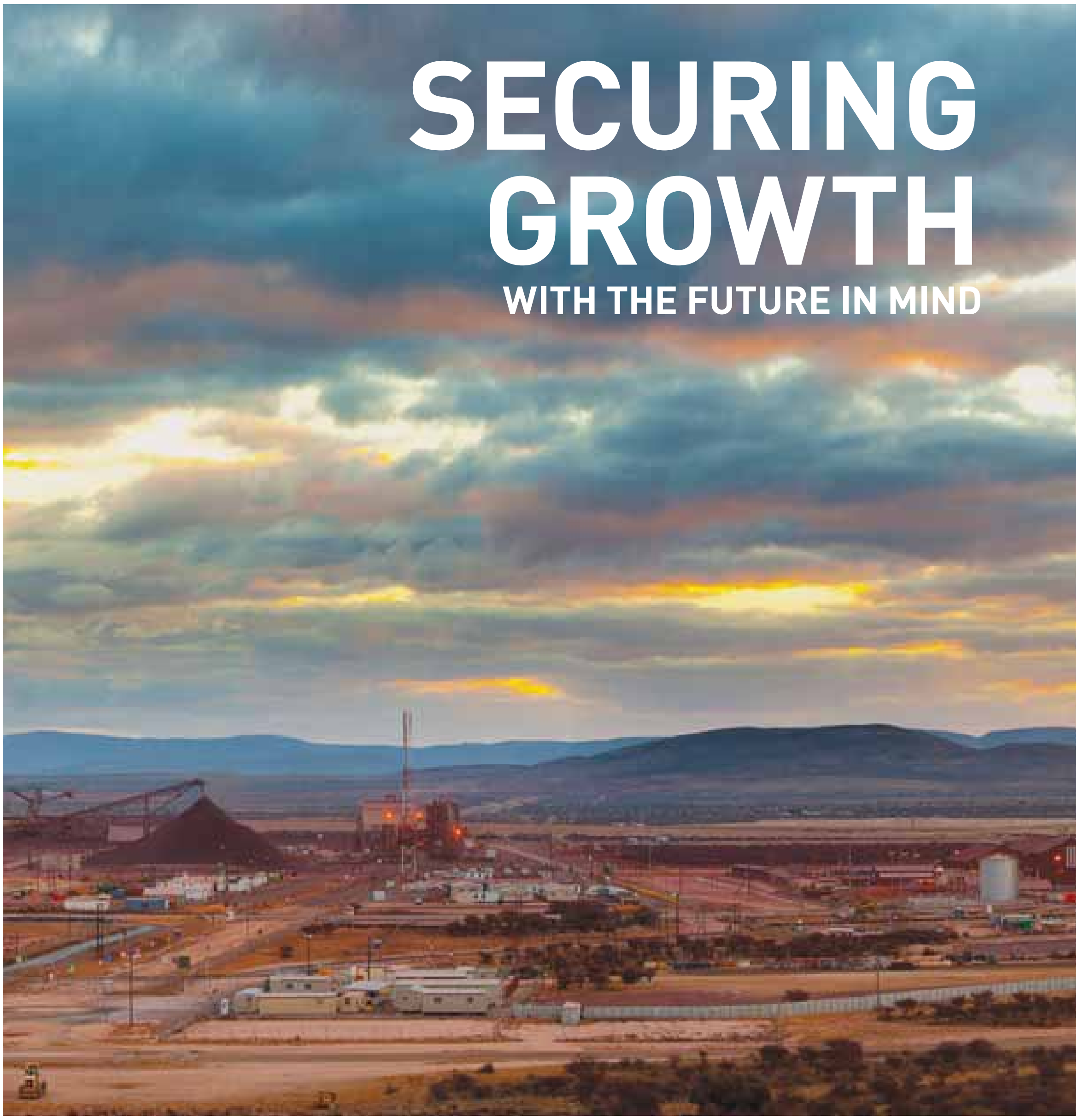
IRON ORE




# KUMBA IRON ORE LIMITED
## RESULTS FOR THE YEAR ENDED 31 DECEMBER 2012

# KEY FEATURES

Safety performance

**LTIFR of 0.10; 2 loss of life incidents**

Kolomela mine significantly exceeded ramp up schedule

**8.5 Mt production**

Record total production

**up 4% to 43.1 Mt**

Record export sales volumes

**up 7% to 39.7 Mt**

Average export iron ore prices realised

**down 23% to $122/tonne**

Final cash dividend

**R12.50 per share**

Headline earnings

**down 28% to R12.2 bn**

# COMMENTARY

Kumba Iron Ore Limited ('Kumba' or 'the group') wishes to announce its results for the year ended 31 December 2012.

The group's safety performance remains a key priority, although regrettably, we suffered the first incidences of loss of life since 2010, when two employees were fatally injured at Sishen mine during the year. The group's lost-time injury frequency rate (LTIFR) was 0.10 for the year (2011: 0.08).

Kumba's headline earnings for the year ended 31 December 2012 were R12.2 billion, 28% down from the R17.0 billion achieved in 2011, mainly as a result of a weighted average decrease of 23% in export iron ore prices realised and above inflationary cost escalations, which were partially offset by a 7% increase in export sales volumes. Attributable and headline earnings for the year were R38.02 and R37.97 per share respectively. A final cash dividend of R12.50 per share has been declared (total dividend for 2012 is R31.70 per share; 2011: R44.20 per share).

Total production for the group rose by 4% to a record 43.1 million metric tonnes (Mt) (2011: 41.3 Mt), aided by the ramp up at Kolomela mine. Notwithstanding the impact of an unprotected strike at Sishen mine in the fourth quarter, total export sales volumes for the year increased by 7% to 39.7 Mt (2011: 37.1 Mt) as the production losses at Sishen mine were offset by production from Kolomela mine and by sales from finished product stockpiles.

Excellent progress was made at Kolomela mine in 2012. The mine, which was brought into production five months ahead of schedule in December 2011, significantly exceeded the production ramp up schedule and delivered production of 8.5 Mt for the year.

### MARKET OVERVIEW

Demand for iron ore globally is largely dependent on the state of the steel industry worldwide and, more specifically, on that of the steel manufacturing sector in China. The country is the largest steel producer and consumer of iron ore in the world and accounts for more than two-thirds of global seaborne iron ore imports.

Global crude steel production increased by 2%, from 1,526 Mt in 2011 to 1,550 Mt in 2012. This increase was driven primarily by China, where crude steel production increased by about 3% year on year to 717 Mt in 2012, from 695 Mt in 2011. In the rest of the world, crude steel production was essentially flat at 833 Mt.

Seaborne iron ore supplies were impacted by adverse weather conditions in both Brazil and Australia in the first quarter of 2012, in addition to on-going Indian supply disruptions following the ban on iron ore mining in Goa.

## SAFETY PERFORMANCE

Regrettably, during the year, the group suffered the first incidences of loss of life since 2010, when two employees were fatally injured at Sishen mine. The Board and management once again extend sincere condolences to the families, friends and colleagues of Ms Sarah Obudilwe and Mr Wickus Coetsee. As part of our unwavering commitment to achieving zero harm, we have implemented additional safety initiatives, revisited our safety improvement plans and interventions and invested significant effort in preventing any recurrence of the events which caused the fatalities.

