



**KUMBA** IRON ORE

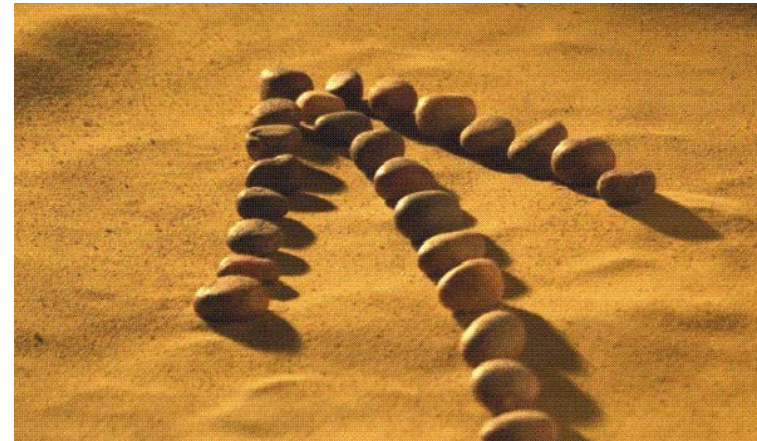
**Presentation to Analysts**

**30 March 2006**

**1. Kumba Iron Ore overview**

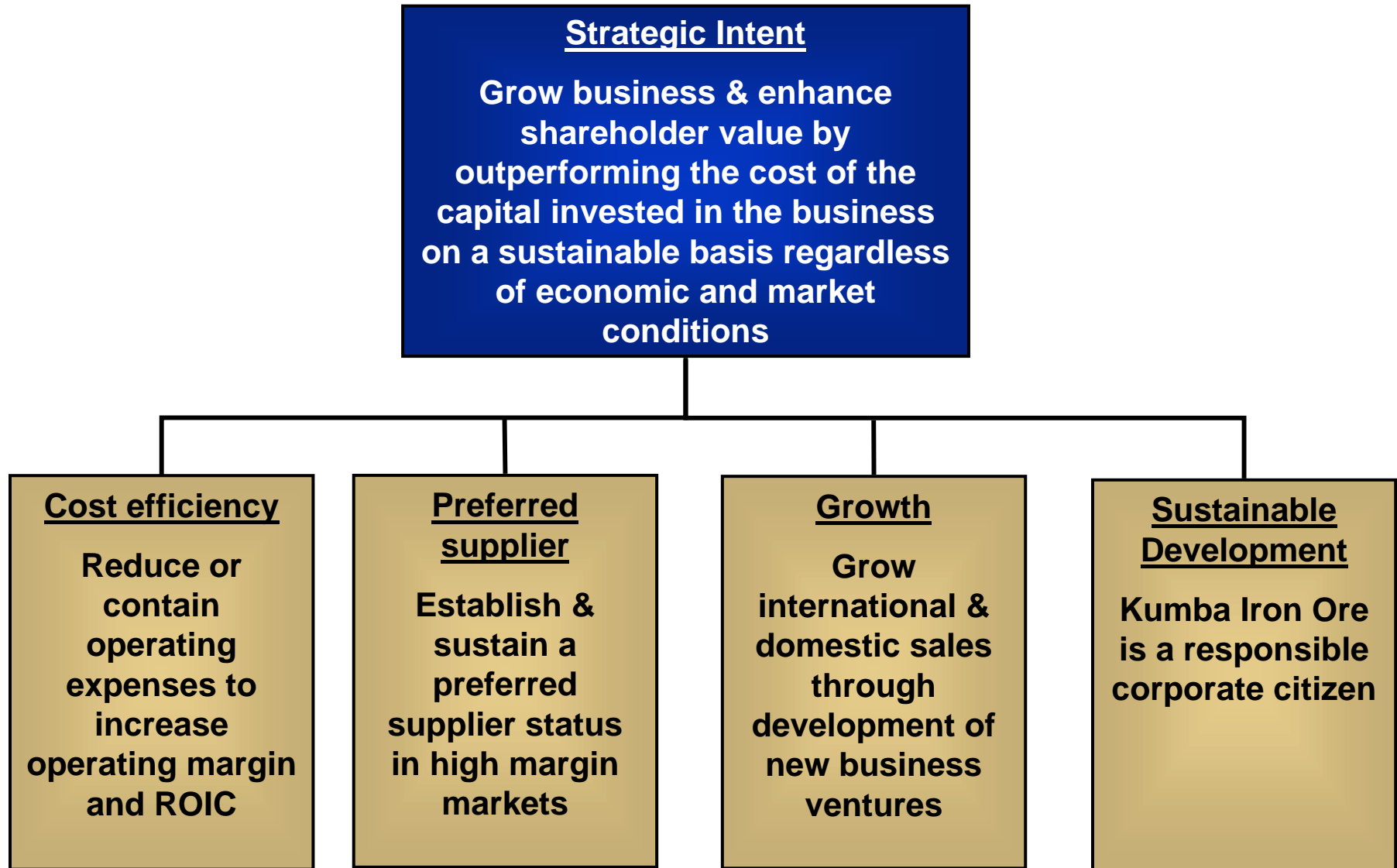
**2. Sishen Mine overview**

- Kumba Iron Ore, a USD2.26bn equity value company
- Operating assets comprise mines at Sishen & Thabazimbi
- Mines produce 31mtpa of iron ore
- Combined resources exceed 2 billion tonnes of high-quality iron ore
- Leading lump ore producer
- Strong project pipeline (83mtpa)

