

ANGLO AMERICAN

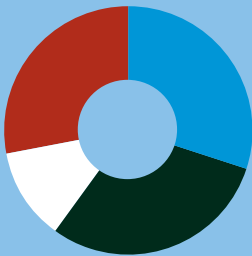
INTERIM REPORT 2003

ANGLO AMERICAN PLC

with its subsidiaries, joint ventures and associates is a global leader in the mining and natural resource sectors. It has significant and focused interests in gold, platinum, diamonds, coal, base metals, ferrous metals and industries, industrial minerals and paper and packaging, as well as financial and technical strength. The Group is geographically diverse, with operations in Africa, Europe, South and North America and Australia. Anglo American represents a powerful world of resources.

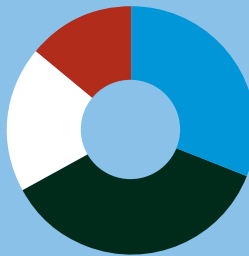
Throughout this report, '\$' means United States dollars.

HEADLINE EARNINGS H1 2003 (%)



■ 30 Europe
■ 30 South Africa
■ 12 Americas
■ 28 Rest of World

NET ATTRIBUTABLE OPERATING ASSETS H1 2003 (%)



■ 30 Europe
■ 36 South Africa
■ 20 Americas
■ 14 Rest of World

- ◆ **Headline earnings per share increased by 2% to 61 US cents despite weakness of the US dollar.**
- ◆ **Strength from product and geographic diversity.**
- ◆ **Outstanding contribution from Diamonds, up 49%, strong performances from European Paper and Packaging and Industrial Minerals more than offset reduced earnings from Platinum, Gold and Coal.**
- ◆ **Geographic headline earnings significantly altered:**

	H1 2003	H1 2002
Europe	30%	21%
South Africa	30%	54%
North and South America	12%	7%
Rest of World	28%	18%

- ◆ **Further cost savings and efficiency improvements of \$127 million achieved.**
- ◆ **Strong cash generation: EBITDA up 9% at \$2.4 billion; EBITDA interest cover of 14 times; annualised EBITDA return on total capital 19%.**
- ◆ **\$6 billion expansion programme in progress.**
- ◆ **Interim dividend maintained at 15 US cents per share.**

FIRST HALF RESULTS

Headline earnings for the first half of 2003 of \$856 million (61 US cents per share) were 2% higher than the corresponding period in 2002, reflecting again the benefits of the Group's diversified asset base and broad product mix. This robust performance came on the back of an outstanding performance by De Beers, strong contributions from Paper and Packaging and Industrial Minerals and an improved contribution from Base Metals. These results more than compensated for the significant impact of the stronger South African rand, which appreciated by some 27% against the US dollar compared with the first six months of last year.

Lower earnings were recorded by Anglo Platinum, AngloGold and the Coal business, due in the main to the impact of the firming of the South African rand against the US dollar. Platinum's earnings were also impacted by a temporary increase in pipeline stock levels from new projects, while lower export coal prices also affected the contribution from Coal.

The Group's geographic sources of headline earnings altered significantly, mainly as a result of the strong performances of the European based Industrial Minerals and Paper and Packaging operations, as well as the weakness of the US dollar. Europe contributed some 30% of such earnings (21% in the first half of 2002), South Africa 30% (54%), North and South America 12% (7%) and the Rest of the World 28% (18%).

FIRST HALF DEVELOPMENTS

A number of significant projects were completed in the first six months of the year. In May, the first metal was produced at the wholly owned Skorpion zinc mine in Namibia, expected to be one of the lowest cost zinc producers in the world. The \$454 million project, announced in 2001, has been completed within budget and the mine is expected to produce 150,000 tonnes of zinc per annum when it reaches full production at the end of 2004.

The new \$147 million Copebrás phosphate fertiliser plant in the state of Goiás, Brazil, was officially opened in April by the President of Brazil. Fertiliser production will increase by 455,000 tonnes a year, significantly enhancing Copebrás' position in Brazil's agribusiness markets.

The \$26 million upgrade of Mondi's Merebank PM2 uncoated woodfree paper machine in KwaZulu Natal, South Africa, was completed successfully in the first half of the year and will increase annual production by 40,000 tonnes.

Restructuring in Base Metals continued in line with its strategy of focusing on long life, low cost operations and projects and disposing of smaller non-core assets. Anglo American disposed of its investments in Anaconda Nickel in Australia in January, and in Bindura Nickel in Zimbabwe in July. Also in July, agreement was reached to purchase Ivernia West's 50% equity interest in Lisheen which included a cash consideration of \$1.8 million. On completion, and following the refinancing of its debt structure, Lisheen will be a debt free, wholly owned subsidiary of Anglo American. The integration of the Disputada copper mine in Chile, acquired in November 2002, is proceeding well, with annualised cost savings amounting to some \$15 million and the first half operating profit contribution of \$46 million, in line with budget.

During the period, Anglo American increased its stake in Anglo Platinum to 72.25%, as part of its ongoing programme of buying shares in the market from time to time.

Anglo American's strategic objective of securing a meaningful interest in South Africa's iron ore sector is still subject to approval by the country's Competition Tribunal. Following the disposal of the stake in Avmin earlier this year, Anglo American is focusing on Kumba, the largest iron ore producer in South Africa (and the fifth largest in the world), where it has an equity interest of 20.1%. The acquisition of further shares in Kumba is subject to Competition Tribunal approval.

In August, AngloGold and Ashanti Goldfields Company Limited announced a proposed merger of the two companies. Anglo American has confirmed its full support for the proposed transaction, which, if approved, would dilute Anglo American's shareholding in the merged entity from 51.4% to 44.5%, but in a larger, more diversified gold company with an enhanced reserve base. The Securities Regulation Panel of South Africa has granted to Anglo American an exemption from making a mandatory offer to AngloGold minority shareholders should Anglo American acquire AngloGold shares to increase its holding to above 50% in less than 12 months.

Other developments during the first half included the launch of Anglo American's inaugural euro-denominated benchmark bond offering, through Anglo American Capital plc. The five-year bond raised €1.0 billion, with a coupon of 3.625%, and was swapped into floating rate US dollars at a current all-in cost of approximately 1.75% per annum. The funds have been used to repay existing bank debt.

GOING FOR GROWTH

Anglo American's \$6 billion expansion programme is one of the largest in the resources sector.

Anglo Platinum's \$2 billion expansion programme to increase production by 75% to 3.5 million ounces of platinum by 2006 is proceeding satisfactorily, although a build-up of metal in process in the new plants resulted in reduced production of refined metal during the period under review. Most of this is expected to be released in the second half of the year. The viability and scheduling of Anglo Platinum's projects will continue to be evaluated in the context of changing market conditions and currency parameters.

AngloGold announced a \$117 million expansion of its TauTona mine in South Africa, which will deliver an additional 1.8 million ounces over the next ten years. The mine currently produces around 640,000 ounces a year.

In March, Anglo American announced that its Paper and Packaging business (renamed from Forest Products, to more accurately reflect the nature of its business) is to proceed with a \$221 million expansion and modernisation of its Richards Bay mill in KwaZulu Natal in South Africa, increasing capacity for bleached eucalyptus pulp production by some 40%. The project is expected to be completed by April 2005. At the Ruzomberok pulp and paper mill in Slovakia, a \$233 million expansion project, covering the rebuild of PM18 and modernisation of the pulp mill, is on track for completion. The project will increase annual output by 100,000 tonnes of paper in 2004 and 103,000 tonnes of pulp in 2005.

A number of projects are due to come on line later this year. The \$173 million cement plant at Buxton in Derbyshire is due to be completed in 2003, with the first firing of the kiln anticipated by year-end. The new cement plant will increase production by 425,000 tonnes per year. The Kleinkopje and Greenside coal expansion projects in South Africa are also due to commence production later this year and will increase coal production by some 2.3 million tonnes a year. In Base Metals, the Hudson Bay 777 mine and shaft will commence production in the second half, five months ahead of schedule and within budget.

In July, Anglo Coal and Sasol announced the development of the Kriel South coal reserves in South Africa, which are expected to yield an estimated 200 million tonnes of thermal coal over 20 years. Anglo Coal will invest \$65 million in the project, which is due to commence production in 2005.

BLACK ECONOMIC EMPOWERMENT

The Group continues to make good progress in South Africa in terms of Black Economic Empowerment. In May, we announced the disposal of our 34.5% holding in Avmin to a consortium comprising African Rainbow Minerals Gold Limited and Harmony Gold Mining Company Limited, for an aggregate cash consideration of \$231 million. In July, we disposed of the 11.5% stake in Avgold Limited to Harmony for \$80 million.

CHAIRMAN'S AND CHIEF EXECUTIVE'S JOINT STATEMENT CONTINUED

THE SOUTH AFRICAN MONEY BILL

The relatively high royalty levels proposed for mineral commodities in South Africa in the draft Money Bill have caused concern within the mining industry, in particular regarding the proposed rates for diamonds, platinum and gold. We believe that in some sectors the proposals may both damage the international competitiveness of existing operations and reduce the relative attraction of South Africa as an investment destination. We are engaging with the South African authorities as part of industry efforts to achieve a reasonable outcome.

