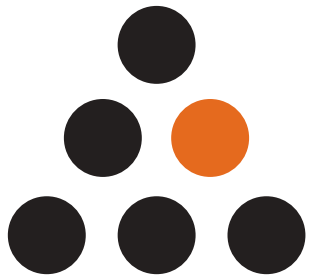


HIGHLIGHTS

- ↑ REVENUE UP 33%
- ↑ NET OPERATING PROFIT UP 188%
- ↑ HEADLINE EARNINGS UP 115%
- DEBT REDUCED FROM R2,5 BILLION TO R1,1 BILLION



KUMBA
RESOURCES

GROUP FINANCIAL RESULTS

FOR THE YEAR ENDED
30 JUNE 2002

HARNESSING THE POWER OF THE EARTH

COMMENTS GROUP RESULTS

Net operating profit for the year nearly trebled from that of the previous year to R1 683 million. All segments generated higher net operating profit with heavy minerals making a first contribution of R54 million.

Headline earnings for the period more than doubled to R1 098 million (385 cents per share) from last year's earnings.

Attributable earnings increased by 152% to R976 million, after impairment charges of R101 million which consist mainly of an R80 million impairment of shipping assets due to the continued uncertainty of a recovery in the shipping industry.

Net debt reduced by R1 398 million to R1 143 million after capital expenditure of R1 085 million, which included a R631 million investment in the heavy minerals project. This resulted in a net debt to equity ratio of 24% at year-end compared with 78% at the beginning of the year.

	Quarter ended 30 June		Year ended 30 June	
	2002 Rm	2001 Rm	2002 Rm	2001 Rm
REVENUE				
Iron ore	1 299	723	4 340	2 944
Coal	392	300	1 489	1 241
Base metals	279	276	941	945
Heavy minerals	111		227	
Industrial minerals	16	19	57	71
Other	37	20	128	203
TOTAL	2 134	1 338	7 182	5 404
NET OPERATING PROFIT				
Iron ore	341	190	1 221	699
Coal	61	19	255	100
Base metals	36	25	102	98
Heavy minerals	29	14	54	
Industrial minerals	5	3	15	15
Other	7	(237)	36	(328)
TOTAL	479	14	1 683	584

OPERATIONS

Iron ore

Production, sales and net operating income reached record levels for the year.

Despite annual US Dollar price reductions ranging from 2,4% for fine ore to 5% for lump ore effective from 1 April 2002, net operating income increased by 75% to R1 221 million. Higher export sales, operational efficiencies and a weaker exchange rate contributed to the improvement.

Production rose to a record level of 28,3 million tons of which Sishen accounted for 25,9 million tons.

The major upgrading and refurbishment programme at Sishen to increase its annual production capacity to 27 million tons has been completed.

Kumba concluded a new long-term agreement with Transnet, increasing Sishen's rail allocation to Saldanha Bay to 23,5 million tons per year.

Coal

Coal achieved substantially improved results. Revenue grew by 20% to R1 489 million due to higher sales to Eskom and a rise in exports. This, together with the focus on operational efficiencies and costs resulted in net operating profit increasing by 155% to R255 million.

Production increased by 7% to 18 million tons with Grootegeluk accounting for 89% of total production.

Base metals

Despite the global oversupply of zinc metal and the lowest zinc price in more than 20 years, Zincor operated at close to full capacity throughout the year whilst production at Rosh Pinah increased as a result of higher feedgrades in both zinc and lead.

Net operating profit was marginally higher at R102 million due to a continued focus on cost reductions and a weaker exchange rate together with a judicious hedging programme.

Heavy minerals

The Hillendale mine and the mineral separation plant were successfully commissioned and met performance criteria. In its first nine months of production, the project in which Kumba has a 60% interest and Ticor Ltd of Australia 40%, generated revenue of R227 million.

Zircon and rutile have met product specifications and are fully sold. Ilmenite was successfully tested and the first bulk sale was delivered in the last quarter. However, as a consequence of the global over-supply and depressed market conditions, ilmenite is largely being stockpiled for smelting.

The construction of the Empangeni smelter's first furnace was more than 80% complete at year-end with commissioning scheduled for December 2002, well ahead of the planned date of March 2003. Construction of the second furnace is scheduled for completion 12 months after commissioning of the first furnace. Capital expenditure committed to the project to date is R2,3 billion.

Kumba increased its holding in Ticor Ltd to 49,15% by year-end.

Industrial minerals

Industrial minerals consists of an atomised ferrosilicon production plant which is of strategic importance to the beneficiation of iron ore at the group's mines; and the mining of metallurgical dolomite which is supplied to Iscor Ltd. These operations have been running at full capacity and made a positive contribution to profits.

BUSINESS DEVELOPMENT

Iron ore: The feasibility study for the development of a new iron ore mining operation, Sishen South, with an expected production capacity of up to 10 million tons per year, is scheduled for completion by the end of 2002. Negotiations to explore potential consolidation benefits for iron ore production in the Northern Cape are continuing.

