



Site Visit to Sishen Mine

14 April 2010



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Agenda

Overview of Kumba Iron Ore

Iron Ore market outlook

Kumba's Growth pipeline

Q&A



Overview of Kumba Iron Ore



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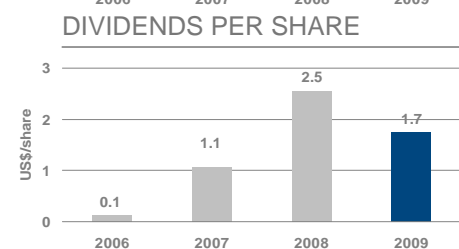
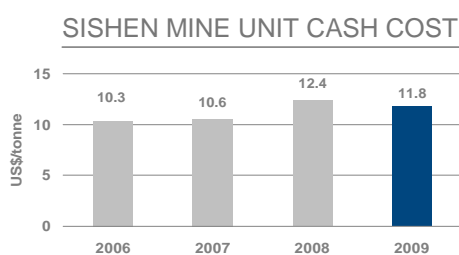
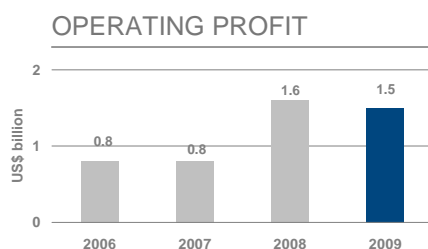
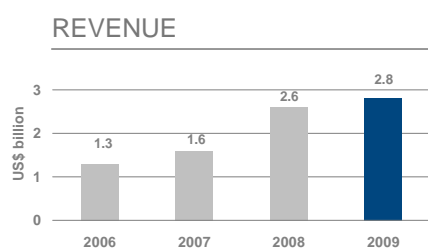
Kumba – value-adding supplier to the steel industry



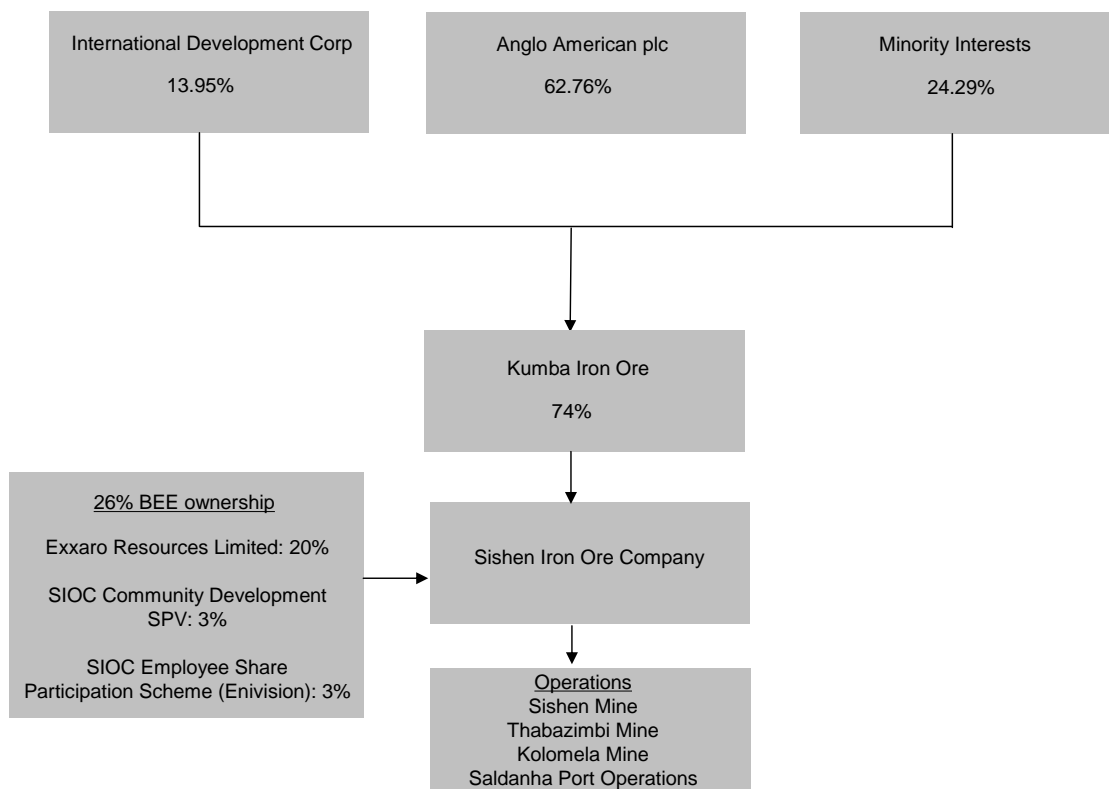
- Kumba is a South-African based pure iron ore company
- Mining for more than 70 years
- Operates two opencast mines
 - Sishen Mine
 - Thabazimbi Mine
- Production capacity in excess of 40Mtpa
 - ~80% of South African production
 - ~4% of global seaborne trade (4th largest supplier)
- Third mine under 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

Kumba – strong financial performance since 2006

US\$m	FY09	FY08	FY07	FY06	CAGR (%)
Revenue	2819	2575	1635	1286	30
Operating profit (before special items)	1526	1618	835	796	24
Operating margin (%)	54	63	51	62	–
Attributable earnings (Anglo)	544	555	278	322	19
Cash generated from operations	1533	1630	831	632	34
Capital expenditure	495	252	300	254	25
Average Rand/US\$	8.41	8.27	7.05	6.77	

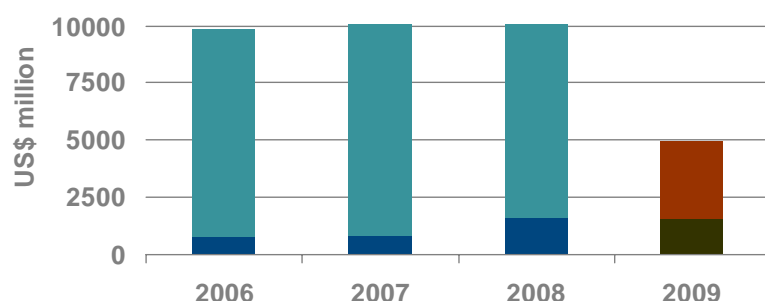


Kumba Iron Ore ownership structure



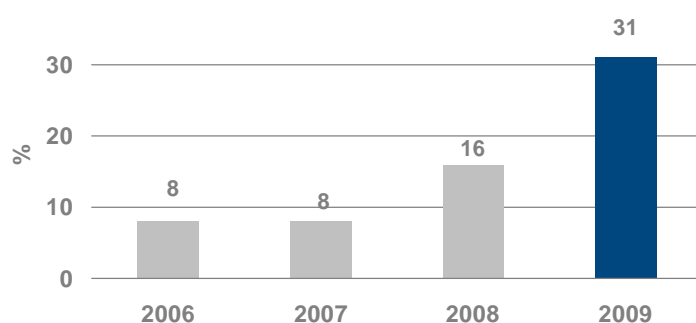
Kumba – a significant contributor to AA plc