The group recorded 20 lost-time injuries (LTI's) for the year, which resulted in a LTIFR of 0.10 per 200,000 hours compared to 0.08 achieved in 2011. Kolomela mine continued its impressive safety record and achieved 31.4 million LTI-free hours.

Kumba remains committed to zero harm at all the group's sites and management has intensified the focus on compliance with operational safety standards and major hazard prevention to further reduce the prevalence of high potential incidents (HPI's).

For the year as a whole, seaborne supplies reached a level of 1,062 Mt, up 0.3% from 2011.

2012 was characterised by considerable volatility, especially in the third quarter, when prices fell from $138/tonne at the start of the quarter to $89/tonne by early September, as Chinese steel mills depleted stockpiles and reduced raw material inventory levels to as little as 17 days' worth of production requirements. Iron ore prices reached a high of $151/tonne (62% Fe CFR China) in April 2012, before stabilising around US$130/tonne towards the end of the year. The market recovered at the end of 2012 with steel mills returning to the market, which was reflected in the marked increase in index iron ore prices at the time. For 2012 as a whole, index prices averaged $130/tonne (CFR 62%Fe Platts), down 23% on 2011's average of US$169/tonne.

## OPERATIONAL PERFORMANCE

Total tonnes mined at Sishen mine rose by 4% to 171.6 Mt (2011: 165 Mt), of which waste mined amounted to 133.5 Mt, an increase of 12% (2011:119.0 Mt). Total production at Sishen mine, however, decreased by 13% to 33.7 Mt (2011: 38.9 Mt) mainly owing to the effects of an unprotected strike during the fourth quarter and low attendance in the mining section subsequent to the strike action.

On 3 October, around 300 Sishen mine employees on the night shift stopped working, seized the heavy mining equipment fleet that they were using and threatened to destroy the equipment if their demands of a salary increase were not met. This situation ended on 16 October and production recommenced on 20 October on a limited basis as attendance in the mining section remained low in the immediate aftermath of the strike. Operations are subsequently being ramped up. Production rates continue to improve and is expected to return to normal operating levels by the end of the first half of 2013.

Sishen mine lost around 5 Mt of final product as a result of the prolonged impact of the industrial action and the subsequent need to ramp-up operations. These losses exacerbated the production challenges experienced earlier in the year resulting from mining feedstock and quality constraints that affected the availability of material supplied to the mine's two processing plants.

Following successful commissioning in 2011, Kolomela mine continued its ramp-up ahead of schedule and delivered an outstanding performance in 2012, producing 8.5 Mt. Production has exceeded monthly design capacity since July 2012 and reached record levels during the second half of the year. Total tonnes mined increased by 26% to 43.5 Mt (2011: 34.6 Mt), of which waste mined increased by 11% to 33.5 Mt (2011: 30.3 Mt).

Waste mining at Thabazimbi mine decreased by 30% to 31.1 Mt (2011: 44.2 Mt) as the development of the last new pit was hampered by geological constraints. Production at Thabazimbi mine reduced by 11% to 0.8 Mt (2011: 0.9 Mt) in line with the progression towards the end of the life of the mine and resulted in reduced off-take from ArcelorMittal South Africa Limited (AMSA).

Kumba's total sales volumes for 2012 were 2% higher at 44.3 Mt (2011: 43.5 Mt). Export sales volumes for the year increased by 7% to 39.7 Mt (2011: 37.1 Mt) as production losses at Sishen mine were offset by production from Kolomela mine and by sales from stock. The production losses caused by the unprotected strike reduced export stock levels across the value chain and impacted export spot sales volumes. Notwithstanding the impact of the strike, Kumba met all its export customer sales commitments for 2012. Kumba's export sales volumes to China of 27.3 Mt totalled 69% of total export volumes for the year, against 68% in 2011. Off-take from Europe was essentially flat, whilst export sales volumes to Japan and Korea together rose by 12%. Domestic sales volumes to AMSA reduced by 27% to 4.7 Mt (2011: 6.4 Mt).

A record 40.0 Mt was railed on the Sishen/Kolomela-Saldanha line in 2012, an increase of 2% over 2011. This included 8.6 Mt railed from Kolomela mine. Transnet's performance in 2012 was exceptional, and supported Kumba in achieving record volumes railed and exported, despite the unprotected strike action at Sishen mine. Kumba loaded 38.5 Mt at the port of Saldanha for the export market, an improvement of 2% from the prior year. Total finished product stockpile levels at the mines and the ports decreased to 3.7 Mt as the production losses due to the unprotected strike were offset by sales from finished product stockpiles.

## FINANCIAL RESULTS

The group's total mining revenue (excluding shipping operations) reduced by 8% to R42.3 billion (2011: R45.8 billion). Revenue from shipping operations increased by 19% to R3.2 billion (2011: R2.7 billion).

Primarily as a result of the 23% decrease in realised export prices, the group's operating profit margin declined to 51% (2011: 66%). Excluding the net freight loss incurred from providing a shipping service to customers, the group's mining operating margin was 55% (2011: 69%).

Operating profit decreased by 28% to R23.2 billion (2011: R32.0 billion) principally as a result of:

- a weighted average decrease of 23% in realised iron ore export prices, which reduced operating profit by R10.5 billion;
- a R5.1 billion or 39% increase in operating expenses (excluding selling and distribution expenses, shipping expenses and the mineral royalty) driven by the 17.6 Mt increase in waste mined at Sishen and Kolomela mines, inflationary pressures and a significant rise in the cost of diesel. Of this, R2.1 billion was as a result of the year on year increase in production costs of Kolomela mine. In 2012, Kolomela mine incurred R2.4 billion production costs compared to the R332 million recorded in 2011. In 2011, R953 million incurred on 34.6 Mt of material mined, were capitalised to property, plant and equipment as part of the directly attributable cost of bringing the mine into production in December 2011; and
- a net freight loss was incurred by the group's shipping operations of R30 million (profit of R337 million earned in 2011) as a result of volatile freight rates. Total tonnes shipped by Kumba on behalf of customers increased by 2.4 Mt to 24.1 Mt (2011: 21.7 Mt).

This decrease in operating profit was offset mainly by:

- the average Rand/US$ exchange rate of R8.19/USD1.00, which was 13% weaker than the R7.25 achieved during 2011 and resulted in an increase in revenue of R4.5 billion;
- the 7% growth in export sales volumes, which contributed R2.9 billion; and
- the mineral royalty for 2012, at an effective rate of 3.2% (2011: 4.4%) of free-on-rail (FOR) iron ore revenue, which resulted in a R635 million reduction in operating expenditure. This was a result of the redemption of capital expenditure and reduced sales.