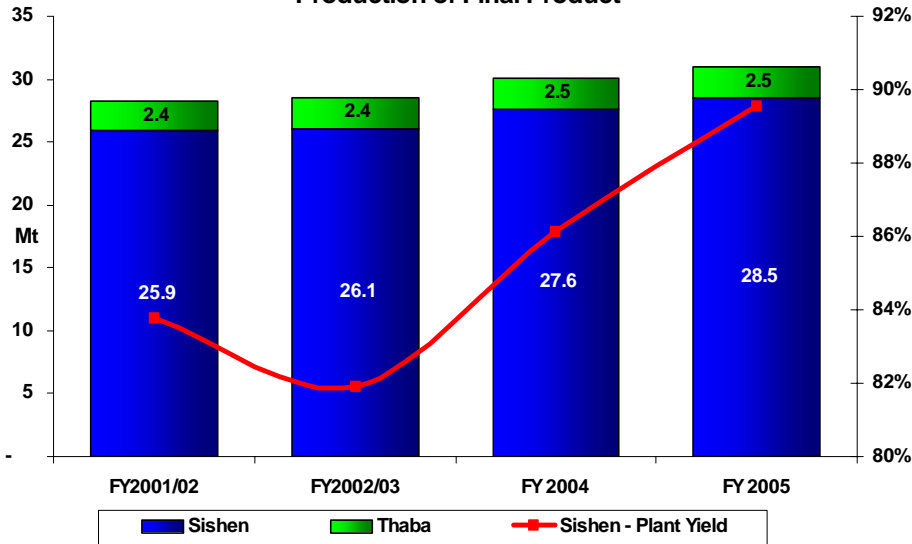


## ***Iron Ore Business's Vision:***

*“To grow the business & enhance shareholders value by outperforming the cost of capital invested in the business on a sustainable basis regardless of economic and market conditions”*



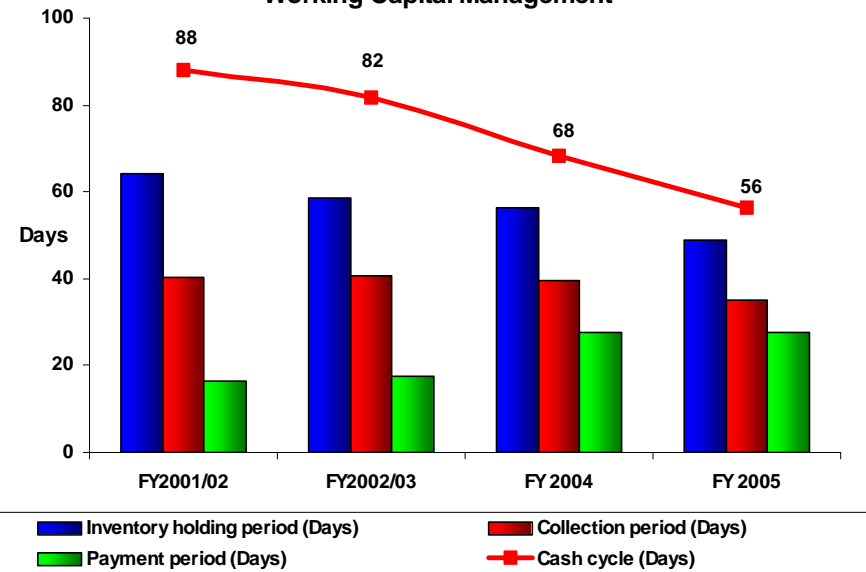
Production of Final Product



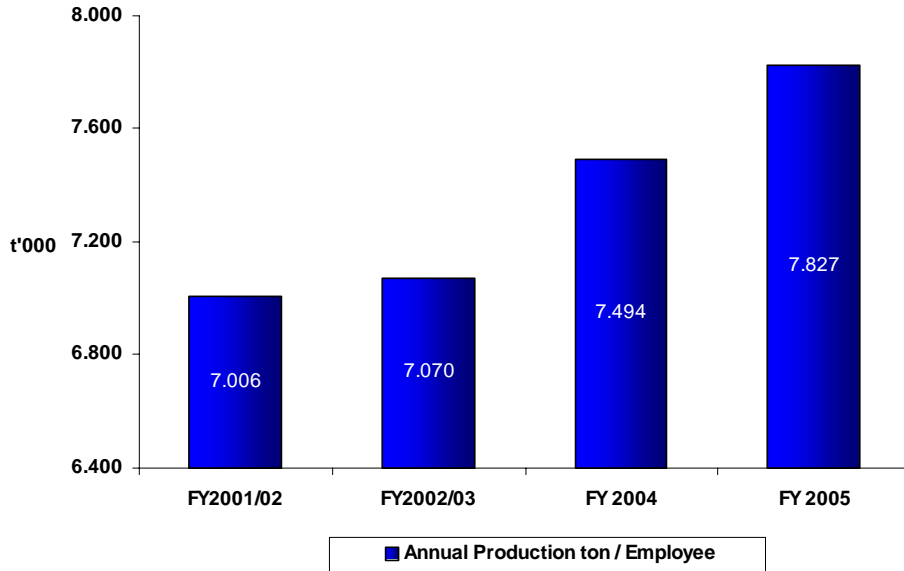
➤ Improved working capital utilisation through stringent credit control and inventory management – declining cash cycle.

