KUMBA RESOURCES

UNAUDITED GROUP INTERIM FINANCIAL RESULTS AND PHYSICAL INFORMATION

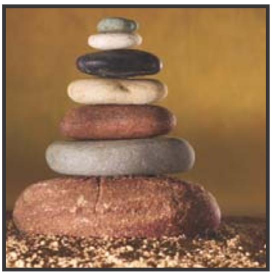
FOR THE SIX MONTHS ENDED 31 DECEMBER 2003

KUMBA RESOURCES' FOOTPRINT

A NEW GENERATION MINING COMPANY

FOCUS ON STAKEHOLDER PROSPERITY

A STEPPING STONE OF OPPORTUNITY FOR SOUTH AFRICA



CREATING BALANCE IN OUR ENVIRONMENT

DETERMINED TO UPLIFT OUR PEOPLE

Harnessing the power of the earth

HIGHLIGHTS

- **Solid operational performance**
- **Interim dividend of 20 cents per share**
- **18,62% US dollar iron ore price increase from April 2004**

GROUP INCOME STATEMENT

	Six months ended 31 December 2003 Reviewed Rm	Six months ended 31 December 2002 Reviewed Rm	Year ended 30 June 2003 Audited Rm
Revenue	**3 962**	3 770	7 469
Operating expenses	**(3 396)**	(3 068)	(6 257)
Net operating profit	**566**	702	1 212
Net financing costs	**(130)**	(123)	(244)
Share of pre-taxation income from equity accounted investments	**(13)**	30	2
Impairment charges	**(92)**	(2)	(2)
Goodwill amortisation	**2**	(12)	(21)
Profit before taxation (note 2)	**333**	595	947
Taxation	**(93)**	(174)	(229)
Profit from ordinary activities	**240**	421	718
Minority interest	**25**	1	
Net profit attributable to ordinary shareholders	**265**	422	718
Reconciliation of headline earnings			
Net profit attributable to ordinary shareholders	**265**	422	718
– Impairment charges	**92**	2	2
– Share of associates goodwill	**17**	13	38
– Goodwill amortisation	**(2)**	12	21
– Share of associates exceptionals			7
– Net (surplus)/deficit on disposal or scrapping of property, plant and equipment	**(61)**	2	(3)
– Net surplus on disposal of investment in joint ventures and associates	**(73)**		
– Taxation effect of adjustments	**5**	(1)	1
Headline earnings	**243**	450	784
Ordinary shares (million)			
– in issue	**302**	297	297
– weighted average number of shares	**298**	296	297
– diluted weighted average number of shares	**298**	302	299
Attributable earnings per share (cents)			
– basic	**88,9**	142,4	241,8
– diluted	**88,9**	139,9	240,1
Headline earnings per share (cents)			
– basic	**81,5**	151,8	264,0
– diluted	**81,5**	149,2	262,2
Dividend paid per share (cents) in respect of the previous financial year	**60,0**	85,0	
Dividend declared per share (cents) in respect of this interim period	**20,0**		

GROUP BALANCE SHEET

	As at 31 December 2003 Reviewed Rm	As at 31 December 2002 Reviewed Rm	As at 30 June 2003 Audited Rm
ASSETS			
Non-current assets			
Property, plant and equipment	**8 415**	6 052	8 205
Intangible assets	**95**	12	98
Goodwill	**(78)**	12	(80)
Investments in associates and joint ventures **(note 3)**			
– listed	**37**	985	100
– unlisted	**18**	16	18
Deferred taxation	**225**	529	485
Other financial assets	**375**	341	272
	9 087	7 947	9 098
Current assets			
Inventories	**1 481**	1 047	1 369
Trade and other receivables	**1 345**	990	1 355
Cash and cash equivalents	**1 028**	967	964
Total assets	**12 941**	10 951	12 786
EQUITY AND LIABILITIES			
Capital and reserves			
Ordinary shareholders' funds	**5 057**	4 633	4 921
Minority interest	**1 277**	582	1 191
Total shareholders' funds	**6 334**	5 215	6 112
Non-current liabilities			
Interest-bearing borrowings	**2 328**	1 705	2 801
Other long-term payables	**476**	244	388
Non-current provisions	**523**	413	501
Deferred taxation	**1 059**	1 260	1 384
	4 386	3 622	5 074
Current liabilities			
Trade and other payables	**801**	657	941
Interest-bearing borrowings	**1 276**	1 259	537
Taxation	**124**	166	94
Current provisions	**20**	32	28
	2 221	2 114	1 600
Total equity and liabilities	**12 941**	10 951	12 786
Net debt	**2 576**	1 997	2 374
Net asset value per share (cents)	**1 675**	1 560	1 657
Capital expenditure			
– incurred	**618**	560	1 386
– contracted	**362**	483	345
– authorised but not contracted	**385**	680	624
Contingent liabilities	**78**	89	50
Operating lease commitments	**203**	223	237
Operating sublease rentals receivable	**30**	25	38

