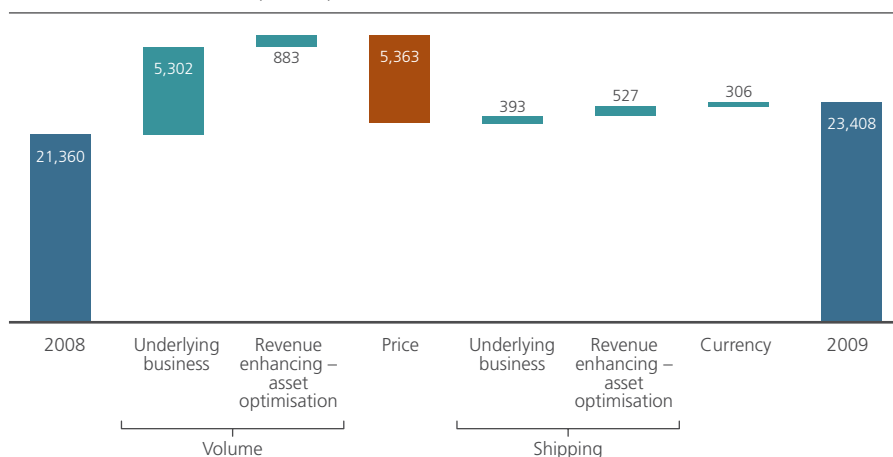


Revenue: sector analysis

| Rand million | 2009 | 2008 | % change | 2007 |
|----------------------------|---------------|---------------|------------|---------------|
| Export | 18,657 | 17,547 | 6% | 9,064 |
| Tonnes sold (Mt) | 34.2 | 24.9 | 37% | 24.0 |
| US Dollar per tonne | 65 | 88 | (26%) | 54 |
| Domestic (Sishen Mine) | 816 | 761 | 7% | 827 |
| Tonnes sold (Mt) | 4.0 | 5.6 | (29%) | 6.5 |
| Rand per tonne | 204 | 136 | 51% | 127 |
| Domestic (Thabazimbi Mine) | 543 | 640 | (15%) | 521 |
| Tonnes sold (Mt) | 1.8 | 2.5 | (24%) | 2.4 |
| Rand per tonne | 302 | 252 | 16% | 217 |
| Shipping operations | 3,392 | 2,412 | 41% | 1,085 |
| Total revenue | 23,408 | 21,360 | 10% | 11,497 |

- A R920 million increase in revenue from shipping operations. Total tonnes shipped by Kumba increased by 15.3Mt from 6.2Mt to 21.5Mt during 2009, albeit at a lower margin. There was a fundamental shift in export sales from a FOB basis to a CIF basis as Kumba redirected export volumes from traditional markets of Japan, Korea and Europe, where customers arrange their own shipping, to China.
- Despite the significant strengthening of the Rand to the US Dollar in the third quarter of 2009, the average exchange rate of the Rand to the US Dollar for 2009 was slightly weaker (average exchange rates – R8.39/US\$1.00 in 2009 compared with R8.25/US\$1.00 in 2008), which contributed R306 million to revenue.

TOTAL REVENUE VARIANCE (R billion)



Operating expenditure

Operating expenditure increased by 34% year-on-year from R7.8 billion to R10.5 billion, driven by increases in mining, production and logistics activities.

Cost of goods sold increased by 34% from R3.7 billion to R5.0 billion. Production cost for Sishen Mine have increased by 21% from R3.8 billion to R4.6 billion principally due to a 14% increase in total tonnes mined from 108.8Mt in 2008 to 128.3Mt in 2009, fuelled by the inflation in labour related expenditure, offset by the decreasing cost of diesel and blasting products and strict cost management.

Finished goods inventory increased from 5.8Mt 2008 to 6.7Mt in 2009. This increase coupled with the stockpiling of 10.5Mt of B-grade material to be used by the Jig plant were the main contributors to the increase in the movement in inventories to R600 million for the year.