- Improvement culture embedded through rigorous top down target setting and bottom up problem solving.
- Optimisation and de-bottlenecking increased production by 10% over the last four years.
- Sishen’s stripping ratio contained through selective mining practices.
- Sishen’s plant yield improved due to selective mining practices and quality control optimisation.

Working Capital Management



Labour Productivity

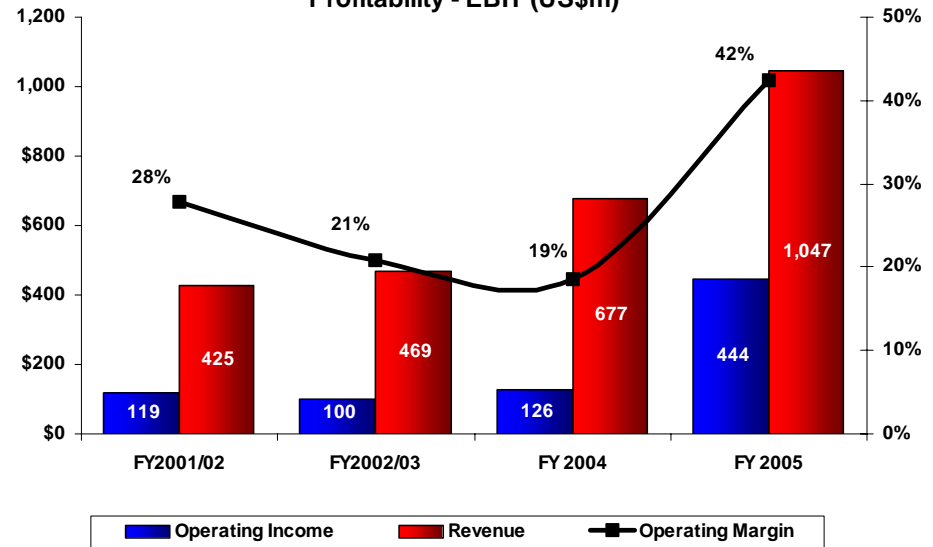


- Development of distinctive competencies.
- Creating high performance culture.
- Improved labour productivity.

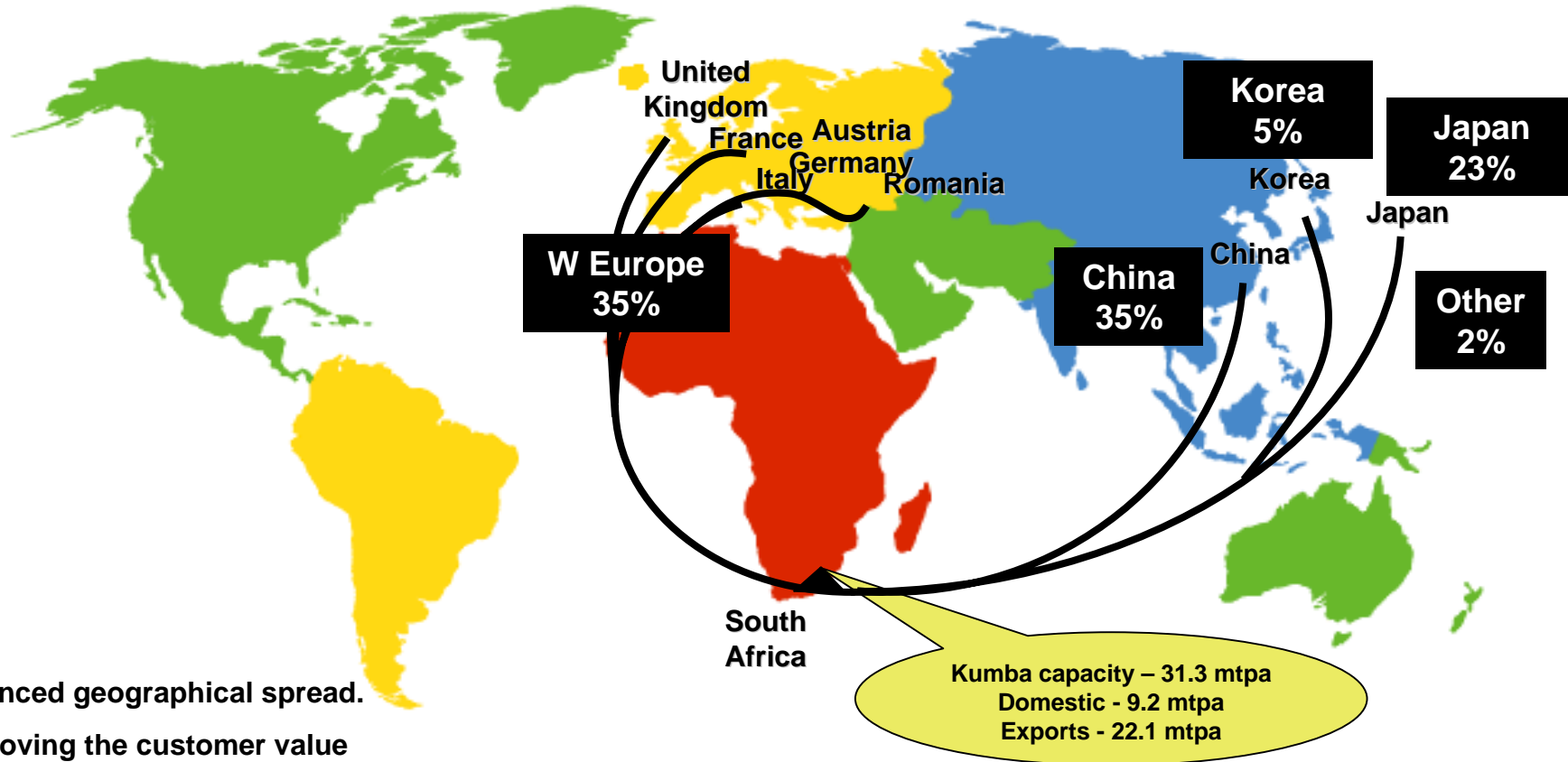
➤ Margin maintained despite significant operating currency (ZAR) strengthening:

- Sustained Revenue Growth
- Kumba Business Improvement Programme (“KBIP”) has yielded sustainable cost savings in excess of \$90m
- 2005 ROIC improved to 54%

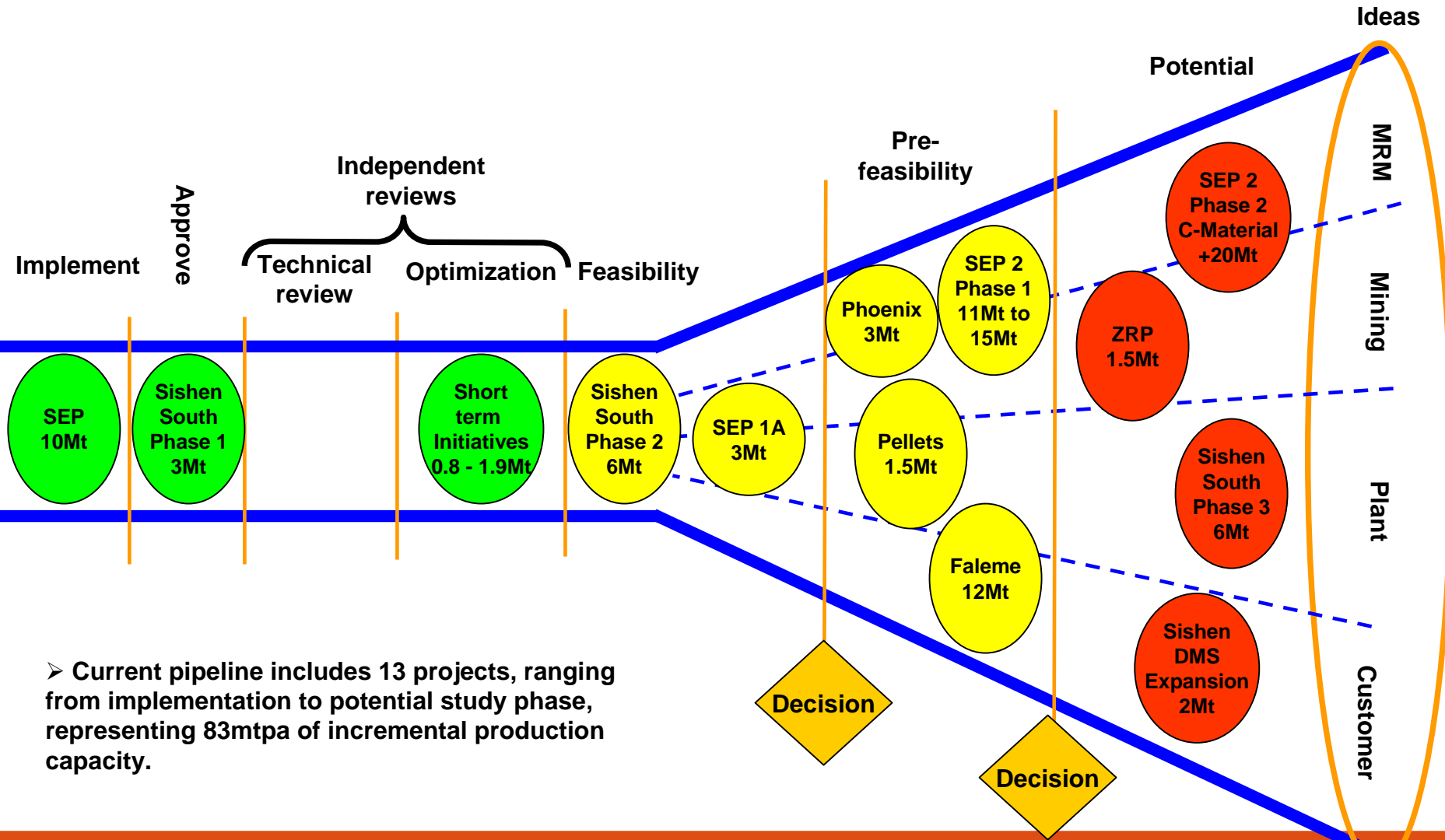
Profitability - EBIT (US\$m)







- **Balanced geographical spread.**
- **Improving the customer value proposition through Value-In-Use concept.**
- **Committed to consistently produce products of the highest quality, underpinned by investment in new technology, quality management and adherence to related ISO standards.**