GROUP CASH FLOW

	Six months ended 31 December 2003 Reviewed Rm	2002 Reviewed Rm	Year ended 30 June 2003 Audited Rm
Net cash flow from operating activities	**606**	335	1 616
Net financing costs	**(127)**	(120)	(240)
Taxation paid	**(137)**	(280)	(310)
Dividends paid in respect of the previous financial year	**(184)**	(252)	(286)
Net cash used in investing activities			
– capital expenditure	**(618)**	(560)	(1 386)
– proceeds from disposal of property, plant and equipment	**88**	8	44
– proceeds from disposal of associate	**100**		
– increase in cash resources on acquisition of a controlling interest in subsidiaries			366
– acquisition of joint ventures and associates			(34)
– other		(75)	(8)
Net cash outflow	**(272)**	(944)	(238)
Net cash flow from financing activities			
– cash flow from issue of shares	**133**		
– borrowings raised	**203**	1 232	523
Net increase in cash and cash equivalents	**64**	288	285
Cash and cash equivalents at beginning of period	**964**	679	679
Cash and cash equivalents at end of period	**1 028**	967	964

GROUP STATEMENT OF CHANGES IN EQUITY

	31 December 2003 Reviewed Rm	2002 Reviewed Rm	30 June 2003 Audited Rm
Shareholders' funds at beginning of period	**4 921**	4 816	4 816
Changes in share capital and premium			
– issue of shares			
– share premium	**133**		
Changes in non-distributable reserves			
– currency translation differences	**(156)**	(290)	(432)
– financial instruments movements	**72**	(63)	71
– realised in associate and joint venture			(76)
– transfer of equity accounted earnings	**16**	28	(38)
– transfer of insurance reserve			3
Changes in retained income			
– net profit for the period	**265**	422	718
– dividends paid	**(178)**	(252)	(252)
– realised in associate and joint venture			76
– transfer of equity accounted earnings	**(16)**	(28)	38
– transfer of insurance reserve			(3)
Shareholders' funds at end of period	**5 057**	4 633	4 921

Dividend declared after interim date amounts to 20 cents per share. STC at 12,5% is payable.

NOTES TO THE REVIEWED FINANCIAL STATEMENTS

1. *Basis of preparation*

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 2003 annual financial statements. The accounting policies adopted are consistent with those applied in the annual financial statements for the year ended 30 June 2003.

	Six months ended 31 December 2003 Reviewed Rm	2002 Reviewed Rm	Year ended 30 June 2003 Audited Rm
2. *Profit before taxation is arrived at after*			
– depreciation	**(320)**	(242)	(532)
– financing costs	**(156)**	(164)	(321)
– interest received	**26**	41	77
– dividends received	**5**	14	49
– net realised foreign exchange (losses)/gains on:			
currency exchange differences	**(77)**	9	(193)
revaluation of derivative instruments	**44**	46	144
– net unrealised foreign exchange (losses)/gains on:			
currency exchange differences	**(1)**	(151)	(92)
revaluation of derivative instruments	**(5)**	1	19
– net surplus on disposal of investments in joint ventures and associates*	**73**		
– net surplus on disposal of property, plant and equipment**	**61**		
3. *Investments*			
Listed investments			
– market value	**59**	1 022	138
Unlisted investments			
– directors' valuation	**164**	60	108

* *During the period Kumba sold its share in Mincor Resources for a purchase consideration of R100 million with a net surplus of R73 million. The taxation effect of the amount was R22 million.*

** *Includes a R49 million net surplus from the sale of bulk ore carriers for a purchase consideration of R72 million. The taxation effect of the amount was R7 million.*

4. *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.

5. *JSE Securities Exchange requirements*

The interim announcement has been prepared in accordance with the listings requirements of the JSE Securities Exchange South Africa.

6. *Corporate Governance*

The group complies with the Code of Corporate Practice and Conduct published in the King Report on Corporate Governance.

7. *Auditors' review*

The interim results have been reviewed by the company's auditors, KPMG Inc. The review opinion is available for inspection at the company's registered office.

