KUMBA RESOURCES

INTERIM FINANCIAL RESULTS

Harnessing the power of the earth

FOR THE SIX MONTHS ENDED 31 DECEMBER 2001

HIGHLIGHTS

- Revenue up 20%
- Operating profit up 114%
- Headline earnings up 150%
- Anchor empowerment deal finalised

COMMENTS

GROUP RESULTS

- Net operating profit in all segments was higher in the second quarter than reported in the first quarter. Revenue increased by 41% and net operating profit by 104%.
- For the six months reporting period, operating results showed a significant improvement compared to the same period last year. Revenue increased by 20%, while net operating profit improved by 114%.
- Headline earnings for the period more than doubled to R487 million (177.7 cents per share) from last year's first half earnings of R195 million (74.4 cents per share).
- Net debt decreased by R177 million to R2 364 million from R2 541 million at 30 June 2001 after capital expenditure of R437 million, which included a R263 million investment in the heavy minerals project.

SEGMENT RESULTS

	Quarter ended 31 Dec 2001 Rm	Quarter ended 30 Sep 2001 Rm	Six months ended 31 December 2001 Rm	Six months ended 31 December 2000 Rm	Year ended 30 June 2001 Rm
REVENUE					
Iron ore	**1 128**	804	**1 932**	1 384	2 944
Coal	**356**	323	**679**	634	1 241
Base metals	**251**	210	**461**	554	945
Heavy minerals	**32**	8	**40**		
Other	**87**	22	**109**	154	274
Intra group	**(13)**	(59)	**(72)**	(99)	
Total	**1 841**	1 308	**3 149**	2 627	5 404
NET OPERATING PROFIT					
Iron ore	**380**	221	**601**	307	699
Coal	**70**	60	**130**	44	100
Base metals	**15**	13	**28**	55	98
Heavy minerals	**21**	(21)		(14)	
Other	**34**	(6)	**28**	5	(190)
Group	**(38)**	(31)	**(69)**	(61)	(123)
Total	**482**	236	**718**	336	584

The comparative periods include the effect of the agreement in respect of the iron ore tonnage supplied to Iscor Ltd from Sishen mine.

Iron ore

Iron ore exports in the quarter ended 31 December 2001 improved by 823 000 tons over those of the first quarter while domestic sales were stable. A comparison of the six months with the same period last year shows a similar trend, with exports having increased by over 1.5 million tons.

Sishen mine performed well and established new rail and sales records during the reporting period. This, together with the favourable exchange rate and cost containment, resulted in a substantial improvement of 96% in net operating profit.

The expansion project at Sishen is more than 95% complete and the planned capacity of 27 million tons per annum by July 2003 is expected to be achieved on schedule.

The feasibility study for the development of a new mine, Sishen South, is scheduled for completion by December 2002.

Coal

The increased supply of thermal coal to Eskom's Matimba power station from Grootegeluk was the main contributor to higher coal production and sales for the reporting period.

The improved net operating profit of 195% is as a result of the increase in sales to the domestic market, higher domestic prices, depreciation of the Rand, and a strong focus on cost reduction. Unit costs were significantly below PPI levels.

Kumba Coal is a participant in the phase 5 expansion programme (10 million tons per annum) at the Richards Bay Coal Terminal, and will have access to 2 million tons per annum. This project, which is scheduled for completion by early 2004, will both facilitate greater participation in the export sector and reduce logistical costs.

In accordance with a memorandum of understanding entered into between Kumba Coal and Eyesizwe Mining, the potential benefits that might flow from the merging of their respective coal businesses, are being assessed.

Base metals

Production of zinc metal improved by 6% over the comparable six month period in 2000, while lead concentrate production grew by 56%.

Notwithstanding Zincor's position at the bottom of the global cost curve, the financial performance of the business was adversely affected by the dramatic collapse in the London Metal Exchange price of zinc to a 20 year low in nominal terms. This led to a 49% decline in net operating profit for the period.

Heavy minerals

The commissioning of the Hillendale mine and mineral separation plant at Empangeni has been successfully completed ahead of schedule and within budget. Marketable quality ilmenite, rutile and zircon are being produced and full capacity is expected to be achieved in March 2002.

Current market conditions for ilmenite are depressed and have resulted in lower crude ilmenite sales. The surplus ilmenite will ultimately be converted by the smelter into higher value titanium dioxide slag. The construction of the first furnace of the smelter is being fast-tracked for commissioning ahead of the scheduled date of March 2003.

