

meeting the world's needs

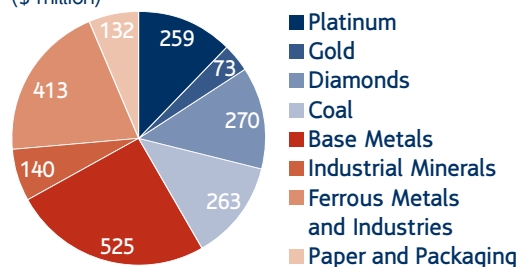
interim report 2005



Anglo American plc is a global leader in mining and natural resources, with a unique spread of businesses across 65 countries

headline earnings by business unit

(\$ million)



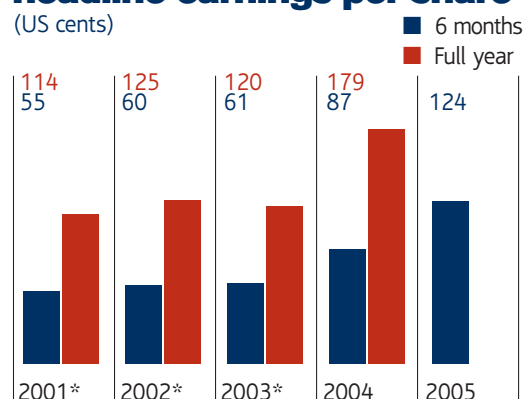
Throughout this report, '\$' denotes United States dollars and headline earnings are as defined in note 8 to the financial information. EBITDA is operating profit before special items plus depreciation and amortisation of subsidiaries and joint ventures and share of EBITDA of associates. EBITDA is reconciled to cash inflows from operations in note 16 to the financial information.

financial highlights

- **Record interim results – headline earnings up 43% to \$1.8 billion**
- **Interim dividend rebased to 28 US cents per share, up 47%**
- **Record performances from Base and Ferrous Metals; higher contributions from Platinum and Coal, reflecting stronger prices and volumes**
- **Cost savings and efficiency improvements exceed target at \$303 million, up 22%**
- **Ongoing asset optimisation: disposals with an enterprise value of \$1.2 billion completed**
- **Strong cash generation: EBITDA up 25% at \$4.2 billion**
- **Five major new projects approved totalling \$1.2 billion; \$5.1 billion expansion programme on track**
- **AngloGold Ashanti achieves South African mining rights conversion**

headline earnings per share

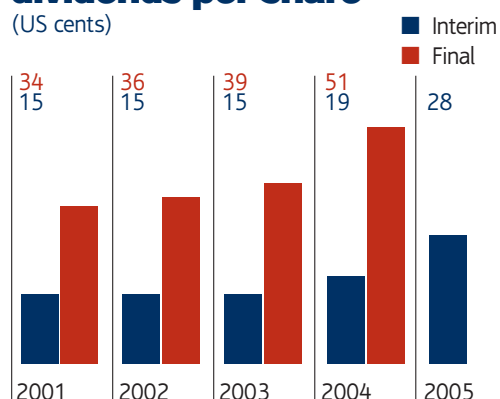
(US cents)



*UK GAAP

dividends per share

(US cents)



interim statement

results overview

Headline earnings increased to \$1.24 per share, up 43% over the first half of 2004 – a record interim level. Operating profit⁽¹⁾ for the half year was \$2,975 million, with strong contributions from Base Metals and Ferrous Metals. Kumba and Highveld Steel in particular benefited from higher prices and improved volumes. There were also significant increases in contributions from Coal and Platinum. Industrial Minerals recorded higher earnings, reflecting a full contribution in the first half from the new Buxton cement plant. Diamonds and Gold were once again affected by the ongoing firmness of the South African currency: the contribution from Diamonds, before exchange gains on preference shares, was lower than for the prior period, while AngloGold Ashanti's results were in line with the first half of 2004. Paper and Packaging recorded lower earnings in tough market conditions.

The significant growth in operating profit in the first half reflects the ongoing favourable trading environment for many of the Group's commodities, as well as the progress made over the past few years in improving the operating efficiency of Anglo American's assets, growing the asset base and leveraging procurement spend. Prices for platinum, gold, diamonds, coal, and base and ferrous metals remained healthy on the back of robust growth in China and the US, coupled with limited growth in productive capacity. The Group's strong cash generation provides it with the flexibility to continue with its significant organic growth profile as well as to pursue its disciplined acquisition process in creating a balanced portfolio of high quality natural resource assets.

Over the past three years, Anglo American's focus on improving the operating efficiency of its assets and the management of the procurement and supply chain has delivered cost savings in excess of \$1.2 billion, across all of its business units. In the first half, further cost savings and efficiency improvements of \$303 million were attained, an increase of 22% over the prior period.

These cost savings helped contain the cumulative effect of the significant increases in energy, steel and other consumable prices, treatment and refining charges and labour costs at many of the Group's mining operations. Anglo American will maintain its cost savings and efficiency programmes in the second half.

Cash generation (EBITDA) also benefited from the strong operational results, reaching \$4.2 billion, up 25% from last year's interim level.

interim dividend

In line with the Group's progressive dividend policy and reflecting the strong first half increase in earnings, the interim dividend has been rebased to 28 US cents per share from 19 US cents per share, an increase of 47%. The level of the total dividend will, as always, be considered on the basis of the full year's results.

growing the asset base

Since its primary listing in London in mid-1999, Anglo American has spent \$15 billion on acquisitions and its growth profile is one of the strongest in the industry, with \$5.1 billion of approved projects and \$8 billion of unapproved projects across a range of commodities. In the first half, good progress was made on the project pipeline, with some projects moving to full production, in addition to a number of new projects being approved.

Kumba, 66% owned, continued to pursue a number of growth opportunities in iron ore. In March, a major expansion project at the Sishen iron ore mine in South Africa's Northern Cape province was announced. The \$365 million Sishen Expansion Project will increase Sishen's production from the current 28 million tonnes per annum to 38 million tonnes per annum by 2009. Construction work has commenced with production ramp up planned for mid-2007.

An investment decision on the Sishen South project, with an initial production capacity of 3 million tonnes per annum and the potential to increase to 9 million tonnes per annum, is expected in the third quarter of 2005. Work on the feasibility study of the Faleme project in Senegal, west Africa, which has a capacity of up to 12 million tonnes per annum, is also progressing well.

De Beers approved the development of the Snap Lake project in Canada at a cost of \$513 million. Snap Lake, located in the Northwest Territories, will be De Beers' first mine outside of Africa and the first fully underground diamond mine in Canada and will begin production in 2007. The \$791 million Victor project in Canada has also been approved, subject to regulatory approvals.

The \$67 million Codemin 2 nickel project in Brazil, which was commissioned on time and on budget towards the end of 2004, reached design capacity in May this year and will take Codemin's total annual production to 10,000 tonnes of nickel. In June, the \$454 million Skorpion zinc project reached design capacity and the \$21 million expansion of the Chagres smelter will be completed in the fourth quarter of 2005. The feasibility study on the Barro Alto nickel project in Brazil will be completed by early 2006 and scoping studies for significant brownfield expansions at Los Bronces and Collahuasi are in progress.

In July 2005, the \$65 million Isibonelo coal mine in South Africa entered production on track and on budget. When it reaches full production in 2006, the mine will supply 5 million tonnes of thermal coal to Sasol Synfuels. In Colombia, the approved expansion at Cerrejón from 22 to 28 million tonnes per annum by 2007 is also on track and a further expansion to 32 million tonnes per annum has recently been approved. The Grasree project in Australia is progressing well, with weekly development exceeding plan and installation of the longwall on target for 2006. The \$650 million Dawson project has commenced and orders for some of the critical lead-time equipment have been placed.

⁽¹⁾ Including operating profit of associates and before special items

China is already a significant market for many of the Group's commodities and the Group continues to actively look for further investment opportunities within the country. On 1 June, Anglo American committed to invest \$150 million in the Initial Public Offering of China Shenhua Energy Company Limited, the largest coal producer in China and the fifth largest in the world. Anglo American looks forward to a mutually beneficial strategic alliance with the company.

In South Africa, the Richards Bay pulp mill modernisation and expansion project has been commissioned and ramp up is ahead of budget. It is anticipated that full production of an additional 145,000 tonnes of pulp per annum will be achieved during 2006. The \$174 million PM31 paper machine rebuild at Merebank is on track for commissioning at the end of 2005 and will bring additional capacity of 160,000 tonnes per annum.

Anglo Platinum, which continues to expand production in line with robust current and future demand for platinum group metals, recently announced the \$35 million Marikana venture with Aquarius Platinum to jointly mine contiguous properties in the Rustenburg area. The existing \$138 million Kroondal venture, also with Aquarius Platinum, commenced production from its new 250,000 tonnes per month concentrator ahead of schedule. The \$200 million 50:50 Mototolo joint venture with Xstrata plc, announced in August, will access adjacent farms on the eastern limb of the Bushveld complex and produce 132,000 ounces of platinum and 82,000 ounces of palladium in concentrate with first production in 2006. Anglo Platinum is also proceeding with a \$179 million project at its Lebowa mine to replace declining reserves.