UNAUDITED PHYSICAL INFORMATION ('000 TONNES)

	Three months ended 31 December 2003	Three months ended 30 September 2003	Six months ended 31 December 2003	Six months ended 31 December 2002	Year ended 30 June 2003
Iron ore					
Production	**7 556**	7 284	**14 840**	13 804	28 557
Sales					
– Export	**5 268**	4 571	**9 839**	10 339	20 946
– Domestic	**2 381**	2 355	**4 736**	4 271	8 770
Total	**7 644**	6 926	**14 575**	14 610	29 716
Coal					
Production					
– Power station	**3 484**	3 717	**7 201**	6 368	13 036
– Coking	**566**	511	**1 077**	1 122	2 207
– Other	**735**	738	**1 473**	1 309	2 769
Total	**4 785**	4 966	**9 751**	8 799	18 012
Sales					
– Eskom	**3 469**	3 944	**7 413**	6 367	13 051
– Other domestic	**994**	954	**1 948**	1 889	3 821
– Export	**294**	304	**598**	604	1 128
Total	**4 757**	5 202	**9 959**	8 860	18 000
Base metals					
Production					
– Zinc concentrate	**28**	26	**54**	37	91
– Zinc metal	**28**	27	**55**	58	115
– Lead concentrate	**9**	8	**18**	9	22
Zinc metal sales					
– Export	**5**	7	**12**	6	20
– Domestic	**23**	21	**44**	50	92
Lead concentrate sales					
– Export	**8**	9	**17**	12	30
Heavy minerals – Ticor SA Project					
Production					
– Ilmenite	**88**	40	**128**	43	91
– Zircon	**12**	13	**25**	28	53
– Rutile	**5**	4	**9**	12	20
– Pig iron	**16**	6	**22**		3
– Scrap pig iron	**3**	3	**6**		
– Chloride slag	**16**	11	**27**		
– Sulphate slag	**12**	8	**20**		
Sales					
– Ilmenite	**30**	10	**40**	31	50
– Zircon	**11**	12	**23**	31	59
– Rutile	**10**	2	**12**	2	20
– Pig iron	**10**		**10**		
– Scrap pig iron	**2**	1	**3**		
– Chloride slag	**12**		**12**		
Heavy minerals – Ticor Limited*					
Production					
– Ilmenite	**110**	112	**222**	217	428
– Zircon	**20**	21	**41**	34	80
– Rutile	**7**	9	**16**	18	36
– Synthetic rutile	**57**	55	**112**	97	179
– Leucoxene	**7**	10	**17**	12	26
– Pigment	**24**	25	**49**	49	94
Sales					
– Ilmenite	**17**	26	**43**	60	126
– Zircon	**26**	14	**40**	45	83
– Rutile	**19**	2	**21**	17	28
– Synthetic rutile	**31**	26	**57**	39	81
– Leucoxene	**6**	9	**15**	12	19

* *Ticor Limited consolidated from 1 April 2003 and the full production tonnes of Tiwest joint venture in which Ticor has a 50% interest, are disclosed. Physical information for the other period is provided for comparative purposes only.*

COMMENTS

GROUP FINANCIAL RESULTS

The group maintained its sound operational performance with a significant improvement in production levels on the previous comparative period whilst recording strong sales volumes.

Revenue increased by 5% on the comparative period mainly as a result of the consolidation of Ticor Limited, Australia from 1 April 2003. The higher iron ore prices and increased coal and heavy minerals sales volumes were offset by a stronger currency.

The continued strengthening of the rand at an average realised exchange rate of R7,04 to the US dollar compared with R10,08 for the same period the previous year, resulted in lower operating margins despite the effects of operating efficiencies and cost control measures.

The lower net operating profit, a reduction in income from equity accounted investments and the impairment of the cyanide plant of Ticor Limited, offset to some extent by a lower tax charge, resulted in profit attributable to ordinary shareholders reducing by 37% to R265 million. Headline earnings reduced by 46% to R243 million or 81,5 cents per share.

Net cash outflow for the period was R272 million after capital expenditure of R618 million, which included R270 million invested in the Ticor SA project. Net debt increased to R2 576 million with a debt to equity ratio of 41%.

SAFETY

The group achieved an all time low lost day injury frequency rate of 1,91 per million man hours worked (LDIFR) for the interim period. Regrettably, shortly after the end of the period a fatal accident occurred at the Sishen mine. The group is committed to a LDIFR of below 2,5 and zero fatalities.

