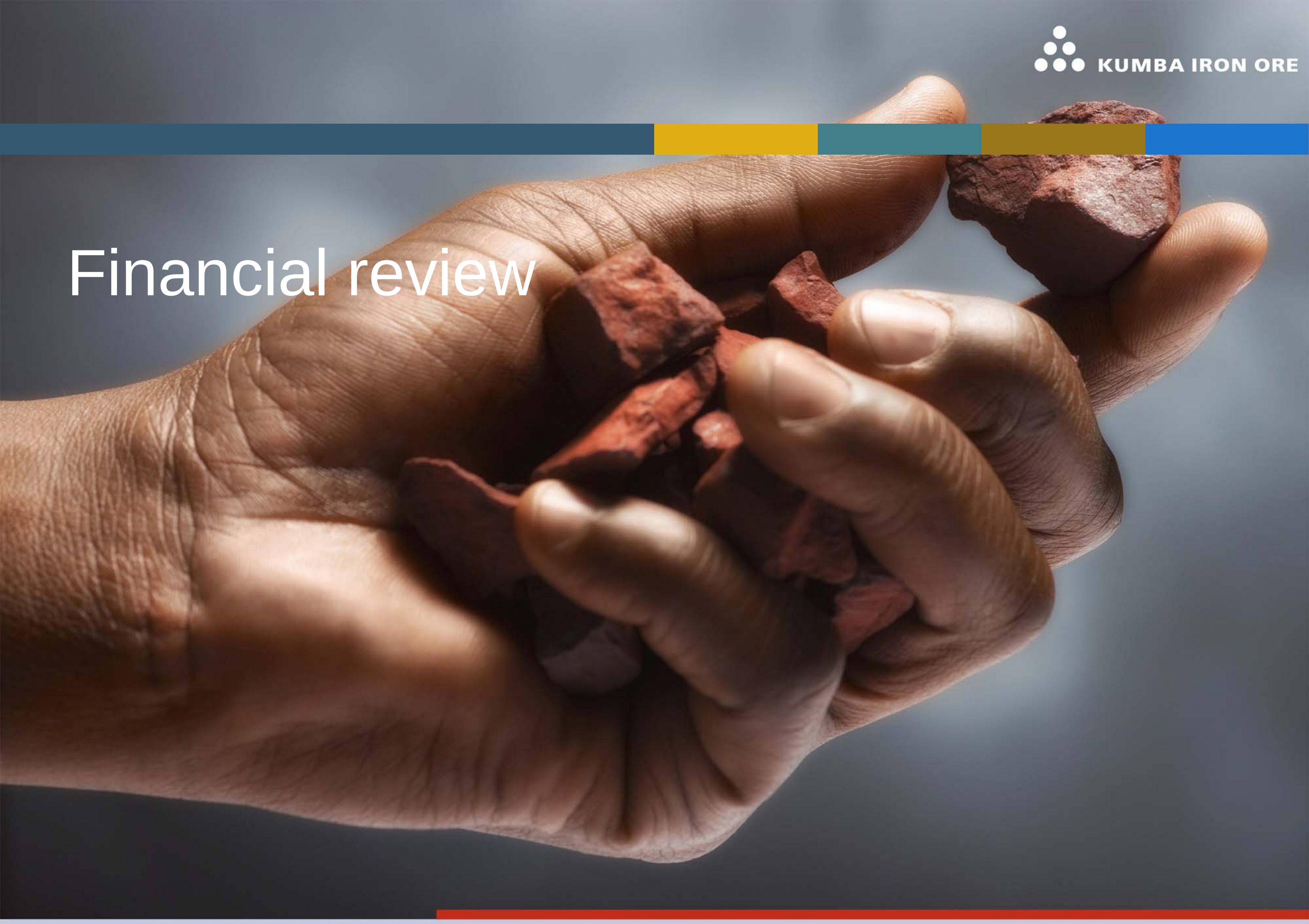
Thabazimbi Mine

- Record safety performance
- Production and sales dependent on demand from AMSA
- Increased product stock levels

Mt	6 months 30 Jun 2009	6 months 30 Jun 2008	% change	6 months 31 Dec 2008	% change
Total tonnes mined	6.9	5.6	23%	6.6	5%
Waste mined	5.6	3.9	44%	5.0	12%
ROM production	1.3	1.7	(24%)	1.5	(13%)
Production	1.1	1.3	(15%)	1.4	(21%)
Sales – domestic	0.9	1.3	(31%)	1.2	(25%)
Stripping ratio	4.3	2.3		3.3	