As a result of the planned increase in mining activity at Sishen mine, the production shortfalls from the unprotected strike and above inflationary input cost escalations, the mine's unit cash cost increased by 39% to R210/tonne compared to R150/tonne at the end of 2011. Kumba continues to focus on operational excellence, productivity improvements and efficiencies to mitigate the effect of rising costs. Achieving this optimisation is currently a critical factor at Sishen mine, which is facing a period of increasing waste stripping. The western-dipping ore body requires increased waste stripping and tight pit conditions constrain face lengths which, in turn, limits flexibility. Sishen mine's productivity improvement project, 'Bokamoso' continues to deliver efficiency and productivity improvements required to partially offset cost pressures associated with increased mining activity. Kolomela mine's unit cash cost was R191/tonne for 2012.

The group's cash generated from its operations, although 33% lower than the R34.3 billion of 2011, remains healthy at R25.3 billion (before the mineral royalty of R1.2 billion). These cash flows were used to pay aggregate dividends of R18.0 billion, taxation of R5.2 billion and mineral royalties of R1.2 billion during 2012. Capital expenditure of R5.4 billion was incurred, of which R3.2 billion was to maintain operations, mainly for Sishen mine's fleet expansion programme and workshop infrastructure. R2.2 billion was invested to expand operations, mainly on housing construction at Kolomela mine. Capital expenditure of R377 million was incurred on the Sishen Westerly Expansion Project (SWEP) in 2012 (2011: R317 million). This project will provide access to additional run of mine ore at Sishen mine from 2013. Total capital expenditure on this project is expected to be approximately R1 billion at completion in 2016.

At 31 December 2012 the group was in a net debt position of R4.3 billion (2011: R1.6 billion net cash).

Net working capital increased by R2.6 billion from 31 December 2011 to R5.5 billion. This increase is due to an increase in trade receivables on the back of an increase in sales volumes in December 2012 relative to December 2011, as well as a decrease in payables as a result of the employees' tax accrued in 2011 for the Envision payout which was paid in 2012.

## CONTRIBUTION TO BEE SHAREHOLDERS AND THE GOVERNMENT

One of Kumba's significant achievements since its inception has been the delivery of broad-based black economic empowerment (BBBEE) that the group believes meets the letter and spirit of the Mineral and Petroleum Resources Development Act (MPRDA), and further provides the group with a sustainable future. While Kumba's compliance with the various elements of the Mining Charter ultimately delivers economic opportunity, the most direct mechanism has been the benefits that have accrued to Kumba's BEE shareholders through both capital appreciation and the payment of substantial cash dividends. The group's BEE shareholders have received in excess of R17 billion in dividends over the past six years. Kumba's contribution to the South African fiscus by means of income tax and mineral royalty over the past six years amounted to R32.5 billion.

## MINERAL RESOURCES AND ORE RESERVES

As at 31 December 2012 Kumba had ore reserves estimated at 1.1 billion tonnes at its three mining operations: Sishen, Kolomela and Thabazimbi mines. Kumba's estimated mineral resources in excess of its ore reserves at these three operations as well as the Zandrivierspoort magnetite project and Phoenix project are 1.2 billion tonnes. The net decrease of 5% in Kumba's ore reserves in 2012 was primarily attributable to annual production.

Kumba's mineral resources, excluding ore reserves, showed a net decrease of 12% from 2011 to 2012. The decrease is primarily attributable to the re-estimation of the banded iron formation (BIF) mineral resource at Sishen mine. Previous estimation of the BIF mineral resource were adjusted for in 2012 when new sample data became available following a large scale re-sampling project at Sishen mine. The estimation approach of the decreasing trend in %Fe of the BIF with depth was also adjusted.

## OUTLOOK*

A similar level of growth in global crude steel production is expected for 2013 as was seen in 2012, with China's crude steel production forecast to grow and reach 740 Mt, whilst growth in crude steel production in other developing countries is expected to be counter balanced by reduced production in some of the developed markets. In 2013, Indian iron ore production is expected to remain under pressure as a result of domestic policy changes. However new supply capacity, primarily from Australia, is expected to partially offset this reduction in Indian supply.

The start of 2013 has seen a rapid price recovery in iron ore prices. The consensus view is that this rally will not be sustained throughout the year. However, some positive sentiment in relation to Chinese steel consumption growth has been restored and is expected to provide support to prices throughout the year. Seaborne iron ore supply growth may lead to iron ore prices softening in the second half of 2013, but on average prices are anticipated to be firmer than in 2012.

As guided previously, waste mining at Sishen mine is anticipated to increase by an additional 30 Mt per year in line with the planned ramp up that commenced in 2009. However, in order to make up mining volumes lost as a result of the strike, it is anticipated that an additional ~10 Mt to 20 Mt of waste, further to the 30 Mt previously guided, will be mined in 2013, which will put upward pressure on unit cash costs. Annual production volumes from Sishen mine are expected to increase from the 33.7 Mt achieved in 2012, to at least 37 Mt in 2013, which is lower than previously guided due to the knock on effect of the unprotected strike in 2012.

Kolomela mine's ramp-up is on track to produce at full design capacity of 9 Mt in 2013 which will enhance the group's ability to supply iron ore to the market during 2013. Waste mining at Kolomela mine is anticipated to increase as the new pits are opened up, which will put upward pressure on unit cash costs. Kolomela mine's cash unit cost is expected to be ~R180/tonne as the mine reaches full design capacity of 9 Mtpa.

Export sales volumes in 2013 are anticipated to be in line with the volumes achieved in 2012. Domestic sales volumes from Sishen mine to AMSA are anticipated to be 4.8 Mt, in line with the interim pricing agreement.

Kumba's operating profit remains highly sensitive to the Rand/US Dollar exchange rate.

Management's focus will be on executing the group's strategy by optimising the value of current operations, capturing value across the value chain and delivering on the group's growth aspirations.

** Any reference to future financial performance included in this announcement has not been reviewed or reported on by the company's auditors and does not constitute an earnings forecast.*

## CHANGES IN DIRECTORATE

The Board of directors of Kumba announced the following changes in Kumba's directorate during 2012. The Board expresses its gratitude to the members who have resigned, for their invaluable contribution to the Board and the company, and wishes them well in their future endeavours.

### RESIGNATIONS:

- Mr Chris Griffith, as executive director and chief executive, on 31 August 2012;
- Mr Peter Matlare, a non-executive director, on 31 March 2012; and
- Mr Godfrey Gomwe, a non-executive director, on 15 October 2012.

### APPOINTMENTS:

- Mr Fani Titi as non-executive chairman, on 1 October 2012;
- Mr Norman Mbazima, as executive director and chief executive, on 1 September 2012;
- Mr Frikkie Kotzee, as executive director and chief financial officer, on 1 June 2012;
- Ms Buyelwa Sonjica, as a non-executive director, on 1 June 2012; and
- Ms Khanyisile Kweyama, as a non-executive director on 15 October 2012.

COMMENTARY

# PRODUCTION AND SALES

## PRODUCTION AND SALES REPORT FOR THE YEAR ENDED 31 DECEMBER 2012

Total production increased by 4% year on year to 43.1 Mt mainly as a result of the exceptional performance at Kolomela mine. This was partially offset by a decline in production from Sishen mine due to the unprotected strike in the fourth quarter and mining feedstock and quality constraints that affected the availability of material supplied to the mine's processing plants. Kolomela mine delivered an outstanding performance and produced 8.5 Mt for the year.