SAFETY

Our safety performance regarding work related injuries continues to show some encouraging improvements, with the lost time injury frequency rate dropping 22% from the 2002 total. Unfortunately, this has not been matched by the number of fatal incidents which, at 23, remains at the same level as for the equivalent period last year. This remains an area for intensive focus throughout the Group.

HIV/AIDS

Good progress has been made in rolling out anti-retroviral therapy (ART) for those employees infected with HIV/AIDS in South Africa. Access to drugs at preferential rates has been secured, treatment protocols have been established with the advice of South African clinicians and the London School of Hygiene and Tropical Medicine and training of managers and medical staff has been undertaken. Early indications of the impact from the treatment have been encouraging. Approximately 500 employees are already receiving ART. We are actively seeking to extend treatment to dependants and local communities through partnerships with government, trade unions, NGOs and international funding organisations.

TRANSPARENCY INITIATIVE

We were early supporters of the British Prime Minister's Extractive Industries Transparency Initiative and participated in the high level meeting held in London in June 2003. We have also been active participants in the Extractive Industries Review being carried out into the World Bank's involvement in the extractive sector.

DIVIDEND

An unchanged interim dividend of 15 US cents has been declared.

OUTLOOK

While geopolitical tensions have reduced somewhat following the cessation of the Iraq war and equity markets have risen strongly since March this year, the low growth forecasts for the US, Japan and much of Euroland remain of concern. Against this background, and with the prospect of a continued strong rand/dollar exchange rate, the outlook for our businesses remains challenging.



Sir Mark Moody-Stuart
Chairman



Tony Trahar
Chief Executive

HIGHLIGHTS

Despite the weakness of the US dollar, headline earnings per share for the six months to 30 June 2003 were 61 US cents per share, an increase of 2% over the corresponding prior period. This reflects the strong performance of many of the Group's businesses. Diamonds, Paper and Packaging and Industrial Minerals performed well. The Group's product and geographic diversity, with contributions to headline earnings from Europe 30%, South Africa 30%, North and South America 12% and Rest of World 28%, demonstrated its benefits during a period of difficult market conditions combined with the weakening of the dollar. The average exchange rate for the South African rand/dollar of 8.03 reflects a 27% strengthening of the rand compared with the corresponding prior period.

Profit for the financial period was \$760 million compared with \$767 million in the first six months of 2002. Excluding exceptional items, earnings per share were 54 US cents, in line with the first half of 2002.

PLATINUM

Anglo Platinum's operating profit fell sharply to \$204 million, \$185 million lower than in the first half of 2002. This resulted primarily from the strengthening South African rand, which significantly increased operating costs in dollar terms, combined with a rise in costs from higher production volumes at ramp-up mining and smelting operations. Headline earnings reduced from \$158 million to \$107 million.

The average dollar basket price of metals sold was slightly above that of the same period in 2002, with the benefit of a higher platinum price largely offset by lower palladium and rhodium prices. The average realised price for platinum of \$649 per ounce was \$136 higher than the same period in 2002. However, realised palladium and rhodium prices were significantly down at \$202 per ounce for palladium (2002: \$371) and \$556 per ounce for rhodium (2002: \$946).

The contained platinum output from mining operations was 9.6% higher, reflecting rising output from the Rustenburg UG2, Modikwa and Bafokeng-Rasimone mining operations. However, the simultaneous commissioning of the ACP convertor, the slag cleaning furnace and Polokwane smelter caused a temporary increase in pipeline stock levels that resulted in reduced production of refined metal. Refined platinum production (including attributable Northam Platinum output) amounted to 933,300 ounces. Platinum output from mining operations is expected to continue to increase in the second half of the year and the temporary lock-up of metal in the newly commissioned metallurgical facilities will be reduced by year-end, resulting in significantly higher refined production for the latter six months.

In June, the company announced a venture with Aquarius Platinum (SA) whereby certain mining assets will be pooled and operated together, with both parties sharing equally in the proceeds. This project is expected to require capital expenditure of approximately \$100 million in 2003 terms, and is likely to produce 280,000 ounces of platinum per annum at full production.

Anglo Platinum believes that the expansion programme target to produce at the rate of 3.5 million ounces of refined platinum per year by the end of 2006 remains appropriate in view of market demand fundamentals. The viability of projects will continue to be evaluated in the context of changing market parameters, such as sustained strength of the rand, and this may affect project scheduling and the time taken to bring new operations on stream.

GOLD

AngloGold's operating profit for the first half of 2003 was 9% lower at \$180 million. Headline earnings were down by 18% to \$82 million mainly because of the firmer South African currency.

AngloGold's production at 2.8 million ounces was marginally up on the corresponding period last year, though at a lower grade, primarily at Geita and Great Nologwa. Total cash costs increased from \$156 to \$217 per ounce mainly owing to the weakening of the US dollar against the local currencies in which AngloGold operates, which had a significant negative impact on costs, margins and earnings. However, these effects were more than compensated by an 18% increase in the realised dollar gold price.

The company continued to reduce its net hedge position as the dollar gold price maintained its strength. The hedge book was drawn down against the first half of 2002 by 17% (1.8 million ounces) to 8.7 million ounces. This reflects AngloGold's stated policy in respect of hedging: "this is a risk-management tool which the company has successfully used to underpin its revenue stream and which will be employed and, where necessary, moderated, as the market and its operating circumstances require. Under present circumstances, AngloGold will continue to deliver into maturing sales contracts, further reducing the company's forward sales position." The AngloGold board has decided to change the targeted level of hedging commitments from 50% to 30% of five years' production.

In the United States, AngloGold concluded the sale in June of its 70% interest in the Jerritt Canyon Joint Venture to Queenstake Resources USA Inc. Queenstake accepted full closure and reclamation liabilities and posted surety bonds totalling \$33 million with the regulatory agencies. Permits for the operation of the mine were transferred to Queenstake with effect from 30 June 2003.

In August, AngloGold and Ashanti Goldfields Company Limited, following an announcement in May that the two parties were in discussions, announced the detailed terms and conditions of a proposed merger of the two companies. It is proposed that the merger will be implemented at a ratio of 26 AngloGold shares for every 100 Ashanti ordinary shares or global depository securities. In particular, the merger is conditional upon the support by, as well as certain regulatory and other consents of, the government of Ghana, a substantial shareholder and regulator of Ashanti. To this end, the government of Ghana has appointed a consortium of advisors to advise it in considering the terms of the proposed merger. AngloGold welcomes this appointment as an important step forward and hopes to have clarity on the views of the government by mid-September.

DIAMONDS

Attributable operating profit from De Beers of \$378 million was 56% higher than the prior corresponding period. Headline earnings of \$248 million were 49% higher.

The diamond industry started 2003 in a cautiously optimistic mood. Retail sales in the first two months were encouraging but then lost momentum as the global economy slowed sharply. War in Iraq and the impact of the SARS virus on Asian economies undermined consumer confidence. More recently, retail sales have shown signs of recovery, in line with growing consumer confidence, and global retail sales of diamond jewellery for the first six months are anticipated to at least match those of the first half of last year.

Throughout the first six months, demand for rough diamonds from the cutting centres was strong, largely owing to a willingness to hold higher levels of inventory as interest rates continued to decline. Sales by The Diamond Trading Company, the marketing arm of De Beers, totalled \$2.92 billion, 2.75% higher than the equivalent period in 2002. There was a marked reduction in diamond stocks of more than \$600 million during the period, while operating cash flow generated \$1.1 billion.

In view of the exceptionally strong operating cash flow generated in the two year period to June 2003, De Beers has decided to refinance its existing bank facilities by replacing the existing term loan and revolving credit facilities, arranged on leveraged buy-out terms, with a five year \$2.5 billion Syndicated Multi-Currency Revolving Credit facility on standard commercial terms. Syndication was launched on 26 June and has been successfully completed.

De Beers and the Russian diamond producer Alrosa have continued to engage in constructive dialogue with the European Commission to address the Commission's concerns relating to the five year trade agreement jointly notified to the Commission for clearance in March 2002.

Provided the strong demand for rough diamonds continues through the second half, De Beers' results for the year as a whole should be ahead of the previous year.

COAL

Anglo Coal's operating profit was \$172 million, 26% lower than for the first half of 2002. Headline earnings of \$107 million were 25% down, mainly owing to lower export prices and exchange impacts arising from the continued strengthening of the rand and the Australian dollar.

Operating profit for South African sourced coal fell by 53% to \$69 million. Headline earnings mirrored this drop, declining by 54% to \$37 million, mainly as a result of significantly lower export prices, which were 19% down on a year ago, and the weaker US dollar. This was partially offset by strong cost control. Sales volumes increased by 8% to 25 million tonnes. The Kriel South project has been approved by the Competition Tribunal and production is scheduled to commence in 2005. The Kleinkopje and Greenside expansions are in their final stages and will be completed during 2004.