Iron ore market

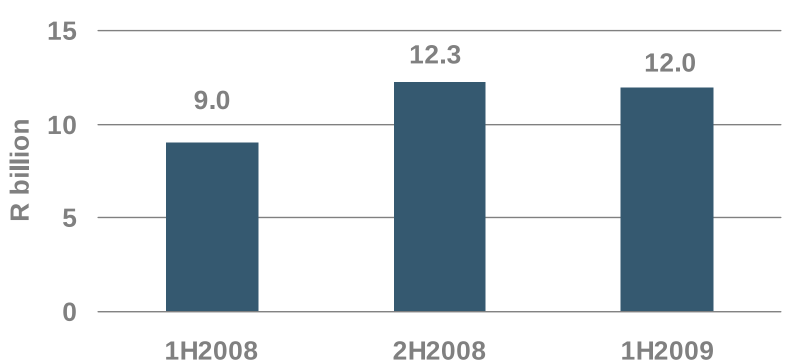
- Steel mills in Europe, Japan and Korea operating at 60-70% of capacity on average
- Iron ore imports into these regions further negatively affected by destocking
- Annualised steel production in China up by almost 10% from 2008 average. Coupled with lower Chinese domestic iron ore production, resulted in record seaborne iron ore imports
- Increased focus on non-contractual customers in China, to absorb contractual volume shortfalls in Europe, Japan and Korea
- China accounted for more than 80% of Kumba's export sales in 1H09
- Despite weak market conditions, Kumba signed new long-term contracts with Hyundai and Handan; active customer development in other regions continues
- Domestic volume down, in line with lower AMSA demand



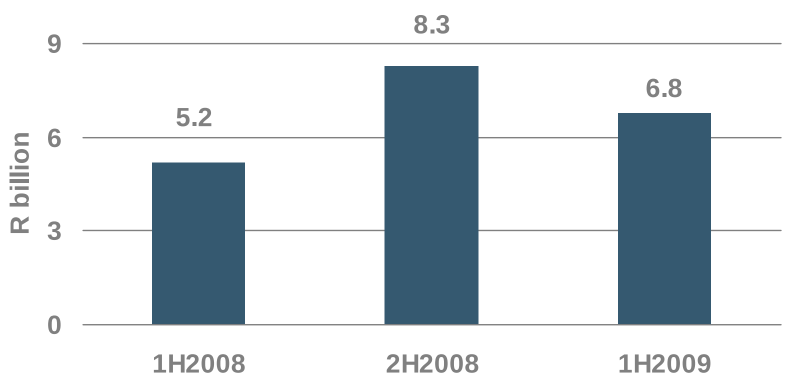
Financial review

Highlights

- Revenue up 33% from R9.0 billion to R12.0 billion
- Operating profit up 31% to R6.8 billion
- Over R700 million operating profit benefit from asset optimisation
- Headline earnings R3.4 billion (R10.76 per share), +22% year on year
- Cash generated by operations R7.5 billion
- Interim cash dividend of R2.3 billion declared (R7.20 per share)



Revenue



Operating profit

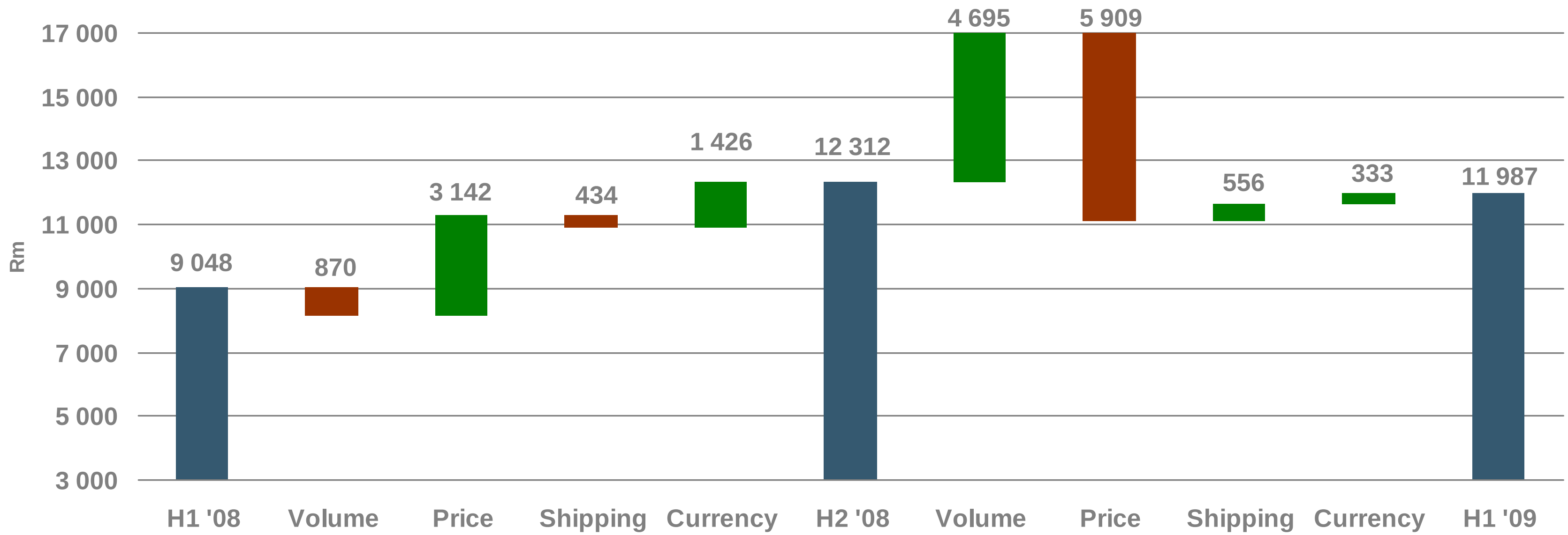
Financial overview

- Strong financial performance with cash generated of R7.5 billion
- Sishen Mine unit cash cost contained at R104/tonne, below inflation

