

Group review at a glance

In 2006 Kumba Iron Ore produced 28,7 Mt of iron ore at Sishen Mine in the Northern Cape Province. 2,4 Mt was produced at Thabazimbi Mine in the Limpopo Province, bringing total production of the group for 2006 to 31,1 Mt.

79 percent of Sishen Mine's products are exported, whilst all products from Thabazimbi Mine are sold in the domestic market, through a cost-plus contract.

The geographical location of the export harbour at Saldanha Bay allows the group to target both the European and Asian markets at competitive prices.

The group exports ore to thirty customers in more than ten countries. The main regions are Asia (China 35 percent of export tonnage, Japan 23 percent and South Korea 5 percent) and Europe (35 percent).

Kumba Iron Ore's beneficiated Sishen ore is a sought-after product because of its consistent quality, high iron content, resistance to

physical degradation during transportation and handling, and very low moisture content. The ore also enhances efficiency in most blast furnaces. For these reasons, the group is a preferred supplier to many customers world-wide.

Compared with its competitors in Australia and Brazil, the Sishen resource produces a high (60:40) lump to fine ore ratio. This is an advantage in a market where lump ore sells at a premium.

In a market that is dominated by three major producers, Kumba Iron Ore has a 3,1 percent share of the 717 Mt seaborne iron ore market. With its proportionally higher ratio of lump to fine ore, the group has a significant 9,9 percent share of the 162 Mtpa seaborne lump ore market.

Kumba Iron Ore export distribution profile for 2006