In addition to the future potential of Obuasi Deeps in Ghana and the Boddington joint venture expansion project in Australia, AngloGold Ashanti has a \$1.3 billion total capital expenditure programme currently focused on existing operations in South Africa and Brazil. These projects, including the new Moab mine in South Africa, will come on line within the next three years and yield a total production of around 15 million ounces of gold over the life of these operations.

disposals

As part of the ongoing strategy of optimising the Group's asset base, a number of disposals have been made during the past six months. The biggest of these was Boart Longyear, a manufacturer of mining equipment, which was agreed in June at an enterprise value of \$545 million. Together with the sale of Wendt (part of Boart Longyear) that was announced on 31 March, the total enterprise value achieved amounted to \$635 million. The sale was completed in July.

In February 2005, Anglo American and BHP Billiton announced that they had reached agreement for the sale of their respective 40% and 60% shareholdings in Samancor Chrome at an enterprise value of \$469 million. In May, Highveld Steel sold its remaining stainless steel investments, Acerinox and Columbus, at an attributable enterprise value of \$91 million. This followed the \$70 million attributable enterprise value disposal of Acerinox shares made by the Group in January 2005.

In July, Kumba's local partner in the Hope Downs iron ore project in Australia exercised an option to purchase Kumba's 49% interest in the project for \$176 million.

mineral rights

The achievement by AngloGold Ashanti of the conversion of its mineral rights in South Africa in respect of the Mineral and Petroleum Resources Development Act (the Act) is a significant milestone in terms of South African black economic empowerment. It recognises the substantial empowerment transactions put in place by AngloGold Ashanti, as well as the educational, community and social programmes in place in the company. The intention is to introduce an employee share ownership scheme that will extend ownership in AngloGold Ashanti to its employees.

The granting of the new order mining rights represents real progress in terms of the South African government's desire to achieve certainty in terms of implementing the Act. Anglo American is greatly encouraged by this positive outcome, which reflects the open and constructive dialogue between the Group's mining businesses and the South African Department of Minerals and Energy.

outlook

The outlook for most of the Group's commodities remains sound. Dollar prices for many metals and minerals have continued at high levels on the back of strong Chinese growth, which has offset weaker OECD demand in the first half. If Chinese demand continues at current levels and prospects for OECD growth improve in the second six months, the Group's earnings should remain strong for the remainder of the year.

Anglo American continues to generate substantial cash flows which it is investing in its \$5.1 billion approved project pipeline. The growth projects span all of the Group's business sectors and will generate attractive returns. Further projects, growth opportunities and asset optimisations are being evaluated.

financial review

financial review of Group results

Headline earnings per share for the half year increased to \$1.24 per share, up 43% over the first six months of 2004. Headline earnings totalled \$1,784 million, with strong contributions from Base Metals and Ferrous Metals as well as a significant increase in contributions from Coal and Platinum. Industrial Minerals also increased its contribution over the previous period, while AngloGold Ashanti's results were in line with the prior corresponding period. The contribution from Diamonds before exchange gains and losses on preference shares declined. Paper and Packaging recorded lower earnings owing to tough market conditions.

The Group performance was further enhanced by a lower effective tax rate, as set out on the following page, and a \$59 million reduction in net finance charges resulting principally from a \$91 million exchange gain on the De Beers preference shares.

headline earnings

\$ million	6 months ended 30.06.05	6 months ended 30.06.04
Profit for the financial period attributable to equity shareholders	1,838	2,226
Operating special items	55	—
Net loss/(profit) on disposals	1	(1,005)
Associates' net profit on disposals	(68)	(2)
Tax on special items	(28)	32
Related minority interests	(14)	(3)
Headline earnings	1,784	1,248
Headline earnings per share (\$)	1.24	0.87

Profit for the period after special items decreased by 17% to \$1,838 million compared with \$2,226 million in the first half of 2004. This decrease was due to a reduction in net profit on disposals which, including associates, was \$940 million higher in the first half of 2004, with the \$464 million profit on the sale of the Group's interest in Gold Fields and the \$415 million gain on the deemed disposal of AngloGold.

summary income statement

\$ million	6 months ended 30.06.05	6 months ended 30.06.04
Operating profit before special items	2,408	1,758
Special items	(55)	—
Group operating profit before associates	2,353	1,758
Net (loss)/profit on disposals	(1)	1,005
Net income from associates ⁽¹⁾	407	330
Profit before finance costs	2,759	3,093
Net finance costs	(102)	(161)
Profit before tax	2,657	2,932
Tax	(526)	(516)
Profit after tax	2,131	2,416
Minority interests	(293)	(190)
Profit for the financial period attributable to equity shareholders	1,838	2,226
Earnings per share (\$)	1.27	1.56
Group operating profit including associates before special items⁽¹⁾	2,975	2,325
⁽¹⁾		
Operating profit from associates	567	567
Net profit on disposals	68	2
Net finance costs	(40)	(66)
Income tax expense	(185)	(164)
Underlying minority interest	(3)	(9)
Net income from associates	407	330

The Group's results are influenced by a variety of currencies owing to the geographic diversity of the Group. The South African rand on average strengthened against the US dollar compared with the corresponding period in 2004, with an average exchange rate of R6.21 compared with R6.67 in the first half of 2004. Currency movements positively impacted headline earnings by \$44 million, with the favourable exchange gain on the De Beers preference shares more than offsetting the impact on operating results of the strengthening of the rand. There was also a positive impact of increased prices amounting to \$887 million.

special items

Operating special charges in respect of impairment and mine closure amounted to \$55 million, including a \$31 million loss on the closure of Ergo in AngloGold Ashanti.

Net profit on sale of operations, including associates, amounted to \$67 million. This included \$52 million profit on sale of Samancor Chrome, \$25 million profit on sale of Acerinox and \$21 million profit on sale of Wendt. This was partially offset by a \$50 million loss on the anticipated disposal of Hope Downs.

Special items including associates were significantly higher in the first half of 2004 at \$1,007 million, with the sale of the Group's interest in Gold Fields for a profit of \$464 million, a gain of \$415 million on the deemed disposal of AngloGold and gains on disposal of the Group's interests in FirstRand Limited, Nkomati and Avgold.

net finance costs

Net finance costs decreased from \$161 million in the first half of 2004 to \$102 million. The decrease reflects the favourable exchange gain of \$91 million on the De Beers preference shares.

taxation

\$ million	Before special items 30.06.05	Associates' tax 30.06.05	Including associates 30.06.05	Before special items 30.06.04	Associates' tax 30.06.04	Including associates 30.06.04
Profit before tax	2,645	185	2,830	1,925	164	2,089
Tax	(554)	(185)	(739)	(484)	(164)	(648)
Profit for financial period	2,091	—	2,091	1,441	—	1,441
Effective tax rate including associates			26.1%			31.0%

The effective rate of taxation including share of associates' tax before special items was 26.1%. This was a decrease from the effective rate including share of associates' tax of 31.0% in the six months ended 30 June 2004. The reduction in the effective tax rate was principally due to a reduction in the South African statutory rate from 30% to 29% and a reduction in the Ghanaian tax rate, which resulted in a \$136 million reduction in deferred tax, the benefit of which was taken in the six month results. Without this one-off benefit the effective tax rate for the period would have been 30.9%. In future periods it is expected the effective tax rate, as adjusted above for associates' tax, will remain above the statutory rate of 30%.

balance sheet

Total shareholders' equity was \$22,067 million compared with \$23,125 million as at 31 December 2004. The decrease was primarily due to exchange movements.

Net debt was \$7,030 million, a decrease of \$1,420 million from 31 December 2004, restated for the adoption of IAS 32 and IAS 39. The reduction was principally due to exchange movements of \$843 million as well as cash inflow of \$600 million. Net debt at 30 June 2005 comprised \$9,711 million of debt, offset by \$2,681 million of cash, cash equivalents and current financial asset investments. Net debt to total capital as at 30 June 2005 was 21.1%, compared with 22.9% at 31 December 2004.

Adoption of IAS 32 and IAS 39 prospectively from 1 January 2005 gave rise to a net reduction in total shareholders' equity of \$5 million. Additional detail of the adjustments is provided in note 24 to the financial information. The net impact largely represents the recognition and fair value of derivatives, including embedded derivatives; the fair value of investments that were previously cost accounted; and the separation of the equity conversion option within convertible debt instruments. Pro forma 2004 information, adjusted for these two standards, is provided in the appendix.

cash flow

Net cash inflows from operating activities was \$2,931 million compared with \$2,135 million in the first half of 2004. EBITDA was \$4,249 million, up significantly from \$3,400 million in the first half of 2004. Depreciation increased by \$236 million to \$1,199 million.

Acquisition expenditure accounted for an outflow of \$300 million compared with \$957 million in the first half of 2004. This included \$150 million in respect of the Group's investment in the Initial Public Offering of China Shenhua Energy Company Limited.