SEGMENT RESULTS

	Quarter ended 31 December 2003 Unaudited Rm	Quarter ended 30 September 2003 Unaudited Rm	Six months ended 31 December 2003 Reviewed Rm	Six months ended 31 December *2002 Reviewed Rm	Year ended 30 June 2003 Audited Rm
REVENUE					
Iron ore	**907**	907	**1 814**	2 259	4 234
Coal	**425**	430	**855**	815	1 638
Base metals	**235**	236	**471**	485	892
Heavy minerals	**437**	339	**776**	152	587
– Ticor SA project	**100**	53	**153**	152	312
– Ticor Limited*	**337**	286	**623**		275
Industrial minerals	**22**	21	**43**	39	78
Other	**1**	2	**3**	20	40
Total	**2 027**	1 935	**3 962**	3 770	7 469
NET OPERATING PROFIT					
Iron ore	**145**	154	**299**	517	882
Coal	**56**	65	**121**	125	279
Base metals	**(15)**	(20)	**(35)**	47	15
Heavy minerals	**22**	17	**39**	20	59
– Ticor SA project	**(4)**	(5)	**(9)**	20	24
– Ticor Limited*	**26**	22	**48**		35
Industrial minerals	**6**	4	**10**	10	21
Other	**57**	75	**132**	(17)	(44)
– Disposal of non-core interests	**46**	73	**119**		
– Other activities	**11**	2	**13**	(17)	(44)
Total	**271**	295	**566**	702	1 212

** Equity accounted until 31 March 2003.*

OPERATIONS

Iron Ore

Combined production from the Sishen and Thabazimbi mines increased by 4% on the previous quarter and 8% on the comparative six-month period. Low stock levels at the Saldanha Bay port due to the record sales of the previous year, resulted in a 5% decline in exports.

Revenue was 20% lower than the comparative period as the 9% average increase in iron ore prices was more than offset by a stronger average exchange rate. Net operating profit declined by 42% to R299 million despite better operating efficiencies and a reduction in unit production costs.

Favourable market conditions have resulted in annual average US dollar price increases of 18,62% with effect from 1 April 2004.

Coal

Record production and sales volumes were achieved for the first half of the financial year to meet increased demand from Eskom and other local clients.

The higher demand resulted in revenue increasing by 5% on the comparative period. Net operating profit was marginally lower due to a strong rand and increased distribution costs which outweighed the higher revenue and good cost control.

Base Metals

Although LME US dollar zinc prices recovered significantly, the rand-denominated average zinc prices were 22% lower compared with the corresponding period last year.

Despite the planned maintenance shut at the zinc refinery, good production and steady sales performances ensured that revenue was only marginally lower. Lower treatment charges earned by the refinery, however, resulted in an operating loss being recorded for the period.

Kumba has a 85% interest in ZnErgy (Pty) Limited at an investment value of R35 million. ZnErgy manufactures zinc air fuel battery components under licence from Zoxy Energy Systems AG. Zoxy is also the supplier of a critical component to ZnErgy and offtaker of the final product. Subsequent to the end of the interim period, Zoxy filed for bankruptcy under German law. Kumba is currently investigating the business alternatives available to it. Should it be necessary to impair the investment in ZnErgy, the impact would be a reduction of 10 cents per share on attributable earnings for the period under review.

Heavy Minerals

Ticor SA project

The furnaces continue to ramp-up according to the planned schedule resulting in greater production of slag and pig iron.

Revenue remained virtually unchanged compared with the corresponding interim period as higher sales, which included the first two shipments of chloride slag, were negated by a stronger rand. The stronger currency resulted in an operating loss being reported for the period.

Ticor Limited

The segmental results reflect the impact of the consolidation of Ticor Limited on the group operating results.

Strong production volumes were achieved with synthetic rutile reaching record levels.

Revenue and net operating profit were higher than the first quarter as increased sales of zircon, rutile and synthetic rutile offset the impact of the strong Australian dollar. Ticor Limited contributed R623 million in revenue and R48 million in net operating profit to the group for the interim period under review.

Unfavourable market conditions and the stronger Australian dollar have necessitated a review of the potential recovery of the capital investment of Ticor Limited in its cyanide plant at Gladstone, Queensland. As a result, the carrying value of this non-core investment has been impaired in the amount of A$18 million (R88 million).

Industrial Minerals

The business continued to make a positive contribution to the group's operating results despite weaker market conditions.

BUSINESS DEVELOPMENT

Iron Ore: Value adding initiatives to optimise Kumba's assets in the Northern Cape and to benefit from the strong global demand for Sishen iron ore are being fast tracked. These include increased production at Sishen mine and the planned development of Sishen South. Negotiations with Transnet on the contemporaneous expansion of the infrastructure facilities which are essential to Kumba's planned iron ore growth initiatives are being progressed.

As announced, discussions on the potential for an asset swap with Assmang have been suspended by mutual agreement between the parties.