ANGLO AMERICAN OPERATING PROFIT



- Kumba generated US\$1,526 million of operating profit in 2009 despite the ~40% decline in benchmark export iron ore prices
- Of which US\$709 million is attributable to the shareholders of AA plc (remaining share attributable to the minority shareholders of Kumba)

% CONTRIBUTION TO EBIT



- Kumba's contribution to AA plc EBIT driven by
 - Significant increases in export iron ore price
 - 17% CAGR in export sales volumes 2006-09

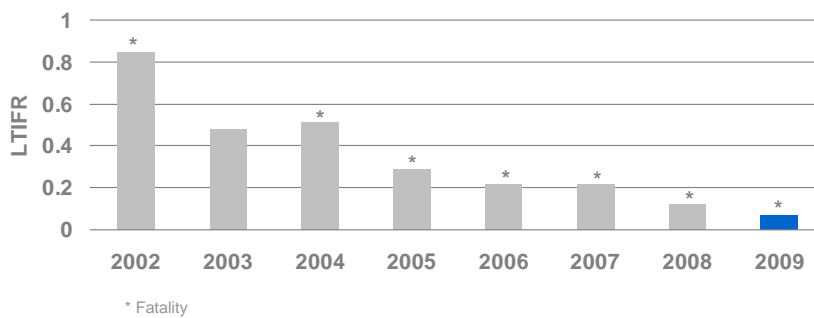
Safety



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Safety: We are committed to Zero Harm

- Commitment to zero harm returning visible achievements
- LTIFR reduced by 32% since 2002 (weighted average p.a. reduction)
- 2009 achievements:
 - Substantial improvement in LTIFR: 42% down to 0.07
 - Sishen: Fatality-free for the first time in 5 yrs
 - Thabazimbi: Fatality-free for more than 7 yrs
2 yrs LTI free
 - Kolomela (Sishen South): 14 months LTI-free



Kumba's operations

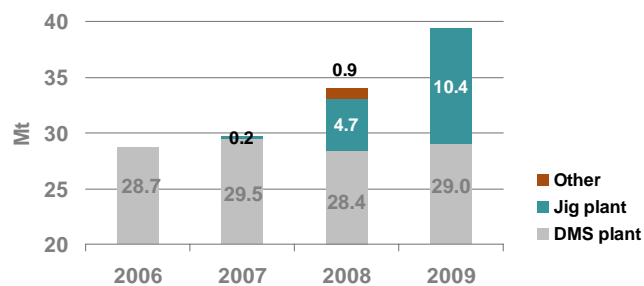


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Sishen Mine – a successful growth story

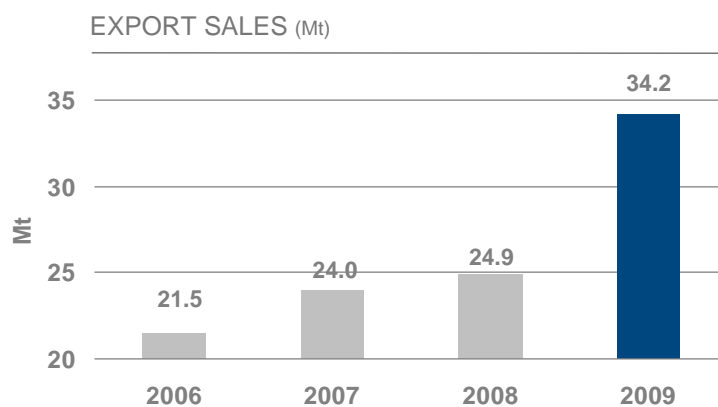
Mt	FY09	FY08	FY07	FY06	CAGR (%)
Total tonnes mined	128.3	108.8	104.4	90.7	12
- Ore	46.2	44.6	38.9	31.3	14
- Waste	82.1	64.2	65.5	59.4	11
Production	39.4	34.0	29.7	28.7	8
- DMS plant	29.0	28.4	29.5	28.7	0.3
- Jig plant	10.4	4.7	0.2	-	
- Other	-	0.9	-	-	
Stripping ratio	1.78	1.44	1.68	1.89	

SISHEN MINE
PRODUCTION (Mt)

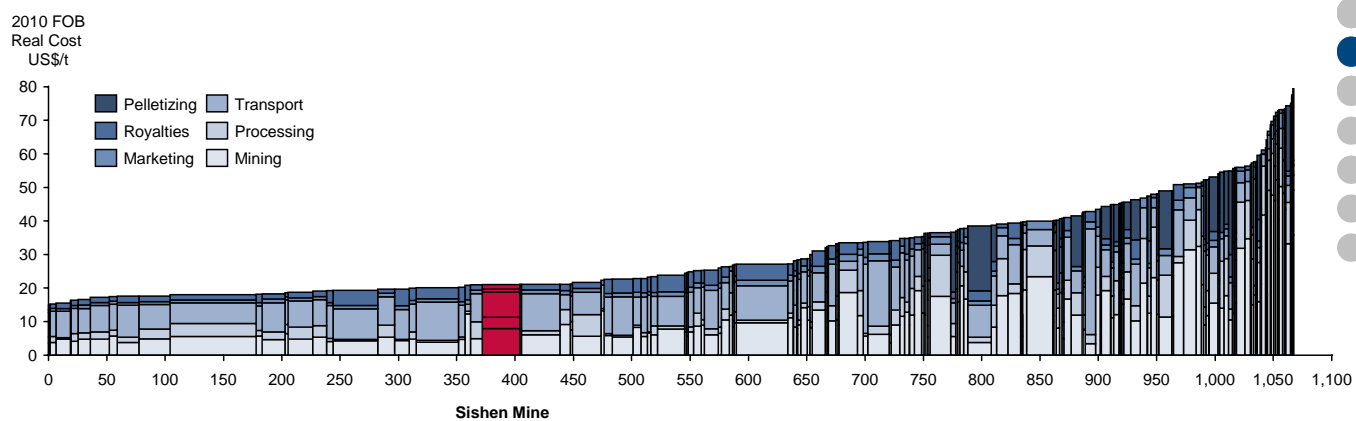


Sishen Mine – export sales 17% CAGR 2006-9

Mt	FY09	FY08	FY07	FY06	CAGR (%)
Railed to port	34.6	27.8	24.6	24.3	13
Total sales	38.2	30.5	30.5	27.4	12
- Export	34.2	24.9	24.0	21.5	17
- Domestic	4.0	5.6	6.5	5.9	(12)