Total export sales volume of 39.7 Mt for the year increased by 7% year on year. Domestic sales of 4.7 Mt declined by 27% year on year due to reduced off take from AMSA.

| '000 tonnes | Unaudited 31 Dec 2012 | Unaudited 31 Dec 2011 | % change |
|---|---|---|---|
| **Yearly production overview** | | | |
| **Total production** | **43,066** | **41,268** | **4** |
| Sishen mine | 33,697 | 38,899 | (13) |
| DMS plant | 23,083 | 25,359 | (9) |
| Jig plant | 10,614 | 13,540 | (22) |
| Kolomela mine | 8,545 | 1,466 | 483 |
| Thabazimbi mine | 824 | 903 | (9) |
| **Sales summary** | | | |
| **Total sales** | **44,340** | **43,572** | **2** |
| Export sales | 39,657 | 37,131 | 7 |
| Domestic sales | 4,683 | 6,441 | (27) |
| Sishen mine | 3,436 | 5,082 | (32) |
| Thabazimbi mine | 1,247 | 1,359 | (8) |

# SALIENT FEATURES AND OPERATING STATISTICS
for the year ended 31 December 2012

| | Unaudited 31 Dec 2012 | Unaudited 31 Dec 2011 |
|---|---|---|
| **Share statistics ('000)** | | |
| Total shares in issue | 322,059 | 322,059 |
| Weighted average number of shares | 321,223 | 320,896 |
| Diluted weighted average number of shares | 321,754 | 321,719 |
| Treasury shares | 1,064 | 1,076 |
| Treasury shares (Rand million) | 487 | 336 |
| **Market information** | | |
| Closing share price (Rand) | 568.88 | 500.00 |
| Market capitalisation (Rand million) | 183,213 | 161,030 |
| Market capitalisation (US$ million) | 21,616 | 19,686 |
| **Net asset value (Rand per share)** | 46.46 | 49.16 |
| **Capital expenditure (Rand million)** | | |
| Incurred | 5,399 | 5,849 |
| Contracted | 772 | 1,988 |
| Authorised but not contracted | 1,335 | 2,168 |
| **Capital expenditure relating to Thabazimbi mine to be financed by AMSA** | | |
| Contracted | 7 | 29 |
| Authorised but not contracted | 16 | 7 |
| **Operating commitments** | | |
| Operating lease commitments | 93 | 88 |
| Shipping services | 8,762 | 9,469 |
| **Economic information** | | |
| Average Rand/US dollar exchange rate (ZAR/US$) | 8.19 | 7.25 |
| Closing Rand/US dollar exchange rate (ZAR/US$) | 8.48 | 8.18 |
| **Operating statistics (Mt)** | | |
| Production | 43.1 | 41.3 |
| Sishen mine | 33.7 | 38.9 |
| Kolomela mine | 8.5 | 1.5 |
| Thabazimbi mine | 0.8 | 0.9 |
| Sales | 44.4 | 43.5 |
| Export | 39.7 | 37.1 |
| Domestic | 4.7 | 6.4 |
| Sishen mine | 3.5 | 5.1 |
| Thabazimbi mine | 1.2 | 1.3 |
| **Sishen mine FOR unit cost** | | |
| Unit cost (Rand per tonne) | 257.39 | 178.90 |
| Cash cost (Rand per tonne) | 209.69 | 150.47 |
| Unit cost (US$ per tonne) | 31.43 | 24.68 |
| Cash cost (US$ per tonne) | 25.60 | 20.75 |
| **Kolomela mine FOR unit cost** | | |
| Unit cost (Rand per tonne) | 255.69 | – |
| Cash cost (Rand per tonne) | 190.83 | – |
| Unit cost (US$ per tonne) | 31.22 | – |
| Cash cost (US$ per tonne) | 23.30 | – |

## FINANCIAL RESULTS

The audited condensed consolidated financial results for the year ended 31 December 2012 were prepared under the supervision of the chief financial officer, FT Kotzee, CA(SA). Our results were published on our website on 12 February 2013 (http://www.angloamericankumba.com/investor_main.php).

The full annual financial statements will be published on our website on Thursday, 28 March 2013. Copies of the annual financial statements can be downloaded from our website or obtained from our investor relations department from this date.

# CONDENSED GROUP BALANCE SHEET
as at 31 December 2012

| Rand million | Notes | Audited 31 Dec 2012 | Audited 31 Dec 2011 |
|---|---|---|---|
| **Assets** | | | |
| Property, plant and equipment | 5 | 24,765 | 20,878 |
| Biological assets | | 8 | 6 |
| Investments in associate and joint ventures | | 47 | 33 |
| Investments held by environmental trust | | 673 | 568 |
| Long-term prepayments and other receivables | | 130 | 95 |
| Deferred tax assets | | 842 | 658 |
| **Non-current assets** | | 26,465 | 22,238 |
| Inventories | | 4,136 | 3,864 |
| Trade and other receivables | | 4,332 | 3,537 |
| Current tax asset | | 76 | 32 |
| Cash and cash equivalents | | 1,527 | 4,742 |
| **Current assets** | | 10,071 | 12,175 |
| **Total assets** | | **36,536** | **34,413** |
| **Equity** | | | |
| Shareholders' equity | 6 | 14,964 | 15,833 |
| Non-controlling interest | | 4,345 | 4,759 |
| **Total equity** | | 19,309 | 20,592 |
| **Liabilities** | | | |
| Interest-bearing borrowings | 7 | 3,200 | – |
| Provisions | | 1,420 | 901 |
| Deferred tax liabilities | | 6,697 | 4,942 |
| **Non-current liabilities** | | 11,317 | 5,843 |
| Short-term portion of interest-bearing borrowings | 7 | 2,669 | 3,191 |
| Short-term portion of provisions | | 26 | 11 |
| Trade and other payables | | 3,012 | 4,556 |
| Current tax liabilities | | 203 | 220 |
| **Current liabilities** | | 5,910 | 7,978 |
| **Total liabilities** | | **17,227** | **13,821** |
| **Total equity and liabilities** | | **36,536** | **34,413** |

# CONDENSED GROUP INCOME STATEMENT

for the year ended 31 December 2012

| Rand million | Note | Audited 31 Dec 2012 | Audited 31 Dec 2011 |
|---|---|---|---|
| Revenue | | 45,446 | 48,553 |
| Operating expenses | 8 | (22,293) | (16,587) |
| **Operating profit** | 8 | 23,153 | 31,966 |
| Finance income | | 102 | 241 |
| Finance costs | | (405) | (149) |
| **Profit before taxation** | | 22,850 | 32,058 |
| Taxation | | (6,750) | (9,760) |
| **Profit for the year** | | **16,100** | **22,298** |
| **Attributable to:** | | | |
| Owners of Kumba | | 12,212 | 17,042 |
| Non-controlling interest | | 3,888 | 5,256 |
| | | **16,100** | **22,298** |
| **Earnings per share for profit attributable to the owners of Kumba (Rand per share)** | | | |
| Basic | | 38.02 | 53.11 |
| Diluted | | 37.95 | 52.97 |