In Australia, operating profit rose by 29% to \$74 million owing to strict control of operating costs and improved production performances at Moranbah North and Dartbrook. The average price of thermal coal fell by 2% and coking coal remained at similar levels to last year. Total attributable sales tonnes were slightly down on last year mainly because of weak domestic demand. On average, the Australian dollar appreciated against the US dollar by 15% compared with the corresponding period a year ago. This was partially offset by favourable exchange rate hedges taken out earlier in the year. Work continues on the development of the Grasree, Kayuga and Theodore projects.

In Colombia, synergies achieved as a result of merging the two operations in 2002 continue to exceed expectations. Cerrejón has now embarked on the expansion of the operation to 28 million tonnes per annum. The Carbones del Guasare operation in Venezuela was negatively affected by political events in that country during the first half of 2003 – initially, by the national strike at the beginning of the year and, more recently, by the problems administering the exchange controls imposed at that time. The operation has, however, received assurances from the authorities that this situation is being addressed.

BASE METALS

Base Metals' operating profit was \$98 million against \$81 million (excluding the \$46 million profit arising from the sale of Salobo) in the first half of 2002. Headline earnings of \$60 million were 62% higher.

Having started the year positively, base metal prices, with the exception of nickel, slipped lower, initially on fears of a protracted Iraq conflict and subsequently owing to concerns about the impact of the SARS virus on Chinese demand. Although prices have subsequently firmed, economic indicators continue to be mixed and any improvement in base metal prices is expected to remain muted until there is clear evidence of a more robust and sustained economic upturn.

The copper price averaged 74.9 US cents/lb (2002: 71.8 US cents/lb). Attributable copper production amounted to 350,000 tonnes (2002: 232,500 tonnes), generating operating profits of \$106 million (2002: \$66 million), of which Disputada, which was acquired in November 2002, contributed \$46 million. The integration of Mantos Blancos and Disputada in Chile has proceeded faster than originally budgeted, with annualised savings of over \$15 million identified to date, and the original estimate of synergies (with a net present value of \$100 million) is likely to be exceeded.

The nickel, niobium and mineral sands division benefited from buoyant nickel prices which averaged 379 US cents/lb compared with 298 US cents/lb a year earlier. Nickel production totalled 12,000 tonnes (2002: 14,400 tonnes). There were improved performances from Codemin in Brazil and from Venezuelan producer Loma de Níquel, which achieved design throughput in May 2003, offsetting the lack of production from the holding in Tati, which was sold in 2002. Continuing political instability in Venezuela, and the recent introduction of foreign exchange controls, have necessitated active management but, to date, have not materially impacted operations at Loma de Níquel. Catalão produced 1,700 tonnes of niobium (2002: 1,700 tonnes) but demand remained subdued. Prices at Namakwa Sands in South Africa remained reasonably firm, but lower recoveries and throughput resulted in lower production of zircon (4,900 tonnes lower) and rutile (2,100 tonnes less). Slag production of 73,800 tonnes, although in line with 2002 production, was also disappointing.

Zinc production rose to 159,500 tonnes (2002: 98,800 tonnes), but continuing low prices (35.4 US cents/lb compared with 35.7 US cents/lb in 2002) resulted in an operating loss of \$44 million (2002: \$20 million loss). Operating performance at Hudson Bay in Canada continued to improve but financial performance was adversely impacted by higher than budgeted costs, in part driven by oil prices and adverse currency movements. In Ireland, at the Lisheen mine (now accounted for on a 100% basis), production was above design capacity but at slightly lower grades. In South Africa, output at Black Mountain was slightly lower than in 2002 owing to ore availability difficulties in the mine.

Currency effects (in particular, the strengthening of the rand, Canadian dollar and euro) had a net adverse impact on profitability of \$25 million, compared with 2002.

Base Metals continued its strategy of upgrading the quality of its asset portfolio by disposing of its interest in Anaconda Nickel Limited and announcing the disposal of its interest in Bindura Nickel Corporation. At Lisheen, Anglo Base repurchased \$146 million of bank debt at a discount of 50 cents in the dollar, and in July agreed to purchase Ivernia West's 50% equity interest which included a cash consideration of \$1.8 million. On completion, and following the refinancing of its debt structure, Lisheen will be a debt free, wholly owned subsidiary of Anglo American.

The \$454 million Skorpion project in Namibia was completed on budget during the first half of 2003. The Hudson Bay 777 mine and shaft (the last component of the \$276 million 777 project) will commence production in the second half of 2003, some five months ahead of schedule and within budget. In Chile, Collahuasi's \$654 million Rosario project is on schedule to commence production in mid-2004 and is currently on target for completion within budget, while the \$110 million Black Mountain Deeps project in South Africa remains on schedule, although the recent strength of the rand is putting some pressure on the capital budget.

INDUSTRIAL MINERALS

Industrial Minerals' operating profit rose to \$136 million, 20% higher than for the first half of 2002, while headline earnings at \$113 million were up by 27%. The performances of both the Tarmac group and Copebrás continued to improve. Tarmac's operating profit increased by 18%, due to an improved trading performance and US dollar weakness against the European currencies. Copebrás benefited from buoyant local market conditions and increased international fertiliser prices, which, together with production starting at the phosphate fertiliser plant at Goiás, increased operating profit by nearly 50%.

In the UK, asphalt volumes reflected increased government infrastructure spend. Volumes of slag products, which are exempt from the Aggregates Levy, and concrete products also grew. In increasingly competitive market conditions, price rises and the benefits of Tarmac's ongoing business improvement and cost reduction programmes ensured an increase in operating profit. Work continues on the new cement plant at Buxton and the project remains on target for completion, below budget, later this year.

The expansionary programme of acquisitions and investments has continued in the six months, including the purchase of Baxter Asphalt, an independent producer of asphalt in Lancashire, and investment in three dry silo mortar plants. These plants will be a welcome addition to Tarmac's profitable network of facilities aimed at providing excellent local service. Phase I of the \$15 million investment in a new decorative paving plant in Yorkshire was successfully completed in the six months and will enhance Tarmac's ability to supply this strong growth market in the UK.

Operating profit in continental Europe was 32% higher. This reflected continuing strong market conditions in Spain, particularly in Madrid, and a first-time contribution from the Mavike business acquired in 2002. France suffered weak market conditions, while the businesses in eastern Europe were affected by unusually extreme cold and snow, which only cleared in April/May. Sales then improved considerably but this was not enough to offset the adverse impact of the first three months.

Copebrás benefited from the buoyant local agricultural market and higher international fertiliser prices. The new plant at Goiás has successfully positioned Copebrás to participate further in the expected growth of the fertiliser market in Brazil.

PAPER AND PACKAGING

Operating profit was \$357 million, 23% higher than for the first six months of 2002. Headline earnings rose by 16% from \$153 million to \$178 million.

Despite a downturn in economic conditions, Mondi Europe reported an operating profit of \$260 million, a 36% increase. This was achieved through increased volumes, ongoing profit improvement initiatives, product differentiation and incremental earnings from acquisitions, including the realisation of operating synergies from the integration of acquired businesses. With a significant proportion of the European earnings denominated in euros, profits were also boosted by the 19% strengthening of the euro against the US dollar compared with the prior corresponding period.

European packaging achieved improved results. Despite falling paper prices, operating margins have been improved through increased volumes. The group's converting operations have performed well despite a lacklustre economic environment. The integration of La Rochette, acquired in July 2002, into Mondi Packaging Europe has been successfully achieved, with production optimisation and ongoing focus on high margin products.

In the uncoated woodfree papers sector, the downturn in markets reported in the fourth quarter of 2002 continued during the first six months of 2003. In spite of lower input pulp prices, margins have reduced owing to an increasing consumer trend towards lower grade papers. The group is nevertheless well positioned with its low cost production operations located in Russia and Slovakia. The integration of the Russian Syktyvkar mill, acquired in May 2002, is on track with the acquisition plan. The rebuild of PM18 at Neusiedler Ruzomberok, in Slovakia, is on schedule, with production due to come on stream in the fourth quarter of 2003. Newsprint markets have also softened as a result of lower advertising expenditure, leading to a further reduction in average prices.

Mondi South Africa reported stable operating earnings at \$97 million. Despite a slowing economy, demand for products in the South African market has held at reasonable levels, but the stronger currency has increased competitive pressure on pricing. Export volumes increased during the period, although some slowdown now appears inevitable.

Improved mill outputs and higher efficiencies have countered some of the revenue effects of competitive markets, particularly at the Richards Bay mill, where saleable production was 15% higher than in the previous comparable period. The upgrade of the PM2 uncoated woodfree paper machine at the Merebank mill in Durban was completed successfully during March. The modernisation and expansion of the Richards Bay mill is on schedule, with all major equipment contracts placed and the currency risk hedged to secure the capital cost in rands.

FERROUS METALS AND INDUSTRIES

Ferrous Metals' operating profit was \$74 million, \$8 million higher than in the first half of 2002. Headline earnings of \$42 million were \$1 million above the prior year's first half. The robust steel consumption in the South African domestic market that characterised the second half of 2002 was more than reversed in the first six months of 2003, owing to slower growth in manufacturing production, following persistent high interest rates, and the appreciation in value of the rand against the major currencies. Global steel prices declined sharply towards the end of the second quarter.