(Rm)	6 months 30 Jun 2009	6 months 30 Jun 2008	% change	6 months 31 Dec 2008	% change
Revenue	11 987	9 048	33%	12 312	(3%)
Operating expenses	(5 166)	(3 802)	(36%)	(4 045)	(28%)
Operating profit	6 821	5 246	31%	8 267	(17%)
Operating margin (%)	57	58	2%	67	–
Profit attributable	4 344	3 545	23%	5 538	(22%)
– Equity holders of Kumba	3 435	2 816	22%	4 392	(22%)
– Minority interest	909	729	25%	1 146	(21%)
Headline earnings	3 422	2 816	22%	4 460	(23%)
Effective tax rate (%)	27	28	–	27	–
Capital expenditure	1 500	806	86%	1 757	(15%)
Cash generated from operations	7 503	4 581	64%	9 938	(25%)

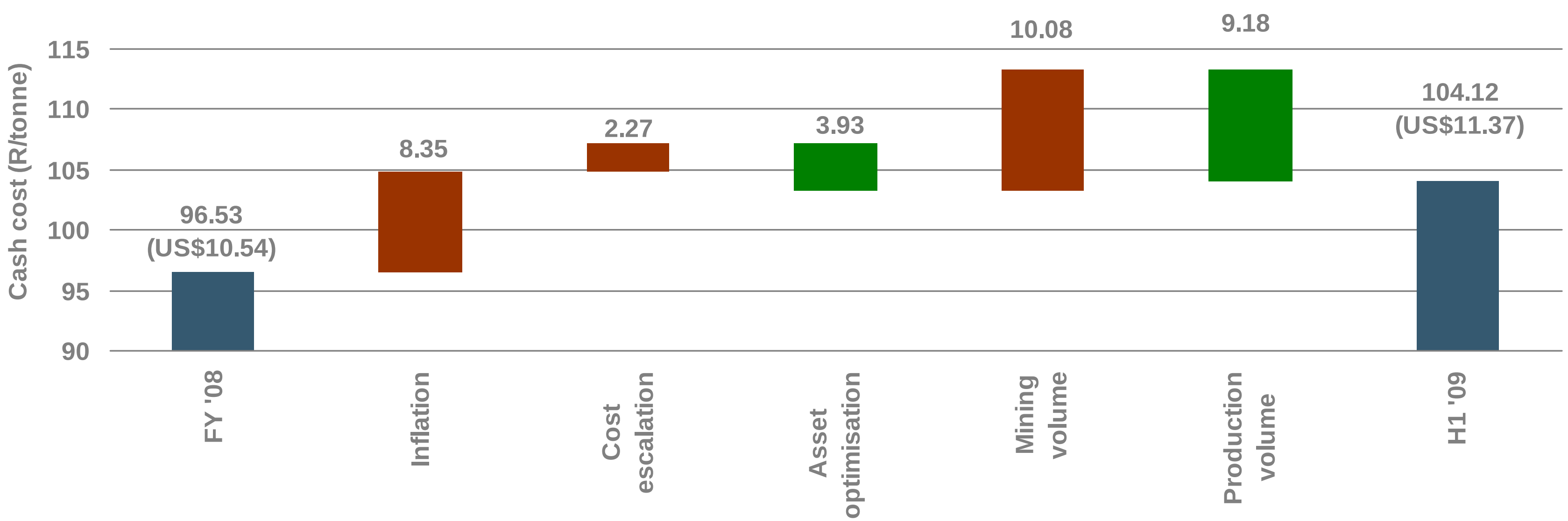
Revenue variance

- Revenue increased by 33% YOY, driven by 29% increase in export sales volumes



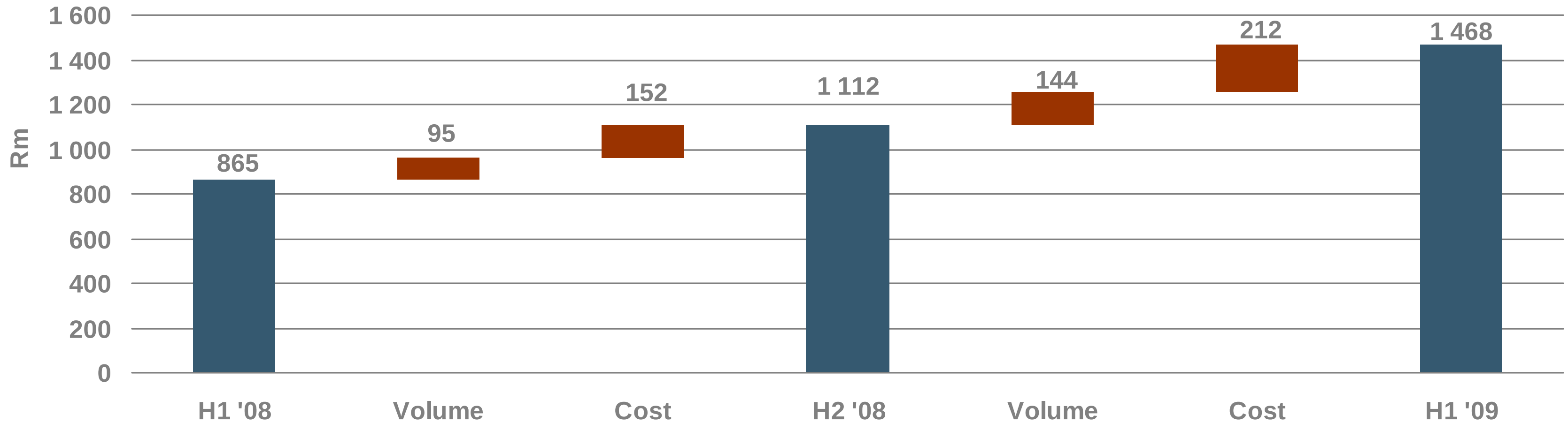
Sishen Mine – cash cost variance

- 8% increase in cash costs (FOR) vs. FY08:
  - Inflation
  - 23% increase in waste mined
- Offset by 14% increase in production volumes
- Focus on cost management and efficiency improvements



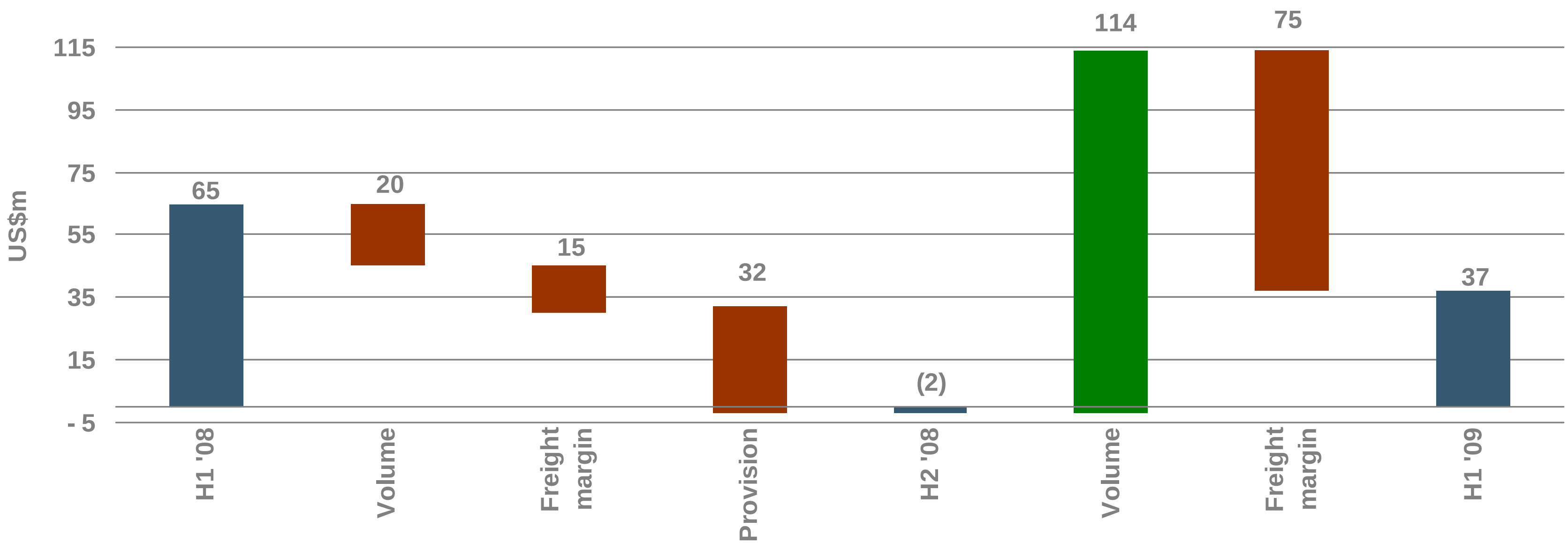
Selling and distribution costs

- Increase of 70% YOY, driven by increase in volumes:
  - – Volumes railed: +31% to 16.7Mt
  - – Volumes shipped: +29% to 17.3Mt



Shipping operations – operating profit (US$)

- Increase in volumes: +8.5Mt to 12.1Mt
- Offset by lower freight margins achieved



Revenue enhancement and cost management

- Asset optimisation delivering benefits: R726 million contribution to 1H09 operating profit
  - R520 million through revenue enhancement
  - R206 million through cost reduction and containment
  - Promising results from the Sishen Mine transformation programme
- Cost management focus on controllable/discretionary spend

Rm	6 months 30 Jun 2009
Revenue enhancement	520
Cost reduction and containment	206
– Continuous improvement	18
– Supply chain	188
Capital expenditure saving	58
Cost avoidance	249

- Increasing shipping operation volumes – R305m
- Development of niche products – R91m
- Increasing production volumes through planned plant shutdown optimisation – R124m