# CONDENSED GROUP STATEMENT OF OTHER COMPREHENSIVE INCOME

for the year ended 31 December 2012

| Rand million | Audited 31 Dec 2012 | Audited 31 Dec 2011 |
|---|---|---|
| **Profit for the year** | 16,100 | 22,298 |
| **Other comprehensive income for the year, net of tax** | 155 | 404 |
| Exchange differences on translation of foreign operations | 193 | 363 |
| Net effect of cash flow hedges | (38) | 41 |
| **Total comprehensive income for the year** | **16,255** | **22,702** |
| **Attributable to:** | | |
| Owners of Kumba | 12,342 | 17,340 |
| Non-controlling interest | 3,913 | 5,362 |
| | **16,255** | **22,702** |

# CONDENSED GROUP STATEMENT OF CHANGES IN EQUITY

for the year ended 31 December 2012

| Rand million | Note | Audited 31 Dec 2012 | Audited 31 Dec 2011 |
|---|---|---|---|
| **Total equity at the beginning of the year** | | 20,592 | 18,376 |
| **Changes in share capital and premium** | 6 | | |
| Shares issued during the year | | 5 | 16 |
| Treasury shares issued to employees under employee share incentive schemes | | 105 | 139 |
| Purchase of treasury shares | | (261) | (278) |
| **Changes in reserves** | | | |
| Equity-settled share-based payment | | 579 | 265 |
| Vesting of shares under employee share incentive schemes | | (123) | (139) |
| Vesting of Envision share scheme | | – | (2,013) |
| Total comprehensive income for the year | | 12,342 | 17,340 |
| Dividends paid | | (13,516) | (13,835) |
| **Changes in non-controlling interest** | | | |
| Total comprehensive income for the year | | 3,913 | 5,362 |
| Envision share scheme second phase increase | | – | (4) |
| Dividends paid | | (4,490) | (4,078) |
| Movement in non-controlling interest in reserves | | 163 | (559) |
| **Total equity at the end of the year** | | **19,309** | **20,592** |
| **Comprising** | | | |
| Share capital and premium (net of treasury shares) | 6 | (121) | 30 |
| Equity-settled share-based payment reserve | | 822 | 307 |
| Foreign currency translation reserve | | 571 | 423 |
| Cash flow hedge reserve | | (24) | (6) |
| Retained earnings | | 13,716 | 15,079 |
| **Shareholders' equity** | | 14,964 | 15,833 |
| Attributable to the owners of Kumba | | 14,399 | 15,214 |
| Attributable to the non-controlling interest | | 565 | 619 |
| Non-controlling interest | | 4,345 | 4,759 |
| **Total equity** | | **19,309** | **20,592** |
| **Dividend (Rand per share)** | | | |
| Interim | | 19.20 | 21.70 |
| Final* | | 12.50 | 22.50 |

* *The final dividend was declared after 31 December 2012 and has not been recognised as a liability in this condensed consolidated financial report. It will be recognised in shareholders' equity in the year ending 31 December 2013.*

# CONDENSED GROUP CASH FLOW STATEMENT

for the year ended 31 December 2012

| Rand million | Notes | Audited 31 Dec 2012 | Audited 31 Dec 2011 |
|---|---|---|---|
| Cash generated from operations | | 24,170 | 32,814 |
| Net finance costs paid | | (227) | (96) |
| Taxation paid | | (5,215) | (7,035) |
| **Cash flows from operating activities** | | 18,728 | 25,683 |
| Additions to property, plant and equipment | 5 | (5,399) | (5,849) |
| Investments in associate and joint ventures | | (14) | (4) |
| Investments held by environmental trust | | (45) | (183) |
| Proceeds from disposal of non-current assets | | 37 | 2 |
| Proceeds from disposal of investments | | 3 | – |
| **Cash flows from investing activities** | | (5,418) | (6,034) |
| Shares issued | 6 | 5 | 16 |
| Purchase of treasury shares | 6 | (261) | (278) |
| Vesting of Envision share scheme | | (968) | (1,694) |
| Dividends paid to owners of Kumba | | (13,428) | (13,742) |
| Dividends paid to non-controlling shareholders | | (4,578) | (4,170) |
| Net interest-bearing borrowings raised | | 2,678 | – |
| **Cash flows from financing activities** | | (16,552) | (19,868) |
| **Net decrease in cash and cash equivalents** | | (3,242) | (219) |
| Cash and cash equivalents at beginning of year | | 4,742 | 4,855 |
| Exchange differences on translation of cash and cash equivalents | | 27 | 106 |
| **Cash and cash equivalents at end of year** | | **1,527** | **4,742** |

The cash contributions to the environmental trust was previously disclosed as 'Cash paid to suppliers and employees' as a cash flow from operating activities. It has been included as a cash flow from investing activities for 2012 to reflect the underlying cash flows from the transactions. The comparatives were adjusted to reflect this change in classification.

# HEADLINE EARNINGS
for the year ended 31 December 2012

| Rand million | Audited 31 Dec 2012 | Audited 31 Dec 2011 |
|---|---|---|
| **Reconciliation of headline earnings** | | |
| Profit attributable to owners of Kumba | 12,212 | 17,042 |
| Net (profit)/loss on disposal and scrapping of property, plant and equipment | (21) | 10 |
| Net profit on disposal of investment | (3) | – |
| | **12,188** | **17,052** |
| Taxation effect of adjustments | 6 | (3) |
| Non-controlling interest in adjustments | 4 | (1) |
| **Headline earnings** | **12,198** | **17,048** |
| **Headline earnings (Rand per share)** | | |
| Basic | 37.97 | 53.13 |
| Diluted | 37.91 | 52.99 |
| The calculation of basic and diluted earnings and headline earnings per share is based on the weighted average number of ordinary shares in issue as follows: | | |
| Weighted average number of ordinary shares | 321,223,241 | 320,895,696 |
| Diluted weighted average number of ordinary shares | 321,753,827 | 321,719,426 |

The adjustment of 530,586 (2011: 823,730) shares to the weighted average number of ordinary shares is as a result of the vesting of share options previously granted under various employee share incentive schemes.

# NOTES TO THE AUDITED CONDENSED CONSOLIDATED FINANCIAL REPORT

## 1. CORPORATE INFORMATION

Kumba is a limited liability company incorporated and domiciled in South Africa. The main business of Kumba, its subsidiaries, joint ventures and associates is the exploration, extraction, beneficiation, marketing, sale and shipping of iron ore. The group has its primary listing on the JSE Limited (JSE).

The audited condensed consolidated financial report of Kumba and its subsidiaries for the year ended 31 December 2012 was authorised for issue in accordance with a resolution of the directors on 8 February 2013.

## 2. BASIS OF PREPARATION

The audited condensed consolidated financial report has been prepared in accordance with the framework concepts and the recognition and measurement principles of International Financial Reporting Standards (IFRS), including the information required by International Accounting Standard (IAS) 34, Interim Financial Reporting, the SAICA Financial Reporting Guides as issued by the Accounting Practices Committee, the Listings Requirements of the JSE, and the requirements of the South African Companies Act No 71 of 2008.