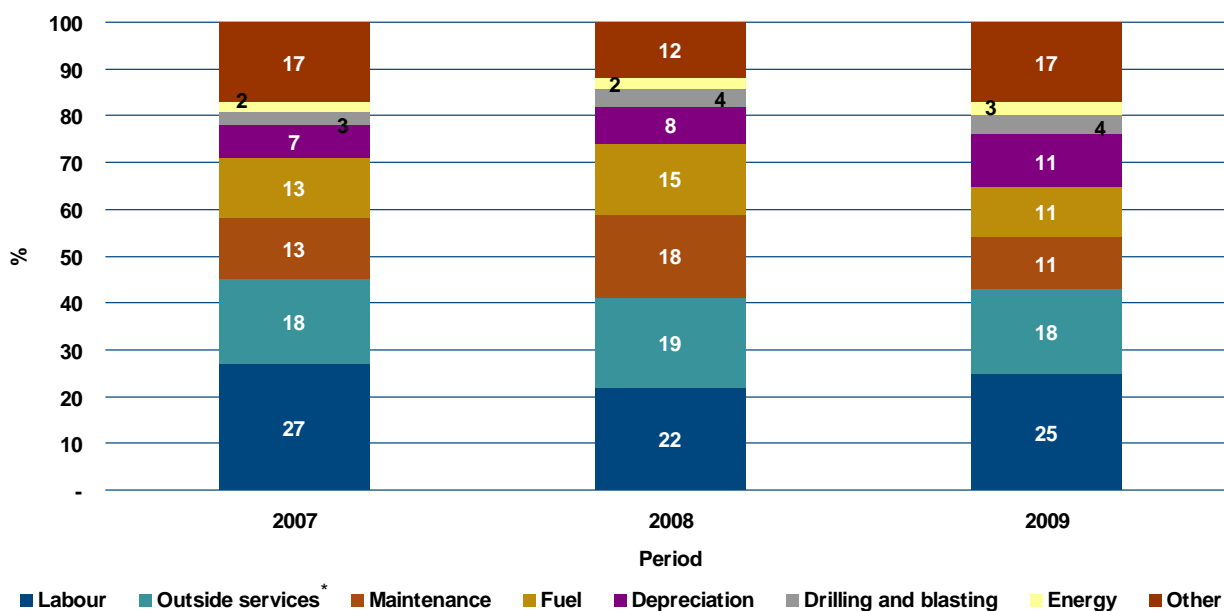
Sishen Mine – amongst the lowest cost producers



Source: AME 2010

Sishen Mine – % contribution to unit costs

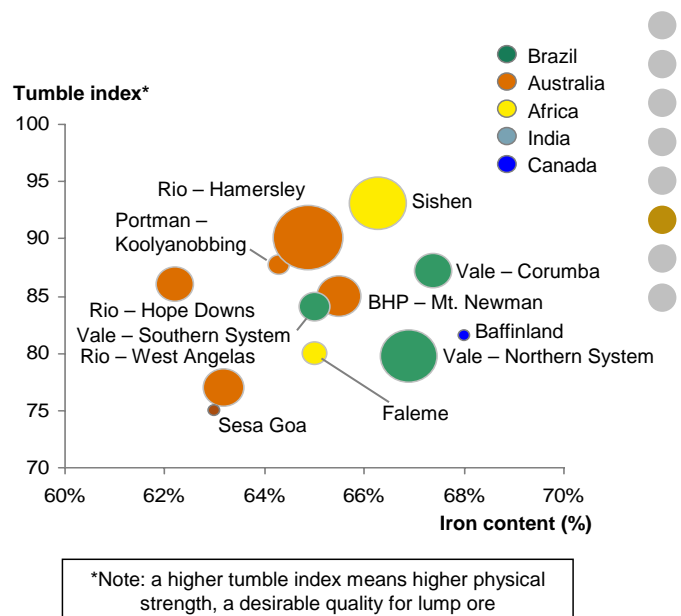
- Labour and mining contractor costs account for c.40 – 50% of Sishen Mine's unit cash costs



*Outside services comprises waste contract mining

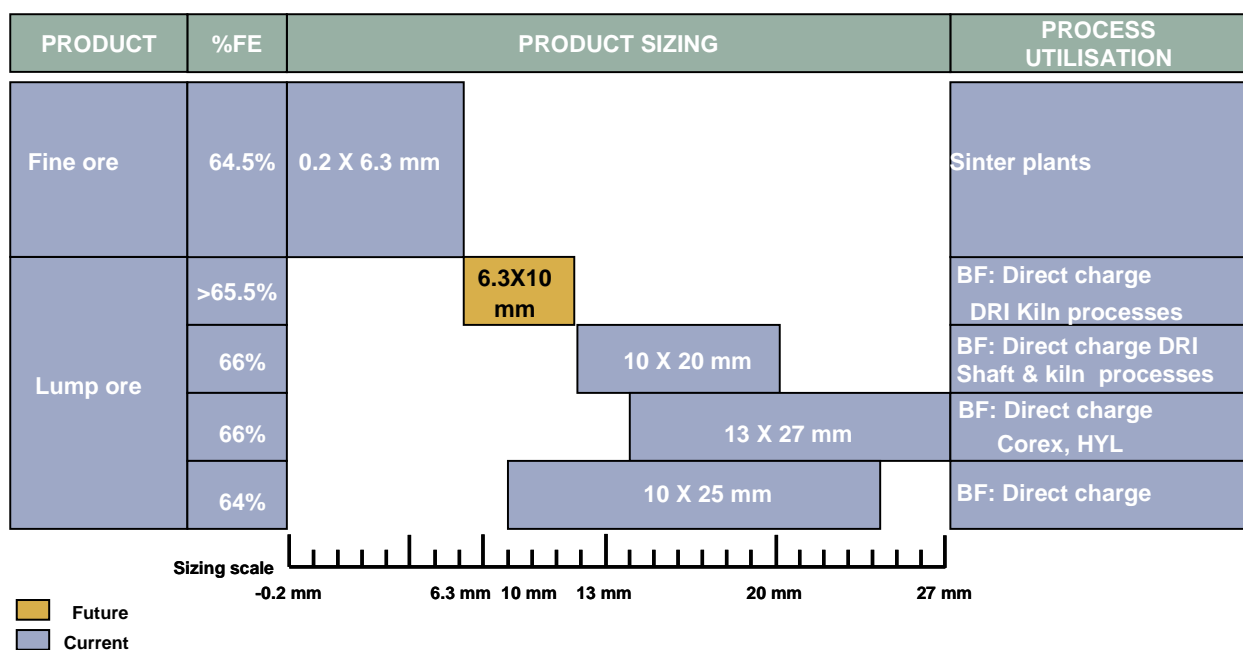
Sishen Mine – ore offers superior physical properties