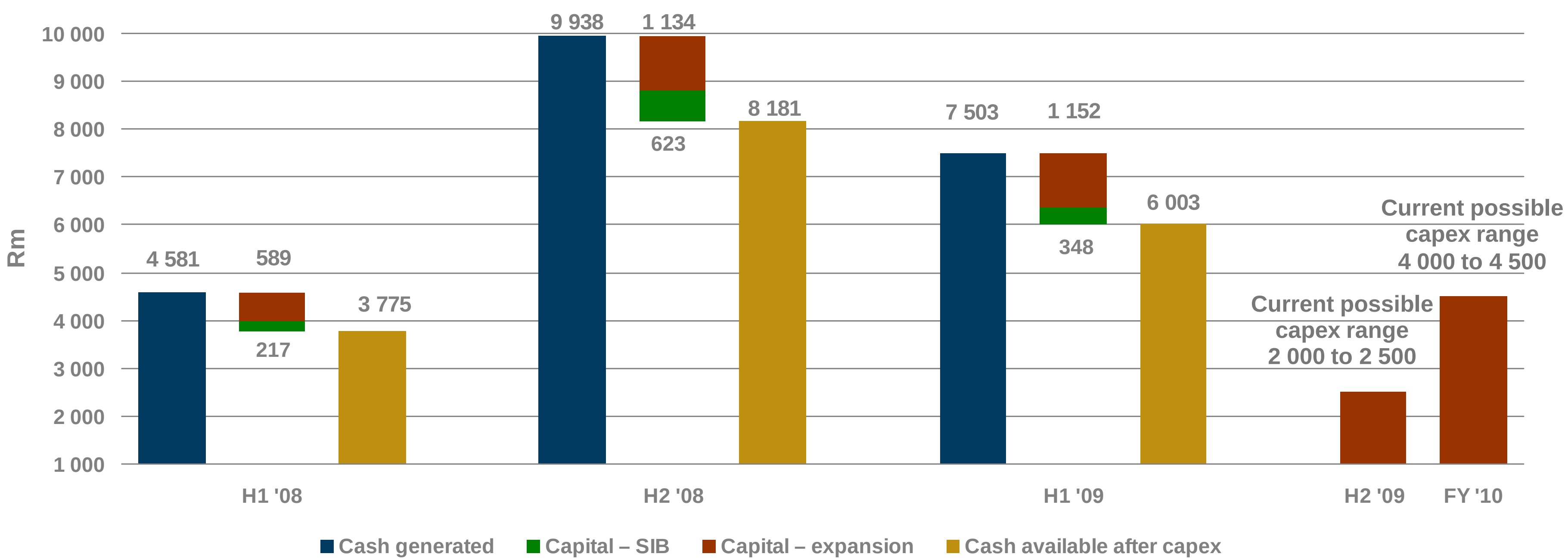
- Increasing the load factor of the haul truck fleet and the availability of drills