The audited condensed consolidated financial report has been prepared in accordance with the historical cost convention except for certain financial instruments, share-based payments and biological assets which are stated at fair value, and is presented in Rand, which is Kumba's functional and presentation currency.

## 3. ACCOUNTING POLICIES

The accounting policies and methods of computation applied in the preparation of the audited condensed consolidated financial report are consistent with those applied for the year ended 31 December 2011.

There were no IFRSs, amendments to IASs or IFRIC interpretations that are effective for the first time for the financial year beginning on or after 1 January 2012 that had a material impact on the group.

The accounting standards, amendments to issued accounting standards and interpretations, which are relevant to the group but not yet effective at 31 December 2012, are being evaluated for the impact of these pronouncements.

## 4. CHANGE IN ESTIMATES

Management has revised the estimated rehabilitation and decommissioning provisions at Sishen, Kolomela and Thabazimbi mines as a result of an independent review and standardisation of all closure cost estimates across the group.

The life of mine plan on which accounting estimates are based, only includes proved and probable ore resources as disclosed in Kumba's annual ore reserves and mineral resources statement. The effect of these changes is detailed below:

| Rand million | Audited 31 Dec 2012 |
|---|---|
| Increase in environmental rehabilitation provision | 371 |
| Increase in decommissioning provision | 70 |

The change in estimate in the environmental rehabilitation provision was applied prospectively and resulted in a decrease in profit before taxation and headline earnings per share for the year ended 31 December 2012 of R371 million and 89 cents, respectively. The change in estimate in the decommissioning provision has been capitalised to the related property, plant and equipment.

## 5. PROPERTY, PLANT AND EQUIPMENT

| Rand million | Audited 31 Dec 2012 | Audited 31 Dec 2011 |
|---|---|---|
| **Capital expenditure** | **5,399** | **5,849** |
| Comprising: | | |
| Expansion | 2,195 | 3,104 |
| Stay in business (SIB) | 3,204 | 2,745 |
| **Transfers from assets under construction to property, plant and equipment** | **3,905** | **8,952** |

Expansion capital expenditure comprised mainly of housing expenditure for Kolomela mine and the first phase of SWEP. SIB capital expenditure to maintain operations was principally for the acquisition of heavy mining equipment and workshop infrastructure for Sishen mine.

## 6. SHARE CAPITAL

| Rand million | Audited 31 Dec 2012 | Audited 31 Dec 2011 |
|---|---|---|
| **Reconciliation of share capital and share premium (net of treasury shares):** | | |
| Balance at beginning of year | 30 | 153 |
| Total shares issued for cash consideration | 5 | 16 |
| Shares issued – share premium | – | 16 |
| Net movement in shares held by Kumba Iron Ore Management Share Trust | 5 | – |
| Net movement in treasury shares under employee share incentive schemes | (156) | (139) |
| Purchase of treasury shares | (261) | (278) |
| Shares issued to employees | 105 | 139 |
| **Share capital and share premium** | **(121)** | **30** |

| Number of shares | Audited 31 Dec 2012 | Audited 31 Dec 2011 |
|---|---|---|
| **Reconciliation of number of shares in issue:** | | |
| Balance at beginning of year | 322,058,624 | 321,911,721 |
| Ordinary shares issued | – | 5,377,770 |
| Ordinary shares repurchased and cancelled | – | (5,230,867) |
| **Balance at end of year** | **322,058,624** | **322,058,624** |

| Number of shares | Audited 31 Dec 2012 | Audited 31 Dec 2011 |
|---|---|---|
| **Reconciliation of treasury shares held:** | | |
| Balance at beginning of year | 1,075,970 | 818,272 |
| Shares purchased | 473,435 | 550,781 |
| Shares issued to employees under the Long-Term Incentive Plan, Kumba Bonus Share Plan and Share Appreciation Rights Scheme | (400,542) | (252,985) |
| Net movement in shares held by Kumba Iron Ore Management Share Trust | (84,332) | (40,098) |
| **Balance at end of year** | **1,064,531** | **1,075,970** |
| **Treasury shares held as conditional share awards under the Kumba Bonus Share Plan** | **1,035,173** | **722,701** |

# 7. INTEREST-BEARING BORROWINGS

Kumba's net debt/(cash) position at the balance sheet dates was as follows:

| Rand million | Audited 31 Dec 2012 | Audited 31 Dec 2011 |
|---|---|---|
| Interest-bearing borrowings | 5,869 | 3,191 |
| Cash and cash equivalents | (1,527) | (4,742) |
| **Net debt/(cash)** | **4,342** | **(1,551)** |
| **Total equity** | **19,309** | **20,592** |
| **Interest cover (times)** | **76** | **206** |

Movements in interest-bearing borrowings are analysed as follows:

| Rand million | Audited 31 Dec 2012 | Audited 31 Dec 2011 |
|---|---|---|
| Balance at beginning of year | 3,191 | 3,185 |
| Interest-bearing borrowings raised | 5,869 | – |
| Interest-bearing borrowings repaid | (3,195) | – |
| Deferred transaction costs recognised | 4 | 6 |
| **Balance at end of year** | **5,869** | **3,191** |

At 31 December 2012, R3.2 billion of the total R8.6 billion long-term debt facilities and R2.7 billion of the total short-term uncommitted facilities of R6.3 billion has been drawn down. Kumba was not in breach of any of its covenants during the year. The group had undrawn long-term borrowing and uncommitted short-term facilities at 31 December 2012 of R9.0 billion (2011: R9.3 billion).

A committed debt facility of R6 billion was secured which replaces a maturing facility, effective from 1 January 2013. The interest on the facility is charged at Jibar plus a margin, determined by the period for which the funds are borrowed.

# 8. SIGNIFICANT ITEMS INCLUDED IN OPERATING PROFIT

### Operating expenses is made up as follows:

| Rand million | Audited 31 Dec 2012 | Audited 31 Dec 2011 |
|---|---|---|
| Production costs | 13,832 | 8,910 |
| Movement in inventories | 59 | (149) |
| Finished products | 441 | 247 |
| Work-in-progress | (382) | (396) |
| **Cost of goods sold** | 13,891 | 8,761 |
| Mineral royalty | 1,127 | 1,762 |
| Selling and distribution costs | 4,065 | 3,698 |
| Cost of services rendered – shipping | 3,222 | 2,374 |
| Sublease rent received | (12) | (8) |
| **Operating expenses** | **22,293** | **16,587** |

### Operating profit has been derived after taking into account the following items:

| Rand million | Audited 31 Dec 2012 | Audited 31 Dec 2011 |
|---|---|---|
| Employee expenses | 3,466 | 2,408 |
| Share-based payment expenses | 756 | 369 |
| Depreciation of property, plant and equipment | 1,524 | 997 |
| Net (profit)/loss on disposal and scrapping of property, plant and equipment | (21) | 10 |
| Finance gains | (148) | (587) |
| Operating expenses capitalised | (98) | (971)* |