Completion of a technical feasibility study for the development of the A$1 600 million Hope Downs project in Western Australia, with positive market offtake support, has been followed by the finalisation of value-enhancement studies. An appropriate funding structure based on stand-alone infrastructure models is being investigated while the recent positive court ruling on shared infrastructure offers the opportunity to consider its viability.

Coal: The development of the Inyanda Coal (Kalbasfontein) joint venture project with Eyesizwe Coal for the export of 1 million tons coal per annum continues to be negatively affected by the delays experienced in the finalisation of the infrastructure arrangements in respect of the Phase V expansion of the Richards Bay Coal Terminal (RBCT). Although progress has been made on the finalisation of the lease agreement between the National Ports Authority and RBCT for the expansion, the project will only be able to proceed once the rail agreement with Spoornet for the Phase V participants as well as the RBCT shareholders' agreement is concluded.

At Grootegeluk mine, studies to investigate the viability of increasing production of semi soft coking coal and other specialist coals for the metallurgical sector have been initiated.

The selection of a partner to participate in a bankable feasibility study on the Moranbah South coking coal property, in Queensland, Australia is in progress.

Base Metals: Construction of a second, 25 000 tons per annum module at the Hongye Zinc Refinery in China (in which Kumba has a 60% interest) was completed on schedule in December 2003. The related Lindong concentrate roaster will be commissioned during 2004. Zinc feedstock supplies for the refinery have also been secured.

Heavy Minerals: An agreement was concluded with Madagascar Resources NL (MRNL) to conduct a feasibility study on mineral sands tenements held by MRNL in south western Madagascar. The deposit has potential to provide ilmenite feedstock that could support the expansion of the smelting facilities at Empangeni.

OUTLOOK

The group is pursuing cost containment and value-enhancing initiatives previously reported on in order to protect operating margins.

These initiatives, together with the 18,62% average increase in the US dollar price of iron ore from 1 April 2004 and the recovery in LME zinc prices will have a positive impact on the group's results. Earnings, however, will continue to be affected by the value of the rand.

SHAREHOLDING AND REPORTING OF RESULTS

On conclusion of the mandatory offer made to Kumba's minority shareholders, Anglo American plc announced on 8 December 2003 that it had increased its shareholding in Kumba to 66,62%.

In line with the year-end of its controlling shareholder, Kumba will change its year-end from 30 June to 31 December. Interim and annual results will be announced accordingly without quarterly publication of operating and physical results as they are not always reflective of the nature of Kumba's bulk commodity business.

DIVIDEND

The Board has reviewed the group's policy of considering dividends annually based on the full year's results and has approved the payment of an interim dividend. The Directors have accordingly resolved to declare dividend number 3 of 20 cents per share in South African currency in respect of the interim period ended 31 December 2003.

The dividend will be paid on Monday, 29 March 2004 to shareholders recorded in the register of the company at the close of business on Friday, 26 March 2004. The last day to trade cum dividend is Thursday, 18 March 2004. The shares will commence trading ex dividend on Friday, 19 March 2004, and the record date is Friday, 26 March 2004.

No shares may be dematerialised or re-materialised between Friday, 19 March 2004 and Friday, 26 March 2004, both days inclusive.

BOARD OF DIRECTORS

Following the change in control of Kumba, the board has appointed Messrs. PM Baum, WA Nairn and PL Zim as non-executive directors of Kumba with effect from 17 February 2004.

On behalf of the board

MLD Marole
(Chairman)

Dr CJ Fauconnier
(Chief Executive)

DJ van Staden
(Executive Director, Finance)

17 February 2004

KUMBA RESOURCES LIMITED

REGISTRATION NUMBER	2000/011076/06
JSE SHARE CODE	KMB
ADR CODE	KBREY
ISIN CODE	ZAE 000034310
REGISTERED OFFICE	Kumba Resources Limited Roger Dyason Road Pretoria West, Pretoria, 0002
TRANSFER SECRETARIES	Computershare Limited 70 Marshall Street, Johannesburg, 2001 PO Box 61051, Marshalltown, 2107
DIRECTORS	MLD Marole *(Chairman)*, Dr CJ Fauconnier* *(Chief Executive)*, TL de Beer, JJ Geldenhuys, GS Gouws, MJ Kilbride*, Dr D Konar, CF Meintjes*, AJ Morgan, WA Nairn, SA Nkosi, CML Savage, Dr NS Segal, F Titi, DJ van Staden*, RG Wadley*, PL Zim **Executive*
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If you have any queries regarding your Kumba Resources shares, please call 0861 100 912, or +27 11 370 5000 if calling from outside South Africa.

This report is available at Kumba Resources' world wide website at:

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