The Scaw group reported an operating profit of \$35 million (2002: \$21 million), which included an additional five months' contribution (\$7 million) from the Moly-Cop grinding media operations acquired at the end of May 2002. In addition to the difficulties in the export market owing to the weaker US dollar, the domestic market, particularly for rolled products, has weakened significantly over the past year. These adverse developments, if continued into the second half of the year, will clearly bring additional pressure upon earnings during the next six months.

Highveld Steel's operating profit reduced from \$14 million to \$4 million. In South Africa, domestic steel orders and dispatches continued to slow down from the levels achieved in 2002, resulting in production being diverted to the export market. During the first few months of the period under review, the impact of the firmer rand was offset by improved dollar prices, although these subsequently reversed. The stronger rand meant that the majority of export sales were loss making. Vanadium prices remained at high levels during the first quarter but softened during the second quarter following increased output from Russia.

In 40% held Samancor, manganese profits were higher than last year owing to higher alloy sales volumes and prices and lower production costs. Samancor Chrome recorded an operating loss and continues to be affected by the decline in value of the dollar. The average ferrochrome price for the period was 32.2 US cents/lb compared with 25.0 US cents/lb last year.

During the period under review the 10.5% Stimela option in South African iron ore producer Kumba was implemented, thereby increasing Anglo American's shareholding in Kumba to 20.1%. Ferrous Metals is still awaiting approval by the South African Competition Tribunal to acquire further shares. The 34.5% shareholding in Avmin was disposed of during the period for \$231 million.

The Boart Longyear group's operating profit amounted to \$9 million (2002: \$10 million). Product and contracting results in the Americas and Asia Pacific were higher than last year because of much stronger drilling activity, while those in sub-Saharan Africa continue to suffer from sluggish contracting and production performances. The difficult trading conditions in Europe are having a negative effect on Boart's European region and the Wendt Precision Grinding business.

Tongaat-Hulett's operating profit declined to \$23 million (2002: \$43 million). The stronger rand, particularly at a time of increased export volumes, and higher maize input costs had a negative impact on the group's financial results. Total sugar production for the current season is estimated to be lower than the previous season's, mainly because of below normal rainfall in South Africa's sugar growing area. The aluminium division was impacted by continued international economic weakness and rand value leading to reduced margins. The starch and glucose division experienced significant product pricing pressure from its customers in the food, paper and beverage sectors.

In the United States, Terra recorded an operating loss, as lower sales prices and volumes and higher natural gas costs took their toll.

DIVIDEND

Anglo American will pay an interim dividend of 15 US cents per share on Monday 15 September 2003 to shareholders on the register at the close of business on Friday 22 August 2003.

CASH FLOW

Cash flow from operations was \$1,286 million compared with \$1,381 million during the prior corresponding period. This inflow was after a \$375 million increase in working capital (2002: \$290 million). Interest remains well covered by EBITDA at 14 times.

Acquisition expenditure accounted for an outflow of \$573 million during the period. The principal acquisitions were increased stakes in Anglo Platinum and Kumba.

Disposal proceeds of \$237 million relate mainly to the sale of Avmin.

Purchases of tangible fixed assets amounted to \$1,172 million, an increase of \$322 million from the same period in 2002. The major components of expansion were in Base Metals, Anglo Platinum, Industrial Minerals and Paper and Packaging.

Tax payments were \$413 million compared with \$567 million in the prior period.

BALANCE SHEET

As at 30 June 2003, shareholders' funds were \$18,371 million compared with \$16,261 million at 31 December 2002. This increase is due mainly to changes in exchange rates contributing \$1,579 million and retained profit of \$548 million. The increase in the value of the South African rand by 13%, relative to the US dollar, since 31 December 2002 had a significant impact on the Group's reserves.

Net debt was \$6,989 million, an increase of \$1,411 million from 31 December 2002. The increase principally reflects capital expenditure and acquisitions during the period.

Net debt comprises \$9,111 million of debt, offset by \$2,122 million of cash and current asset investments.

Net debt to total capital at 30 June 2003 was 25.1% compared with 23.1% at 31 December 2002.

12 THE BUSINESS AN OVERVIEW

Effective interests at 30 June 2003

Platinum	Gold	Diamonds ²	Coal
<p>Anglo Platinum 72.2%</p> <p>South Africa Rustenburg Section 100% Rustenburg UG2 Phase 1 100% Union Section 100% Amandelbult Section 100% Bafokeng-Rasimone 100%* Potgietersrust Platinums 100% Lebowa Platinum Mines 100% Modikwa Platinum Joint Venture 50% Waterval Smelter 100% Rustenburg Base Metals Refinery 100% Precious Metals Refinery 100% Process expansion Phase 1 Project – converting process 100% Twickenham Mine Project 100% Pandora Joint Venture Project 50%* Polokwane Smelter Project 100% Tailings Treatment Project 100% Rustenburg UG2 Phase 2 Project 100%</p>	<p>AngloGold¹ 51.4%</p> <p>South Africa (All 100% owned) Ergo Great Noligwa Kopanang Moab Khotsoang Mponeng Savuka Tau Lekoa TauTona</p> <p>Rest of Africa Geita (Tanzania) 50% Morila (Mali) 40% Sadiola (Mali) 38% Navachab (Namibia) 100% Yatela (Mali) 40%</p> <p>North America Cripple Creek & Victor (USA) 67%* Jerritt Canyon (USA) 70%**</p> <p>South America Morro Velho (Brazil) 100% Serra Grande (Brazil) 50% Cerro Vanguardia (Argentina) 93%</p> <p>Australia Sunrise Dam 100% Union Reefs 100% Tanami 40% Boddington 33%</p> <p>Gold – other Gold Fields 20.9% Western Areas 18%</p>	<p>De Beers 45%</p> <p>South Africa De Beers Marine (Exploration & Services) 100% Finsch 100% Koffiefontein 100% Kimberley mines 100% Namaqualand mines 100% Premier 100% The Oaks 100% Venetia 100%</p> <p>Botswana Debswana 50% (Damtshaa, Jwaneng, Orapa & Letlhakane mines)</p> <p>Namibia Namdeb 50% (Mining Area No.1. Orange River Mines, Elizabeth Bay & Marine concessions) De Beers Marine Namibia 85%</p> <p>Tanzania Williamson Diamonds 75%</p> <p>Canada Snap Lake 100%</p> <p>Diamond trading & marketing Various companies involved in the purchasing, selling and marketing of rough diamonds, including The Diamond Trading Company 100%</p> <p>Industrial diamonds Companies manufacturing synthetic diamonds and abrasive products 50%</p>	<p>Anglo Coal 100%</p> <p>South African trade collieries Bank 100% Goedehoop 100% Greenside 100% Kleinkopje 100% Landau 100%</p> <p>South African power generation collieries Kriel 100% New Denmark 100% New Vaal 100%</p> <p>South Africa – other Eyesizwe Coal 11% Richards Bay Coal Terminal 27%</p> <p>Colombia Cerrejón 33%</p> <p>Australia Callide 100% Dartbrook 78% Drayton 88% Lake Lindsay 70% German Creek 70% Jellinbah East 23% Moranbah North 88% Moura 51% Theodore 51%</p> <p>Venezuela Carbones del Guasare 25%</p>

* Commencement of the joint venture is subject to certain outstanding suspensive conditions.

* Although AngloGold holds a 66.7% interest in Cripple Creek & Victor Gold Mining Company Limited, it is currently entitled to receive 100% of the cash flow from the operation until a loan, extended to the joint venture by AngloGold North America Inc., is paid.

** Interest sold with effect from 30 June 2003.

¹ The company is an independently managed subsidiary.

² Operated by De Beers, the Company's independently managed associate.