- 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



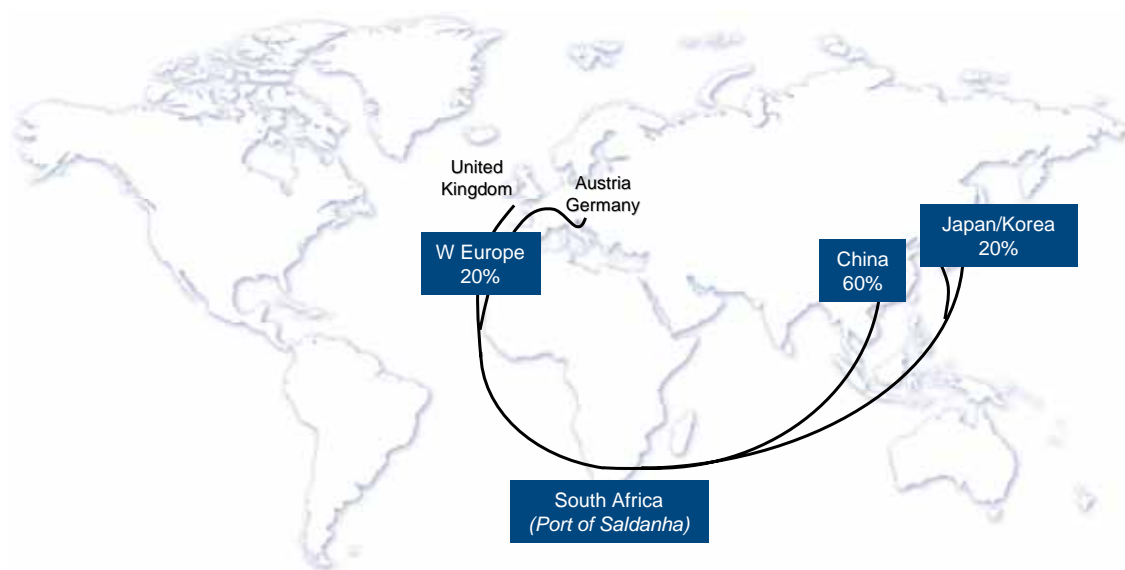
Sishen Mine – niche product's capture value

- Unique characteristics of Kumba iron ore allows production of a tailored-sized, niche product portfolio, to add value in our customers' processes
- Kumba developing the 6.3x10mm (super reducible lump) product to capture further value from its niche product strategy



...and 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



Thabazimbi Mine – LOM extended to 2016

Mt	FY09	FY08	FY07	FY06	CAGR (%)
Total tonnes mined	19.5	12.2	22.3	21.7	(4)
- Ore	3.1	2.8	3.3	3.1	–
- Waste	16.5	8.9	19.0	18.6	(4)
Production	2.5	2.7	2.7	2.4	1
Stripping ratio	5.3	2.8	5.8	6.0	(4)
Sales - domestic	1.8	2.5	2.4	2.4	(9)

Asset Optimisation and procurement capturing value

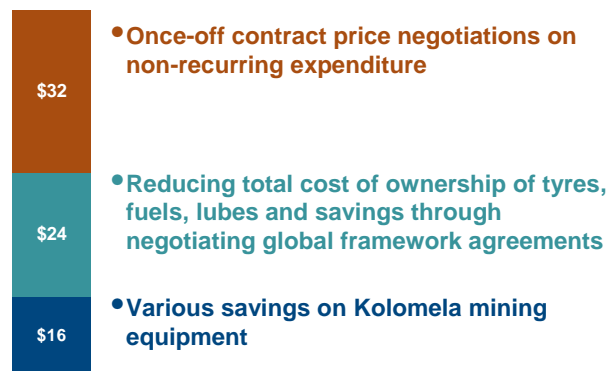
- Asset Optimisation delivering benefits: US\$185 million contribution to 2009 operating profit
 - US\$168 million through revenue enhancement
 - US\$17 million through improving operating efficiencies
- Procurement capex and operating costs benefits: US\$72 million

Asset Optimisation 2009 (US\$185m)



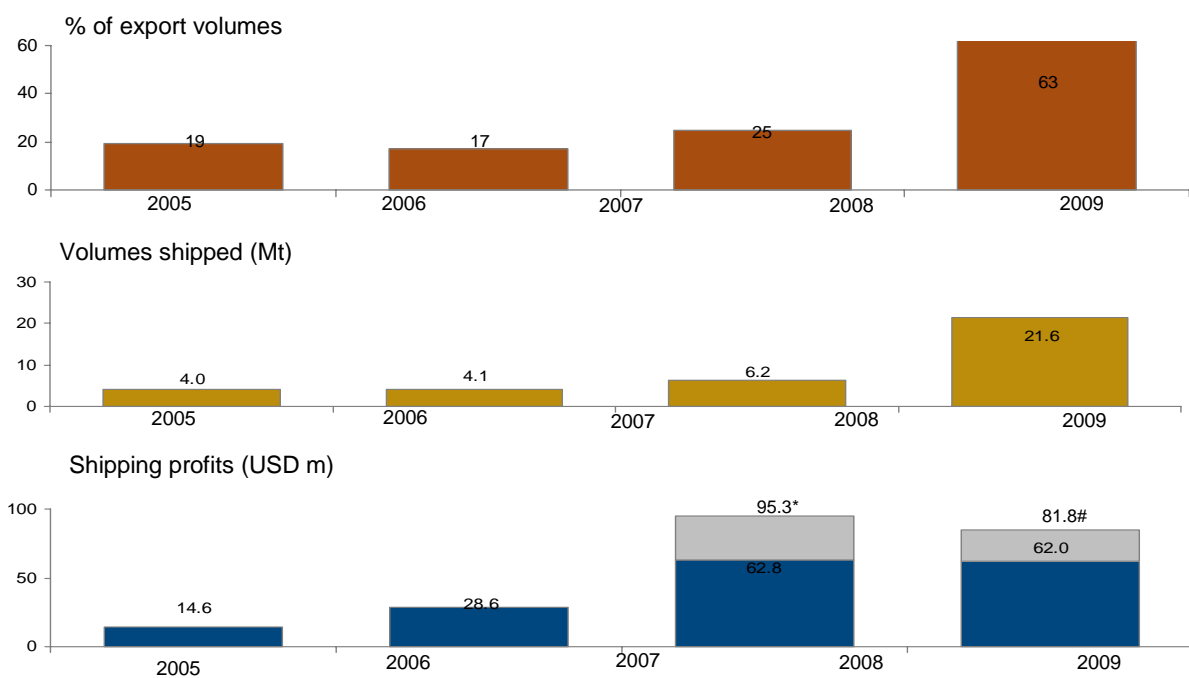
■ Operating efficiency ■ Revenue enhancing
 ■ Once off projects

Procurement 2009 (US\$72m)



■ Capex savings ■ Opex savings
 ■ Once off projects

Kumba's Ocean Freight Management – 2009 saw shift in market



* US\$95.3 million realised before raising an accounting provision of US\$32.5 million 2008.