Income from disposals totalled \$293 million, with proceeds on the sale of Acerinox and Columbus of \$173 million (with a further \$21 million remitted by associates) and Wendt of \$62 million. Proceeds remitted by associates in respect of disposals included \$83 million for the sale of Samancor Chrome.

Repayment of loans and capital from associates amounted to \$208 million. Purchases of tangible fixed assets amounted to \$1,433 million, a similar level to the first half of 2004.

dividends

An interim dividend of 28 US cents per share to be paid on 20 September 2005 has been declared.

operations review

platinum

Anglo Platinum's operating profit rose by 31% to \$410 million. Factors leading to this increase included higher dollar prices realised on metals sold, increased production and sales volumes, and a one-off benefit arising from a gain in the quantity of pipeline stocks. The adverse effect of the stronger average rand on the translation of costs was largely offset by gains on foreign exchange as the rand weakened during the first half of 2005.

Refined platinum production for the first half of 2005 rose by 9.5% to 1,268,500 ounces. The increase was due mainly to a shortening of the process pipeline and improved recoveries. Equivalent refined production from the mines managed by Anglo Platinum and its joint venture partners decreased by 18,100 ounces. This was primarily as a result of difficult geological and ground conditions at Amandelbult, Rustenburg and Union that were partly offset by new production from the expansion of the Kroondal Platinum Mine venture with Aquarius Platinum.

The current operational constraints at Amandelbult, Rustenburg and Union, together with the 2004 wage settlement of 8%, led to a 13.3% increase in rand unit costs compared with the first half of 2004. The added effect of the stronger average rand/dollar exchange rate for the period resulted in a cash operating cost per equivalent refined ounce of platinum of \$873. Cost initiatives, including supply chain savings, yielded savings of \$12 million in comparison with the 2004 cost base.

Anglo Platinum remains confident of the robustness of current and future demand for platinum and is continuing with its expansion programme. The rate of expansion is reviewed on an ongoing basis, with particular emphasis on forecast rand revenue streams, to ensure that returns are maintained and shareholder value is enhanced. The recent weakening of the rand against the dollar, combined with strong prevailing metal prices, is resulting in higher projected returns from the projects being evaluated. If this improvement appears sustainable, the development of certain projects may be accelerated.

Increased production volumes in the second half of 2005 are expected to result in refined platinum production of 2.6 million ounces for the full year. Demand for platinum continues to be strong and remains supportive of firm platinum prices. The most significant variable affecting operating profit in the second half of 2005 will be the rand/dollar exchange rate.

gold

Operating profit compared with the corresponding period was 1% lower at \$154 million, with total cash costs increasing from \$254 to \$281 per ounce, owing to inflationary cost increases and stronger operating currencies. These effects were partially offset by an 8% increase in the realised dollar gold price and higher grades.

Gold production increased by 21% to 3 million ounces, following the inclusion of Ashanti's production for the full period compared with two months in the prior half year. The east and west African and Australian mines also posted increased production, particularly at Morila and Sunrise Dam.

Management continues to focus on the turnaround of the Ashanti assets. AngloGold Ashanti has eight approved organic growth projects in the pipeline, including the Cuiabá expansion project in Brazil which was approved during the period. These projects will contribute nearly 15 million ounces at a weighted average cash cost of \$184 per ounce. In addition there are several other projects awaiting approval. Organic growth and brownfields exploration represent the foundation of the company's strategic aim to replace ounces and grow the reserve and resource base.

In January, AngloGold Ashanti announced a significant restructuring of its hedge book, which saw its net hedge position reduce by some 2.2 million ounces to 10.49 million ounces, being 31% of five years' production. It is the company's intention to continue to actively manage its hedge book.

AngloGold Ashanti continues to focus on reducing costs and is targeting savings of \$112 million, of which \$61 million has been achieved to date. Continuing cost pressures, particularly in oil price impacts and mining contractor costs, as well as continued local currency strength, have had the effect of negating some of the gains made on the cost management side.

The strong investor interest in gold during the latter half of 2004 abated in the first quarter of 2005, though there has been a return in buying interest in the second quarter. The price rally of the past three years appears underpinned by strong fundamentals, with the average spot price for the half year at \$427 per ounce.

AngloGold Ashanti recently announced that it had received notification that the Department of Minerals and Energy in South Africa has granted its applications for new order mining rights in terms of the Mineral and Petroleum Resources Development Act. The rights apply to AngloGold Ashanti's operating assets in South Africa.

diamonds

Attributable operating profit from De Beers of \$297 million represented a 13% reduction against \$340 million for the corresponding period last year. The decrease was mostly due to the impact of a weaker dollar and to tighter margins arising largely from a significant reduction in stockpile realisations.

Total production from De Beers and its partners grew by 23% to 23.7 million carats. As a result of the increased output, stocks have risen by about \$400 million compared with the levels as at 30 June 2004.

Despite mixed economic data, it is estimated that demand for diamond jewellery in the United States was up by 6% on the same period last year. Larger chains and high-end independents have shown the strongest results and polished prices have started to edge up at the consumer level. Performance in other markets was mixed. The local currency value of global diamond jewellery sales is estimated to be 5% higher than for the equivalent period in 2004. De Beers is currently forecasting growth of 6% in local currency retail demand for the full year owing to the level and quality of diamond marketing activity, as well as regional macro-economic strength.

Throughout the first half, demand for rough diamonds from the cutting centres was strong. Sales by The Diamond Trading Company (DTC), the marketing arm of De Beers, rose by 8% to total \$3.2 billion. The DTC raised its rough diamond prices on two occasions.

De Beers recently announced the approval of two projects in Canada, the \$513 million Snap Lake project and the \$791 million Victor project (which is subject to regulatory approvals). Further expansion projects are under evaluation. During the reporting period, agreement was reached with Endiama, the Angolan state mining company, for the establishment of a joint venture for the exploration of diamonds.

In early June, the European Commission published a notice indicating its intention to accept the commitments offered by De Beers and the Russian diamond producer Alrosa in relation to the Alrosa Trade Agreement and allowed a 30-day period for public comment. The Commission is now considering any third party comments received.

The Group's share of De Beers' headline earnings was \$153 million (June 2004: \$183 million). Headline earnings for Diamonds totalled \$270 million (June 2004: \$169 million) and included preference share income of \$26 million (June 2004: \$35 million) and exchange gains related to the preference shares of \$91 million (June 2004: \$49 million loss). On 30 June 2005, De Beers redeemed a further 25% of the total 10% preference shares originally in issue, with Anglo American receiving \$175 million.

The market for rough diamonds remains firm and it is expected that, unlike in previous years, sales in the second half of 2005 will at least match those of the first six months and that stocks will reduce. This should have a beneficial impact on both cash flow and earnings.

base metals

Operating profit increased significantly by 27% to \$721 million on the back of higher copper, nickel and zinc prices.

Copper production was impacted adversely by an estimated 20,000 (attributable) tonne shortfall at Collahuasi arising from an outage of the main ore conveyor system, a change in mine sequencing and a failure of a major mill motor (in respect of which an insurance claim has been submitted). A recovery plan has been implemented and mill throughput of above design capacity is being achieved, but at marginally lower grades than budgeted.

Nickel production increased to 12,600 tonnes following ramping up of the \$67 million Codemin 2 project, which was commissioned towards the end of 2004 within budget and on time.

Namakwa Sands saw record production of zircon and rutile.

Skorpion's zinc output was unchanged at 56,300 tonnes. A tankhouse fire in February impacted production but it has since recovered well and 100% of design capacity was achieved in June. Black Mountain increased output of zinc and lead as it began to benefit from the higher grade Deeps orebody.

While cost savings and margin improvement targets continue to be achieved, the operations experienced significant upward pressure in uncontrollable costs arising from dollar weakness and increases in treatment and refining charges, freight, steel, power, acid, fuel and other costs.

Current growth initiatives include the Barro Alto feasibility study for a 30,000-35,000 tonnes per annum ferronickel operation in Brazil, as well as de-bottlenecking projects at both Namakwa Sands and Catalão and scoping studies for increases in production at Collahuasi and Los Bronces. The Chagres Smelter expansion and the Collahuasi molybdenum projects remain within budget and on time for commissioning in the fourth quarter.

Continued investor fund interest dominated base metal prices, which reached new highs during the first quarter, thereafter easing, before surging again in June. Conflicting signals continue to be seen, with weak first half demand in the OECD contrasting with stronger than anticipated Chinese consumption. Inventories remain at very low levels, although supply growth, particularly in the case of copper, has continued to pick up.

operations review

continued

ferrous metals and industries

Operating profit reached a record \$791 million compared with \$394 million in the corresponding period. This was attributable to sharply higher prices for vanadium and iron ore, improved volumes and increased cost savings.