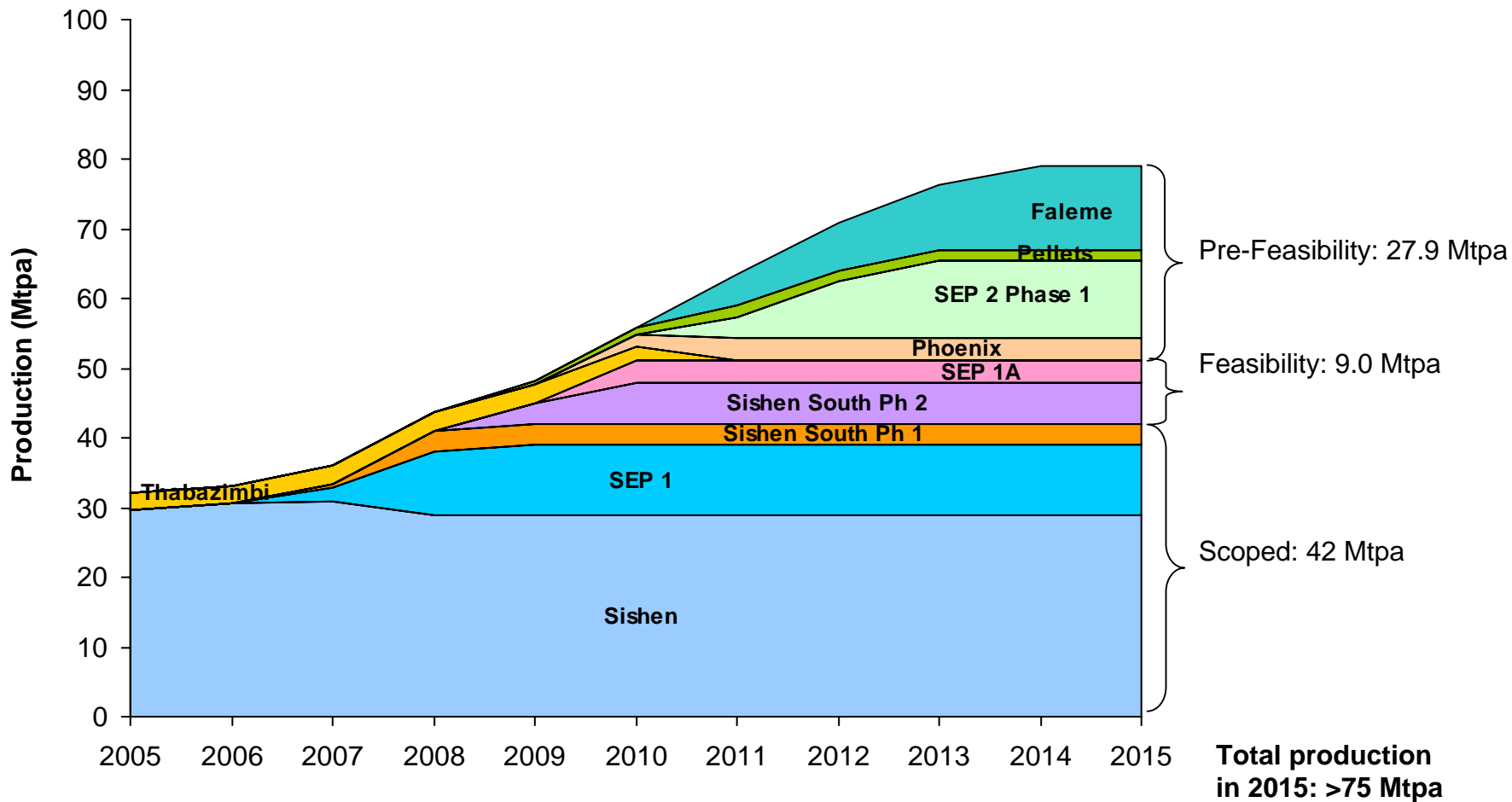


➤ Current pipeline includes 13 projects, ranging from implementation to potential study phase, representing 83mtpa of incremental production capacity.