US\$62.0 million realised before reversing US\$22.8 million of the provision recognised in 2008 (remaining US\$9.5 million of the provision was utilised during 2009)

Legal Update

- **Kolomela (Sishen South)**
 - Arbitration complete
 - ArcelorMittal South Africa not entitled to equity participation
 - Significant EBIT preservation
- **Faleme**
 - Awaiting determination (expected Q2 2010)
- **Lithos**
 - Action in the SA High Court postponed



ArcelorMittal South Africa – Sishen Supply agreement

- 5th February 2010: Sishen Iron Ore Company ('SIOC') notified ArcelorMittal South Africa ('Mittal') that, as Mittal had failed to convert its 21.4% undivided share in the old order mining rights which it held in relation to the Sishen Mine, Kumba would no longer supply iron ore at cost plus 3%, but at market related prices
- 25th February 2010: SIOC offered an interim pricing agreement to Mittal
- 26th February 2010: Mittal released a SENS announcement declaring a dispute with SIOC
- 17th March 2010: SIOC announced it applied for the residual 21.4% mining right previously held by Mittal, on 1st May 2009. However, the Department of Mineral Resources had granted a prospecting right over the 21.4% interest to a third party, Imperial Crown Trading
- Kumba has appealed the grant of these prospecting rights, through the appeal process provided for in the MPRDA

Iron Ore market outlook



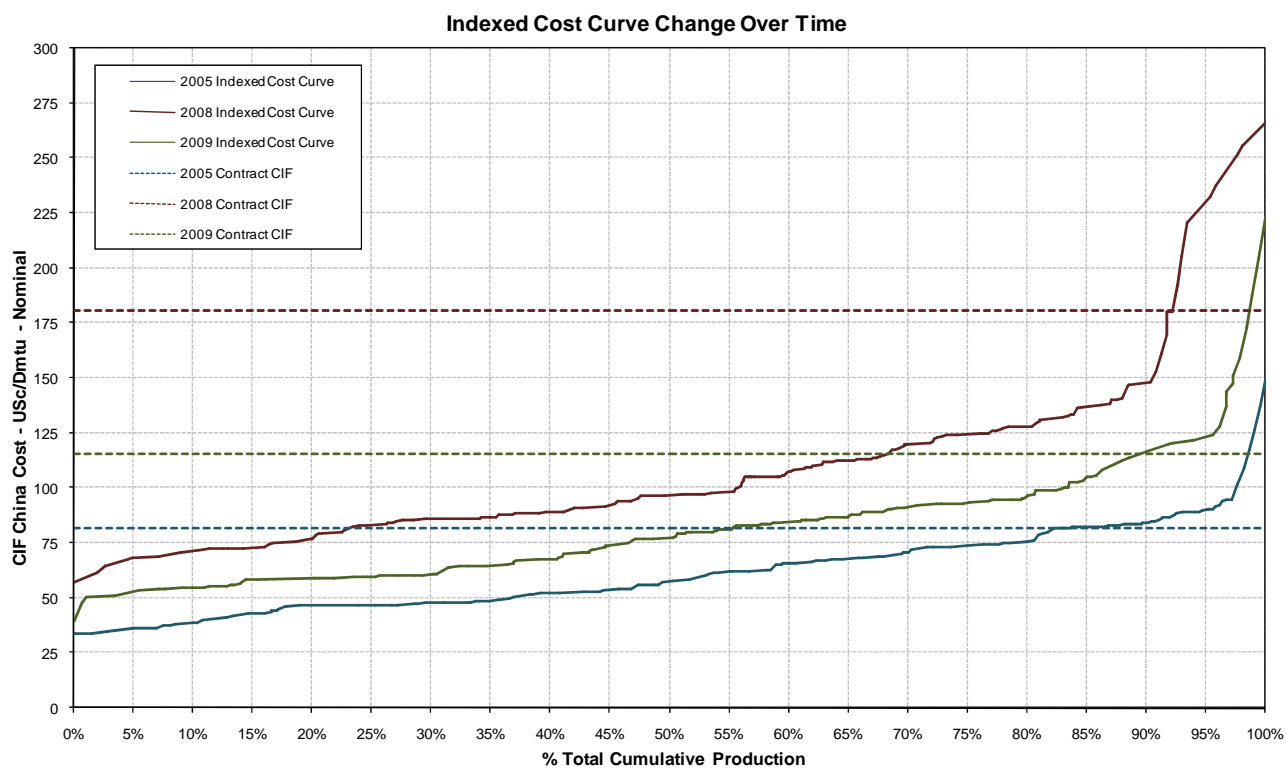
Iron Ore: Outlook is robust

- Global GDP to recover from 2009 levels, driven by China and recovery in RoW
- Steel demand to recover robustly, partly due to restocking
- New projects expected to be approved in medium-term but long lead-times could result in effective deficit for number of years
- A sustained deficit will draw in high cost supply from China
- Higher prices in medium-term are supported



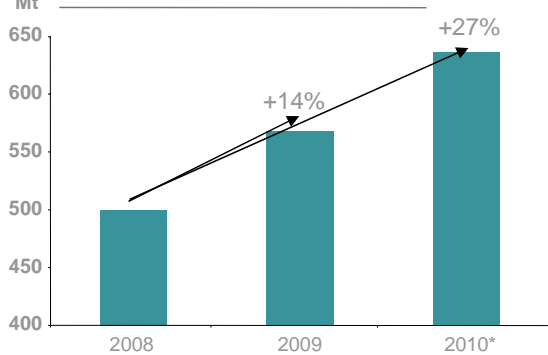
The Role of Chinese production: steepening the cost curve

The growth of demand in China has required supply from high cost domestic sources this has steepened the cost curve and raised prices.

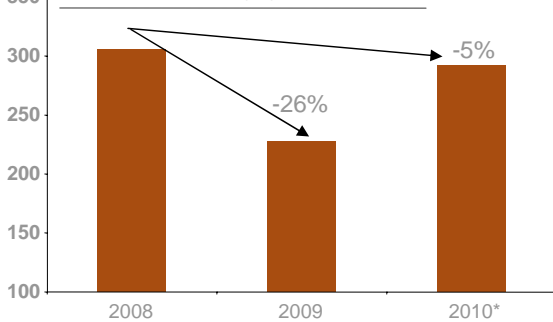


Chinese imports of seaborne iron ore increasing

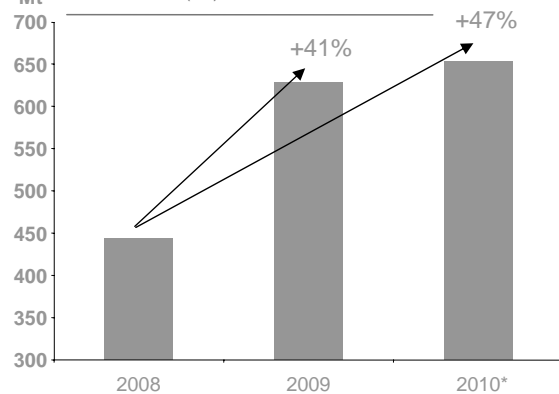
CHINESE CRUDE STEEL PRODUCTION (Mt)



CHINESE DOMESTIC IRON ORE PRODUCTION (Mt)