Base Metals

Anglo Base Metals 100%

Copper

Collahuasi (Chile) 44%
Disputada (Chile) 100%
Mantos Blancos (Chile) 99.9%
Palabora (South Africa) 29%
Quellaveco (Peru) 80%

Nickel

Codemin (Brazil) 90%
Bindura (Zimbabwe) 53%*
Nkomati (South Africa) 25%
Loma de Niquel (Venezuela) 91%
Barro Alto (Brazil) 100%

Zinc/Lead

Hudson Bay (Canada) 100%
Black Mountain (South Africa) 100%
Lisheen (Ireland) 59%**
Gamsberg (South Africa) 100%
Skorpion (Namibia) 100%

Mineral sands

Namakwa Sands (South Africa) 100%

Niobium

Catalão (Brazil) 100%

Industrial Minerals

Anglo Industrial Minerals 100%

Aggregates and building materials

Tarmac Group (UK) 100%
Tarmac France (France and Belgium) 100%
Tarmac Central Europe (Germany, Poland and Czech Republic) 100%
Steeley Iberia (Spain) 100%
Tarmac International Holdings (Far East and Middle East) 100%

Phosphate products

Copebrás (Brazil) 73%

Paper and Packaging

Anglo Paper and Packaging 100%

Fibre supply

Forests (South Africa) 100%
SiyaQhubeka Forests (South Africa) 65%
Woodchips (South Africa) 100%
Waste paper (South Africa) 100%

Pulp

Richards Bay (South Africa) 100%
Frantschach (Czech Republic) 70%

Graphic paper

Neusiedler (Austria, Hungary, Slovakia, Russia, Israel) 100%
Merebank (South Africa) 100%
Aylesford Newsprint (UK) 50%
Europapier (Austria) 70%

Packaging

Frantschach Packaging (Europe) 70%
Frantschach Swiecie (Poland) 61%
Mondi Packaging (UK, France, Poland) 100%
Corrugating paper (South Africa) 100%
Mondipak (South Africa) 100%
Cartonboard (South Africa) 100%

Ferrous Metals

Anglo Ferrous Metals 100%

Scaw Metals (worldwide) 100%
Highveld Steel (South Africa) 80%
Samancor (South Africa) 40%
Australian Manganese 40%
Kumba (South Africa) 20%
Zimbabwe Alloys 100%
Columbus Stainless Steel (South Africa) 14%

Industries

Boart Longyear (worldwide) 100%
Tongaat-Hulett (Southern Africa) 53%
Terra (North America) 49%
Amfarms (South Africa) 100%
Hippo Valley Estates (Zimbabwe) 49%

* Interest sold with effect from 10 July 2003.

** Increased to 100% with effect from 18 July 2003.

14
CONSOLIDATED PROFIT AND LOSS ACCOUNT
FOR THE SIX MONTHS ENDED 30 JUNE 2003

US\$ million	Note	6 months ended 30.06.03	6 months ended 30.06.02	Year ended 31.12.02
Group and share of turnover of joint ventures and associates	2	12,076	9,567	20,497
Less: Joint ventures' turnover		(504)	(499)	(1,066)
Associates' turnover		(2,669)	(2,148)	(4,286)
Group turnover – subsidiaries		8,903	6,920	15,145
Operating costs		(7,979)	(5,756)	(12,804)
Group operating profit – subsidiaries		924	1,164	2,341
Share of operating profit of joint ventures		118	98	185
Share of operating profit of associates		492	319	725
Total operating profit	2	1,534	1,581	3,251
Profit on disposal of fixed assets	3	18	29	98
Loss on termination of operations	3	–	(34)	(34)
Profit on ordinary activities before interest		1,552	1,576	3,315
Investment income		93	181	304
Interest payable		(272)	(234)	(483)
Profit on ordinary activities before taxation		1,373	1,523	3,136
Tax on profit on ordinary activities	4	(439)	(508)	(1,045)
Profit on ordinary activities after taxation		934	1,015	2,091
Equity minority interests		(174)	(248)	(528)
Profit for the financial period	5	760	767	1,563
Equity dividends to shareholders – paid and proposed		(212)	(211)	(720)
Retained profit for the financial period		548	556	843
Headline earnings for the financial period	5	856	840	1,759
Basic earnings per share (US\$):				
Profit for the financial period	6	0.54	0.54	1.11
Headline earnings for the financial period	6	0.61	0.60	1.25
Diluted earnings per share (US\$):				
Profit for the financial period	6	0.53	0.54	1.10
Headline earnings for the financial period	6	0.60	0.59	1.23
Dividend per share (US cents):		15.0	15.0	51.0
Basic number of shares outstanding ⁽¹⁾ (million)	6	1,413	1,410	1,411
Diluted number of shares outstanding ⁽¹⁾ (million)	6	1,427	1,430	1,426

⁽¹⁾ Basic and diluted number of shares outstanding represent the weighted average for the period.

All amounts included above relate to continuing operations.

CONSOLIDATED PROFIT AND LOSS ACCOUNT: HEADLINE EARNINGS ANALYSIS FOR THE SIX MONTHS ENDED 30 JUNE 2003

US\$ million	6 months ended 30.06.03	6 months ended 30.06.02	Year ended 31.12.02
Platinum	107	158	351
Gold	82	100	205
Diamonds	248	166	324
Coal	107	142	266
Base Metals	60	37	69
Industrial Minerals	113	89	231
Paper and Packaging	178	153	376
Ferrous Metals	42	41	88
Industries	(1)	9	38
Exploration	(39)	(32)	(77)
Corporate Activities	(41)	(23)	(112)
Headline earnings for the financial period	856	840	1,759

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CONSOLIDATED BALANCE SHEET
AS AT 30 JUNE 2003

US\$ million	As at 30.06.03	As at 30.06.02	As at 31.12.02
Fixed assets			
Intangible assets	2,269	2,096	2,310
Tangible assets	18,977	12,767	16,531
Investments in joint ventures and associates	6,195	5,151	5,663
Other investments	1,858	1,693	1,713
	29,299	21,707	26,217
Current assets			
Stocks	2,224	1,469	1,814
Debtors	3,785	3,416	3,337
Current asset investments	926	1,234	1,143
Cash at bank and in hand	1,196	1,231	1,070
	8,131	7,350	7,364
Short term borrowings	(3,442)	(2,431)	(1,918)
Other current liabilities	(4,218)	(3,661)	(4,329)
	471	1,258	1,117
Net current assets			
Total assets less current liabilities	29,770	22,965	27,334
Long term liabilities:	(5,669)	(4,250)	(5,873)
Convertible debt	(1,086)	(1,082)	(1,084)
Other long term liabilities	(4,583)	(3,168)	(4,789)
Provisions for liabilities and charges	(3,276)	(2,291)	(2,896)
Equity minority interests	(2,454)	(2,014)	(2,304)
	18,371	14,410	16,261
Capital and reserves			
Share capital and premium	1,965	1,943	1,951
Reserves	1,352	1,352	1,352
Profit and loss account	15,054	11,115	12,958
Total shareholders' funds (equity)	18,371	14,410	16,261

The interim financial information was approved by the board of directors on 7 August 2003.

CONSOLIDATED STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES FOR THE SIX MONTHS ENDED 30 JUNE 2003

US\$ million	6 months ended 30.06.03	6 months ended 30.06.02	Year ended 31.12.02
Profit for the financial period	760	767	1,563
Unrealised gain arising on exchange of business	–	–	39
Less: Related overseas current tax charge	–	–	(22)
Currency translation differences on foreign currency net investments	1,579	992	2,531
Less: Related tax charge	(31)	–	–
Total recognised gains for the financial period	2,308	1,759	4,111

COMBINED STATEMENT OF MOVEMENT IN SHAREHOLDERS' FUNDS AND MOVEMENT IN RESERVES FOR THE SIX MONTHS ENDED 30 JUNE 2003

US\$ million	Issued share capital	Share premium account	Merger reserve	Other reserves	Profit and loss account ⁽¹⁾	Total
At 1 January 2003	735	1,216	636	716	12,958	16,261
Profit for the financial period	–	–	–	–	760	760
Dividends proposed	–	–	–	–	(212)	(212)
Shares issued	1	13	–	–	–	14
Currency translation differences	–	–	–	–	1,579	1,579
Less: Related tax charge	–	–	–	–	(31)	(31)
At 30 June 2003	736	1,229	636	716	15,054	18,371

⁽¹⁾ Certain of the Group's subsidiaries operate in South Africa, where significant exchange control restrictions on distributions limit the Group's access to distributable profits and cash balances.

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CONSOLIDATED CASH FLOW STATEMENT
FOR THE SIX MONTHS ENDED 30 JUNE 2003

US\$ million	Note	6 months ended 30.06.03	6 months ended 30.06.02	Year ended 31.12.02
Net cash inflow from operating activities	7	1,286	1,381	3,618
Dividends from joint ventures and associates		203	115	258
Returns on investments and servicing of finance				
Interest received and other financial income		97	175	309
Interest paid		(186)	(141)	(281)
Dividends received from fixed asset investments		14	21	49
Dividends paid to minority shareholders		(228)	(207)	(375)
Net cash outflow from returns on investments and servicing of finance		(303)	(152)	(298)
Taxes paid		(413)	(567)	(722)
Capital expenditure and financial investment				
Payments for fixed assets		(1,172)	(850)	(2,139)
Proceeds from the sale of fixed assets		40	272	313
Exit funding for Konkola Copper Mines (KCM)		–	(95)	(182)
Payments for other investments ⁽¹⁾		(53)	(210)	(351)
Proceeds from the sale of other investments		74	190	217
Net cash outflow for capital expenditure and financial investment		(1,111)	(693)	(2,142)
Acquisitions and disposals				
Acquisition of subsidiaries ⁽²⁾		(386)	(1,024)	(2,911)
Disposal of subsidiaries		2	33	24
Investment in joint ventures		–	(28)	(34)
Investment in associates		(187)	(505)	(613)
Sale of interests in joint ventures and associates		235	51	146
Investment in proportionally consolidated joint arrangements		–	(164)	(13)
Net cash outflow from acquisitions and disposals		(336)	(1,637)	(3,401)
Equity dividends paid to Anglo American shareholders		(511)	(517)	(732)
Cash outflow before use of liquid resources and financing		(1,185)	(2,070)	(3,419)
Management of liquid resources		251	848	1,021
Financing		977	1,448	2,458
Increase in cash in the period	8	43	226	60

⁽¹⁾ Disposal and acquisition of other investments included in fixed assets.