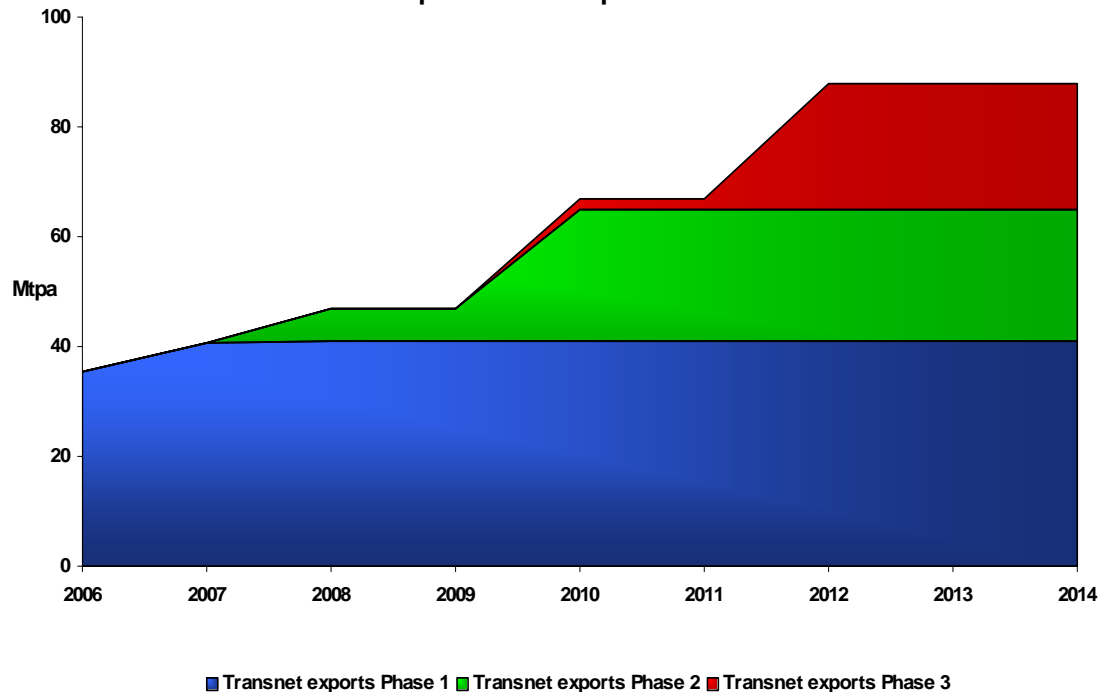


Project	Status	Capex (real \$m)
<b>Sishen Expansion Project (SEP):</b> Brownfield expansion of Sishen producing 10Mtpa of iron ore	Construction underway. Full production expected in 2009	\$559m
<b>Sishen South Project:</b> Greenfield project in the Northern Cape producing 9Mtpa of iron ore by 2011	Scoped in two phases, Ph1 to start producing in 2007 at 3 Mtpa; Board approvals in Q2 2006	\$162m (Ph1) \$150m (Ph2)*
<b>SEP 1A:</b> Expansion of SEP, increasing production from 10 to 13Mtpa	At feasibility stage	\$110m*
<b>Faleme Project:</b> Greenfield project in Senegal producing 12Mtpa of iron ore by 2015	At pre-feasibility stage. Currently negotiating infrastructure development	\$950m*
<b>SEP 2:</b> Brownfield project at Sishen producing 11 - 15Mtpa of iron ore	At pre-feasibility stage	\$560m*
<b>Phoenix (Thabazimbi):</b> Brownfield project producing 3Mtpa of iron ore for Mittal SA	At pre-feasibility stage	\$290m*
<b>Pellet Production:</b> Beneficiation plant at Sishen producing 1.5Mtpa of pellets	At conceptual pre-assessment stage	\$130m*
<b>Zandrivierspoort:</b> SA pellet production operation, 50/50 JV with Mittal SA, producing 2Mtpa	At conceptual pre-assessment stage	\$100m*

\*Note: Indicative numbers, subject to review



Export Channel Expansion



- Phase 1: 41 mtpa by Jan 2008
- Phase 2: 65 mtpa by Jan 2011
- Phase 3: 88 mtpa by Jan 2013

Saldanha port expansion plan approved to 41 mtpa (KIO = 35 mtpa)

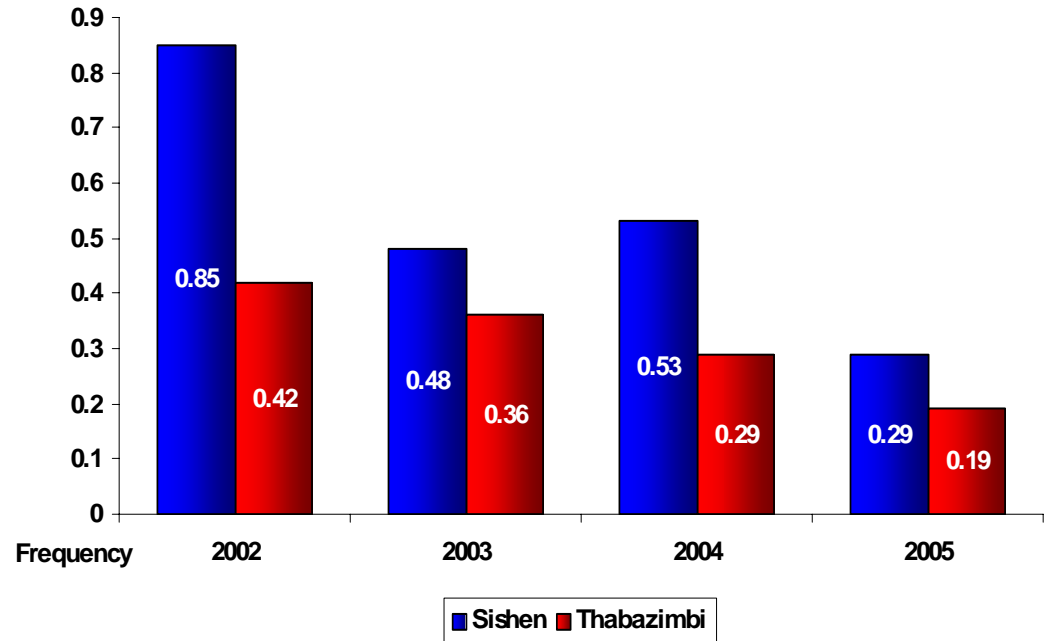
- ❖ A 2<sup>nd</sup> wagon tippler installed (2005)
- ❖ 3 New stacker reclaimers commissioned (2005)
- ❖ 2 New ship loaders commissioned (2004)
- ❖ Stockpile area increased (2005)

Sishen Saldanha Rail Line

- ❖ Trains:
  - ❖ Currently: 32 trains of 216 wagons (85t & 100t wagons) per week
  - ❖ Future: 27 trains of 324 wagons (only 100t wagons) per week

- Continuous improvement of safety, health and environmental performance and SHE management systems as an integral part of its commitment to sustainable development.
- Responsible corporate citizenship is entrenched in business ethics and values.