In terms of the agreement concluded with Ticor Ltd of Australia (in which Kumba owns a 46.47% interest), for the acquisition of a 40% interest in the project, Ticor has assumed management and operational responsibility.

PROSPECTS

Stringent cost management, together with stable operational performance and prevailing exchange rates, should have the effect of headline earnings being maintained for the remainder of the year.

DIVIDEND

Dividends are considered annually in August and are based on the full year's results taking cognisance of cash flow available to reduce debt.

POST-LISTING SHARE ISSUES

Ten million shares were issued to the Industrial Development Corporation of South Africa Limited in December 2001 on behalf of Iscor as final settlement for the acquisition of the mining assets from Iscor as contemplated in the pre-listing statement of Kumba Resources issued on 29 October 2001. This increased the shares in issue at the end of the reporting period to 282 821 716.

The Tiso Consortium, a broad based empowerment group, subscribed for a 5% shareholding in Kumba Resources (after the reporting period) at a price of R393 million increasing the issued shares to 296 962 801.

On behalf of the Board

H J Smith *(Chairman)*
Dr C J Fauconnier *(Chief Executive)*
D J van Staden *(Executive Director, Finance)*

14 February 2002

GROUP INCOME STATEMENT

	Six months ended 31 December 2001 unaudited Rm	Six months ended 31 December 2000 pro forma Rm	Year ended 30 June 2001 pro forma Rm
Revenue	**3 149**	2 627	5 404
Operating expenses	**2 431**	2 291	4 820
Net operating profit	**718**	336	584
Net financing costs	**(152)**	(131)	(271)
Exceptional items			72
Goodwill amortisation	**(12)**	(23)	(27)
Share of pre-taxation income from equity accounted investments	**53**	70	137
Profit before taxation (note 1)	**607**	252	495
Taxation	**(149)**	(79)	(107)
Profit after taxation	**458**	173	388
Outside shareholders' interest	**1**	(1)	
Net profit attributable to ordinary shareholders	**459**	172	388
Adjusted for:			
– Exceptional items			(72)
– Goodwill amortisation	**12**	23	27
– Net deficit on disposal or scrapping of property, plant and equipment	**2**		203
– Share of associate's goodwill	**14**		40
– Share of associate's exceptionals			(14)
– Taxation on adjustments			(61)
Headline earnings	**487**	195	511
Ordinary shares (million)			
– in issue	**283**	272	272
– weighted average number of shares	**274**	262	262
– diluted weighted average number of shares	**276**	262	262
Attributable earnings per share (cents)			
– basic	**167.5**	65.6	148.1
– diluted	**166.5**	65.6	148.1
Headline earnings per share (cents)			
– basic	**177.7**	74.4	195.0
– diluted	**176.6**	74.4	195.0

GROUP BALANCE SHEET

	As at 31 December 2001 unaudited Rm	As at 31 December 2000 pro forma Rm	As at 30 June 2001 pro forma Rm
ASSETS			
Non-current assets			
Property, plant and equipment	**5 398**	4 122	4 987
Goodwill	**35**	58	47
Investments in associates and joint ventures (note 2)			
– listed	**1 320**	779	804
– unlisted	**15**	30	6
Other financial assets	**394**	192	294
	7 162	5 181	6 138
Current assets			
Cash and cash equivalents	**547**	80	
Other	**1 837**	1 210	1 577
Total assets	**9 546**	6 471	7 715
EQUITY AND LIABILITIES			
Capital and reserves			
Shareholders' funds	**4 234**	3 431	3 270
Minority interest	**362**	4	349
Non-current liabilities			
Interest-bearing borrowings	**1 729**	981	1 242
Non-current provisions	**392**	354	398
Deferred taxation	**626**	481	727
	7 343	5 251	5 986
Current liabilities			
Interest-bearing borrowings	**1 182**	674	1 299
Other	**1 021**	546	430
Total equity and liabilities	**9 546**	6 471	7 715
Net debt	**2 364**	1 575	2 541
Net asset value per share (cents)	**1 496**	1 261	1 202
Capital expenditure			
– incurred	**437**	562	1 297
– contracted	**708**	842	293
– authorised but not contracted	**1 459**	620	393
Contingent liabilities	**48**	119	29
Operating lease commitments	**135**	201	161