- Commercial negotiation driving cost reduction and cost containment

- Partial freezing of vacancies, focus on overtime and discretionary spend

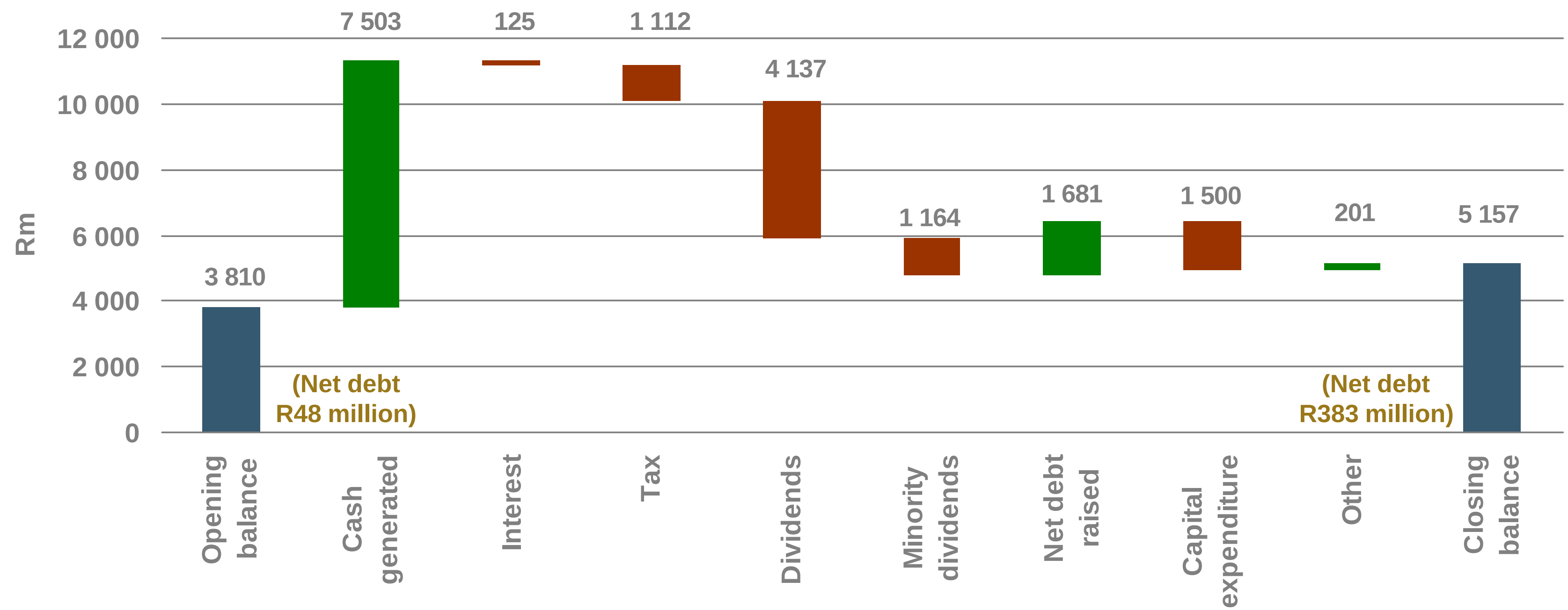
Cash flow analysis

- Strong cash flow generation (63% increase year on year)
- Sishen South Project continues despite market conditions



Cash flow variance

- Strong cash flow generation
- R5.3 billion returned to shareholders (including R1.2 billion to BEE shareholders)
- Capital expenditure funded by debt



Gearing

- Net debt position increased as capital expenditure funded through borrowing facilities
- R3.2 billion term loan secured to refinance maturing facility

(Rm)	30 Jun 2009	30 Jun 2008	31 Dec 2008
Interest-bearing borrowings	5 540	4 303	3 858
Cash and cash equivalents	(5 157)	(2 009)	(3 810)
Net debt	383	2 294	48
Total equity	7 387	5 511	8 506
Interest cover (times)	51	27	33
Gross debt/equity (%)	75	78	45
Gross debt/market capitalisation (%)	9.6	4.3	7.5

Kumba dividend

- Interim cash dividend declared: R7.20 per share
- Dividend cover of 1.5 times earnings

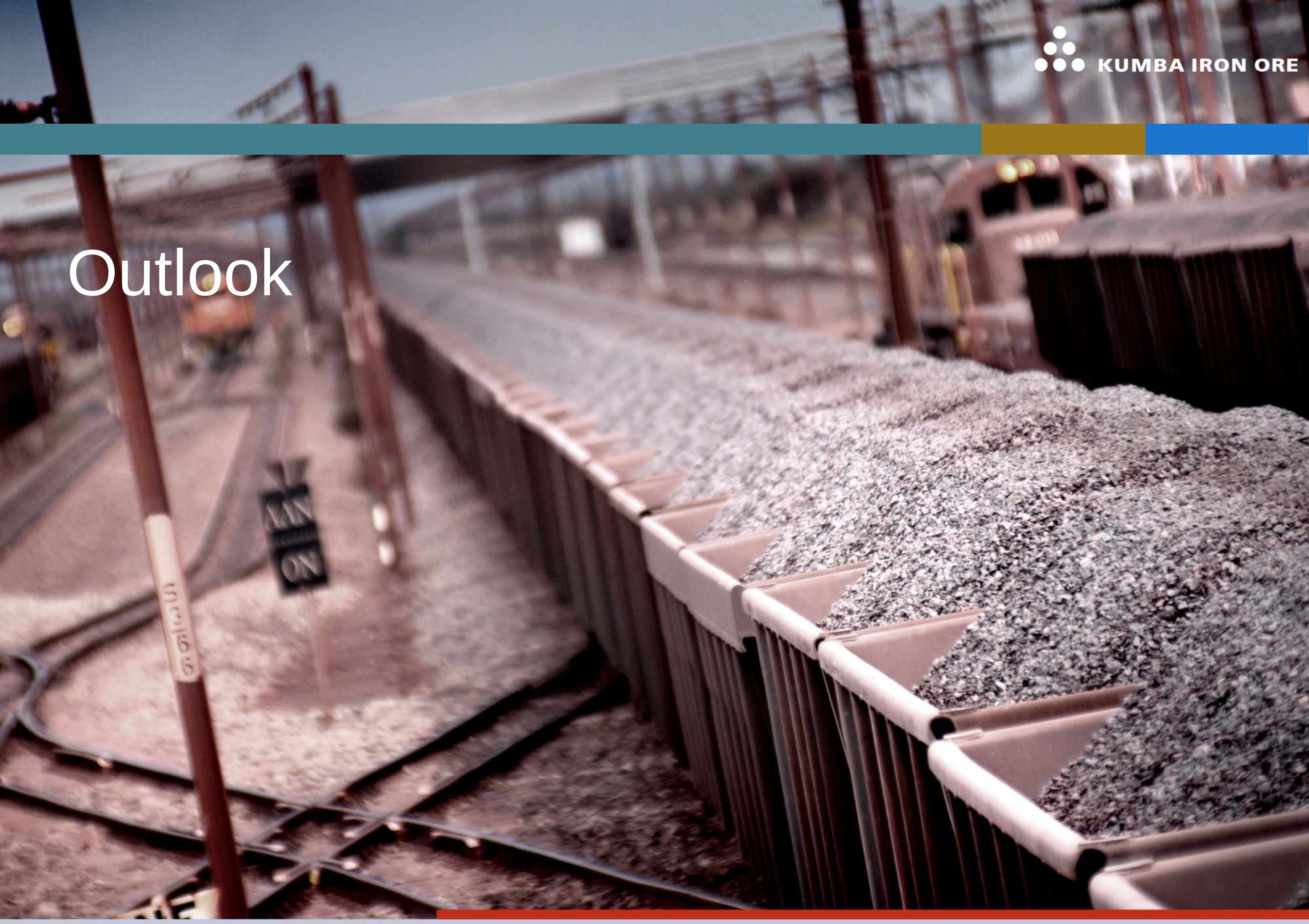
	Interim dividend		Final dividend
	30 Jun 2009	30 Jun 2008	31 Dec 2008
Earnings per share (Rand per share)	10.81	8.90	13.90
Dividend per share (Rand per share)	7.20	8.00	13.00
Total dividend declared (Rm)	2 300	2 537	4 153
Dividend cover (times)	1.5	1.1	1.1