⁽²⁾ Net of cash acquired within subsidiaries of US\$1 million. (2002 interim: US\$51 million, 2002: US\$157 million).

NOTES TO FINANCIAL INFORMATION

1 ACCOUNTING POLICIES

The financial information has been prepared in accordance with generally accepted accounting principles in the UK. The accounting policies applied in preparing the financial information are consistent with those adopted and disclosed in the Group's statutory accounts for the year ended 31 December 2002. The financial information for the year ended 31 December 2002 has been derived from the Group's statutory accounts for that period as filed with the Registrar of Companies. The auditors' report on the statutory accounts for the year ended 31 December 2002 was unqualified and did not contain statements under section 237(2) of the Companies Act 1985 (regarding adequacy of accounting records and returns) or under section 237(3) (regarding provision of necessary information and explanations). The financial information in respect of the six months ended 30 June 2003 is unaudited but has been reviewed by the auditors and their report is set out on page 28. The interim financial information does not constitute statutory accounts as defined under section 240 of the Companies Act 1985.

2 SEGMENTAL INFORMATION

US\$ million	Turnover			Operating profit ⁽¹⁾			Net operating assets ⁽²⁾		
	6 months ended 30.06.03	6 months ended 30.06.02	Year ended 31.12.02	6 months ended 30.06.03	6 months ended 30.06.02	Year ended 31.12.02	6 months ended 30.06.03	6 months ended 30.06.02	Year ended 31.12.02
By business segment									
Platinum	935	912	2,004	204	389	802	4,803	2,623	3,580
Gold	982	779	1,769	180	197	463	2,675	2,018	2,511
Diamonds	1,559	1,503	2,746	378	242	541	–	–	–
Coal	868	826	1,710	172	232	427	1,904	1,680	1,658
Base Metals	973	663	1,378	98	127	82	3,933	1,939	3,617
Industrial Minerals	1,645	1,361	2,912	136	113	277	3,978	3,532	3,848
Paper and Packaging	2,937	2,189	4,805	357	291	649	4,374	3,474	3,897
Ferrous Metals	929	517	1,250	74	66	150	530	361	461
Industries	1,064	817	1,757	30	52	114	1,508	1,006	1,235
Exploration	–	–	–	(50)	(40)	(93)	–	–	–
Corporate Activities	184	–	166	(45)	(88)	(161)	307	440	315
	12,076	9,567	20,497	1,534	1,581	3,251	24,012	17,073	21,122
By geographical segment (by origin)									
South Africa	3,768	3,285	6,943	548	864	1,790	9,841	6,213	7,712
Rest of Africa	1,187	1,400	1,979	299	262	439	666	356	555
Europe	4,789	3,149	7,676	409	210	583	7,408	6,388	7,001
North America	614	496	1,174	(33)	(18)	(19)	997	998	934
South America	1,043	672	1,459	220	189	320	3,118	1,380	3,196
Australia and Asia	675	565	1,266	91	74	138	1,982	1,738	1,724
	12,076	9,567	20,497	1,534	1,581	3,251	24,012	17,073	21,122

⁽¹⁾ Operating profit is stated after deducting the operating exceptional items set out on the following page, and as disclosed in note 3.

⁽²⁾ Net operating assets consist of tangible assets (\$18,977 million), intangible assets (\$2,269 million), stocks (\$2,224 million) and operating debtors (\$3,072 million) less non-interest bearing current liabilities (\$2,530 million).

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NOTES TO FINANCIAL INFORMATION
CONTINUED

2 SEGMENTAL INFORMATION continued

US\$ million	6 months ended 30.06.03	6 months ended 30.06.02	Year ended 31.12.02
Operating profit before operating exceptional items	1,546	1,565	3,332
Group subsidiaries:			
Gold	(12)	–	–
Base Metals	–	46	(17)
Corporate Activities	–	(30)	(30)
Joint ventures – Base Metals	–	–	(34)
Operating profit after operating exceptional items	1,534	1,581	3,251

3 EXCEPTIONAL ITEMS

US\$ million	6 months ended 30.06.03	6 months ended 30.06.02	Year ended 31.12.02
Operating exceptional items			
Write-down of exploration assets	(12)	–	–
Disposal of Salobo Metais SA – reversal of previous impairment	–	46	46
Write-down of investments	–	(30)	(30)
Other impairments or write-downs of assets	–	–	(97)
Total operating exceptional items	(12)	16	(81)
Exceptional finance charge			
Share of associate's charge on early settlement of debt	(13)	–	–
Total exceptional finance charge	(13)	–	–
Non-operating exceptional items			
Disposal of Anglovaal Mining Limited	(13)	–	–
Disposal of Tati Nickel Mining Company (Pty) Limited	–	–	53
Disposal of Salobo Metais SA	–	5	5
Further disposal of interest in FirstRand Limited	–	7	7
Disposal of other fixed assets	17	(2)	14
Share of associates' exceptional items	14	19	19
Profit on disposal of fixed assets	18	29	98
KCM exit costs	–	(34)	(34)
Total non-operating exceptional items	18	(5)	64
Total exceptional items (pre-tax and minority interests)	(7)	11	(17)
Taxation	7	(8)	(3)
Minority interests	(2)	2	–
Total exceptional items (net of tax and minority interests)	(2)	5	(20)

4 TAX ON PROFIT ON ORDINARY ACTIVITIES

US\$ million	6 months ended 30.06.03	6 months ended 30.06.02	Year ended 31.12.02
United Kingdom corporation tax at 30%	–	–	(4)
South Africa corporation tax at 30%	47	219	435
Other overseas taxation	140	106	187
Share of joint ventures' taxation	12	11	43
Share of associates' taxation	151	79	221
Deferred taxation – subsidiaries	96	85	160
Tax (credit)/charge on exceptional items	(7)	8	3
	439	508	1,045

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NOTES TO FINANCIAL INFORMATION
CONTINUED

5 PROFIT FOR THE FINANCIAL PERIOD

The table below analyses the contribution of each business segment to the Group's headline earnings.

US\$ million	Operating profit	Operating exceptional items	Non-operating exceptional items	Goodwill amortisation
By business segment				
Platinum	204	–	–	8
Gold	180	12	–	20
Diamonds	378	–	–	15
Coal	172	–	–	4
Base Metals	98	–	–	–
Industrial Minerals	136	–	–	26
Paper and Packaging	357	–	–	9
Ferrous Metals	74	–	–	3
Industries	30	–	–	2
Exploration	(50)	–	–	–
Corporate Activities	(45)	–	–	11
Headline earnings for the financial period	1,534	12	–	98
Headline earnings adjustments	–	(12)	18	(98)
Profit for the financial period	1,534	–	18	–

US\$ million	Operating profit	Operating exceptional items	Non-operating exceptional items	Goodwill amortisation
By business segment				
Platinum	389	–	–	7
Gold	197	–	–	18
Diamonds	242	–	–	14
Coal	232	–	–	5
Base Metals	127	(46)	–	1
Industrial Minerals	113	–	–	22
Paper and Packaging	291	–	–	6
Ferrous Metals	66	–	–	1
Industries	52	–	–	1
Exploration	(40)	–	–	(1)
Corporate Activities	(88)	30	–	8
Headline earnings for the financial period	1,581	(16)	–	82
Headline earnings adjustments	–	16	(5)	(82)
Profit for the financial period	1,581	–	(5)	–

6 months ended 30.06.03

Profit before interest	Interest income	Dividend income	Other financial income	Interest expense	Net investment income	Tax	Equity minority interests	Profit for the financial period
212	9	–	20	(11)	18	(71)	(52)	107
212	19	–	32	(19)	32	(80)	(82)	82
393	5	–	–	(33)	(28)	(112)	(5)	248
176	5	1	(23)	(4)	(21)	(48)	–	107
98	2	–	(4)	(20)	(22)	(14)	(2)	60
162	3	1	(2)	(7)	(5)	(38)	(6)	113
366	14	2	(11)	(62)	(57)	(92)	(39)	178
77	3	1	2	(18)	(12)	(23)	–	42
32	3	4	(8)	(26)	(27)	(6)	–	(1)
(50)	–	–	(1)	–	(1)	–	12	(39)
(34)	11	6	(1)	(59)	(43)	38	(2)	(41)
1,644	74	15	4	(259)	(166)	(446)	(176)	856
(92)	–	–	–	(13)	(13)	7	2	(96)
1,552	74	15	4	(272)	(179)	(439)	(174)	760