Significant progress has been made in reorganising the business as a supplier of raw materials to the global carbon steel industry with the disposal of several assets at an aggregate attributable enterprise value of \$1 billion. In February 2005, Anglo American and BHP Billiton announced that they had reached agreement for the sale of their respective 40% and 60% shareholdings in Samancor Chrome at an enterprise value of \$469 million. In May, Highveld Steel sold its remaining stainless steel investments, Acerinox and Columbus, at an attributable enterprise value of \$91 million. This followed the \$70 million attributable enterprise value disposal of Acerinox shares made by the Group in January 2005. The sales of Boart Longyear's subsidiary, Wendt, and the Boart Longyear Group were announced in March and June respectively, at a combined enterprise value of \$635 million. In June, Anglo American announced the sale of Zimbabwe Alloys at an enterprise value of \$10 million.

Kumba's operating profit increased by 151% to \$246 million (June 2004: \$98 million) on the back of stronger commodity prices and higher sales volumes, together with solid operational performances and increased cost savings. From the second quarter, Kumba benefited from the annual dollar denominated benchmark iron ore price increase of 71.5% in Japan. On 1 July, Kumba received \$176 million after its local partner in Australia exercised its option to acquire Kumba's interest in the Hope Downs iron ore project. The funds will be returned to Kumba's shareholders.

Highveld Steel had a record first half, with an operating profit of \$261 million (June 2004: \$67 million). This was largely a result of significantly higher vanadium prices and volumes, together with increased South African steel sales.

Scaw Metals achieved an operating profit of \$58 million (June 2004: \$46 million). Higher raw material prices, particularly steel scrap, increased pressure on margins, while South African steel volumes were impacted adversely by market uncertainty around pricing.

The attributable share of Samancor's operating profit amounted to \$121 million (June 2004: \$89 million). The manganese and chrome operations benefited from higher ore and alloy prices.

Tongaat-Hulett's operating profit increased from \$28 million to \$56 million owing to improved volumes and prices, reduced costs and a more favourable aluminium sales mix.

Offtake in the seaborne iron ore market remains strong, given Chinese crude steel production. Vanadium and manganese prices for the rest of the year are expected to be below those achieved in the first six months. South African steel demand could recover in the fourth quarter, although prices may come under further downward pressure, in keeping with international trends.

coal

Anglo Coal's operating profit was \$374 million, 86% higher than for the first half of 2004, mainly as a result of improved export prices.

Export thermal coal prices, although well above historic average levels, have come off the peaks reached in 2004 and are currently at around \$50 per tonne. In Europe, prices are being supported by a strong energy sector, high gas and power prices and lower freight rates. Consequently, despite the increased cost of carbon credits, coal fired generation is enabling European utilities to realise healthy margins, which in turn underpin thermal coal price levels. In Asia, demand remains similarly firm, although Chinese stocks have been increasing. Coking coal markets remain firm, despite steel prices beginning to come under pressure in some regions. In South Africa and Australia, constraints associated with the rail and port infrastructure remain a concern.

Operating profit for South African sourced coal increased by 120% to \$205 million. This reflects a 52% increase in export prices and a 1% increase in sales volume underpinned by a 3% improvement in production to 26.6 million tonnes. This production increase included 0.6 million tonnes from the new Mafube mine.

In Australia, operating profit was \$48 million, which included a \$28 million insurance claim relating to last year's incident at the Moranbah North coking coal mine (the 2004 first half insurance claim amounted to \$33 million). Production increased to 12.7 million tonnes, including 1.9 million from Moranbah North which did not produce in the first half of 2004. The operating results were impacted by geological difficulties which restricted production at the Dartbrook thermal coal mine as well as the impact of carry-over tonnage at Moranbah North. Total sales from the Australia region were 7% higher and export coal prices rose on average by 53%. Second half performance in Australia should be materially better than the first half with increased production levels and higher realised coking coal prices as new contracts become effective.

In Colombia, attributable sales tonnes increased by 4% to 4.3 million tonnes. This, together with continued tight cost control, resulted in attributable operating profit rising from \$79 million in 2004 to \$109 million. At the Carbones del Guasare operation in Venezuela, attributable sales tonnes increased by 1% to 0.8 million tonnes.

The new Isibonelo colliery project, which provides coal to Sasol in South Africa entered production in July, and satisfactory progress was made at the major Grasstree and Dawson projects in Australia. At Cerrejón in Colombia, the expansion to a total mine production of 28 million tonnes per annum is on track and is expected to be completed on time, and below budget, by 2007. A further expansion to 32 million tonnes has recently been approved. The initial drilling programme at Xiwan in China was completed successfully and further drilling and a pre-feasibility study will be concluded later this year.

Performance in the second half is expected to be positively impacted by the high prices for coking coal in Australia and completion of the carry-over contracts at Moranbah North.

industrial minerals

Industrial Minerals' operating profit of \$193 million was \$12 million higher than in the first half of 2004. Tarmac's operating profit was 13% higher, largely reflecting the additional contribution from the new Buxton cement plant which began operating in March 2004. Profits in Copebrás were \$9 million down on 2004 owing to the combined effects of the Brazilian currency's appreciation relative to the dollar and reduced seasonal demand in Brazil, partially mitigated by improved prices.

In the UK, demand was comparable with 2004 and volumes were slightly above last year, though market conditions remain challenging. In general, margins were favoured by price increases in January 2005 although higher hydrocarbon costs lessened the benefit. Performance in the concrete products business was marginally better than in 2004, reflecting the benefits of restructuring; however, the impact was undermined by lower demand in the housing market, which particularly affected block sales. The cement plant at Buxton performed well, in line with expectations.

Tarmac has conducted a fundamental organisational review to facilitate improvements in customer service and efficiency, with Industrial Minerals achieving cost savings of \$25 million in the year to date. The new organisation brings the benefit of greater alignment with a changing customer base, while better positioning Finance, HR, Procurement and other functions to lead continuous improvement in the UK and international operations. Supplementing the business development resources already established in the UK, Tarmac has recently created a new business development function, based in Frankfurt, to further strengthen its ability to grow its international business.

Tarmac's operating profit from its international businesses fell by 3%, largely attributable to weaker demand in Germany and Poland. Profit in Tarmac France improved 12% following small bolt-on acquisitions made in the past year. The business in Spain reported profits in line with last year on the back of stronger demand for concrete, offset by the increased cost of raw materials. Tarmac's operations in the Middle East continue to benefit from strong local demand. Progress continues in Tarmac China and a new quarry in the Shanghai region, which was adversely affected by delays in securing local land access rights, is now expected to commence operations in the second half of the year.

In Brazil, demand for fertiliser weakened following the drop in world soya prices and the consequent reduction in the number of farmers planting the crop. This had a negative effect on fertiliser sales but was offset by improved sales of other products and by higher prices.

The operational outlook for the year is for a continuation of challenging conditions in the UK, offset in part by improved performance in Tarmac International. The impact of exchange rates will become more significant if the recent appreciation in the dollar continues.

paper and packaging

Operating profit declined by 29% from \$328 million to \$233 million. While margin pressure continued across most key markets, Mondi delivered a further \$96 million in cost savings and profit improvements.

The rebranding and reorganisation of the existing businesses under the Mondi name announced in November 2004 has gone extremely well. This has served to reduce overhead structures and costs and improve the company's visibility and attractiveness to customers.

Mondi Packaging's operating profit was \$38 million lower at \$132 million. The marginal impact of acquisitions in early 2004 and significant cost saving and profit improvement initiatives have been offset by one-off restructuring costs and weak trading conditions, the latter owing mainly to a combination of lacklustre manufacturing growth in the core European markets and the strong euro eroding competitiveness internationally. There have, however, been some positive signs, with improved order intake in the sack paper sector in recent months.

Mondi Business Paper's operating profit was down by 25% at \$89 million. Sales volumes increased by 3%, mainly owing to additional output from the successful Ruzomberok PM18 rebuild, while cost saving and profit improvement initiatives yielded benefits of \$43 million. During the first six months pricing remained under pressure owing to a strong euro attracting dollar denominated imports. Capacity utilisation is gradually improving which, together with the stronger dollar, is increasing the likelihood of price increases.

The Richards Bay RB720 project has been commissioned and ramp up is ahead of budget, with full production expected during 2006. The PM31 paper machine rebuild at Merebank is on track for commissioning at the end of 2005.

With effect from 1 January 2005, Mondi sold a 42% interest in its South African packaging business to Shanduka Resources in an empowerment transaction that values the entire business at \$370 million.