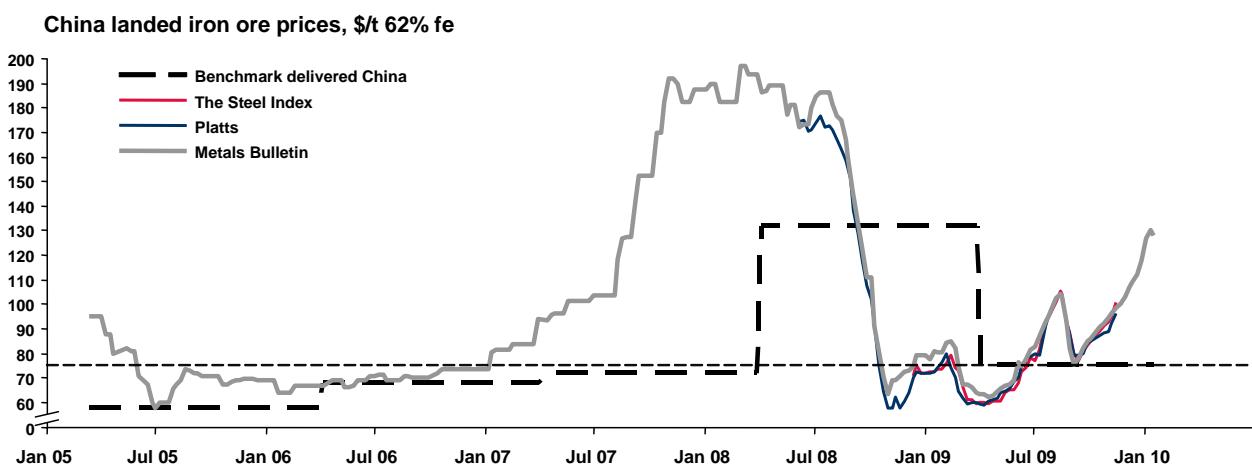


CHINESE SEABORNE IRON ORE IMPORTS (Mt)



*Source: Kumba Iron Ore Estimates

Trends in benchmark pricing



- In a typical year, Kumba sells 85-90% of its export ore on long-term volume contracts referencing the benchmark price, thus 10-15% is available to sell at index prices
- In 2009, 35% of export tonnes were sold to non-contractual customers, referencing index prices, when above the benchmark price

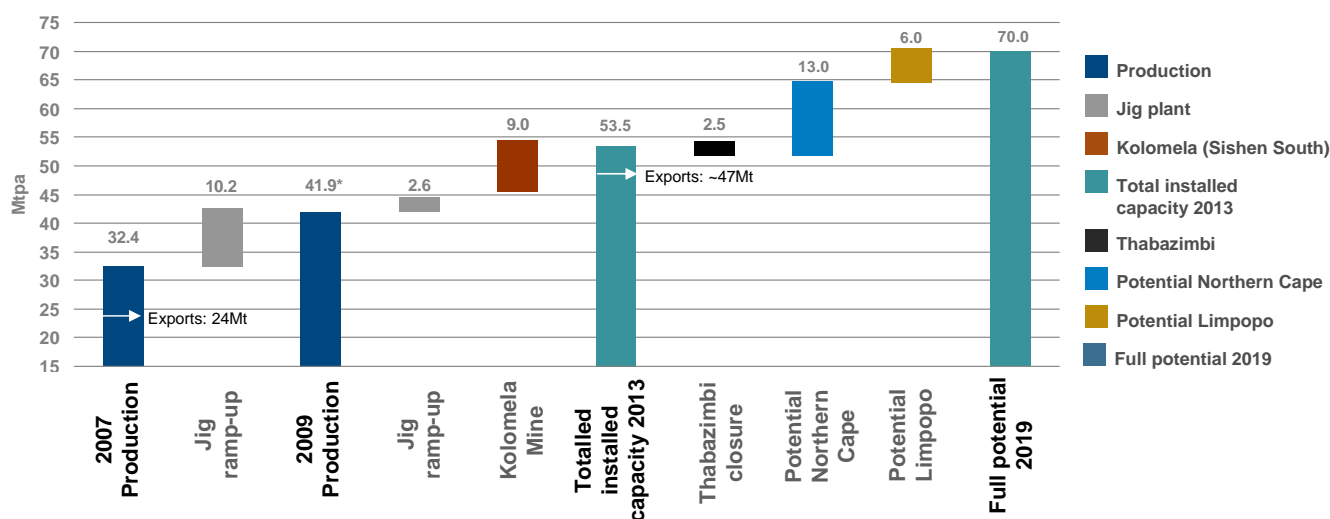
Projects



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Projects pipeline to support growth strategy

- Kumba's project pipeline can add 29% to the current export operations, with the potential to produce around 70Mtpa by 2019
- From 2007 Kumba expected to double exports and this is on track for c.47Mt by 2013

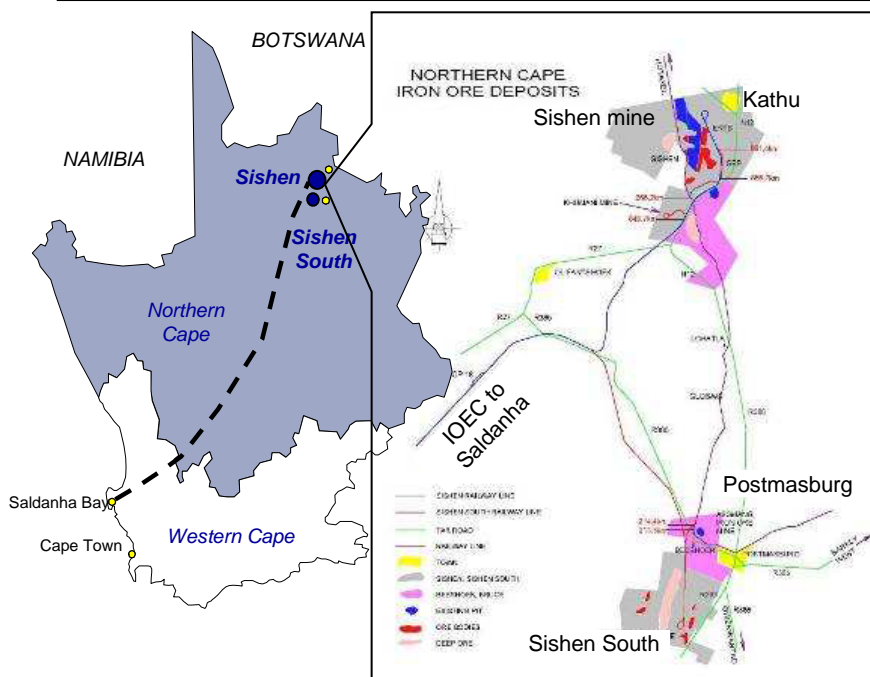


*Includes movement of (0.7)Mt from 2007-2009 in production excluding the Jig plant

Kolomela Mine

- Kumba will expand its participation in seaborne iron ore with the Kolomela greenfield project in South Africa's Northern Cape Province (70km from Sishen)

Map of Northern Cape Province



- Total mineral resource of 373Mt at 60% Fe cut-off grade and 408Mt at 55% Fe cut-off
- Scheduled reserves estimated at 255Mt
- Production of 9mtpa of 'direct shipping ore' (DSO)
- LOM of 29 years with possible +3Mtpa of beneficiated product (Phase 2 - feasibility required)
- Production to begin April 2012
Full production by end 2013
- Capex: Investment Proposal \$1,050 million