GROUP CASH FLOW STATEMENT

	Six months ended 31 December 2001 unaudited Rm
Net cash flow from operating activities	**640**
Net cash used in investing activities	
– capital expenditure	**(437)**
– proceeds from disposal of property, plant and equipment	**9**
– other	**(35)**
Net cash inflow	**177**
Net cash flow from financing activities	
– unbundling expenses	**(43)**
– borrowings raised	**489**
Net increase in cash and cash equivalents	**623**
Cash and cash equivalents at beginning of period	**(76)**
Cash and cash equivalents at end of period	**547**

GROUP STATEMENT OF CHANGES IN EQUITY

	31 December 2001 unaudited Rm
Shareholders' funds on unbundling from Iscor	**1 400**
Changes in share capital and premium	
– issue of shares	**3**
– share premium	**2 328**
– unbundling expenses	**(43)**
Changes in non-distributable reserves	
– discount on acquisition of investment	**49**
– currency translation reserve	**(74)**
– financial instruments' movements	**112**
– transfer of equity accounted earnings	**22**
Changes in retained income	
– net profit for the period	**459**
– transfer of equity accounted earnings	**(22)**
Shareholders' funds at end of period	**4 234**

NOTES TO THE FINANCIAL STATEMENTS

	Six months ended 31 December 2001 unaudited Rm	Six months ended 31 December 2000 pro forma Rm	Year ended 30 June 2001 pro forma Rm
Note 1			
Profit before taxation is arrived at after			
– depreciation	**(208)**	(171)	(340)
– financing costs	**(169)**	(167)	(282)
– interest received	**17**	36	11
Note 2			
Listed investments			
– market value	**1 378**	997	1 049
Unlisted investments			
– directors' valuation	**44**	52	42

Additional notes to the interim financial results

1. Pro forma comparative figures for the year ended 30 June 2001 are shown as per the Kumba pre-listing statement dated 29 October 2001.
2. The interim financial results are prepared in accordance with International Accounting Standard 34 on Interim Financial Reporting and should be read in conjunction with the 2001 annual financial statements of Iscor Ltd. The accounting policies used are consistent with those applied by Iscor at its previous year-end.
3. Iscor retained an undivided share in iron ore rights at Sishen mine entitling it to 6.25 million ton per annum of iron ore from 1 July 2001 at cost plus a management fee.
4. 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.
5. Net debt is calculated as being interest-bearing debt less cash and cash equivalents.
6. Pro forma comparative figures for the cash flow statement and the statement of changes in equity are not shown as it is not meaningful.

PHYSICAL INFORMATION

	Three months ended 31 Dec 2001 unaudited '000 tons	Three months ended 30 Sep 2001 unaudited '000 tons	Six months ended 31 December 2001 unaudited '000 tons	Six months ended 31 December 2000 unaudited '000 tons	Year ended 30 June 2001 unaudited '000 tons
IRON ORE					
Production	**6 590**	6 977	**13 567**	12 983	27 044
Sales					
– Export	**5 349**	4 526	**9 875**	8 363	18 057
– Domestic	**2 180**	2 174	**4 354**	4 022	7 924
Total	**7 529**	6 700	**14 229**	12 385	25 981
COAL					
Production					
– Power station	**3 217**	3 502	**6 719**	5 991	12 037
– Coking	**524**	538	**1 062**	1 147	2 126
– Other	**705**	742	**1 447**	1 456	2 833
Total	**4 446**	4 782	**9 228**	8 594	16 996
Sales					
– Eskom	**3 067**	3 304	**6 371**	5 878	11 934
– Other domestic	**954**	982	**1 936**	2 010	3 888
– Export	**340**	215	**555**	644	1 115
Total	**4 361**	4 501	**8 862**	8 532	16 937
BASE METALS					
Production					
– Zinc concentrate	**17**	20	**37**	38	72
– Zinc metal	**27**	27	**54**	51	105
– Lead concentrate	**7**	7	**14**	9	22
Zinc metal sales					
– Domestic	**25**	22	**47**	45	89
– Export	**3**	3	**6**	6	17
	28	25	**53**	51	106
HEAVY MINERALS					
Production					
– Ilmenite	**11**	28	**39**		
– Zircon	**14**	4	**18**		
– Rutile	**5**	2	**7**		
Sales					
– Export	**12**	10	**22**		

KUMBA RESOURCES

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**Executive*

This report is available at Kumba Resources worldwide website at:

www.**kumba**resources.com