ANGLO AMERICAN

News Release

8 February 2008

Anglo American plc notification: De Beers Société Anonyme results 2007

De Beers Société Anonyme ("DBSA") today reported underlying earnings for the year ended 31 December 2007 of US$483 million.

Anglo American plc ("AA plc") arrives at its underlying earnings in respect of De Beers by accounting for the interests arising from the ordinary shares and the 10% preference shares it holds. AA plc will therefore report underlying earnings of US$239 million for the year ended 31 December 2007 from its investment in De Beers, as reconciled in the table below:

US$ million	**Year ended 31.12.2007**
• De Beers underlying earnings (100%)	483
• Difference in IAS 19 accounting policy	13
• De Beers underlying earnings – AA plc basis (100%)	496
• AA plc's 45% ordinary share interest	223
• Income from preference shares	16
• AA plc underlying earnings	239

In the year ended 31 December 2007, AA plc received a total of US$59 million in distributions from De Beers, consisting of a US$23 million final dividend on ordinary shares relating to FY 2006, a US$18m interim dividend on ordinary shares relating to FY 2007, US$9 million dividends representing the second payment on preference shares for 2006 and a further interim dividend of US$9 million on preference shares for 2007.

On 31 December 2007, DBSA redeemed 25% of the preference shares in issue, taking the total redemption to 81% of the original issue, and on that date AA plc received US$44 million, representing 6% of its original US$701 million preference share interest. AA plc now holds US$131 million of preference shares in DBSA.

Underlying Earnings

Underlying Earnings is net profit attributable to equity shareholders, adjusted for the effect of special items and remeasurements, and any related tax and minority interests. Special items are those items of financial performance which are material by nature or amount and should therefore be separately presented. These principally relate to impairment and significant closure costs, exceptional legal provisions and profit or loss on disposals. Remeasurements include (i) adjustments to ensure that the unrealised gains or losses on non-hedge derivative instruments are recorded in underlying earnings in the same period as the underlying transaction against which these instruments provide an economic, but not formally designated, hedge and (ii) foreign currency gains and losses arising on the retranslation of dollar denominated De Beers preference shares held by a rand functional currency subsidiary of the Group.

The above figures are unaudited.

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DE BEERS
A DIAMOND IS FOREVER

De Beers Société Anonyme
(Incorporated under the laws of Luxembourg)

Friday, 8 February 2008

RESULTS
FOR THE YEAR ENDED 31 DECEMBER 2007

DIRECTORS' COMMENT

As underlying earnings rise, De Beers shapes its future

Underlying earnings increased 14 percent to US$483 million (2006 US$425 million) while EBITDA remained steady as effective cost management at the Group's African mining operations offset the impact of slightly lower sales which were constrained by supply to the Diamond Trading Company (DTC).

Reflecting strong confidence in the long-term fundamentals of the diamond market, the Group invested US$1.12 billion in expansion capital during the year, principally for construction at the Snap Lake and Victor mines in Canada, the Voorspoed mine and SASA offshore mining vessel in South Africa.

Financial Summary – Full year US Dollar millions			
	2007	**2006**	**% Change**
Total sales	**6 836**	7 030	(3)
Underlying earnings	**483**	425	+14
EBITDA	**1 216**	1 232	(1)
Cash available from operating activities	**844**	809	+4
Capital expenditure – expansion	**1 120**	949	+18

2007 Production

- In 2007, De Beers produced 51.1 million carats, maintaining the record production achieved in 2006.
- Debswana, the joint venture between De Beers and the Government of Botswana, remains the Group's major producer contributing 33.6 million carats.
- In South Africa, De Beers Consolidated Mines (DBCM) increased production to 15 million carats, mainly due to improvements made to the diamond recovery process at Venetia mine where carats recovered increased by nine percent.
- Production from off-shore operations in Namibia increased, resulting in Namdeb, the joint venture with the Namibian Government, increasing production by four percent to 2.2 million carats.

Future Production Prospects

The Group has the following projects in the pipeline and an extensive exploration programme:

- Snap Lake in Canada's Northwest Territories started production in late 2007. The mine is currently being commissioned with the achievement of full production expected in 2008. It will then be expected to produce approximately 1.6 million carats annually.
- By mid-2008, Canada's Victor mine is planned to commence production and once fully commissioned, it will produce 600,000 carats of high quality diamonds per year.
- In mid-2007, the mining vessel "*Peace in Africa*" began operations off the South African Atlantic coastline. It is expected to produce approximately 0.2 million carats per annum.
- The Voorspoed mine in the Free State in South Africa is scheduled to commence production in Q4 2008. Voorspoed is expected to produce 0.7 million carats annually.
- Boteti Exploration Company, the joint venture between De Beers, African Diamonds Plc and Wati Ventures, has filed for a mining licence for AK06, a kimberlite in the Orapa region of Botswana. AK06 has an estimated reserve of 11.1 million carats.