** The capitalisation of operating expenses for the year ended 31 December 2011 mainly related to operating costs of R953 million incurred on 34.6 Mt of material mined at Kolomela mine that have been capitalised to property, plant and equipment as part of the directly attributable cost of bringing the mine into production in December 2011.*

## 9. SEGMENTAL REPORTING

| Rand million | Sishen mine | Kolomela mine[1] | Thabazimbi mine | Logistics operations[2] | Shipping operations | Inter-segment elimination | Total |
|---|---|---|---|---|---|---|---|
| **Year ended 31 Dec 2012** | | | | | | | |
| Revenue | 31,227 | 7,756 | 1,014 | 35,049 | 3,192 | (32,792) | **45,446** |
| EBIT | 21,250 | 5,288 | (25) | (1,754) | (30) | 9 | **24,738** |
| Total segment assets | 404 | 198 | 130 | – | – | – | **732** |
| **Year ended 31 Dec 2011** | | | | | | | |
| Revenue | 44,903 | 32 | 907 | – | 2,711 | – | 48,553 |
| EBIT | 32,661 | (80) | 112 | – | 337 | – | 33,030 |
| Total segment assets | 392 | 133 | 268 | – | – | – | 793 |

[1] *Kolomela mine delivered initial production during 2011 and the financial performance for the 12 months ended 31 December 2011 represented the month of December 2011.*

[2] *A new segment, Logistics operations, is reported for 2012, following an internal restructuring of our operations. It represents our rail and port operations. Sishen and Kolomela mine sell their ore available for the export market to the logistics operation, who then sells the ore to external customers through the marketing organisation.*

| Rand million | 12 months Audited 31 Dec 2012 | 12 months Audited 31 Dec 2011 |
|---|---|---|
| **Revenue from external customers analysed by goods and services** | | |
| Sale of products* | 42,254 | 45,842 |
| Shipping services | 3,192 | 2,711 |
| **Total revenue** | **45,446** | **48,553** |
| **Reconciliation of EBIT to total profit before taxation** | | |
| EBIT for reportable segments | 24,738 | 33,030 |
| Other segments | (1,585) | (1,064) |
| **Operating profit** | 23,153 | 31,966 |
| Net finance (costs)/income | (303) | 92 |
| **Profit before taxation** | **22,850** | **32,058** |
| **Reconciliation of reportable segments' assets to total assets** | | |
| Segment assets for reportable segments | 732 | 793 |
| Other segments and WIP inventory | 3,404 | 3,071 |
| **Inventory per balance sheet** | 4,136 | 3,864 |
| Other current assets | 5,935 | 8,311 |
| Non-current assets | 26,465 | 22,238 |
| **Total assets** | **36,536** | **34,413** |

* *Derived from extraction, production and selling of iron ore.*

The total reported segment revenue is measured in a manner consistent with that disclosed in the income statement.

The performance of the operating segments are assessed based on a measure of earnings before interest and taxation (EBIT), which is measured in a manner consistent with 'Operating profit' in the financial statements. Finance income and finance costs are not allocated to segments, as treasury activity is managed on a central group basis.

Total segment assets comprise finished goods inventory only, which is allocated based on the operations of the segment and the physical location of the asset.

'Other segments' comprise corporate, administration and other expenditure not allocated to the reported segments.

**Geographical analysis of revenue and non-current assets:**

| Rand million | Audited 31 Dec 2012 | Audited 31 Dec 2011 |
|---|---|---|
| **Total revenue from external customers** | | |
| South Africa | 2,832 | 3,388 |
| Export | 42,614 | 45,165 |
| China | 28,277 | 29,904 |
| Rest of Asia | 9,889 | 9,274 |
| Europe | 4,322 | 5,450 |
| Middle East | 126 | 227 |
| Americas | – | 310 |
| | **45,446** | **48,553** |
| **Total non-current assets*** | | |
| South Africa | 25,445 | 21,450 |
| China | 1 | 2 |
| | **25,446** | **21,452** |

** Excluding prepayments, investments in associates and joint ventures and deferred tax assets.*

# 10. RELATED PARTY TRANSACTIONS

During the period, Kumba, in the ordinary course of business, entered into various sale, purchase and service transactions with associates, joint ventures, fellow subsidiaries, its holding company and Exxaro Resources Limited. These transactions were subject to terms that are no less favourable than those offered by third parties.

Included in cash and cash equivalents at 31 December 2012 is a short-term deposit facility placed with Anglo American SA Finance Limited (AASAF) of R237 million (2011: R3,885 million). Interest earned on this facility during the year was market related and amounted to R83 million (2011: R197 million) at a weighted average interest rate of 5.45% (2011: 5.36%).

Interest-bearing borrowings drawn down at 31 December 2012 of R5,869 million (2011: R nil) was from facilities with AASAF. Interest paid on these borrowings during the year was market related and amounted to R118 million (2011: R nil) at a weighted average interest rate of 6.25%.

# 11. CONTINGENT ASSETS AND LIABILITIES

Kumba initiated arbitration proceedings against La Société des Mines De Fer Du Sénégal Oriental (Miferso) and the Republic of Senegal under the rules of the Arbitration of the International Chamber of Commerce in 2007, in relation to the Falémé Project.

Following the arbitration award rendered in July 2010, a mutually agreed settlement was concluded between the parties. The parties agreed that the precise terms of the settlement agreement will remain confidential. The first settlement was paid by the Republic of Senegal in April 2011. A portion of the second instalment was received in December 2012. In terms of the settlement agreement, the remaining settlement amount is expected to be recovered in equal instalments from the Republic of Senegal over the remaining three-year period.

# 12. LEGAL PROCEEDINGS

## 12.1 Sishen Supply Agreement arbitration

A dispute arose between Sishen Iron Ore Company Proprietary Limited (SIOC) and AMSA in February 2010, in relation to SIOC's contention that the contract mining agreement concluded between them in 2001 had become inoperative as a result of the fact that AMSA had failed to convert its old order mining rights. This dispute has been referred to arbitration.

On 9 December 2011, SIOC and AMSA agreed to delay the arbitration proceedings in relation to the Sishen Supply Agreement until the final resolution of the mining rights dispute. This arbitration is only expected to commence in the fourth quarter of 2013, with possible resolution only expected in the third quarter of 2014 at the earliest (see 12.2 below).

An Interim Pricing Agreement between SIOC and AMSA was in place until 31 July 2012, which was extended to 31 December 2012.

In December 2012 a further interim agreement was concluded, after negotiations which were facilitated by the Department of Trade and Industry (DTI). The further interim agreement will govern the sale of iron ore from the Sishen mine to AMSA for the period 1 January 2013 to 31 December 2013, or until the conclusion of the legal processes in relation to the 2001 Sishen Supply agreement (whichever is the sooner), at a weighted average price of US$65 per tonne. Of the total 4.8 Mt, about 1.5 Mt is anticipated to be railed to Saldanha Steel and the rest to AMSA's inland operations.

