

Kumba Iron Ore Limited
 Registration number: 2005/015852/06
 JSE share code: KIO
 ISIN: ZAE00085346
 Income tax number: 9586/481/15/3
 ('Kumba' or 'the Company' or 'the group')

EXTRACTS FROM THE PROVISIONAL AUDITED RESULTS FOR THE YEAR ENDED 31 DECEMBER 2020
 AND CASH DIVIDEND DECLARATION

KEY FEATURES

Strong earnings growth of 40%

- Attributable free cash flow of R20.7 billion up by 21%
- ROCE of 109% up from 83%
- Final cash dividend of R41.30 per share, total cash dividend of R60.90 per share

Creating enduring value

- Four years and seven months of fatality-free production
- No occupational diseases
- Over five years without any level 3-5 environmental incidents
- R60 billion of shared value, including R93 million of Covid-19 community support

Resilient and sustainable business

- Average realised FOB export price of US\$115/tonne
- Cost savings of R1.3 billion, keeping C1 costs at US\$31/t
- Protected EBITDA margin of 57%, up from 52%
- Sishen life extension potential to 2039 with R3.6 billion UHDMs project approved in February 2021

KUMBA DELIVERS A RECORD EBITDA OF R45.8 BILLION

Themba Mkhwanazi, Chief Executive of Kumba, said:

"Kumba delivered EBITDA growth of 37% while keeping our commitment on health and safety and supporting our communities as we navigated exceptional conditions.

We capitalised on our product quality, a higher average realised price of US\$115/tonne and costs savings of R1.3 billion to deliver a record EBITDA of R45.8 billion and R20.7 billion of free cash flow, supporting the Board's decision to declare a final cash dividend of R41.30 per share.

Since 2018, Kumba's EBITDA margin has improved from 45% to 57% and we have converted 30% of additional reserves. Sishen has life extension potential to 2039 with the approval of the R3.6 billion UHDMs project in February 2021.

Kumba's consistent and focused delivery of its Tswelelopele strategy, strong balance sheet and capital discipline enables us to continue creating enduring value for all of our stakeholders."

Revenue			
for the year ended	31 Dec	31 Dec	%
Rand million	2020	2019	change
Revenue	80,104	64,285	25
Earnings per share			
for the year ended	31 Dec	31 Dec	%
Rand per share	2020	2019	change
Earnings			
Basic	71.03	50.73	40
Diluted	70.79	50.58	40
Headline earnings			

Basic	71.07	50.88	40
Diluted	70.83	50.73	40
Dividend			
Interim	19.60	30.79	(36)
Final	41.30	15.99	158

Salient features and operating statistics
for the year ended

	31 Dec 2020	31 Dec 2019	% change
Market information			
Closing share price (Rand)	623	417	49
Market capitalisation (Rand million)	200,598	134,326	49
Net asset value attributable to owners of Kumba (Rand per share)	147.31	112.49	31
Operating statistics ('000 tonnes)			
Production	37,021	42,388	(13)
Sishen	25,353	29,175	(13)
Kolomela	11,668	13,213	(12)
Sales	39,665	42,218	(6)
Export sales	39,313	40,038	(2)
Domestic sales	352	2,180	(84)
Sishen FOR unit cost (Rand per tonne)			
Unit cost	531.60	467.27	14
Cash cost	361.79	345.11	5
Kolomela FOR unit cost (Rand per tonne)			
Unit cost	447.80	374.40	20
Cash cost	304.31	270.38	13

Notice of final cash dividend

At its Board meeting on 22 February 2021, the directors approved a gross final cash dividend of 4,130 cents per share on the ordinary shares from profits accrued during the period ended 31 December 2020.

The dividend has been declared from income reserves.

The dividend will be subject to a dividend withholding tax of 20% for all shareholders who are not exempt from or do not qualify for a reduced rate of withholding tax. The net dividend payable to shareholders subject to withholding tax at a rate of 20% amounts to 3,304.00000 cents per share.

The issued share capital at the declaration date is 322,085,974 ordinary shares.

The salient dates are as follows:

Publication of declaration data:	Tuesday, 23 February, 2021
Last day for trading to qualify and participate in the final dividend:	Tuesday, 9 March, 2021
Trading ex-dividend commences:	Wednesday, 10 March, 2021
Record date:	Friday, 12 March, 2021
Dividend payment date:	Monday, 15 March, 2021

Share certificates may not be dematerialised or rematerialised between Wednesday, 10 March 2021 and Friday, 12 March 2021 both days inclusive.

Any change of address or dividend instructions must be provided by the last day for trading.

Extracts from the provisional audited annual results for the year ended 31 December 2020

This unaudited short form announcement is the responsibility of the directors of the Company. The information disclosed is only a summary of the information in the full audited announcement and does not contain full or complete details. The full annual results announcement should be considered for any investment decisions.

The full annual results announcement for Kumba has been released on SENS and is available for viewing at <https://senspdf.jse.co.za/documents/2021/JSE/ISSE/KIO/KumbaFY20.pdf> and is available on the Company's website www.angloamericankumba.com/investors/financial-results-centre.aspx. The full results announcement is also available for inspection at the Company's registered office during normal business hours and is available at no charge. Alternatively, copies of the full announcement may be requested from the Company's investor relations department (penny.himlok@angloamerican.com). The consolidated and Company annual financial statements were audited by PricewaterhouseCoopers Inc. who issued an unmodified audit opinion on these financial statements.

Their audit opinion, together with the accompanying financial statements, can be viewed on the Company's website www.angloamericankumba.com/investors/financial-results-centre.aspx which also provides more details on the key audit matter on page 14 of the annual financial statements, being the environmental rehabilitation and decommissioning provisions.

Any reference to future financial performance included in this announcement has not been audited or reported on by the Company's external auditors.

Directors:

Non-executive: MSV Gantsho (Chairman), MS Bomela, SG French (Irish), TP Goodlace (British/South African), MA Jenkins, NB Langa-Royds, SS Ntsaluba, BP Sonjica, DG Wanblad Executive: TM Mkhwanazi (Chief Executive), BA Mazarura (Chief Financial Officer)

Registered office: Centurion Gate Building 2B, 124 Akkerboom Road, Centurion, 0157, South Africa

Transfer Secretaries: Computershare Investor Services Proprietary Limited, Rosebank Towers, 15 Biermann Avenue, Rosebank, 2196, South Africa, Private Bag X9000, Saxonwold, 2132

Sponsor: RAND MERCHANT BANK (A division of FirstRand Bank Limited)

For more information please visit: www.angloamericankumba.com

23 February 2021