- The advanced exploration project at Gahcho Kue, in Canada's Northwest Territories, also moved forward, completing successful winter and summer drill programmes, and has commenced the environmental permitting process.
- During 2007 De Beers committed US$126 million to an extensive exploration programme with significant investment in the Democratic Republic of Congo (DRC) and early and advanced programmes in place, particularly in Angola, Botswana and South Africa. In the DRC and Angola, in particular, the team is focusing on optimising ground holdings in order to move projects into advanced stages as quickly as possible. De Beers identified 45 new kimberlites in 2007, and our 2008 drilling and evaluation programme will focus on these high potential targets.
- In 2008, the Group aims to maintain production capacity at 2007 levels with new production of over 1.5 million carats from the Group's Canadian mines offsetting the impact of the sale of the Group's operations at Cullinan and Kimberley in South Africa.
- DBCM was informed by the South African Department of Minerals and Energy (DME) that it has granted a New Order Mining Right in respect of the Venetia mine on 4 February 2008, to be executed in March. DBCM has already been granted New Order Mining Rights for Voorspoed and Cullinan and conversions for Namaqualand, Kimberley and Finsch mines are being processed by the DME.

Demand

- Demand for rough diamonds from the Diamond Trading Company (DTC) remained healthy throughout the year. Following the weakening in the rough diamond market towards the end of 2006, which led to downward price adjustments, improving market conditions allowed prices to be increased from Q2 2007 onwards.
- Consumer sales of diamond jewellery are likely to have increased by around three percent for the year as a whole. Strong sales growth in China, India and the Middle East were in part offset by a disappointing Christmas season in the US market as American consumers reined in spending amid financial concerns and a worsening economic environment.

Business Restructuring

- De Beers sold its 50 percent stake in Gope Exploration Company (Pty) Ltd to the Gem Diamond Mining Company Ltd for US$17 million.
- The Koffiefontein mine in South Africa was sold to Petra Diamonds Ltd (Petra) in July 2007 for ZAR82 million (US$12 million). Petra also reached agreement with De Beers to purchase the Kimberley Underground Mines.
- In November agreement was reached to sell Cullinan Diamond mine as a going concern to a Petra led BEE consortium with foreign investors for ZAR1.03 billion (US$150 million). In December, DBCM was granted the conversion of the old order mining right for Cullinan and it is expected that the sale will be completed by mid-2008.
- With the significant increase in the values of the Canadian Dollar vs the US Dollar, fuel, labour and capital costs due to construction challenges at Snap Lake, the directors believe that it is prudent to make an impairment against the value of the Group's Canadian assets of US$965 million. The highly experienced Canadian management team is focusing on improving the long-term economics of these operations given the impact of the continuing strength of the Canadian Dollar.
- Namibia Diamond Trading Company (NDTC) and Diamond Trading Company Botswana (DTCB) have been established. The new entities, both 50/50 joint ventures with their respective Governments, will sort and value local diamond production and perform local sales and marketing activities in support of local value addition and the development of sustainable downstream diamond industries in Namibia and Botswana. They will support a total of 27 companies who will purchase diamonds for manufacturing in Botswana and Namibia, resulting in the shift of some De Beers activities from London to southern Africa.
- With the establishment of the State Diamond Trader (SDT) in South Africa, De Beers has made its management, technical expertise and assets available to the DME for three years to facilitate the start up of the SDT. De Beers, like all other South African diamond producers, will be selling up to 10 percent of its production to the SDT.

Investing in independently managed businesses

- During 2007 our independently managed retail joint venture with Louis Vuitton Moet Hennesey (LVMH), De Beers Diamond Jewellers (DBDJ), developed strongly with a 44 percent growth in sales through the wholly-owned retail network and the establishment of new franchise agreements. Eight new stores were opened in 2007 in the US, Japan, Dubai and Korea, bringing the total to 23 stores worldwide. 2008 will see further expansion including among others, new stores in the US, Hong Kong, Russia, the Middle East and a flagship in Tokyo.

- In 2007, Element Six further enhanced its hard material portfolio by successfully completing the acquisition of Barat Carbide in Germany. With this step Element Six acquired significant materials competence in carbide as well as market channels and application know-how in mining, road construction and wear parts. With sales of well above US$100 million, Barat Carbide is a significant addition to the Element Six group resulting in total sales for 2008 of over US$500 million for the combined entities.