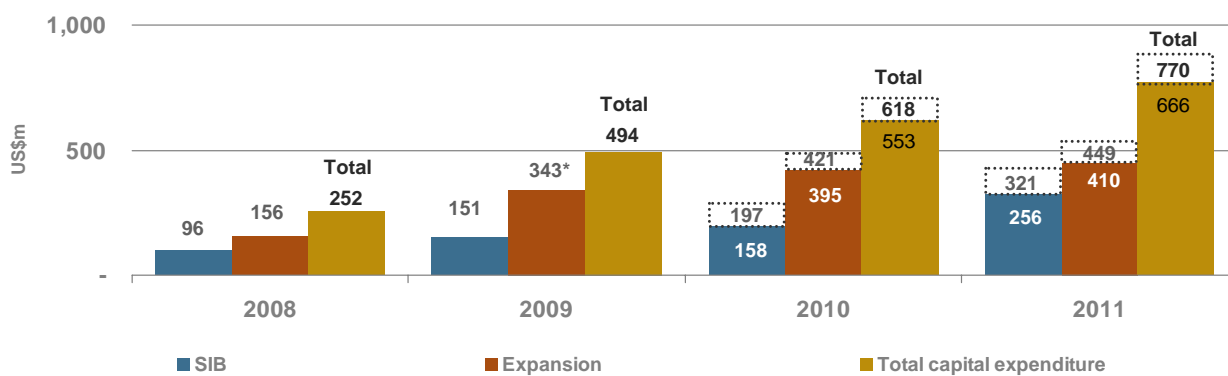
Kolomela Mine: Progress to date

- Project continues on time and on budget
- 3.8 million LTI-free hours for 2009 and 4.3 million LTI-free hours since the last LTI in November 2008
- First blast took place on 17 September 2009
 - 2.3Mt waste material moved (17Mt expected in 2010)
- Project 45% complete at end of 2009, with first production on schedule for 1H 2012, full production expected in 2013
- US\$367 million capital spent to date, US\$609 million contractually committed



Planned capital expenditure (US\$)

- 96% increase in capital expenditure to US\$494 million in FY09
- SIB capex peaks at US\$256- – US\$321 million in 2011, reducing to average of US\$192 million p.a. thereafter



* Includes US\$23 million operational expenditure capitalised on Kolomela (Sishen South) Project

In Summary

- Kumba is a leading value-adding iron ore supplier to the global steel industry
- Kumba has low-cost, long-life mining assets, supported by a significant growth pipeline
- Kumba is focused on revenue enhancement and cost management through Asset Optimisation, with savings already delivered and stretch targets being met
- Kumba has delivered significant cash to shareholders
- Kumba is fully committed to the achievement of zero harm for all its employees



Questions and Answers

"We see what *could* be"



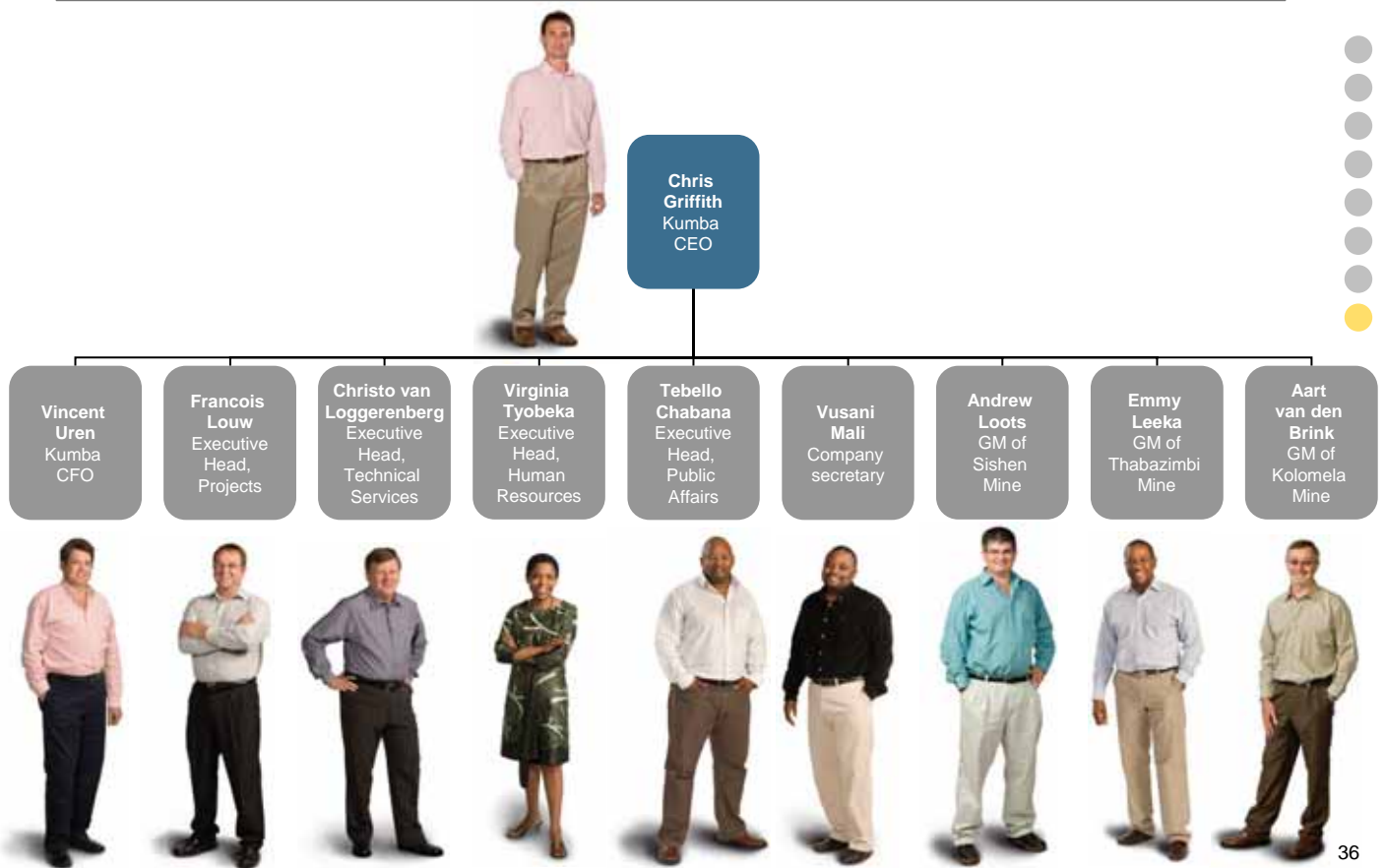
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Appendix



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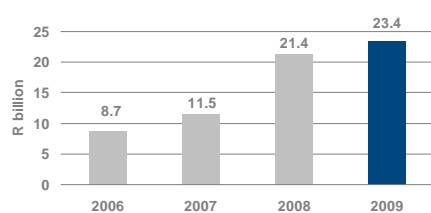
Kumba – executive committee