The technical report of the feasibility study to establish a 25 million tons per year iron ore mine in conjunction with Kumba's partner, Hancock Prospecting (Pty) Ltd of Australia, at Hope Downs in the Pilbara region of Western Australia was completed at year-end. Value engineering studies to optimise the project with a target commissioning date in 2006 have been initiated and funding options are being investigated.

Coal: Kumba is a two million ton per year participant in the phase V expansion of the Richards Bay Coal Terminal scheduled for completion in 2004. Construction will commence on conclusion of the lease agreement with the port authorities.

The feasibility study on Kalbasfontein confirmed the viability of producing one million tons per year of high grade coal for the export market. The development of the project in which it is intended to involve a black economic empowerment partner, will be linked to the coal terminal expansion.

Base metals: A comprehensive exploration programme in the area surrounding the Rosh Pinah zinc mine, including licences in the formerly restricted Sperrgebiet region, is currently being conducted together with PE Minerals of Namibia.

Negotiations to participate in the expansion of the Hongye zinc refinery in China, are at an advanced stage. Kumba's exposure will be limited to RMB140 million (around R178 million) and is subject to a number of conditions which include the participation by an international funding agency.

BLACK ECONOMIC EMPOWERMENT

Kumba is committed to sustainable empowerment initiatives as part of the transformation of the mining industry. During the year, an anchor empowerment partnership was entered into with the Tiso Kgalagadi consortium which has secured an initial 4,8% interest in Kumba. This has established a foundation for participation by a broad grouping of black investors in Kumba's iron ore expansions in the Northern Cape and in its other businesses.

Discussions with Eyesizwe Coal to explore synergies and co-operative investment opportunities in respect of the parties' coal operations, have been initiated and are progressing.

Other notable progress includes contracts awarded for the provision of logistical support for the heavy minerals exports, and for the removal of overburden at Kumba's iron ore mines. A preferential procurement programme has also been implemented.

DRAFT MINING CHARTER

The draft mining charter is currently being discussed by all stakeholders. A firm commitment and balanced approach will be required to develop a final charter serving the interests of the industry and all South Africans, and Kumba fully supports the process.

PROSPECTS

The results for the past year have been exceptional. However, the uncertainty in the recovery of the world economy, depressed commodity prices and volatile exchange rates will affect the group. This may make it difficult to repeat the results notwithstanding that the good operational performance of the past year is expected to be maintained.

DIVIDEND

Dividend number 1 of 85 cents per share has been declared in South African currency in respect of the year ended 30 June 2002.

The dividend will be paid on Monday, 30 September 2002 to shareholders recorded in the books of the company at the close of business on 27 September 2002. To comply with the requirements of STRATE the last day to trade cum dividend is Thursday, 19 September 2002. The shares will commence trading ex dividend on Friday, 20 September 2002 and the record date is Friday, 27 September 2002.

No shares may be dematerialised or re-materialised between Friday, 20 September 2002 and Friday 27 September 2002, both days inclusive.

On behalf of the Board

HJ Smith **Dr CJ Fauconnier** **DJ van Staden**
(Chairman) (Chief Executive) (Executive Director, Finance)

21 August 2002

GROUP INCOME STATEMENT

	Year ended 30 June 2002 Rm	2001 Pro forma Rm
Revenue	7 182	5 404
Operating expenses	(5 499)	(4 820)
Net operating profit	1 683	584
Net financing costs	(242)	(271)
Net profit from equity accounted investments before taxation	83	137
Exceptional items (Note 2)		72
Impairment charges (Note 3)	(101)	
Goodwill amortisation	26	(27)
Profit before taxation (Note 4)	1 449	495
Taxation	(465)	(107)
Profit from ordinary activities	984	388
Minority interest	(8)	
Net profit attributable to ordinary shareholders	976	388
Adjusted for:		(72)
– exceptional items	101	
– impairment charges	40	40
– share of associates goodwill amortisation	(26)	27
– goodwill amortisation	12	(14)
– share of associates exceptional items		
– net deficit on disposal or scrapping of property, plant and equipment	4	203
– taxation effect of adjustments	(9)	(61)
Headline earnings	1 098	511
Ordinary shares (million)		
– in issue	297	272
– weighted average number of shares	285	262
– diluted weighted average number of shares	292	262
Attributable earnings per share (cents)		
– basic	342,5	148,1
– diluted	334,2	148,1
Headline earnings per share (cents)		
– basic	385,3	195,0
– diluted	376,0	195,0

GROUP STATEMENT OF CHANGES IN EQUITY

	Year ended 30 June 2002 Rm
Shareholders' funds on unbundling from Iscor	1 400
Changes in share capital and premium	
– Issue of shares	3
– share premium	2 721
– unbundling costs	(44)
Changes in non-distributable reserves	
– currency translation differences	(187)
– financial instruments movements	(53)
– transfer of equity accounted earnings	16
– transfer of insurance reserve	2
Changes in retained income	
– net profit for the year	976
– transfer of equity accounted earnings	(16)
– transfer of insurance reserve	(2)
Shareholders' funds at end of year	4 816

