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Reporting periods

Kumba Iron Ore Limited ("Kumba") commenced trading in November 2006, following the unbundling of Kumba from Exxaro Resources Limited, formerly Kumba Resources Limited ("Exxaro").

Where reference is made to the six month period from 1 January 2006 to 30 June 2006, or to the 12 month period from 1 January 2006 to 31 December 2006, readers are advised that this supplementary information has been prepared from financial information reported by Exxaro and is unaudited. The unaudited comparative figures are provided purely for comparison purposes.

Introduction

In the six months ended 30 June 2007, Kumba increased revenue by 35% on the back of higher sales volumes, increased benchmark prices and quality premia on certain products. Increased mining activity at the Sishen Mine resulted in total tonnes mined increasing 23% from 41,5 million tonnes ("Mt") to 51,2 Mt over the period. Operating expenses remained under pressure due to increases in labour, contractors, raw materials, fuel, energy and other input costs. Profit for the six months ended 30 June 2007 was R2,0 billion compared to R1,4 billion achieved for the comparative period ended 30 June 2006.

The Sishen Expansion Project ("SEP") continues to progress towards completion within its budget. The jig technology to be used by SEP allows Kumba to process

"B" grade material (with a Fe content of between 55% and 60%) and consequently 4,9 Mt of this material was stockpiled during the period, primarily as feedstock into the jig plant. This had a positive impact on unit costs at Sishen Mine.

Attributable and headline earnings for the six month period was 502 cents per share on which a dividend of 350 cents per share has been declared.

Of the profit of R2,0 billion, R406 million is attributable to minority interests in Sishen Iron Ore Company Proprietary (Limited) ("SIOC"). Exxaro holds a 20% interest in SIOC and the SIOC Community Development SPV and SIOC Employee Share Participation Scheme ("Envision") each hold an interest of 3% in SIOC. For purposes of the preparation of the condensed consolidated interim financial report SIOC Community Development SPV and Envision are considered special purpose entities and are consolidated for accounting purposes. Of total shareholders' equity of R2 220 million at 30 June 2007, R158 million is attributable to these entities through their interests in SIOC.

Safety performance

Safety performance at Thabazimbi Mine has improved with a lost time injury frequency rate ("LTIFR") of 0,25, down from 0,31 in December 2006. However, at Sishen Mine the LTIFR was adversely affected by a higher than usual incidence of injuries in February and March. Corrective steps have been taken and we are pleased that the LTIFR trend has

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reversed. During this time and most regrettably, the group suffered one fatality at the Sishen Mine during February, when Mr Samuel Marutle, a truck driver employed by a contracting company, died in a heavy vehicle incident when his vehicle overturned.

Operating results

On the back of increases in world steel consumption, crude steel production continued to grow during the six months ended 30 June 2007. Asia continues to dominate global steel demand, being driven primarily by China. The growth in steel production is reflected in the increase in global demand for iron ore. Export sales for the first three months of 2007 were based on the 19,0% increase in the iron ore benchmark price for 2006/2007. An increase of 9,5% in the benchmark price for the 2007/2008 iron ore year was applicable from 1 April 2007, before accounting for quality premia.

Financial and operational performance for the six months ended 30 June 2007 was strong with revenue increasing 35% from R4,0 billion in 2006 to R5,4 billion. Operating profit increased R1,0 billion or 52% from R1,9 billion in 2006 to R2,9 billion, principally as a result of the following:

- The year-on-year weighted average iron ore prices from export sale volumes increased by 11% from US\$47,87 per tonne to US\$53,15 per tonne in 2007, which buoyed operating profit by R497 million;

- The weakening of the average exchange rate of the Rand to the US Dollar (average spot exchange rates – R7,15/US\$1,00 in 2007 compared with R6,26/US\$1,00 in 2006), which contributed R492 million to operating profit;
- Increased sales volumes added R407 million;
- Offset partially by a R382 million increase in operating expenses.

The operating margin increased from 48% for the six month period ended 30 June 2006 to 54% in 2007.

Export sales volumes for the six months ended 30 June 2007 increased by 5% to 11,8 Mt from 11,2 Mt in 2006. Volumes increased partially through the sale in the first quarter of 2007 of finished product inventory that had built up at the Saldanha port as a result of the breakdown of equipment at the port during September 2006. Domestic sales volumes were 18% higher at 4,5 Mt, due to increased demand from Mittal Steel. Sishen Mine's production was stable at 14,2 Mt for both periods ended 30 June. Production at Thabazimbi Mine increased to 1,4 Mt for the six months ended 30 June 2007 compared with 1,1 Mt during the comparable period of the previous year and contributed R9 million to operating profit.

