

## Strategic objectives

Against the background of a market for seaborne iron ore that is projected to remain attractive for some years, Kumba Iron Ore's secure access to high quality reserves and to existing infrastructure provides the basis from which to rapidly expand its production capacity. Proven reserves and resources can support an increase in production from the current 32 Mtpa to more than 70 Mtpa by 2015.

In the quest to define a new frontier of operational and people performance in the mining industry, Kumba Iron Ore will pursue five strategic thrusts:

- **Customer relationships** – establish and maintain a preferred-supplier status in high-margin iron ore markets by differentiating its high-quality products, whilst maintaining consistent quality and delivering superior levels of customer service.
- **Growth** – progress current growth projects and secure new opportunities, to ensure a full pipeline of long-term growth options. The group's current project pipeline includes a balanced portfolio ranging from early stage studies to implementation phase projects. In addition, exploration activities and technology developments should continue to identify new opportunities.
- **Best operator** – reduce operating expenses to increase the operating margin through pursuing continuous improvement initiatives in all business areas.
- **Sustainable development** – be a responsible corporate citizen in line with the guiding principles of the *King II Report* on Corporate Governance. The primary focus of the corporate social investment

programme is on the social needs of the communities forming an integral part of the group's mining operations and progressing the objectives of the *Mining Charter* Scorecard. Kumba Iron Ore also aims to improve safety, health and environmental performance on a continuous basis. This forms an integral part of the organisation's commitment to sustainable development.

- **Talent and performance management** – Kumba Iron Ore aims to become a magnet for talent. This will be achieved by attracting and retaining talent and being an employer of choice in the mining industry.

The focus of Kumba Iron Ore's business development will be to maximise the opportunities represented by its substantial existing brownfields and greenfields project pipeline, thus taking advantage of the current and projected strength in seaborne iron ore markets. The Anglo American plc group supports this approach to business development by Kumba Iron Ore.