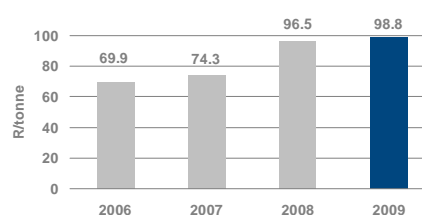
Summary Financials (Rand million)

Rm	FY09	FY08	FY07	FY06	CAGR (%)
Revenue	23 408	21 360	11 497	8 654	39
Operating profit	12 880	13 513	5 978	3 935	48
Operating margin (%)	55	63	52	45	
Headline earnings (Kumba)	6 955	7 276	3 062	2 125	48
Cash generated from operations	12 622	14 519	5 806	4 277	43
Capital Expenditure	3 996	2 563	2 119	1 718	32

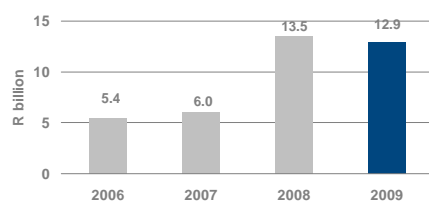
REVENUE



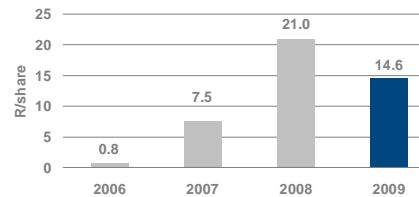
SISHEN MINE UNIT CASH COST



OPERATING PROFIT

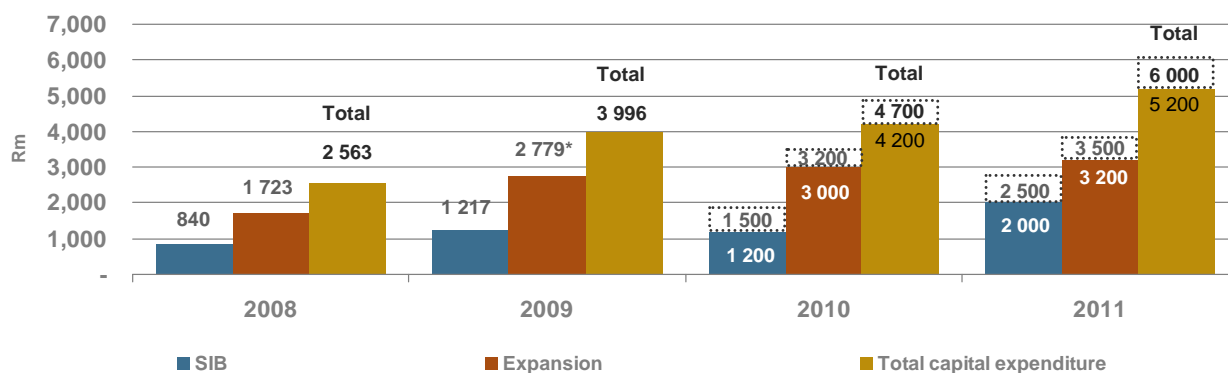


DIVIDENDS



Capital expenditure analysis

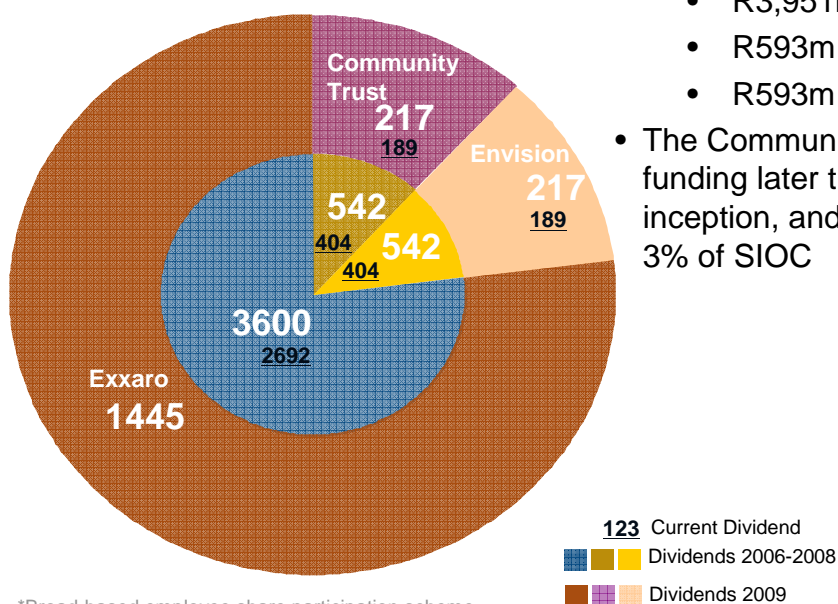
- 56% increase in capital expenditure to R4.0 billion in FY09
- SIB capex peaks at R2.0 – R2.5 billion in 2011, reducing to average of c.R1.5 billion p.a. thereafter



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

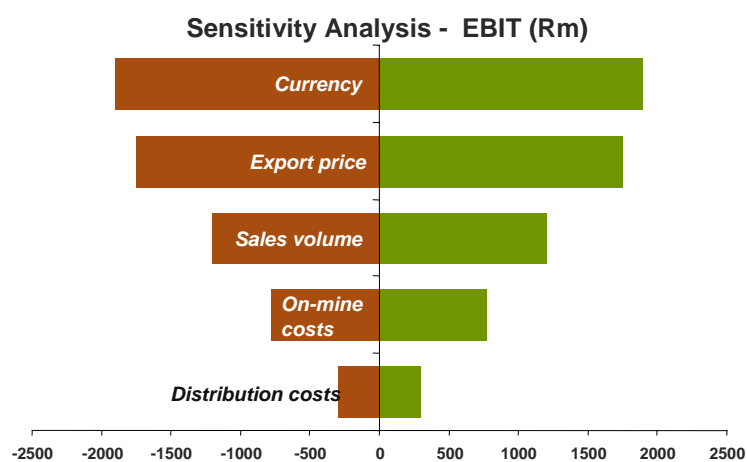
Substantial cash returned to BEE shareholders

- Since 2007, SIOC has paid cash dividends to its BEE partners, the Community Trust and employees in the share ownership scheme:
 - R3,951m to Exxaro (20% of SIOC)
 - R593m to Community Trust (3% of SIOC)
 - R593m to Envision (3% of SIOC)
- The Community Trust is likely to repay its funding later this year - only 4 years after inception, and will then own an unencumbered 3% of SIOC



*Broad-based employee share participation scheme

Operating profit sensitivity



Key business drivers – Operating profit impact	Sensitivity 10% change	Negative impact (Rm)	Positive impact (Rm)
Currency	R0.80/USD	-1,900	+1,900
Export price	\$6.60/tonne	-1,750	+1,750
Sales volume	3.5Mt	-1,200	+1,200
On-mine costs	10%	-780	+780
Distribution costs	10%	-300	+300