Production costs increased due to inflationary pressures, increased maintenance related activities and external contractor mining costs. An increase in waste mined by contractors (10 Mt) and contracted prices resulted in external contractor mining costs

increasing twofold. During the first half of 2007 approximately 4,9 Mt of "B" grade material mined at Sishen Mine with a cost of R227 million was stockpiled. After taking into account this stockpiled material, Sishen Mines' unit cost was R78,39 per tonne notwithstanding increased mining activities and inflationary pressures.

The business continued to generate strong cash flows, with an increase of 77% in cash generated from operations from R1,7 billion to R3,0 billion. These cash inflows were utilised to fund the capital expenditure on growth projects of R1,2 billion, to pay taxation of R666 million, to reduce overdraft facilities by R477 million and to pay dividends. Cash generated from operations and cash on hand at 30 June 2007 will be utilised to fund the interim dividend.

Project pipeline

Sishen Expansion Project: The construction of SEP is progressing well with the mechanical aspects of the project substantially complete at 30 June 2007. Commencement of production is, however, behind schedule due to earlier engineering difficulties arising from skills shortages and capacity constraints amongst suppliers and a seven month delay in the delivery of the crushers. However, through mitigating actions the delay in commencement of production has been limited to one month. It is anticipated that production will commence in the third quarter of this year. Current planning and progress on the project indicates that production of approximately 1,5 Mt can be anticipated from SEP during

the second half of 2007. Full ramp-up to the design capacity of 13 million tonnes per annum ("Mtpa") is expected to be achieved during the first half of 2009. This project will apply jig technology to extract 13 Mtpa additional saleable ore from 21 Mtpa of feedstock, about 8 Mtpa material previously accounted for as waste and 13 Mtpa from new run-of-mine material (of which 4,9 Mt of material mined was capitalised during the six months to 30 June 2007). Despite the delays it is expected that the project will be completed within its budget of R5,1 billion, will increase annual production from the Sishen Mine to 42 Mtpa and contribute in bringing down overall unit costs at Sishen Mine.

SEPII: A pre-feasibility study to increase production at Sishen Mine, by between 5 to 10 Mtpa after SEP, is due to be completed during 2007. An evaluation of the product strategy of the mine is part of the pre-feasibility study to ensure that this strategy is aligned with future market developments as well as the mining resource and production facilities at the operation.

Sishen South Project: The feasibility study has been finalised. Delays are being experienced in finalising expansion and rail tariffs with Transnet. The decision on the implementation of the project is subject to the conclusion of an acceptable commercial agreement with Transnet for the expansion of the Saldanha rail and port capacity above the current 47 Mtpa.

Project Phoenix: The feasibility study to extend the life of the Thabazimbi Mine by

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some 20 years through exploitation of the in situ low iron content banded ironstone has recently been completed. In December 2006 Mittal Steel terminated its involvement in the project. Management continues to evaluate alternative development scenarios for the commercial exploitation of this resource.

Falémé – Senegal: The Falémé iron ore deposit is located in South East Senegal. Kumba International BV (“KIBV”) carried out drilling operations at Falémé since 2004. Following notification from Miferso that it disputes KIBV’s rights to the development of the Falémé iron ore project, KIBV is currently initiating arbitration proceedings against Miferso and the Government of Senegal. The proceedings will be governed by the Rules of Arbitration of the International Chamber of Commerce and will be confidential.

Mineral resources and reserves

There have been no material changes to the resources and reserves as disclosed in the 2006 Kumba annual report.

Outlook

The profitability of Kumba is sensitive to the Rand / US Dollar exchange rate. The current strength of the Rand relative to the US Dollar, if sustained, will adversely affect profitability. However, Kumba remains positive on the prospects for iron ore given continued strong Chinese demand and upward pressure on the spot price, as supply and logistics constraints delay bringing on stream new production in response to increased demand. The successful commissioning of SEP will be key in unlocking further value and reduce Sishen Mine unit cost. It is encouraging that SEP remains within budget and only one month behind target given the constraints in the engineering and construction industries.