The recent strengthening of the dollar may support a firming in euro based paper prices. Efforts will intensify to ensure the continued delivery of cost reductions and productivity gains.

operating profit

In this operations review, operating profit includes associates' operating profit and is before special items unless otherwise stated.

the business

an overview – effective interests at 30 June 2005

platinum

Anglo Platinum
74.8%

South Africa

100% owned
Rustenburg Section
(including UG2 Project)
Union Section
Amandelbult Section
Potgietersrust Platinums
Lebowa Platinum Mines
Western Limb Tailings
Retreatment
Waterval Smelter (including
converting process project)
Polokwane Smelter
Rustenburg Base
Metals Refinery
Precious Metals Refinery
Twickenham Mine Project

Joint ventures or
sharing agreements
Modikwa Platinum
Joint Venture 50%
Kroondal Pooling and
Sharing Agreement 50%
Bafokeng-Rasimone
Joint Venture 50%
Pandora Joint Venture
Project 42.5%

gold

AngloGold Ashanti
50.9%

South Africa

100% owned
Great Noligwa
Kopanang
Moab Khotsoeng
Mponeng
Savuka
Tau Lekoa
TauTona

Rest of Africa

Bibiani (Ghana) 100%
Geita (Tanzania) 100%
Iduapriem (Ghana) 85%
Morila (Mali) 40%
Navachab (Namibia) 100%
Obuasi (Ghana) 100%
Sadiola (Mali) 38%
Siguiri (Guinea) 85%
Yatela (Mali) 40%

North America

Cripple Creek & Victor
(USA) 67%⁽¹⁾

South America

AngloGold Ashanti Mineração
(Brazil) 100%
Serra Grande (Brazil) 50%
Cerro Vanguardia
(Argentina) 92.5%

Australia

Sunrise Dam 100%
Boddington 33%

diamonds

De Beers⁽²⁾
45%

South Africa

100% owned
Cullinan
De Beers Marine
(Exploration & Services)
Finsch
Kimberley Mines
Koffiefontein
Namaqualand Mines
The Oaks
Venetia

Botswana

Debswana 50%
(Damtshaa, Jwaneng,
Orapa and Letlhakane
mines)

Namibia

Namdeb 50%
(Mining Area No.1 Orange
River Mines, Elizabeth Bay
and Marine concessions)
De Beers Marine
Namibia 70%

Tanzania

Williamson Diamonds 75%

Canada

Snap Lake 100%
Victor 100%

Trading and Marketing

Various companies involved in
purchasing, selling and
marketing of rough diamonds,
including The Diamond Trading
Company 100%

Industrial Diamonds

Companies manufacturing
industrial diamonds and
abrasive products 50%
Technologies 100%

base metals

Anglo Base Metals
100%

Copper

Collahuasi (Chile) 44%
Chagres (Chile) 100%
El Soldado (Chile) 100%
Los Bronces (Chile) 100%
Mantos Blancos
(Chile) 100%
Mantoverde (Chile) 100%
Palabora (South Africa) 29%
Quellaveco (Peru) 80%

Nickel

Codemin (Brazil) 100%
Loma de Níquel
(Venezuela) 91%
Barro Alto (Brazil) 100%

Zinc/Lead

Black Mountain
(South Africa) 100%
Lisheen (Ireland) 100%
Gamsberg
(South Africa) 100%
Skorpion (Namibia) 100%

Mineral Sands

Namakwa Sands
(South Africa) 100%

Niobium

Catalão (Brazil) 100%

⁽¹⁾ AngloGold Ashanti is entitled to
receive 100% of the cash flow from
the operation until a loan, extended
to the joint venture by AngloGold
Ashanti, is repaid.

⁽²⁾ The Company's independently
managed associate.

ferrous metals and industries

Anglo Ferrous Metals and Industries 100%

Ferrous Metals

Kumba (southern Africa
and Australia) 66%
Highveld Steel
(South Africa) 79%
Scaw Metals
(worldwide) 100%
Samancor (South Africa
and Australia) 40%

Industries

Boart Longyear
(worldwide) 100%⁽³⁾
Tongaat-Hulett
(southern Africa) 52%
Hippo Valley Estates
(Zimbabwe) 50%
Amfarms
(South Africa) 100%

coal

Anglo Coal 100%

South Africa

100% owned
Bank
Goedehoop
Greenside
Isibonelo
Kleinkopje
Kriel
Landau
New Denmark
New Vaal

South Africa – other

Eyesizwe Coal 11%
Mafube 50%
Richards Bay Coal
Terminal 27%

Australia

Callide 100%
Dartbrook 78%
Dawson Complex 51%
Drayton 88%
German Creek 70%
Jellinbah East 23%
Moranbah North 88%

Australia – other

Australian Power and
Energy Limited 100%
Dalrymple Bay Coal
Terminal Pty Ltd 33%
Newcastle Coal
Shippers Pty Ltd 20%

Colombia

Cerrejón 33%

Venezuela

Carbones del Guasare 25%

industrial minerals

Anglo Industrial Minerals 100%

Aggregates and building materials

Tarmac Group (UK) 100%
Tarmac France (France
and Belgium) 100%
Tarmac Germany 100%
Tarmac Poland 100%
Tarmac Czech Republic 100%
Tarmac 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%

Packaging

Mondi Packaging
(worldwide) 100%
Mondi Packaging
South Africa 55%⁽⁴⁾

Business Paper

Mondi Business Paper (Austria,
Hungary, Slovakia, Russia,
South Africa, Israel) 100%

Newspaper + Merchenting

Mondi Shanduka Newsprint
(South Africa) 50%⁽⁴⁾
Aylesford Newsprint
(UK) 50%
Europapier (Europe) 100%

⁽³⁾ Sale of Boart Longyear was
completed in July

⁽⁴⁾ Shareholdings are shown on the
basis that the contemplated
commitments for employee and
community share ownerships are
finalised.

consolidated income statement

for the six months ended 30 June 2005

US\$ million	Note	Before special items 6 months ended 30.06.05	Special items (note 5) 6 months ended 30.06.05	6 months ended 30.06.05	6 months ended 30.06.04	Year ended 31.12.04
Group revenue	4	14,510	–	14,510	12,346	26,268
Total operating costs		(12,102)	(55)	(12,157)	(10,588)	(22,602)
Operating profit from subsidiaries and joint ventures		2,408	(55)	2,353	1,758	3,666
Net (loss)/profit on disposals	5	–	(1)	(1)	1,005	1,015
Net income from associates	4	339	68	407	330	550
Total profit from operations and associates		2,747	12	2,759	3,093	5,231
Investment income		320	–	320	195	563
Investment expense		(422)	–	(422)	(356)	(930)
Net finance costs		(102)	–	(102)	(161)	(367)
Profit before tax		2,645	12	2,657	2,932	4,864
Income tax (expense)/credit	6	(554)	28	(526)	(516)	(923)
Profit for the financial period		2,091	40	2,131	2,416	3,941
Attributable to:						
Minority interests		307	(14)	293	190	440
Equity shareholders of the Company	7	1,784	54	1,838	2,226	3,501
Earnings per share (US\$)						
Basic	8			1.27	1.56	2.44
Diluted	8			1.23	1.50	2.35
Dividends						
Proposed dividend per share (US cents)				28.0	19.0	70.0
Proposed dividend (US\$ million)				404	273	1,007
Dividends paid during the period per share (US cents)				51.0	39.0	58.0
Dividends paid during the period (US\$ million)				734	554	827

The impact of acquired and discontinued operations on the results for the period is not material.

Headline earnings and headline earnings per share are set out in note 8.

consolidated balance sheet

as at 30 June 2005

US\$ million	Note	As at 30.06.05	As at 30.06.04	As at 31.12.04
Intangible fixed assets		2,588	2,501	2,644
Tangible fixed assets		29,604	30,227	33,172
Biological assets		331	374	374
Environmental rehabilitation trusts		217	182	237
Investments in associates		3,269	3,386	3,486
Financial asset investments		851	1,197	1,084
Deferred tax assets		226	97	128
Other financial assets (derivatives)		266	–	–
Other non-current assets		62	–	66
Total non-current assets		37,414	37,964	41,191
Inventories		3,180	3,148	3,549
Trade and other receivables		5,289	5,041	5,534
Current tax assets		96	192	220
Other current financial assets (derivatives)		527	–	–
Current financial asset investments		5	75	2
Cash and cash equivalents	17	2,788	2,495	2,955
Total current assets		11,885	10,951	12,260
Assets classified as held for sale	11	757	–	–
Total assets		50,056	48,915	53,451
Short term borrowings		(2,623)	(3,266)	(3,383)
Trade and other payables		(4,500)	(4,732)	(5,368)
Current tax liabilities		(790)	(679)	(831)
Other current financial liabilities (derivatives)		(547)	–	–
Total current liabilities		(8,460)	(8,677)	(9,582)
Medium and long term borrowings		(7,250)	(8,258)	(7,817)
Retirement benefit obligations		(1,016)	(1,081)	(1,201)
Other financial liabilities (derivatives)		(406)	–	–
Deferred tax liabilities		(5,022)	(5,279)	(5,810)
Provisions		(1,370)	(1,155)	(1,328)
Total non-current liabilities		(15,064)	(15,773)	(16,156)
Liabilities directly associated with assets classified as held for sale	11	(283)	–	–
Total liabilities		(23,807)	(24,450)	(25,738)
Net assets		26,249	24,465	27,713
Equity				
Called-up share capital	9, 22	747	746	747
Share premium account	22	1,634	1,609	1,633
Other reserves	22	1,100	1,297	3,074
Retained earnings	22	18,586	16,673	17,671
Equity attributable to equity shareholders of the Company		22,067	20,325	23,125
Minority interests	22	4,182	4,140	4,588
Total equity		26,249	24,465	27,713

The interim financial information was approved by the board of directors on 3 August 2005.