Lost Time Injury Frequency Rate (LTIFR)



## Social development projects:

- Education & Training Projects: Tshipi Training Centre, Kathu Technical College Learnership programmes, Kumba Cognitive Development and Educational Support Centre & Itereleng Training Centre.
- Housing: Company housing policy focusing on home ownership. Invested R5m, which was made available to the Gamagara Local Authority for the infrastructure development of additional low-cost housing in Kathu and Thabazimbi.
- Enterprise Development Initiatives: Butterfield Bread, Kgalagadi Charcoal, Tshono Leather Project, Manyeding Agricultural Project, Boitirelo Jewellery Project, Gamagara Bricks & Itereleng Mining project.

- World class single open-pit mine
- Leading high-grade lump ore producer
- Current LOM 23 years



Mineral Resource* (Mt)		Ore Reserve (Mt)	
Inferred	182		
Indicated	701	Probable	294
Measured	1572	Proven	727
<b>Total</b>	<b>2455**</b>	<b>Total</b>	<b>1021</b>

\*Mineral resources includes ore reserve

\*\*Includes 469 Mt earmarked for potential underground mining

# Sishen Iron Ore Mine (Continued)

## PRODUCTION DRILLS



### UNITS

BE 49 R (ROTARY) = 7  
P&H 120 (ROTARY) = 1

## CAT 777 TRUCKS and WATER TRUCKS



### UNITS

2 X HAULPAK  
6 X CAT 777D  
5 CATERPILLAR  
777C = 85 T

### UNITS

10 CAT 834B  
9 CAT D10R  
1 CAT D7R

## BLASTING



### DRILL HOLES

310 MM  
15.5 M  
8X9 GRID

### BLAST

800 KG PER HOLE  
3.6 KG/T EXP.

## P&H 2300 XPB AND P&H 2300 ROPE SHOVEL



### UNITS

8 P&H 2300 XPB UNITS  
1 P&H 2300 UNITS