Regulatory Compliance

- In the US, preliminary agreement was reached in March 2006 with all of the plaintiffs, which resolved all outstanding class actions in the USA and settlement funds were paid into an escrow account pending conclusion of the settlement process. The matter is proceeding according to the timetable of the Court and De Beers anticipates that a Fairness Hearing will take place during the first half of 2008.

- The Court of First Instance in Luxembourg announced in July 2007 that it had annulled the European Commission's decision to accept commitments offered by De Beers to cease all purchase of rough diamonds from Alrosa from 1 January 2009. De Beers will continue to purchase goods from Alrosa, up to the agreed levels and within the proposed timeframe set out in prior commitments

- The De Beers Report to Stakeholders published details of the Group's performance against a wide range of issues identified by relevant stakeholders covering economics, ethics, employees, communities, and the environment. The Report was given an A+ rating from the GRI (Global Reporting Initiative) and received a prestigious award in the ACCA South Africa Sustainability Reporting Awards. In addition, the United Nations Global Compact (UNGP) found De Beers' Communication on Progress to be of 'outstanding' quality, a further demonstration that De Beers has achieved the highest level of reporting and transparency.

Board Changes

- Julian Ogilvie Thompson and Robin Crawford retired at the end of the February De Beers sa board meeting. We are extremely grateful for their enormous contribution to De Beers over a combined board service period of some 60 years. They will be replaced by Barend Petersen, a director of DBCM and Ponahalo, who will become a member of the Audit and ECoHS committees, and James Teeger, CEO of E Oppenheimer and Son, who will also join the Audit Committee .

Outlook

The outlook for 2008 is tempered by a high level of uncertainty over world market conditions. The economic conditions in the US could continue to impact consumer diamond jewellery sales through the first half particularly at the lower end. Nevertheless, we expect strong demand from China, India and the Middle East to sustain pricing for larger and better quality diamonds.

On production, while the Group has budgeted to produce at similar levels to 2007, energy issues in southern Africa could present operational challenges. Southern African management are focused firstly on accelerating the ongoing energy conservation programmes against which DBCM has been making good progress toward a target of a 15 percent reduction by 2012. In addition, management is putting in place contingency plans that will make the most effective use of the available energy between the different operations. Early indications are that even if the power supply is maintained at 90% levels there will be an impact on the overall group. However below this level the impact on production will be significant and could be in excess of 10 percent. The De Beers Canada management team is fully focused on bringing the two new mines into full production in 2008 and towards making a positive contribution to the Group's cash flow. At the same time, current exchange rates necessitate continued management focus on improving economic returns, including mine planning, overhead costs, diamond pricing, and exploiting additional kimberlites around Victor.

For the Group, this environment will require a continued focus on cost containment on the mines and cost reduction, in general.

Looking beyond 2008, the Group is confident about the diamond market fundamentals. With strong growth in the emerging markets of China, India and Russia, demand growth should exceed growth in new supply with the opportunity for future price growth. In this environment, De Beers continues to focus on transforming itself to ensure it remains the leading company in an increasingly competitive diamond industry. With a market share of around 40 percent, the strategy is focused on finding and developing the new mines of the future, assisting our Government partners in achieving their aspirations for local value addition, finding new efficient ways to operate the global Group and developing innovative marketing initiatives such as De Beers Diamond Jewellers and the FOREVERMARK, to drive demand and create new revenue streams.

De Beers announces results as follows:

De Beers Société Anonyme

Consolidated Income Statement
for the year ended 31 December 2007

(Abridged)

	US Dollar millions	
	Year to 31 December 2007	Year to 31 December 2006
Diamond sales (Note 1)	**6 422**	6 626
Non diamond sales	**414**	404
Total sales	**6 836**	7 030
Cost of sales	**5 461**	5 598
Gross profit	**1 375**	1 432
Deduct:		
Exploration, research and development	**288**	299
Sorting and marketing	**339**	328
Group technical services and corporate overheads	**408**	386
Operating profit (Note 2)	**340**	419
Add:		
Trade investment and other non-operating income	**608**	605
Income before finance charges and taxation	**948**	1 024
Deduct:		
Net finance charges (Note 3)	**154**	140
Income before taxation	**794**	884
Taxation	**308**	361
Income after taxation	**486**	523
Attributable to outside shareholders in subsidiaries (Note 4)	**92**	74
Own earnings	**394**	449
Share of retained income of joint ventures	**42**	4
Net earnings before special items	**436**	453
Costs/payment in terms of class action settlement agreement (Note 5)	**(10)**	(57)
Impairment in respect of Canadian mining assets (note 6)	**(965)**	
Surplus in respect of exploration interests (Note 7)	**18**	105
Surplus in respect of the sale of 26 percent of DBCM (Note 4)		229
Net earnings	**(521)**	730
Underlying earnings reconciliation (Note 8)		
Net earnings before special items	**436**	453
Adjusted for :		
Surplus on realisation of fixed assets less provisions	**(8)**	(9)
Mine impairment and retrenchment costs	**38**	21
Net gains on non-hedge derivative financial instruments, after taxation and minority interests	**17**	(40)
Underlying earnings	**483**	425
EBITDA	**1 216**	1 232
Ordinary distributions in respect of:		
2006 – Repayment of share premium		473
– Interim		150
– Final		50
2007 – Interim	**39**	
– Final	**100**	

