

**PRESS RELEASE**

03/11/2015

**Amendment of the ArcelorMittal Supply Agreement**

Shareholders are advised that Kumba Iron Ore Limited ("Kumba") and ArcelorMittal SA Ltd ("ArcelorMittal") have agreed to amend the pricing mechanism of the long term supply agreement (for Kumba to supply ArcelorMittal with up to 6, 25Mtpa of iron ore) that they entered into on 5 November 2013.

Kumba and ArcelorMittal have agreed to amend the pricing mechanism terms of their current agreement from a cost-based price to a price based on an export parity price ("EPP"). The EPP will be calculated on the basis of an international index (the "index price") and, at certain index price levels, ArcelorMittal will receive a discounted price, as follows: if the index price is between US\$60/t and US\$70/t, ArcelorMittal will receive a 5% discount to the EPP; between US\$70/t and US\$80/t, a 6.25% discount would apply and at an index price above US\$80/t, a 7.5% discount would apply. If the index price is below US\$60, ArcelorMittal will pay the EPP. These terms remain subject to a final definitive agreement being signed between Kumba and ArcelorMittal.

"The current market environment presents significant challenges for the mining and steel industries. This pricing amendment is commercially acceptable and sustainable for both parties. It will iron out the current distortions, whereby domestic prices can exceed those for export, thereby best serving the interests of the industry and country as a whole. Kumba remains committed to supporting a viable and stable domestic steel making industry in South Africa", said Norman Mbazima, CEO of Kumba Iron Ore.

Independent of the above announcement, shareholders are reminded of the cautionary announcement released by Kumba on 3 November 2015 to exercise caution when trading in the Company's shares and securities pending a further announcement regarding its engagement with the Department of Mineral Resources regarding the proposed conditions in relation to the consent to the amendment of the mining right to include the residual 21.4% undivided share of the mining right for the Sishen mine.

For further information, please contact:

**Media**

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**A member of Anglo American plc group****Kumba Iron Ore Limited**

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**Directors:** F Titi - Independent Non-Executive Chairman, NB Mbazima (Zambian) - Executive Director (CEO), FT Kotzee - Executive Director (CFO)

**Non-Executive Directors:** ZBM Bassa, DD Mokgatle, AJ Morgan, LM Nyhonyha, BP Sonjica, AM O'Neill (Australian)

**Company Secretary:** A Parboosing



**Notes to editors:**

Kumba Iron Ore Limited, a member of the Anglo American plc group, is a leading value-adding supplier of high quality iron ore to the global steel industry. Kumba produces iron ore in South Africa at Sishen mine and its Kolomela mine in the Northern Cape Province, and at Thabazimbi mine in the Limpopo Province. Kumba exports iron ore to customers in a range of geographical locations around the globe including China, Japan, Korea and a number of countries in Europe and the Middle East.

[www.angloamericankumba.com](http://www.angloamericankumba.com)

Anglo American is a global and diversified mining business that provides the raw materials essential for economic development and modern life. Our people are at the heart of our business. It is our people who use the latest technologies to find new resources, plan and build our mines and who mine, process and move and market our products – from bulk commodities and base metals to precious metals and diamonds (through De Beers) – to our customers around the world. Our diversified portfolio of products spans the economic development cycle and, as a responsible miner, we are the custodians of precious resources. We work together with our key partners and stakeholders to unlock the long-term value that those resources represent for our shareholders, but also for the communities and countries in which we operate – creating sustainable value and making a real difference. Our mining operations, growth projects and exploration and marketing activities extend across southern Africa, South America, Australia, North America, Asia and Europe.

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