## DEMAG 285 AND 485 HYDRAULIC SHOVELS



### UNITS

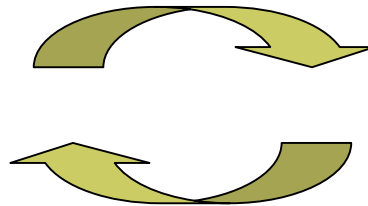
2 X 485 AND 1 X 285

## CAT 994 C and 992 G WA 1200 Komatsu FRONT-END LOADER



### UNITS

3 CAT 994 C UNITS  
2 CAT 992 G UNITS  
1 Komatsu WA 1200



## WHEEL DOZERS AND CRAWLER DOZERS



## CAT 24H and 16H GRADERS



## HAUL TRUCKS



### UNITS

1 X CAT 24H  
8 X Caterpillar 16H

### TRUCK TYPE

Unit Rig MK 36  
Dresser 730e

### UNITS

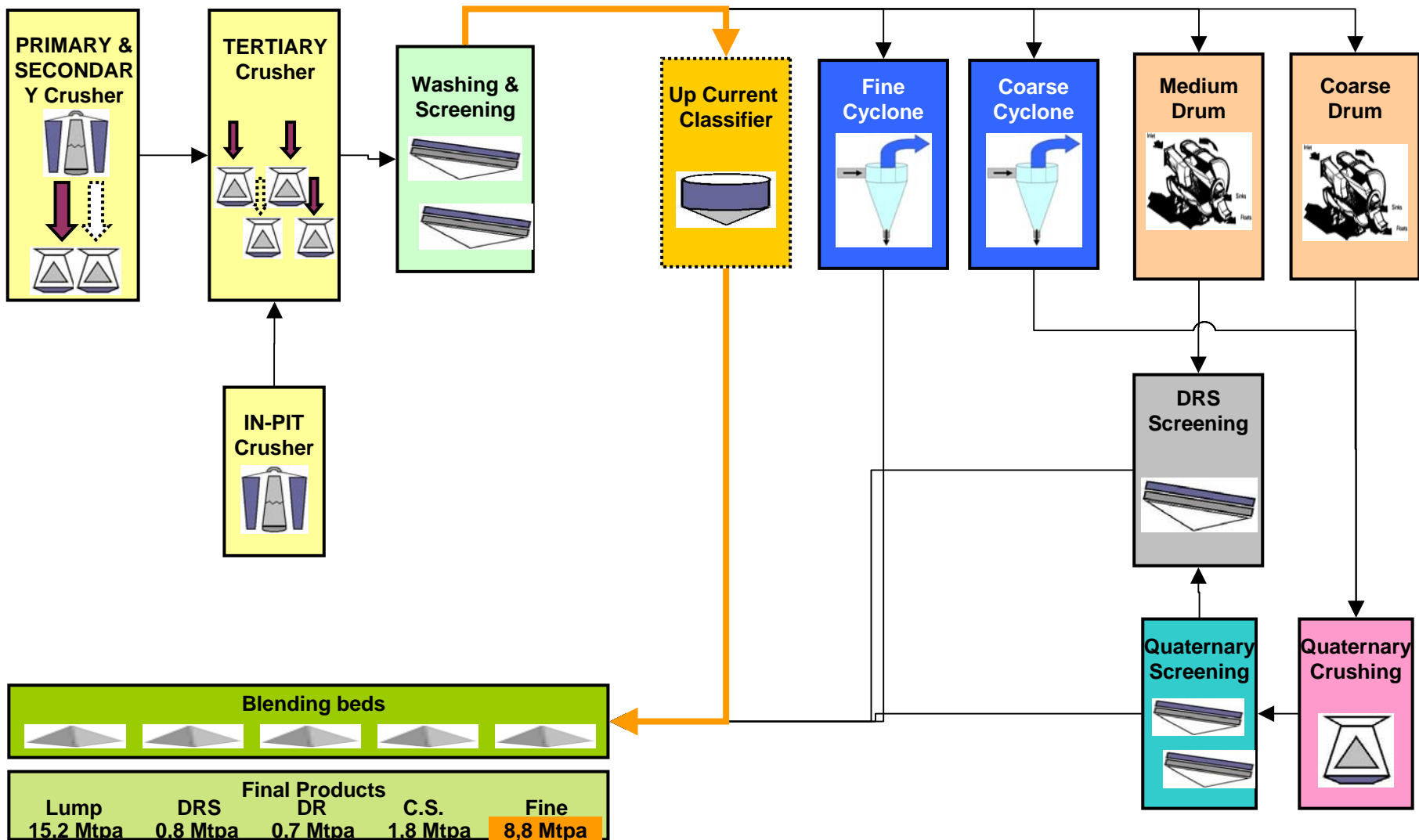
10  
38

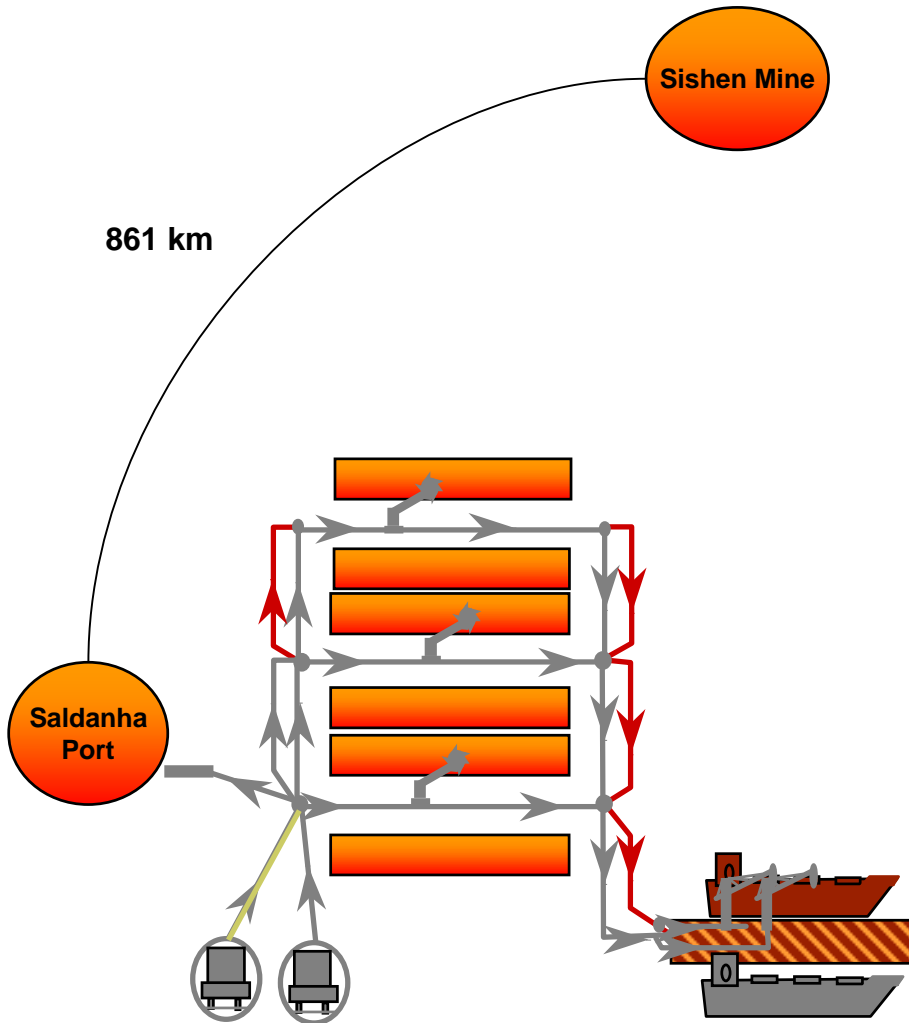
### CAPACITY

170 t  
190 t



# Sishen Iron Ore Mine (Continued)





## Sishen Saldanha Rail

Length: 861 km

No. wagons per train: 216

Trains per week: 29

Nett load per wagon: 100t and 85t

Nett load per train: 21,600t

No. locomotives per train: 2 Electric, 3 Diesel

Type of locomotives: GEC (50 kV 3 680 kW)

Traveling time: Empty = ± 21 hours

Full = ± 21 hours

No. of loops: 19

## Saldanha Port Infrastructure

- Two 100% tipplers
- Three stacker reclaimers
- Two shiploaders
- 3.86 Mt stockpile capacity

- Global demand for iron ore remains high, increasingly so for lump ore
- Kumba Iron Ore is a reliable supplier of high quality lump ore with a strong brand & reputation underpinned by stable operational assets and a skilled workforce
- Kumba Iron Ore's expansion plans and projects are well on track with the Sishen Expansion Project and related infrastructure already under construction
- The separate listing of Kumba Iron Ore on the Johannesburg Securities Exchange, with the backing of a major shareholder in Anglo American plc, will give impetus to the growth strategy