## 12.2 21.4% undivided share of the Sishen mine mineral rights

After AMSA failed to convert its old order rights, SIOC applied for the residual 21.4% mining right previously held by AMSA and its application was accepted by the Department of Mineral Resources (DMR) on 4 May 2009. A competing application for a prospecting right over the same area was also accepted by the DMR. SIOC objected to this acceptance. Notwithstanding this objection, a prospecting right over the 21.4% interest was granted by the DMR to Imperial Crown Trading 289 (Pty) Limited (ICT). SIOC initiated a review application in the North Gauteng High Court on 21 May 2010 in relation to the decision of the DMR to grant a prospecting right to ICT.

In December 2011 judgment was delivered in the High Court regarding the status of the mining rights at the Sishen mine. The High Court held that, upon the conversion of SIOC's old order mining right relating to the Sishen mine properties in 2008, SIOC became the exclusive holder of a converted mining right for iron ore and quartzite in respect of the Sishen mine properties. The High Court held further that as a consequence, any decision taken by the DMR after such conversion in 2008 to accept or grant any further rights to iron ore at the Sishen mine properties was void. Finally, the High Court reviewed and set aside the decision of the DMR to grant a prospecting right to ICT relating to a 21.4% share in respect of the Sishen mine properties.

On 3 February 2012 both the DMR and ICT submitted applications for leave to appeal against the High Court judgment. SIOC applied for leave to present a conditional cross-appeal, in order to protect its rights. The Supreme Court of Appeal (SCA) hearing will be held on 19 February 2013, and the SCA judgement is expected to be received early in the second half of 2013.

The High Court order did not affect the interim supply agreement between AMSA and SIOC, which was in place until 31 July 2012 and was extended to 31 December 2012 as indicated in note 12.1 above.

SIOC will continue to take the necessary steps to protect its shareholders' interests in this regard.

## 12.3 Project Phoenix dispute

A dispute exists between AMSA and SIOC concerning AMSA's contention that it holds an entitlement to require SIOC to supply AMSA with iron ore produced from the Phoenix Project in terms of the Thabazimbi Supply Agreement. The Phoenix project is a reserve located within the Thabazimbi mining licence area. SIOC is the holder of such mining right. In November 2001, a 'captive mine' supply agreement was concluded with AMSA in terms of which ore produced at Thabazimbi is supplied to AMSA on a cost-plus basis. There are a number of provisions in this agreement that regulate the development of future ore reserves.

## 12. LEGAL PROCEEDINGS CONTINUED

AMSA took a strategic decision in November 2006 not to participate in this Project Phoenix. Kumba accepted AMSA's election and decided to develop the Phoenix project independently and at its own cost.

In 2011, AMSA indicated that it now wished to pursue the Phoenix project, and formally declared a dispute with Kumba early in 2012 on the basis that the supply agreement entitles AMSA to obtain all ore from Thabazimbi. Kumba rejected this premise and, in line with the supply agreement dispute mechanisms, a mediation meeting of the respective CEOs was held on 6 June 2012, without resolution. The agreement requires that disputes are thereafter escalated to arbitration. The matter has not subsequently progressed.

### 12.4 Sishen Supply Agreement cost recovery

A dispute relating to historical cost recovery by SIOC, in terms of the Sishen-AMSA supply agreement (prior to 2010) has been declared by AMSA. A mediation meeting of the respective CEOs was held on 6 June 2012, as provided for in the supply agreement as a first step in dispute resolution, has not resulted in a resolution.

AMSA has indicated its intention to pursue the matter. Kumba will defend its position.

### 12.5 Lithos Corporation Proprietary Limited

Lithos Corporation Proprietary Limited is claiming US$421 million from Kumba for damages in relation to the Falémé project in Senegal. Kumba continues to defend the merits of the claim and is of the view, and has been so advised, that the basis of the claim and the quantification thereof is fundamentally flawed. The trial date has now been set for the first quarter of 2013.

## 13. CORPORATE GOVERNANCE

The group subscribes to the Code of Good Corporate Practices and Conduct and complies with the recommendations of the King III Report. Full disclosure of the group's compliance will be contained in the 2012 Integrated Report.

## 14. EVENTS AFTER THE REPORTING PERIOD

No further material events have occurred between the end of the reporting period and the date of the release of these audited condensed consolidated financial statements.

## 15. INDEPENDENT AUDITORS' AUDIT REPORT

The auditors, Deloitte & Touche, have issued their opinion on the group's annual financial statements for the year ended 31 December 2012. The audit was conducted in accordance with International Standards on Auditing. They have issued an unmodified audit opinion.

These audited condensed consolidated financial statements have been derived from the group financial statements and are consistent in all material respects with the group financial statements. A copy of their audit report is available for inspection at the company's registered office, and is incorporated in the full annual financial statements.

Any reference to future financial performance included in this announcement has not been reviewed or reported on by the company's auditors.

On behalf of the Board

**F Titi**
Chairman

**NB Mbazima**
Chief executive

8 February 2013
Pretoria

# NOTICE OF FINAL CASH DIVIDEND

At its Board meeting on 8 February 2013 the directors resolved to declare a gross final cash dividend of 1,250 cents per share on the ordinary shares from profits accrued during the year ended 31 December 2012. The dividend has been declared from income reserves.

The company has utilised Secondary Tax on Companies' (STC) credits amounting to 0.90691 cents per share. The balance of the dividend will be subject to a dividend withholding tax of 15% for all shareholders who are not exempt from or do not qualify for a reduced rate of withholding tax. The net dividend payable to shareholders subject to withholding tax at a rate of 15%, amounts to 1,062.63604 cents per share.

The issued share capital at the declaration date is 322,058,624 ordinary shares.

The salient dates are as follows:

| | |
|---|---|
| • Last day for trading to qualify and participate in the final dividend (and change of address or dividend instructions) | Friday, 8 March 2013 |
| • Trading ex-dividend commences | Monday, 11 March 2013 |
| • Record date | Friday, 15 March 2013 |
| • Dividend payment date | Monday, 18 March 2013 |

Share certificates may not be dematerialised or rematerialised between Monday, 11 March 2013 and Friday, 15 March 2013, both days inclusive.

By order of the Board

**VF Malie**
Company secretary

8 February 2013
Pretoria

# ADMINISTRATION

## Registered office:
Centurion Gate
Building 2B
124 Akkerboom Road
Centurion, 0157
Republic of South Africa
Tel: +27 12 683 7000
Fax: +27 12 683 7009

## Transfer secretaries:
Computershare Investor Services Proprietary Limited
70 Marshall Street
Republic of South Africa
PO Box 61051, Marshalltown, 2107

## 12 February 2013

## Sponsor to Kumba:
Rand Merchant Bank (a division of FirstRand Bank Limited)

## Directors:
Non-executive – F Titi (chairman), ZBM Bassa, GS Gouws, KT Kweyama, DD Mokgatle, AJ Morgan, LM Nyhonyha, BP Sonjica, DM Weston
Executive – NB Mbazima (chief executive), FT Kotzee (chief financial officer)

## Company secretary:
VF Malie

## Company registration number:
No 2005/015852/06
Incorporated in the Republic of South Africa

## Income tax number:
9586/481/15/3

JSE code: KIO
('Kumba' or 'the company' or 'the group')

ISIN: ZAE000085346

**www.angloamericankumba.com**

RUSSELL AND ASSOCIATES 6445/12

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