Projects

Sishen South Project

- One million man-hours achieved without an LTI
- Project continues, despite current market conditions, on time and on budget
- First production remains on schedule for 1H 2012, full production expected in 2013
- R1.8 billion capital expenditure spent to date, R3.6 billion contractually committed





Outlook

Outlook: 2H 2009

Production volumes

- Committed to 10% increase in volumes as planned for 2009 – market permitting
- Jig plant ramp-up continues – design capacity expected in Q4

Sales volumes

- Limited visibility in the export markets for 2H
  - No clear and convincing signs of recovery seen yet in Europe
  - Japan and Korea may be near the bottom, small improvement possible
  - China still uncertain but cautiously optimistic on ability to redirect volumes into China
- Domestic volumes dependent on off-take from AMSA

Profitability*

- Price settlements anticipated within three months
- 2H09 price declines will affect profitability
- Operating profit remains highly sensitive to the Rand/US$ exchange rate
- Continued focus on sales, preserving cash and containing costs

* The forecast financial information has not been reviewed and reported on by Kumba's auditors.

KUMBA IRON ORE

Summary

Summary

- Kumba had a strong 1H and continues to perform well
- Kumba remains committed to zero harm
- Kumba continues to return significant amount of cash to shareholders
- Kumba has delivered volume growth
- Kumba is focused on cost management and revenue enhancement
- Kumba's Sishen South expansion continues full steam ahead

"We see what ***could*** be"

Q&A

Revenue – sector analysis

(Rm)	6 months 30 Jun 2009	6 months 30 Jun 2008	% change	6 months 31 Dec 2008	% change
Export	9 820	7 034	40%	10 513	(7%)
– Tonnes sold (Mt)	17.1	13.3	29%	11.6	47%
Domestic (Sishen Mine)	355	331	7%	430	(17%)
– Tonnes sold (Mt)	2.0	2.7	(26%)	2.9	(31%)
– Rand per tonne	178	123	45%	148	20%
Domestic (Thabazimbi Mine)	267	260	3%	380	(30%)
– Tonnes sold (Mt)	0.9	1.3	(31%)	1.2	(25%)
– Rand per tonne	297	202	47%	317	(6%)
Shipping operations	1 545	1 423	9%	989	56%
Total revenue	11 987	9 048	33%	12 312	(3%)

Aggregate operating expenditure

(Rm)	6 months 30 Jun 2009	6 months 30 Jun 2008	% change	6 months 31 Dec 2008	% change
Cost of good sold	2 470	1 961	26%	1 830	35%
Production costs	2 415	1 825	32%	2 633	(8%)
– Sishen Mine	2 067	1 511	37%	2 258	(8%)
– Thabazimbi Mine	321	274	17%	354	(9%)
– Other	27	40	(33%)	21	29%
Inventory movement	(110)	97		(386)	
– A grade	(17)	38		65	
– B grade	24	(160)		(42)	
– Finished product	(117)	219		(409)	
Other	165	39		(417)	
Sublease rentals	(6)	(3)	100%	(3)	100%
Selling and distribution	1 468	865	70%	1 112	32%
Shipping operations	1 234	979	26%	1 106	12%
Operating expenditure	5 166	3 802	36%	4 045	28%

Headline earnings

(Rm)	6 months 30 Jun 2009	6 months 31 Jun 2008	6 months 31 Dec 2008
Profit	3 435	2 816	4 392
Net (profit)/loss on disposal or scrapping of property, plant and equipment	(22)	–	12
Impairment of property, plant and equipment	–	–	50
Realisation of foreign currency translation reserve	–	–	19
	3 413	2 816	4 473
Taxation effect of adjustments	6	–	(9)
Minority interest in adjustments	3	–	(4)
Headline earnings	3 422	2 816	4 460

Reconciliation of attributable profit

(Rm)	6 months 30 Jun 2009	6 months 31 Jun 2008	6 months 31 Dec 2008
Profit	4 344	3 545	5 538
Attributable to minority interests	(909)	(729)	(1 146)
– Exxaro (20%)	(867)	(714)	(1 121)
– SIOC Community Development Trust	(4)	(4)	(4)
– SIOC Employee Share Participation Scheme	(38)	(11)	(21)
Attributable to owners of Kumba Iron Ore	3 435	2 816	4 392