De Beers Société Anonyme

Consolidated Balance Sheet
31 December 2007

(Abridged)

	US Dollar millions	
	31 December 2007	31 December 2006
Ordinary shareholders' interests	**3 013**	3 532
Outside shareholders' interests (Note 4)	**379**	302
Total shareholders' interests	**3 392**	3 834
Net interest bearing debt (Notes 3 & 9)	**4 057**	2 944
Other liabilities	**1 653**	1 487
	9 102	8 265
Fixed assets	**7 090**	6 394
Investments and loans	**127**	94
Diamond inventories and other assets	**1 885**	1 777
	9 102	8 265
Exchange rates US$ = Rand		
- average	**7.02**	6.72
- period end	**6.76**	6.99

Cash flow information
for the year ended 31 December 2007

Cash available from operating activities	**844**	809
Investing activities		
Fixed assets – stay-in-business	**383**	245
– expansion	**1 120**	949
Investments (Note 4)	**109**	(442)
	1 612	752
Financing activities		
Preference share capital redeemed	**54**	214
Share premium redeemed		473
Increase in long- and short-term debt	**(858)**	(1 089)
Ordinary distributions	**125**	173
	(679)	(229)

De Beers Société Anonyme

31 December 2007

Notes and Comments

1. *Sales of natural rough diamonds for the year amounted to US$5,920 million (2006: US$6,150 million).*

2. *Following a review of reporting formats, the income statement has been changed such that the previously disclosed "diamond account" has been replaced with the more generally accepted convention of "operating profit". Comparatives have been restated accordingly.*

3. *Preference share capital is included in net interest bearing debt. Preference dividends, amounting to US$21 million (2006: US$32 million) are included in finance charges.*

4. *In April 2006 De Beers concluded a broad based Black Economic Empowerment (BEE) transaction which resulted in 26 percent of De Beers Consolidated Mines Limited being sold to the Ponahalo Consortium for R3.7 billion. This resulted in a profit of US$229 million in the consolidated income statement. As a result of the sale transaction, US$473 million was returned to the shareholders through a repayment of capital. The sale process involved, inter alia, the arrangement of incremental financing of US$640 million in revolving and term facilities and facilitation by De Beers in the form of guarantees amounting to approximately US$130 million.*

5. *Legal costs incurred in respect of the class action settlement agreement amounted to US$10 million.*

   In terms of an amended class action settlement agreement concluded in the prior year, a further US$45 million was paid into escrow in 2006 pending conclusion of the settlement process. Legal costs incurred in 2006 in respect of the settlement amounted to US$12 million.

6. *De Beers has made a provision for impairment in respect of the mines that it is building in Canada. This non-cash valuation adjustment against fixed assets has been necessitated by the strengthening of the Canadian Dollar versus the US Dollar, the increase in long-term fuel costs and labour costs, and increased construction costs at the Snap Lake Mine.*

7. *On 16 April 2007, De Beers concluded an agreement of sale in respect of its 50% interest in Gope Exploration Company which resulted in a profit of US$17 million.*

   In the prior year, De Beers Canada concluded the sale of its 42 per cent participating interest in the Fort a La Corne Joint Venture to Shore Gold Inc for C$180 million (US$155 million), of which tax amounting to US$50 million was attributable.

8. *Underlying earnings comprise net earnings attributable to shareholders adjusted for the effect of any special items and re-measurements, less any tax and minority interests. Special items include closure costs, exceptional legal provisions and profits and losses on disposals of assets. Re-measurements are recorded in underlying earnings in the same period as the underlying transaction against which these instruments provide an economic, but not formally designated, hedge.*

9. *Cash has been offset against interest bearing debt.*

10. *On 22 November 2007 agreement was signed for the disposal of Cullinan Mine to the Petra Diamonds Cullinan Consortium for R1.030 billion. The balance sheet includes assets amounting to US$218 million and liabilities amounting to US$61 million in respect of this sale. Any gain or loss on this sale will be recognised once all conditions precedent have been fulfilled.*

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Visit the official De Beers group website for more information on the Company and where you can view available b-roll and download a selection of images - ***www.debeersgroup.com*** .