6 months ended 30.06.02

Profit before interest	Interest income	Dividend income	Other financial income	Interest expense	Net investment income	Tax	Equity minority interests	Profit for the financial period
396	12	–	–	(3)	9	(143)	(104)	158
215	21	–	64	(23)	62	(80)	(97)	100
256	7	–	17	(49)	(25)	(62)	(3)	166
237	4	1	(31)	(3)	(29)	(66)	–	142
82	8	–	(1)	(29)	(22)	(22)	(1)	37
135	2	–	–	–	2	(42)	(6)	89
297	5	5	(2)	(44)	(36)	(76)	(32)	153
67	7	–	2	(9)	–	(20)	(6)	41
53	1	1	(1)	(23)	(22)	(8)	(14)	9
(41)	–	–	–	–	–	–	9	(32)
(50)	52	15	(8)	(51)	8	19	–	(23)
1,647	119	22	40	(234)	(53)	(500)	(254)	840
(71)	–	–	–	–	–	(8)	6	(73)
1,576	119	22	40	(234)	(53)	(508)	(248)	767

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NOTES TO FINANCIAL INFORMATION
CONTINUED

5 PROFIT FOR THE FINANCIAL PERIOD continued

US\$ million	Operating profit	Operating exceptional items	Non-operating exceptional items	Goodwill amortisation
By business segment				
Platinum	802	–	–	17
Gold	463	–	–	39
Diamonds	541	–	–	29
Coal	427	–	–	7
Base Metals	82	51	–	1
Industrial Minerals	277	–	–	46
Paper and Packaging	649	–	–	15
Ferrous Metals	150	–	–	5
Industries	114	–	–	3
Exploration	(93)	–	–	–
Corporate Activities	(161)	30	–	27
Headline earnings for the financial year	3,251	81	–	189
Headline earnings adjustments	–	(81)	64	(189)
Profit for the financial year	3,251	–	64	–

Year ended 31.12.02

Profit before interest	Interest income	Dividend income	Other financial income	Interest expense	Net investment income	Tax	Equity minority interests	Profit for the financial year
819	17	—	—	(5)	12	(265)	(215)	351
502	39	—	75	(47)	67	(157)	(207)	205
570	16	—	—	(95)	(79)	(159)	(8)	324
434	8	1	(65)	(5)	(61)	(107)	—	266
134	4	—	(2)	(43)	(41)	(22)	(2)	69
323	6	—	7	(3)	10	(86)	(16)	231
664	12	9	18	(84)	(45)	(173)	(70)	376
155	16	3	2	(23)	(2)	(53)	(12)	88
117	32	9	(17)	(66)	(42)	(10)	(27)	38
(93)	—	—	(1)	—	(1)	—	17	(77)
(104)	95	28	(8)	(112)	3	(10)	(1)	(112)
3,521	245	50	9	(483)	(179)	(1,042)	(541)	1,759
(206)	—	—	—	—	—	(3)	13	(196)
3,315	245	50	9	(483)	(179)	(1,045)	(528)	1,563

26
NOTES TO FINANCIAL INFORMATION
CONTINUED

6 EARNINGS PER SHARE

	6 months ended 30.06.03	6 months ended 30.06.02	Year ended 31.12.02
Basic number of ordinary shares outstanding (million)	1,413	1,410	1,411
Ordinary shares issuable under employee share schemes (million)	14	20	15
Diluted number of ordinary shares outstanding (million)	1,427	1,430	1,426
Profit for the financial period:			
Basic earnings per share (US\$)	0.54	0.54	1.11
Diluted earnings per share (US\$)	0.53	0.54	1.10
Headline earnings for the financial period:			
Basic earnings per share (US\$)	0.61	0.60	1.25
Diluted earnings per share (US\$)	0.60	0.59	1.23

Basic and diluted number of shares outstanding represent the weighted average for the period.

Diluted earnings per share is calculated by adjusting the weighted average number of ordinary shares in issue on the assumption of conversion of all dilutive potential ordinary shares. The only category of dilutive potential ordinary shares is shares issuable under employee share schemes granted where the exercise price is less than the average price of the Company's ordinary shares during the period.

Basic and diluted earnings per share are also shown based on headline earnings, which the directors believe to be a useful additional measure of the Group's past performance. Headline earnings per share are calculated in accordance with the definition issued by the Institute of Investment Management and Research (now Society of Investment Professionals), in Statement of Investment Practice No. 1, The Definition of Headline Earnings.

	Earnings (US\$ million)			Basic earnings per share (US\$)		
	6 months ended 30.06.03	6 months ended 30.06.02	Year ended 31.12.02	6 months ended 30.06.03	6 months ended 30.06.02	Year ended 31.12.02
Profit for the financial period	760	767	1,563	0.54	0.54	1.11
Operating exceptional items	12	(16)	81	0.01	(0.01)	0.06
Exceptional finance charge	13	–	–	0.01	–	–
Non-operating exceptional items	(18)	5	(64)	(0.01)	–	(0.05)
Amortisation of goodwill:						
Subsidiaries	75	63	139	0.05	0.04	0.10
Joint ventures and associates	23	19	50	0.02	0.02	0.04
Related tax and minority interests:						
Exceptional items	(5)	6	3	(0.01)	0.01	–
Goodwill amortisation	(4)	(4)	(13)	–	–	(0.01)
Headline earnings for the financial period	856	840	1,759	0.61	0.60	1.25

7 RECONCILIATION OF GROUP OPERATING PROFIT TO NET CASH INFLOW FROM OPERATING ACTIVITIES

US\$ million	6 months ended 30.06.03	6 months ended 30.06.02	Year ended 31.12.02
Group operating profit – subsidiaries	924	1,164	2,341
Depreciation and amortisation charges	708	501	1,101
Increase in stocks	(246)	(12)	(117)
(Increase)/decrease in debtors	(222)	(299)	67
Increase in creditors	93	21	48
Provisions and impairments	32	–	162
Other items	(3)	6	16
Net cash inflow from operating activities	1,286	1,381	3,618

8 RECONCILIATION OF NET CASH FLOW TO MOVEMENT IN NET DEBT

US\$ million	6 months ended 30.06.03	6 months ended 30.06.02	Year ended 31.12.02
Increase in cash in the period	43	226	60
Cash inflow from debt financing	(1,038)	(1,593)	(2,418)
Cash inflow from management of liquid resources	(251)	(848)	(1,021)
Change in net debt arising from cash flows	(1,246)	(2,215)	(3,379)
Loans and current asset investments acquired with subsidiaries	(70)	(72)	(212)
Loans and current asset investments disposed with subsidiaries	3	1	4
Cessation of consolidation of KCM ⁽¹⁾	–	148	148
Exchange adjustments	(98)	(60)	(121)
Movement in net debt	(1,411)	(2,198)	(3,560)
Net debt at start of the period	(5,578)	(2,018)	(2,018)
Net debt at end of the period	(6,989)	(4,216)	(5,578)

⁽¹⁾ KCM ceased to be consolidated with effect from February 2002.

9 MOVEMENT IN NET DEBT

US\$ million	As at 31.12.02	Cash flow	Acquisitions excluding cash and overdrafts	Disposals excluding cash and overdrafts	Exchange movements	Overdrafts included in debt	Other non-cash movements	As at 30.06.03
Cash at bank and in hand	1,040 ⁽¹⁾	43	–	–	81	32	–	1,196
Debt due after one year	(5,873)	(95)	–	1	(148)	–	446	(5,669)
Debt due within one year	(1,888)	(943)	(73)	2	(62)	(32)	(446)	(3,442)
	(7,761)	(1,038)	(73)	3	(210)	(32)	–	(9,111)
Current asset investments	1,143	(251)	3	–	31	–	–	926
	(5,578)	(1,246)	(70)	3	(98)	–	–	(6,989)

⁽¹⁾ Net of bank overdrafts.

INTRODUCTION

We have been instructed by the Company to review the financial information for the six months ended 30 June 2003 which comprises the consolidated profit and loss account, consolidated profit and loss account: headline earnings analysis, consolidated balance sheet, consolidated statement of total recognised gains and losses, combined statement of movement in shareholders' funds and movement in reserves, consolidated cash flow statement and the related notes 1 to 9. We have read the other information contained in the interim report and considered whether it contains any apparent misstatements or material inconsistencies with the financial information.

This report is made solely to the Company in accordance with Bulletin 1999/4 issued by the Auditing Practices Board. Our work has been undertaken so that we might state to the Company those matters we are required to state to them in an independent review report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company, for our review work, for this report, or for the conclusions we have formed.

DIRECTORS' RESPONSIBILITIES

The interim report, including the financial information contained therein, is the responsibility of, and has been approved by, the directors. The directors are responsible for preparing the interim report in accordance with the Listing Rules of the Financial Services Authority, which require that the accounting policies and presentation applied to the interim figures should be consistent with those applied in preparing the preceding annual accounts except where any changes, and the reasons for them, are disclosed.

REVIEW WORK PERFORMED

We conducted our review in accordance with the guidance contained in Bulletin 1999/4 issued by the Auditing Practices Board for use in the United Kingdom. A review consists principally of making enquiries of group management and applying analytical procedures to the financial information and underlying financial data, and based thereon, assessing whether the accounting policies and presentation have been consistently applied unless otherwise disclosed. A review excludes audit procedures such as tests of controls and verification of assets, liabilities and transactions. It is substantially less in scope than an audit performed in accordance with United Kingdom Auditing Standards and therefore provides a lower level of assurance than an audit. Accordingly, we do not express an audit opinion on the financial information.