Reconciliation of minority interest

(Rm)	6 months 30 Jun 2009	6 months 31 Jun 2008	6 months 31 Dec 2008
Minority interest – opening balance	1 647	661	1 067
Profit for the year	909	729	1 146
– Exxaro	867	714	1 121
– SIOC Community Development Trust	4	4	4
– Envision	38	11	21
Dividends paid	(1 138)	(358)	(693)
– Exxaro	(1 122)	(351)	(685)
– SIOC Community Development Trust	(4)	(4)	(4)
– Envision	(38)	(11)	(21)
– Recoupment of Envision dividend*	26	8	17
Interest in movement in equity reserves	(37)	35	127
Minority interest – closing balance	1 381	1 067	1 647

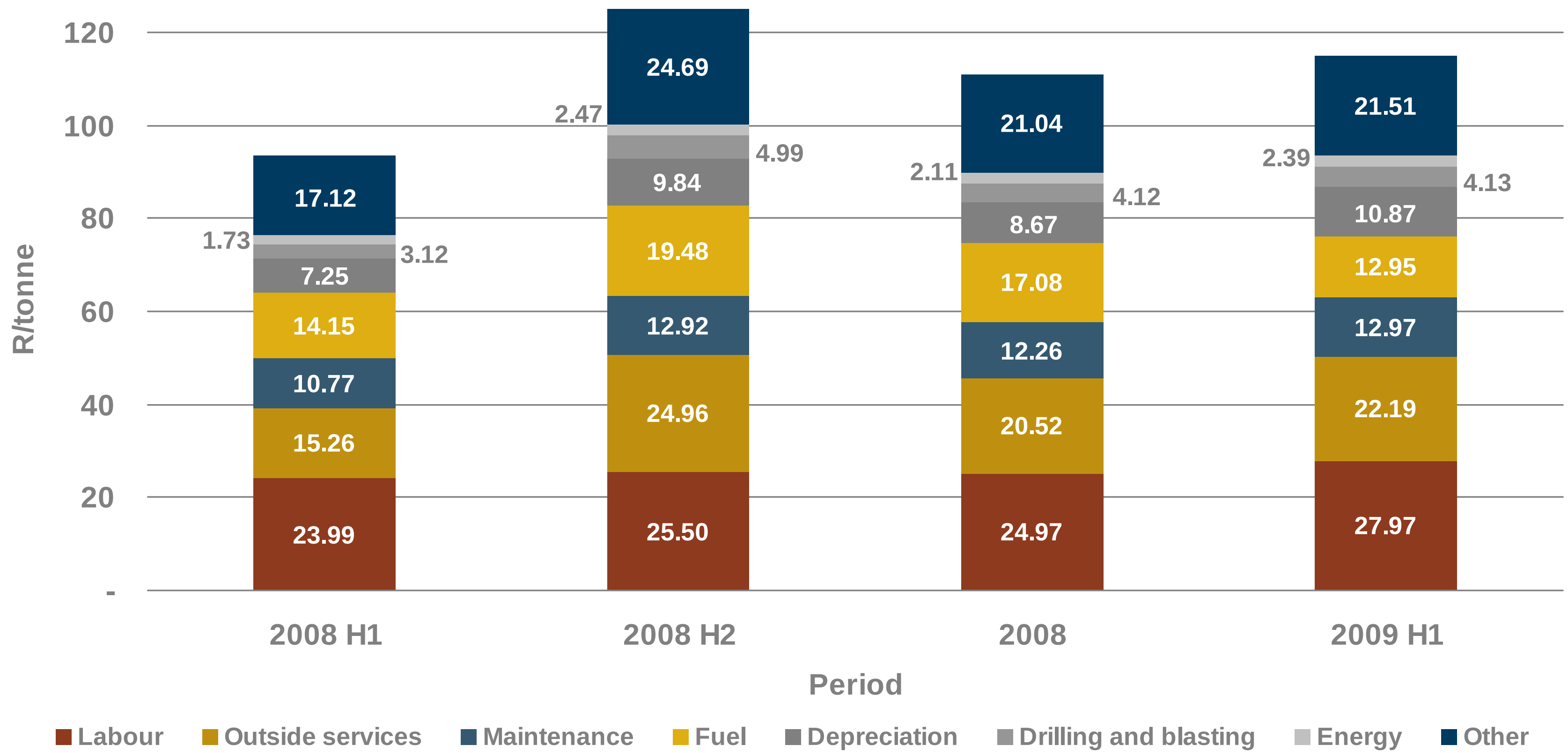
* Minority interest in the recoupment by SIOC of the dividend received by Envision

SIOC dividend

- R808 million in cash returned to BEE shareholders

(Rm)	Interim dividend 30 Jun 2009	Total dividend 2008	Final dividend 31 Dec 2008	Interim dividend 30 Jun 2008
Gross dividend declared by SIOC	3 419	9 928	6 173	3 755
STC	311	888	561	327
Dividend declared by SIOC	3 108	9 040	5 612	3 428
– Kumba	2 300	6 690	4 153	2 537
– Exxaro	622	1 808	1 123	685
– SIOC Community Development SPV	93	271	168	103
– Envision	93	271	168	103

Sishen Mine – cost structure (R/tonne)



Sishen Mine – cost structure (%)