

23 October 2018

Kumba Iron Ore Limited production and sales report for the third quarter ended 30 September 2018

Kumba continued to improve on safety and delivered a solid operating performance, while maintaining production and sales volumes in line with guidance. Throughout this report, production and sales volumes referred to are 100% of Sishen Iron Ore Company Proprietary Limited ("SIOC"), and attributable to shareholders of Kumba as well as the non-controlling interests in SIOC.

Overview:

- Safe production ensured Kumba remained fatality free and continued to improve on multiple safety metrics.
- Production volumes reduced by 9% to 10.5Mt as planned, to offset elevated stock levels arising from rail constraints in H1 2018.
- Export sales decreased by 10% to 9.7Mt as a result of scheduled refurbishment by Transnet.

Production summary					
' 000 tonnes	Quarter ended		% change vs Q3 2017	Quarter ended Q2 2018	% change vs Q2 2018
	Q3 2018	Q3 2017			
Total	10,508	11,486	(9)	11,572	(9)
- Sishen Mine	7,030	7,786	(10)	7,930	(11)
- Kolomela Mine	3,478	3,700	(6)	3,642	(5)

Sales summary					
' 000 tonnes	Quarter ended		% change vs Q3 2017	Quarter ended Q2 2018	% change vs Q2 2018
	Q3 2018	Q3 2017			
Total	10,492	11,427	(8)	10,342	1
- Export sales	9,737	10,783	(10)	9,560	2
- Domestic sales	755	644	17	782	(3)

Total production volumes decreased by 9% to 10.5Mt (Q3 2017: 11.5Mt) as planned, to offset elevated stock levels at Sishen and Kolomela arising from Transnet rail constraints in H1 2018. Production volumes were also impacted by the slight decrease in processing plant yields as Kumba focused on producing high quality products to maximise the value of tonnes railed to port and benefit from the strong demand for high-grade ore.

Production at Sishen and Kolomela reduced by 10% to 7Mt (Q3 2017: 7.8Mt) and 6% to 3.5Mt (Q3 2017: 3.7Mt), respectively. Waste stripping at Sishen increased by 7% to 45Mt (Q3 2017: 42Mt) and remained flat at Kolomela (Q3 2017: 16Mt), as we continued our progress towards benchmark efficiency.

Export sales decreased by 10% to 9.7Mt (Q3 2017: 11.4Mt) due to the scheduled refurbishment of the ship loaders at Saldanha which resulted in single loading of vessels during the quarter. Total finished stock increased to 6.6Mt from 6.2Mt at 30 June 2018.

Guidance

Kumba continued to work closely with Transnet to improve logistical performance and good progress has been made during the quarter. As a result, the 2018 full year guidance announced in Kumba's 2018 interim results on 24 July 2018 has been maintained as follows:

- Total production of 43-44Mt
 - Sishen 29-30Mt
 - Kolomela 14Mt
- Waste
 - Sishen 170-180Mt
 - Kolomela 55-57Mt
- Total sales of 42-44Mt

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Notes to editors:

Kumba Iron Ore Limited, a member of the Anglo American plc group, is a leading value-adding supplier of high quality iron ore to the global steel industry. Kumba produces iron ore in South Africa at Sishen and Kolomela mines in the Northern Cape Province. Kumba exports iron ore to customers in a range of geographical locations around the globe including China, Japan, Korea and a number of countries in Europe and the Middle East.

www.angloamericankumba.com

Notes to editors:

Anglo American is a global diversified mining business and our products are the essential ingredients in almost every aspect of modern life. Our portfolio of world-class competitive mining operations and undeveloped resources provides the metals and minerals to meet the growing consumer-driven demands of the world's developed and maturing economies. With our people at the heart of our business, we use innovative practices and the latest technologies to discover new resources and mine, process, move and market our products to our customers around the world.

As a responsible miner - of diamonds (through De Beers), copper, platinum and other precious metals, iron ore, coal and nickel - we are the custodians of what are precious natural resources. We work together with our key partners and stakeholders to unlock the sustainable value that those resources represent for our shareholders, the communities and countries in which we operate and for society at large. Anglo American is re-imagining mining to improve people's lives.

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