consolidated cash flow statement

for the six months ended 30 June 2005

US\$ million	Note	6 months ended 30.06.05	6 months ended 30.06.04	Year ended 31.12.04
Cash inflows from operations	15	3,074	2,242	5,291
Dividends from associates		300	136	368
Dividends from financial asset investments		4	15	28
Income tax paid		(447)	(258)	(500)
Net cash inflows from operating activities		2,931	2,135	5,187
Cash flows from investing activities				
Acquisition of subsidiaries, net of cash acquired	10	(111)	(953)	(1,135)
Investment in associates		(26)	(1)	–
Purchases of tangible fixed assets	14	(1,433)	(1,428)	(3,166)
Purchases of biological assets	14	(26)	(28)	(67)
Purchases of financial asset investments		(163)	(3)	(108)
Loans granted to related parties		–	–	6
Disposal of subsidiaries, net of cash disposed	11	67	16	274
Sale of interests in joint ventures		–	37	37
Sale of interests in associates		–	1,180	1,424
Repayment of loans and capital from associates		208	220	299
Proceeds from disposal of tangible fixed assets		37	56	151
Proceeds from sale of financial asset investments		226	82	263
Loan repayments from related parties		–	16	–
Utilised in hedge restructure		(69)	–	–
Other adjustments		10	5	(4)
Net cash used in investing activities		(1,280)	(801)	(2,026)
Cash flows from financing activities				
Movement on current financial asset investments		(5)	(50)	23
Issue of shares by subsidiaries		21	146	146
Sale of treasury shares to employees		82	–	46
Interest received and other investment income		102	143	195
Interest paid		(319)	(314)	(601)
Dividends paid to minority interests		(165)	(100)	(178)
Issue of convertible debt		–	990	990
Repayment of short term borrowings		(510)	(1,539)	(1,830)
(Repayment)/receipt of medium and long term borrowings		(33)	174	(598)
Movement in minority loans		–	7	(2)
Other financing activity		(45)	(32)	(48)
Dividends paid to Company shareholders		(727)	(547)	(818)
Net cash used in financing activities		(1,599)	(1,122)	(2,675)
Net increase in cash and cash equivalents		52	212	486
Cash and cash equivalents at start of period⁽¹⁾		2,781	2,186	2,186
Cash movements in period		52	212	486
Effects of changes in exchange rates		(157)	19	109
Cash and cash equivalents at end of period⁽¹⁾	17	2,676	2,417	2,781

⁽¹⁾ Cash and cash equivalents per the cash flow statement includes overdrafts and cash flows from disposal groups and is reconciled to the balance sheet in note 17.

consolidated statement of recognised income and expense

for the six months ended 30 June 2005

US\$ million	6 months ended 30.06.05	6 months ended 30.06.04	Year ended 31.12.04
Loss on revaluation of available-for-sale investments	(20)	—	—
Loss on cash flow hedges	(87)	—	—
Exchange differences on translation of foreign operations	(2,557)	548	2,617
Actuarial loss on defined benefit schemes	(48)	(11)	(26)
Other movements	—	(8)	(32)
Tax on items taken directly to equity	53	3	6
Net (expense)/income recognised directly in equity	(2,659)	532	2,565
Transfers			
Transferred to profit or loss on sale of available-for-sale investments	(32)	—	—
Transferred to profit or loss on cash flow hedges	(6)	—	—
Transferred to the initial carrying amount of hedged items on cash flow hedges	(4)	—	—
Transferred exchange differences on disposal of foreign operations	—	(5)	(30)
Tax on items transferred from equity	1	—	—
Profit for the period	2,131	2,416	3,941
Recognised income and expense for the period	(569)	2,943	6,476
Adoption of IAS 32 and IAS 39 ⁽¹⁾	(127)	—	—
Total recognised income and expense for the period	(696)	2,943	6,476
Attributable to:			
Minority interests	(245)	252	755
Equity shareholders of the Company	(451)	2,691	5,721
	(696)	2,943	6,476

⁽¹⁾ Details of the accounting policy changes are set out in note 24.

notes to financial information

1 General information

These June 2005 interim consolidated financial statements are for the six months ended 30 June 2005. The information for the year ended 31 December 2004 does not constitute statutory accounts as defined in section 240 of the Companies Act 1985. A copy of the statutory accounts for that year, which were prepared under UK Generally Accepted Accounting Principles (GAAP), has been delivered to the Registrar of Companies. The auditor's report on those accounts was unqualified.

Investors should consider non-GAAP financial measures in addition to, and not as a substitute for or as superior to, measures of financial performance reported in accordance with International Financial Reporting Standards (IFRS). The IFRS results reflect all items that affect reported performance and therefore it is important to consider the IFRS measures alongside the non-GAAP measures. Reconciliations of key non-GAAP data to directly comparable GAAP financial measures are presented in notes 7, 8 and 16 to this report.

2 Accounting policies

The interim financial report, including all comparatives, has been prepared using the accounting policies consistent with IFRS, including International Accounting Standard (IAS) 34 *Interim Financial Reporting*, and International Financial Reporting Interpretations Committee (IFRIC) interpretations issued and effective or issued and early adopted as at the time of preparing these statements (August 2005). These standards and interpretations are subject to ongoing review and possible amendment or interpretive guidance and are therefore still subject to change. The Group has adopted early the proposed amendment to IAS 19 *Employee Benefits* which assumes it will be endorsed by the European Union prior to 31 December 2005, and has recognised all actuarial gains or losses directly through equity.

These statements are covered by IFRS 1 *First-time adoption of International Financial Reporting Standards*, because they form part of the period included in the Group's first IFRS financial statements for the year ended 31 December 2005.

Except as set out in note 3, the same accounting policies and methods of computation are followed in the interim report as published by the Company in its news release on 9 May 2005 entitled 'International Financial Reporting Standards (IFRS) restatements for 2004 and update on adoption of IFRS'. The news release, including full disclosure of these accounting policies, is available on the Company's website at www.angloamerican.co.uk. The policies have been consistently applied to all years presented except for those relating to the classification and measurement of financial instruments, and to discontinued operations and disposal groups, which have been applied prospectively as detailed in note 3.

4 Segmental information

Primary reporting format – by business segment

US\$ million	Revenue ⁽¹⁾			Operating profit before special items ⁽²⁾⁽³⁾			Net operating assets ⁽⁴⁾		
	6 months ended 30.06.05	6 months ended 30.06.04 ⁽⁵⁾	Year ended 31.12.04	6 months ended 30.06.05	6 months ended 30.06.04	Year ended 31.12.04	6 months ended 30.06.05	6 months ended 30.06.04	Year ended 31.12.04
Subsidiaries and joint ventures									
Platinum ⁽⁶⁾	1,738	1,446	3,065	405	308	527	6,612	6,618	7,607
Gold	1,325	1,051	2,396	153	156	296	7,105	6,971	7,459
Coal	1,191	828	1,914	243	115	321	2,350	2,105	2,546
Base Metals	1,629	1,548	3,232	721	576	1,280	4,928	5,473	5,180
Industrial Minerals	2,021	1,831	3,833	191	179	416	4,622	4,535	4,864
Ferrous Metals and Industries	3,175	2,380	5,137	667	266	591	4,355	5,017	5,592
Paper and Packaging	3,431	3,262	6,691	226	322	575	6,636	6,166	6,879
Exploration	—	—	—	(67)	(56)	(120)	—	—	—
Corporate Activities	—	—	—	(131)	(108)	(245)	13	34	14
Total subsidiaries and joint ventures	14,510	12,346	26,268	2,408	1,758	3,641	36,621	36,919	40,141
Associates									
Platinum	29	29	55	5	6	9			
Gold	8	7	13	1	—	—			
Diamonds	1,628	1,647	3,177	297	340	573			
Coal	288	212	468	131	86	176			
Base Metals	—	44	88	—	(8)	(4)			
Industrial Minerals	14	12	25	2	2	5			
Ferrous Metals and Industries	519	803	1,526	124	128	296			
Paper and Packaging	149	109	228	7	6	(6)			
Corporate Activities	—	90	90	—	7	7			
Total associates	2,635	2,953	5,670	567	567	1,056			
Total Group operations	17,145	15,299	31,938	2,975	2,325	4,697			

⁽¹⁾ Revenue is measured at the fair value of consideration received or receivable for all significant products. Where a by-product is not regarded as significant, then revenue may be credited against the cost of sales. The amount credited to cost of sales for the six months ended 30 June 2005 was \$36 million (June 2004: \$40 million; December 2004: \$81 million) and relates principally to AngloGold Ashanti who credit uranium, silver and acid to cost of sales in accordance with the Gold Industry Standard on production cost.

3 Changes in accounting policies

Financial instruments

The Group has taken the exemption under IFRS 1 to apply IAS 32 *Financial Instruments: Disclosure and Presentation* and IAS 39 *Financial Instruments: Recognition and Measurement* prospectively from 1 January 2005. As such, the financial information presented for the periods ended 30 June 2004 and 31 December 2004 excludes any adjustments required from adoption of these two standards. Pro forma 2004 consolidated financial information including the impact of IAS 32 and IAS 39 is provided in the appendix to this interim report.