REVIEW CONCLUSION

On the basis of our review we are not aware of any material modifications that should be made to the financial information as presented for the six months ended 30 June 2003.

Deloitte & Touche

Chartered Accountants
London
United Kingdom

7 August 2003

NOTICE OF INTERIM DIVIDEND

Notice is hereby given that an interim dividend on the Company's ordinary share capital in respect of the year to 31 December 2003 will be payable as follows:

Amount (United States currency)	15 cents per ordinary share (see notes)
Currency conversion date	Tuesday 5 August 2003
Last day to trade on the JSE Securities Exchange, South Africa (JSE) to qualify for the dividend	Friday 15 August 2003
Ex-dividend on the JSE from the commencement of trading on	Monday 18 August 2003
Ex-dividend on the London Stock Exchange from the commencement of trading on	Wednesday 20 August 2003
Record date (applicable to both the United Kingdom principal register and South African branch register)	Friday 22 August 2003
Last date for receipt of Dividend Reinvestment Plan ('DRIP') Mandate Forms by Computershare or Central Securities Depository Participants ('CSDPs')	Friday 22 August 2003
Dividend warrants posted	Friday 12 September 2003
Payment date of dividend	Monday 15 September 2003

NOTES:

- Shareholders on the United Kingdom register of members with an address in the United Kingdom will be paid in pounds sterling, and those shareholders with an address in European countries which have adopted the euro will be paid in that currency. Such shareholders may, however, elect to be paid in US dollars, provided all such elections are received by the United Kingdom Registrar by Friday 22 August 2003. Shareholders with addresses elsewhere (except South Africa) will be paid in United States dollars. The equivalent of the dividend in sterling will be 9.29775 pence per ordinary share based on an exchange rate of \$1 = £0.61985. The equivalent in euros will be 13.21005 euro cents per ordinary share based on an exchange rate of \$1 = €0.88067.
- Shareholders on the South African branch register will be paid in South African rand, at R1.12238 per ordinary share based on an exchange rate of \$1 = R7.48250.
- Dematerialisation and rematerialisation of registered share certificates in South Africa will not be effected by CSDPs during the period Friday 15 August to Friday 22 August 2003 (both days inclusive).
- Share certificates/CREST Notifications are expected to be mailed and CSDP investor accounts credited in respect of shares purchased in terms of the DRIP on 30 September 2003, subject to the acquisition of shares in the open market.
- Copies of the terms and conditions of the DRIP are available from the Company's Registrar or the Registrar's Agent in South Africa.

30 PRODUCTION STATISTICS

	6 months ended 30.06.03	6 months ended 30.06.02	Year ended 31.12.02
Anglo Platinum (troy ounces)			
Platinum	933,300	1,064,500	2,294,300
Palladium	479,200	526,000	1,136,500
Rhodium	100,200	84,300	215,900
Nickel (tonnes)	10,300	9,400	19,700
AngloGold (gold in troy ounces)			
South Africa	1,612,000	1,687,000	3,412,000
North and South America	513,000	415,000	940,000
Australia and Asia	226,000	251,000	502,000
Rest of the World	485,000	450,000	1,085,000
	2,836,000	2,803,000	5,939,000
Gold Fields (gold in troy ounces)			
Gold ⁽¹⁾	441,800	–	464,600
Anglo Coal (tonnes)			
South Africa			
Eskom	14,911,000	13,442,000	28,649,000
Trade	10,008,000	9,467,000	19,570,000
Australia			
	13,120,000	12,198,000	25,020,000
South America			
	4,294,000	3,297,000	6,937,000
	42,333,000	38,404,000	80,176,000
Anglo Base Metals			
Copper (tonnes)			
Collahuasi	90,400	95,900	190,800
Mantos Blancos	71,600	78,600	153,500
Disputada ⁽²⁾	131,300	–	39,000
Hudson Bay	43,800	42,700	83,400
Other	12,900	15,300	30,800
	350,000	232,500	497,500
Nickel (tonnes)			
Loma de Níquel	8,200	7,500	15,500
Codemin	3,200	2,900	6,000
Tati	–	1,500	2,800
Other	600	2,500	1,300
	12,000	14,400	25,600
Zinc (tonnes)			
Hudson Bay	60,200	47,400	108,100
Black Mountain	12,100	13,500	27,600
Skorpion ⁽³⁾	6,700	–	–
Lisheen ⁽⁴⁾	80,500	37,900	75,700
	159,500	98,800	211,400

The figures above include the entire output of consolidated entities and the Group's share of joint ventures and associates where applicable.

	6 months ended 30.06.03	6 months ended 30.06.02	Year ended 31.12.02
Lead (tonnes)			
Black Mountain	22,500	20,000	45,300
Lisheen ⁽⁴⁾	10,500	5,400	11,000
	33,000	25,400	56,300
Mineral sands (tonnes)			
Slag tapped	73,800	73,700	162,700
Pig iron	38,900	43,900	94,600
Zircon	53,200	58,100	112,400
Rutile	11,500	13,600	26,000
Niobium (tonnes)			
Catalão	1,700	1,700	3,300
Anglo Industrial Minerals (tonnes)			
Aggregates	32,192,000	30,522,000	63,928,400
Lime products	443,000	439,000	871,000
Concrete (m ³)	4,038,100	3,289,900	6,955,700
Sodium tripolyphosphate	37,400	48,900	88,200
Phosphates	407,400	322,400	734,600
Anglo Paper and Packaging (tonnes)			
South Africa			
Pulp	200,900	163,300	320,160
Graphic papers	272,700	264,300	518,200
Packaging papers	319,800	299,500	572,900
Corrugated board (000 m ²)	144,300	147,200	300,050
Lumber (m ³)	31,000	60,900	126,500
Wood chips (green metric tonnes)	1,152,600	813,200	1,647,700
Mining timber	77,600	67,600	143,100
Europe			
Pulp	86,300	92,700	181,800
Graphic papers	833,160	630,970	1,475,700
Packaging papers	848,400	769,200	1,506,800
Corrugated board (000 m ²)	762,300	447,500	1,121,100
Paper sacks (000 units)	1,596,200	1,461,600	2,963,790
Anglo Ferrous Metals (tonnes)			
Chrome ore	560,000	485,000	1,055,588
Vanadium slag	37,100	36,700	68,100
Chrome alloys	190,100	145,200	310,900
Manganese ore (mtu m)	37	31	62
Manganese alloys	169,800	150,000	306,100
Steel (billets)	647,700	675,800	1,348,000
Iron ore	2,914,500	377,800	916,000

The figures above include the entire output of consolidated entities and the Group's share of joint ventures and associates where applicable.

(1) Share in Gold Fields was equity accounted with effect from 1 July 2002.

(2) Results to December 2002 represent 49 days of operations since date of acquisition of Compañía Minera Disputada de Las Condes Limitada.

(3) Skorpion commenced production in May 2003.

(4) Lisheen's production to June 2003 represents 100% share following the recent restructuring.

US dollar exchange rates

	6 months ended 30.06.03	6 months ended 30.06.02	Year ended 31.12.02
Average spot prices for the period			
South African rand	8.03	10.99	10.48
Sterling	0.62	0.69	0.67
Euro	0.90	1.11	1.06
Australian dollar	1.62	1.89	1.84
Period end spot prices			
South African rand	7.48	10.37	8.58
Sterling	0.61	0.65	0.62
Euro	0.87	1.01	0.95
Australian dollar	1.49	1.77	1.79

Commodity prices

Average market prices for the period	6 months ended 30.06.03	6 months ended 30.06.02	Year ended 31.12.02
Gold – US\$/oz	349	302	310
Platinum – US\$/oz	654	515	541
Palladium – US\$/oz	207	370	336
Rhodium – US\$/oz	557	952	838
Copper – US cents/lb	75	72	71
Nickel – US cents/lb	379	298	307
Zinc – US cents/lb	35	36	35
Lead – US cents/lb	21	22	21
European eucalyptus pulp price (CIF) – US\$/tonne	480	427	452

Anglo American's website

www.angloamerican.co.uk

Anglo American plc

Registered and Head Office:

20 Carlton House Terrace,

London SW1Y 5AN, UK

Telephone: +44 (0) 20 7698 8888

Fax: +44 (0) 20 7698 8500

Incorporated in England and Wales –

Registered Number 3564138

Auditors

Deloitte & Touche

London, UK

UK Registrar

Computershare Investor Services PLC

PO Box 82, The Pavilions,

Bridgwater Road, Bristol BS99 7NH, UK

Telephone: +44 (0) 870 702 0000

Fax: +44 (0) 870 703 6101

E-mail: web.queries@computershare.co.uk

Website: www.computershare.com

Registrar's Agent (South Africa)

Computershare Limited

70 Marshall Street, Johannesburg 2001,

South Africa

(PO Box 61051, Marshalltown 2107)

Telephone: +27 (0) 11 370 7700

Fax: +27 (0) 11 688 7725

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Designed and produced by Fitch:London
Printed by CTD Capita

