

FOCUS ON STAKEHOLDER
PROSPERITY

CREATING BALANCE IN
OUR ENVIRONMENT

DETERMINED TO UPLIFT
OUR PEOPLE



COMMENTS

GROUP RESULTS

The group improved on the production levels of the corresponding quarter last year.

Revenue increased marginally as a result of the consolidation of Ticor Limited, higher coal and heavy minerals sales volumes and an average increase of 9% in iron ore export prices, offset by a substantially stronger rand and lower iron ore export sales.

Net operating profit declined by 28% to R295 million compared with the corresponding quarter the previous year. An average exchange rate of R7,32 to the US dollar was realised on export proceeds compared with R10,42 for the comparative period, while US dollar denominated debtors and derivative instruments were valued at a spot exchange rate of R7,13 on 30 September 2003. This resulted in an unrealised currency translation loss of R20 million, compared with a loss of R3 million at a spot exchange rate of R10,55 which prevailed on 30 September 2002.

Net operating profit under "other" includes a pre-tax profit of R73 million on the disposal of Kumba's interest in Mincor Resources in July 2003.

OPERATIONS

Iron Ore

The lower export volumes combined with a stronger currency were the main contributors to the decline of 22% and 48% in revenue and net operating profit respectively.

Production increased by 4% compared with the corresponding quarter in the previous financial year. Exports were however 14% lower due to a planned replenishment of stock at Saldanha port and a rescheduling of some shipments into the next quarter.

Coal

Revenue increased by 9% mainly due to higher Eskom and export sales volumes, whilst net operating profit reduced by 17% due to the impact of the stronger currency.

Record coal production and sales tonnages were achieved for the quarter as a result of increased demand.

Base Metals

Despite the solid operational performance at both the Rosh Pinah mine and the Zincor refinery, an operating loss was incurred for the quarter. This was due to a decrease of 25% in the rand price of zinc metal, a softer local market and materially lower internationally benchmarked treatment charges.

Heavy Minerals

Ticor SA project

Higher sales volumes of ilmenite, rutile and zircon yielded a 39% increase in revenue. Net operating profit however decreased by R7 million to an operating loss of R5 million as a result of a stronger currency and depreciation charges.

The second furnace of the Empangeni smelter was successfully commissioned in September. The first shipment of saleable titanium slag was made in October.

Ticor Limited

The segment results reflect the impact of the consolidation of Ticor Limited on the group's operating results. Net operating profit was negatively affected by the strong Australian dollar despite the sound operating performance.

Record synthetic rutile production was achieved at Tiwest, the joint venture in which Tigor Limited has a 50% interest.

Industrial Minerals

The business unit reported results on a par with those of the comparative period despite a slowdown in growth in the steel and construction sectors.

OUTLOOK

The group expects to maintain and in certain instances improve on the sound operational performance reported in the previous financial year.

The continued strong rand and depressed commodity markets for heavy minerals and zinc are expected to have a negative impact on the group's results.

In order to mitigate the effect of these negative factors, the group has embarked on a number of initiatives:

- a business improvement programme at Base Metals;
- short-term cost reduction actions;
- a longer-term programme to protect operating margins; and
- a critical review of capital expenditure programmes and new project developments.

30 October 2003

Registered office

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0002

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KUMBA RESOURCES LIMITED

DIRECTORS

MLD Marole (*Chairman*), Dr CJ Fauconnier* (*Chief Executive*),
BE Davison, TL de Beer, JJ Geldenhuys, GS Gouws, MJ Kilbride*,
Dr D Konar, CF Meintjes*, AJ Morgan, SA Nkosi, CML Savage,
Prof NS Segal, F Titi, DJ van Staden*, RG Wadley*

*Executive

GS Gouws resigned from the board effective 14 October 2003

COMPANY SECRETARY

MS Viljoen

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REGISTRATION NUMBER

2000/011076/06

JSE SHARE CODE

KMB

ISIN CODE

ZAE 0000 34310

ADR CODE

KBREY

SEGMENT RESULTS

	First quarter ended 30 September	
	2003/04	2002/03
REVENUE (Rm)		
Iron ore	907	1 163
Coal	430	396
Base metals	236	259
Heavy minerals	339	38
- Ticor SA project	53	38
- Ticor Limited*	286	
Industrial minerals	21	18
Other	2	44
Total	1 935	1 918
NET OPERATING PROFIT (Rm)		
Iron ore	154	299
Coal	65	78
Base metals	(20)	26
Heavy minerals	17	2
- Ticor SA project	(5)	2
- Ticor Limited*	22	
Industrial minerals	4	4
Other	75	1
Total	295	410

*Consolidated from 1 April 2003

PHYSICAL RESULTS ('000 tons)

	First quarter ended 30 September	
	2003/04	2002/03
Iron Ore		
Production	7 284	6 982
Sales		
• Export	4 571	5 288
• Domestic	2 355	2 104
Total	6 926	7 392
Coal		
Production		
• Power station	3 717	3 518
• Coking	511	565
• Other	738	635
Total	4 966	4 718
Sales		
• Eskom	3 944	3 537
• Other domestic	954	929
• Exports	304	221
Total	5 202	4 687
Base Metals		
Production		
• Zinc concentrate	26	20
• Zinc metal	27	29
• Lead concentrate	8	4
Zinc metal sales		
• Export	7	3
• Domestic	21	26
Lead concentrate sales		
• Export	9	6
Heavy Minerals - Ticor SA Project		
Production		
• Ilmenite	40	7
• Zircon	13	13
• Rutile	4	6
• Pig Iron	6	
• Scrap Pig Iron	3	
• Chloride Slag	11	
• Sulphate Slag	8	
Sales		
• Ilmenite	10	
• Zircon	12	9
• Rutile	2	1
• Scrap Pig Iron	1	
Heavy Minerals - Ticor Limited⁽¹⁾		
Production		
• Ilmenite	112	110
• Zircon	21	21
• Rutile	9	9
• Synthetic Rutile	55	49
• Leucoxene	10	5
• Pigment	25	24
Sales		
• Ilmenite	26	25
• Zircon	14	23
• Rutile	2	6
• Synthetic Rutile	26	11
• Leucoxene	9	

⁽¹⁾ Ticor Limited was consolidated from 1 April 2003 and the full production tonnes of the Tiwest joint venture in which Ticor Limited has a 50% interest, are included for the quarter ended 30 September 2003. Physical information for the comparative period is provided for comparative purposes only.

This report is available at Kumba Resources World Wide Web site at:

www.kumbaresources.com