As set out in note 24, the consolidated balance sheet as at 31 December 2004 has been adjusted to apply IAS 32 and IAS 39 prospectively from 1 January 2005.

Discontinued operations

The Group has applied IFRS 5 *Non-Current Assets Held for Sale and Discontinued Operations* prospectively from 1 January 2005. Application of the policy change is in accordance with the transitional provisions set out in the standard.

Non-current assets and disposal groups are classified as held for sale if their carrying amount will be recovered through a sale transaction rather than through continuing use. This condition is regarded as met only when the sale is highly probable and the asset (or disposal group) is available for immediate sale in its present condition. Management must be committed to the sale, which should be expected to qualify for recognition as a completed sale within one year from the date of classification.

Non-current assets (and disposal groups) and associated liabilities held for sale are measured at the lower of carrying amount and fair value less costs to sell.

\$757 million of assets and \$283 million of liabilities associated with disposal groups were reclassified as 'held for sale' as at 30 June 2005. The impact on the consolidated income statement for the period ended 30 June 2005 is a \$36 million net charge.

4 Segmental information continued

⁽²⁾ Operating profit from associates is stated before operating special items, set out in note 5. It is reconciled to 'Net income from associates' as follows:

US\$ million	6 months ended 30.06.05	6 months ended 30.06.04	Year ended 31.12.04
Operating profit from associates before special items	567	567	1,056
Special items	—	—	(117)
Operating profit from associates after special items	567	567	939
Net profit on disposals	68	2	10
Net finance costs	(40)	(66)	(100)
Income tax expense	(185)	(164)	(280)
Underlying minority interests	(3)	(9)	(19)
Net income from associates	407	330	550

⁽³⁾ Operating profit including associates is stated before operating special items, set out in note 5. It is reconciled to 'Total profit from operations and associates' as follows:

US\$ million	6 months ended 30.06.05	6 months ended 30.06.04	Year ended 31.12.04
Operating profit including associates before special items	2,975	2,325	4,697
Special items:			
Subsidiaries and joint ventures	(55)	—	25
Industrial Minerals	(16)	—	(9)
Gold	(38)	—	(1)
Base Metals	—	—	(120)
Ferrous Metals and Industries	(1)	—	155
Associates			
Base Metals	—	—	(117)
Operating profit including associates after special items	2,920	2,325	4,605
Net (loss)/profit on disposals			
Subsidiaries and joint ventures	(1)	1,005	1,015
Associates	68	2	10
Associates' net finance costs	(40)	(66)	(100)
Associates' income tax expense	(185)	(164)	(280)
Associates' underlying minority interests	(3)	(9)	(19)
Total profit from operations and associates	2,759	3,093	5,231

⁽⁴⁾ Net operating assets at 30 June 2005 consist of tangible assets (\$29,604 million), intangible assets (\$2,588 million), biological assets (\$331 million), inventories (\$3,180 million) and operating debtors (\$4,218 million) less non-interest bearing current liabilities (\$3,300 million).

⁽⁵⁾ Base Metals' turnover for the period to 30 June 2005 and for the year to 31 December 2004 is stated net of treatment and refining charges (TC/RCs) on concentrate sales to external parties and refining charges on copper anode sales from Chagres to refineries. On this basis, total Base Metals' turnover for the period to 30 June 2004 would be \$1,501 million. There is no impact on operating profit for either 2005 or 2004.

⁽⁶⁾ See note 20.

Secondary reporting format – by geographical segment (by origin)

US\$ million	Revenue			Operating profit before special items ⁽¹⁾			Net operating assets		
	6 months ended 30.06.05	6 months ended 30.06.04	Year ended 31.12.04	6 months ended 30.06.05	6 months ended 30.06.04	Year ended 31.12.04	6 months ended 30.06.05	6 months ended 30.06.04	Year ended 31.12.04
Subsidiaries and joint ventures									
South Africa	5,849	4,920	10,279	1,156	640	1,217	15,187	16,039	18,258
Rest of Africa	553	259	804	15	29	44	4,218	4,065	4,184
Europe	5,085	4,645	9,449	370	395	783	9,271	9,002	9,756
North America	342	437	1,018	14	21	21	465	853	603
South America	1,742	1,430	3,176	755	609	1,418	4,688	4,460	4,564
Australia and Asia	939	655	1,542	98	64	158	2,792	2,500	2,776
Total subsidiaries and joint ventures	14,510	12,346	26,268	2,408	1,758	3,641	36,621	36,919	40,141
Associates									
South Africa	768	838	1,565	139	130	170			
Rest of Africa	1,065	1,042	1,972	192	215	356			
Europe	359	461	969	60	91	166			
North America	—	288	461	—	29	32			
South America	263	202	447	107	72	249			
Australia and Asia	180	122	256	69	30	83			
Total associates	2,635	2,953	5,670	567	567	1,056			
Total Group operations	17,145	15,299	31,938	2,975	2,325	4,697			

⁽¹⁾ Operating profit including associates is stated before special items, set out in note 5. Operating profit including associates after special items for the period ended 30 June 2005 is \$1,263 million for South Africa, \$414 million for Europe and \$160 million for Australia and Asia. There were no special items affecting operating profit in the period to 30 June 2004. Operating profit including associates after special items for the year ended 31 December 2004 was \$1,168 million for South Africa, \$940 million for Europe, \$209 million for North America and \$1,647 million for South America.

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5 Special items

'Special items' are those items of financial performance that the Group believes should be separately disclosed on the face of the income statement to assist in the understanding of the financial performance achieved by the Group. Such items are material by nature or amount to the period's results and require separate disclosure in accordance with IAS 1 *Presentation of financial statements*, paragraph 86. Special items that relate to the operating performance of the business are classified as special operating items and include impairment charges and reversals. Special items that relate to changes in the portfolio of the business are included below operating profit on the income statement. These items include profits and losses on disposals of investments and businesses. The Group believes that items which were previously referred to as 'exceptional items' under UK GAAP fall within the scope of special items under IFRS.

US\$ million	6 months ended 30.06.05	6 months ended 30.06.04	Year ended 31.12.04
Special items: operating			
Closure of Ergo	(31)	—	—
Impairment of Loch Aline	(12)	—	—
Reversal of impairment of Terra Industries Inc	—	—	154
Impairment of Black Mountain Mineral Development	—	—	(100)
Write down of assets at Mantos Blancos SA	—	—	(20)
Other impairments	(12)	—	(9)
Total special items: operating	(55)	—	25
Taxation	17	—	6
Minority interests	12	—	(1)
	(26)	—	30
Profits and (losses) on disposals			
Anticipated disposal of Hope Downs	(50)	—	—
Sale of Acerinox	25	—	—
Disposal of Wendt	21	—	—
Part disposal of Mondi Packaging South Africa	(18)	—	—
Sale of Columbus	14	—	—
Disposal of interest in Gold Fields Ltd	—	464	464
Gains on deemed disposal of AngloGold	—	415	415
Gains on disposal of Pandora	—	15	15
Part disposal of Western Areas	7	—	45
Disposal of remaining interest in FirstRand Limited	—	32	32
Disposal of interest in Nkomati	—	28	28
Disposal of interest in Avgold	—	25	25
Disposal of Terra Industries Inc	—	—	13
Loss on disposal of Hudson Bay Mining and Smelting Co Ltd	—	—	(10)
Other items	—	26	(12)
Net (loss)/profit on disposals	(1)	1,005	1,015
Taxation	11	(32)	(44)
Minority interests	2	3	(1)
	12	976	970
Associates' special items			
Net profit on disposals			
Disposal of Samancor Chrome	52	—	—
Other	16	2	10
Operating impairment charge – Palabora Mining Company Limited	—	—	(117)
Total associates' special items	68	2	(107)
Taxation	—	—	36
Minority interests	—	—	—
	68	2	(71)
Total special items (net of tax and minority interests)	54	978	929

6 Tax on profit on ordinary activities

US\$ million	6 months ended 30.06.05	6 months ended 30.06.04	Year ended 31.12.04
United Kingdom corporation tax at 30%	55	55	61
South Africa taxation	224	97	253
Other overseas taxation	323	132	347
Total current tax	602	284	661
Deferred taxation	(48)	200	260
Total deferred tax	(48)	200	260
Total tax on special items	(28)	32	2
Total tax charge	526	516	923

The effective rate of taxation including share of associates' tax before special items was 26.1%. This was a decrease from the effective rate including associates' tax of 31.0% in the six months ended 30 June 2004. The reduction in the effective tax rate was principally due to a reduction in the South African statutory rate from 30% to 29% and a reduction in the Ghanaian tax rate, which resulted in a \$136 million reduction in deferred tax, the benefit of which was taken in the six month results. Without this one-off benefit the effective tax rate for the period would have been 30.9%. In future periods it is expected that the effective tax rate, including associates' tax, will remain above the statutory rate of 30%.

IAS 1 requires income from associates to be presented net of tax on the face of the income statement. The associates' tax is no longer included within the Group's total tax charge. Associates' tax included within 'Net income from associates' for the period ended 30 June 2005 is \$185 million (June 2004: \$164 million; December 2004: \$280 million).