UNAUDITED SUPPLEMENTARY PHYSICAL INFORMATION

	Quarter ended 30 June		Year ended 30 June	
	2002 000 tons	2001 000 tons	2002 000 tons	2001 000 tons
IRON ORE				
Production	7 079	7 401	28 324	27 044
Sales				
– Exports	5 464	4 348	19 916	18 057
– Domestic	1 778	1 932	8 186	7 924
Total	7 242	6 280	28 102	25 981
COAL				
Production				
– Power station	3 524	2 865	13 351	12 037
– Coking	446	457	2 074	2 126
– Other	650	686	2 825	2 833
Total	4 620	4 008	18 250	16 996
Sales				
– Eskom	3 571	3 153	13 198	11 934
– Other domestic	816	958	3 693	3 888
– Export	287	168	1 172	1 115
Total	4 674	4 279	18 063	16 937
BASE METALS				
Production				
– Zinc concentrate	19	17	75	72
– Zinc metal	24	26	105	105
– Lead concentrate	8	6	28	22
Zinc metal sales				
– Domestic	25	24	94	89
– Export	3	8	14	17
Total	28	32	108	106
Lead concentrate sales				
– Domestic	13	11	25	23
HEAVY MINERALS				
Production				
– Ilmenite	5		44	
– Zircon	13		45	
– Rutile	6		19	
Sales				
– Export	42		81	

If you have any queries regarding Kumba Resources or your Kumba Resources shares, please call the Kumba ShareCare Line toll free on 0800 006 709 or +27 11 775 3430 if calling from outside South Africa.

GROUP BALANCE SHEET

	At 30 June 2002 Rm	2001 Pro forma Rm
ASSETS		
Non-current assets		
Property, plant and equipment	5 710	4 987
Goodwill	23	47
Investments in associates and joint ventures (Note 5)		
– listed	1 152	709
– unlisted	32	101
Other financial assets (Note 5)	238	294
	7 155	6 138
Current assets		
Cash and cash equivalents	679	
Inventories	955	800
Trade and other receivables	996	777
Total assets	9 785	7 715
EQUITY AND LIABILITIES		
Capital and reserves		
Shareholders' funds	4 816	3 270
Minority interest	487	349
Non-current liabilities		
Interest-bearing borrowings	882	1 242
Other long-term payables	178	
Non-current provisions	389	398
Deferred taxation	781	727
	7 533	5 986
Current liabilities		
Interest-bearing borrowings	940	1 299
Other	1 312	430
Total equity and liabilities	9 785	7 715
Net debt (Note 6)	1 143	2 541
Net asset value per share (cents)	1 622	1 202
Capital expenditure		
– incurred	1 085	1 297
– contracted	625	293
– authorised but not contracted	588	393
Contingent liabilities	92	29
Operating lease commitment	217	161

GROUP CASH FLOW

	As at 30 June 2002 Rm
Cash flow from operating activities	2 175
Cash used in investing activities	
– capital expenditure heavy minerals	(631)
– other capital expenditure	(454)
– proceeds from disposal of property, plant and equipment	25
– other	(50)
Cash flows from issuance of shares	393
Unbundling expenses paid	(44)
Adjusted for:	
– currency translation differences	(16)
Decrease in net debt	1 398

NOTES TO THE GROUP FINANCIAL RESULTS

1. Basis of preparation

The Group financial results have been prepared on the historical cost basis and conform to South African Statements of Generally Accepted Accounting Practice and International Accounting Standards.

	2002 Rm	2001 Pro forma Rm
2. Exceptional items		
– loss on sale of investments		(9)
– surplus on sale of investment		81
		72
3. Impairment charges		
– shipping assets	(80)	
– other	(21)	
	(101)	
4. Profit before taxation is arrived at after		
Depreciation	(454)	(340)
Financing costs	(318)	(282)
Interest received	76	11
Dividends received	47	
5. Investments		
Listed investments		
– market value	1 340	1 049
Unlisted investments		
– directors' valuation	60	42

6. Net debt

Net debt is calculated as being interest-bearing borrowings less cash and cash equivalents.

7. Pro forma comparative figures

Pro forma comparative figures for the year ended 30 June 2001 are shown per the Kumba pre-listing statement dated 29 October 2001. Pro forma comparative figures for the cash flow statement and the statement of changes in equity are not shown as it is not meaningful.

8. Related party transactions

During the period the company and its subsidiaries, in the ordinary course of business, entered into various sale and purchase transactions with associates and joint ventures. These transactions were subject to terms that are no less favourable than those arranged with third parties.

9. Audit review

The audit for the financial year ended 30 June 2002 is in the process of being finalised. As required by the JSE Securities Exchange the financial results have been reviewed by the company's auditors, KPMG Inc. The review opinion is available for inspection at the company's registered office.