7 Profit for the financial period

The table below analyses the contribution of each business segment to the Group's operating profit for the financial period and its headline earnings, which the directors consider to be a useful additional measure of the Group's performance. A reconciliation from profit for the financial period to headline earnings is given in note 8. Group operating profit is reconciled to 'Profit for the financial period' as set out in the table below:

US\$ million	6 months ended 30.06.05					Total
	Operating profit before special items ⁽¹⁾	Operating profit after special items	Special items: operating	Net profit on disposals	Net interest, tax and minority interests	
By business segment						
Platinum	410	410	—	—	(151)	259
Gold	154	116	38	—	(81)	73
Diamonds	297	297	—	—	(27)	270
Coal	374	374	—	—	(111)	263
Base Metals	721	721	—	—	(196)	525
Industrial Minerals	193	177	16	—	(53)	140
Ferrous Metals and Industries	791	790	1	—	(378)	413
Paper and Packaging	233	233	—	—	(101)	132
Exploration	(67)	(67)	—	—	17	(50)
Corporate Activities	(131)	(131)	—	—	(110)	(241)
Total/Headline earnings	2,975	2,920	55	—	(1,191)	1,784
Headline earnings adjustments (note 8)			(55)	67	42	54
Profit for the financial period⁽²⁾						1,838

⁽¹⁾ Operating profit includes associates' operating profit which is reconciled to 'Net income from associates' in note 4.

⁽²⁾ Profit for the financial period is the amount attributable to equity shareholders.

7 Profit for the financial period continued

6 months ended 30.06.04						
US\$ million	Operating profit before special items	Operating profit after special items	Special items: operating	Net profit on disposals	Net interest, tax and minority interests	Total
By business segment						
Platinum	314	314	–	–	(177)	137
Gold	156	156	–	–	(89)	67
Diamonds	340	340	–	–	(171)	169
Coal	201	201	–	–	(53)	148
Base Metals	568	568	–	–	(134)	434
Industrial Minerals	181	181	–	–	(61)	120
Ferrous Metals and Industries	394	394	–	–	(186)	208
Paper and Packaging	328	328	–	–	(105)	223
Exploration	(56)	(56)	–	–	14	(42)
Corporate Activities	(101)	(101)	–	–	(115)	(216)
Total/Headline earnings	2,325	2,325	–	–	(1,077)	1,248
Headline earnings adjustments (note 8)			–	1,007	(29)	978
Profit for the financial period						2,226

Year ended 31.12.04						
US\$ million	Operating profit before special items	Operating profit after special items	Special items: operating	Net profit on disposals	Net interest, tax and minority interests	Total
By business segment						
Platinum	536	536	–	–	(296)	240
Gold	296	295	1	–	(157)	139
Diamonds	573	573	–	–	(305)	268
Coal	497	497	–	–	(140)	357
Base Metals	1,276	1,039	237	–	(240)	1,036
Industrial Minerals	421	412	9	–	(133)	288
Ferrous Metals and Industries	887	1,042	(155)	–	(411)	476
Paper and Packaging	569	569	–	–	(202)	367
Exploration	(120)	(120)	–	–	29	(91)
Corporate Activities	(238)	(238)	–	–	(270)	(508)
Total/Headline earnings	4,697	4,605	92	–	(2,125)	2,572
Headline earnings adjustments (note 8)			(92)	1,025	(4)	929
Profit for the financial year						3,501

8 Earnings per share

	6 months ended 30.06.05	6 months ended 30.06.04	Year ended 31.12.04
Profit for the financial period attributable to equity shareholders			
Basic earnings per share (US\$)	1.27	1.56	2.44
Diluted earnings per share (US\$)	1.23	1.50	2.35
Headline earnings for the financial period⁽¹⁾			
Basic earnings per share (US\$)	1.24	0.87	1.79
Diluted earnings per share (US\$)	1.19	0.84	1.73

⁽¹⁾ 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 performance.

The calculation of basic and diluted earnings per share is based on the following data:

US\$ million (unless otherwise stated)	6 months ended 30.06.05	6 months ended 30.06.04	Year ended 31.12.04
Earnings			
Basic earnings being profit for the financial period attributable to equity shareholders	1,838	2,226	3,501
Effect of dilutive potential ordinary shares:			
Interest on convertible loan notes (net of tax)	15	15	29
Diluted earnings	1,853	2,241	3,530
Number of shares (million)			
Basic number of ordinary shares outstanding ⁽¹⁾	1,442	1,429	1,434
Effect of dilutive potential ordinary shares: ⁽²⁾			
Share options	19	19	18
Convertible loan notes	48	48	48
Diluted number of ordinary shares outstanding⁽¹⁾	1,509	1,496	1,500

⁽¹⁾ Basic and diluted number of ordinary shares outstanding represent the weighted average for the period. The average number of ordinary shares in issue excludes the shares held by the employee benefit trust.

⁽²⁾ Diluted earnings per share is calculated by adjusting the weighted average number of ordinary shares in issue on the assumption of conversion of all potentially dilutive ordinary shares.

The calculation of basic and diluted earnings per share based on headline earnings uses the following earnings data:

	Earnings (US\$ million)			Basic earnings per share (US\$)		
	6 months ended 30.06.05	6 months ended 30.06.04	Year ended 31.12.04	6 months ended 30.06.05	6 months ended 30.06.04	Year ended 31.12.04
Profit for the financial period attributable to equity shareholders	1,838	2,226	3,501	1.27	1.56	2.44
Special items: operating	55	–	(25)	0.04	–	(0.02)
Net loss/(profit) on disposals	1	(1,005)	(1,015)	–	(0.71)	(0.71)
Special items: associates	(68)	(2)	107	(0.04)	–	0.08
Related tax	(28)	32	2	(0.02)	0.02	–
Related minority interests	(14)	(3)	2	(0.01)	–	–
Headline earnings for the financial period	1,784	1,248	2,572	1.24	0.87	1.79

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9 Called-up share capital

	6 months ended 30.06.05		6 months ended 30.06.04		Year ended 31.12.04	
	Number of shares	US\$ million	Number of shares	US\$ million	Number of shares	US\$ million
Authorised:						
5% cumulative preference shares of £1 each	50,000	—	50,000	—	50,000	—
Ordinary shares of 50 US cents each	2,000,000,000	1,000	2,000,000,000	1,000	2,000,000,000	1,000
Called-up, allotted and fully paid:						
5% cumulative preference shares of £1 each	50,000	—	50,000	—	50,000	—
Ordinary shares of 50 US cents each	1,493,849,673	747	1,491,985,521	746	1,493,839,387	747

At general meetings, every member who is present in person has one vote on a show of hands and, on a poll, every member who is present in person or by proxy has one vote for every ordinary share held.

In the event of winding up, the holders of the cumulative preference shares will be entitled to the repayment of a sum equal to the nominal capital paid up, or credited as paid up, on the cumulative preference shares held by them and any accrued dividend, whether such dividend has been earned or declared or not, calculated up to the date of the winding up.

During 2005, 10,286 (June 2004: 6,946; December 2004: 15,110) ordinary shares of 50 US cents each were allotted in respect of certain non-executive directors by subscription of their after tax directors' fees. No ordinary shares were allotted on exercise of employee share option plans (June 2004: 2,182,665; December 2004: 4,028,867).

10 Acquisition of subsidiaries

No significant acquisitions were made during the six months to 30 June 2005 and there were no significant adjustments made to the fair values estimated relating to prior year acquisitions.

Other acquisitions in the year ended 31 December 2004 included additional consideration and goodwill of \$120 million relating to the acquisition of Minera Sur Andes (formerly Disputada) in 2002. This was the maximum amount payable as a result of copper prices reaching a certain average threshold since the date of acquisition. \$34 million of this additional consideration was paid in the year ended 31 December 2004. The remaining \$86 million additional consideration was paid during the six months ended 30 June 2005.

11 Disposal of subsidiaries and businesses

US\$ million	6 months ended 30.06.05
Net assets disposed	
Intangible fixed assets	1
Tangible fixed assets	34
Financial asset investments	12
Investments in associates	2
Deferred tax assets	1
Inventories	25
Trade and other receivables	33
Current financial asset investments	—
Cash and cash equivalents	7
Short term borrowings	—
Other current liabilities	(58)
Medium and long term borrowings	(1)
Provisions	(8)
Minority interests	(3)
Profit on disposal	29
Disposal proceeds	74
Total proceeds	
Net cash and cash equivalents disposed	(7)
Deferred consideration or allotted shares	—
Net cash inflow from disposal of subsidiaries during the year	67

Subsidiaries and businesses disposed of during the period contributed \$1 million to total profit for the financial period.

11 Disposal of subsidiaries and businesses continued

The following assets and liabilities relating to disposal groups have been reclassified as held for sale at 30 June 2005. The Group expects to complete the sale of these businesses within 12 months of the period end.

US\$ million	Boart	Hope Downs	Other	Total
Intangible fixed assets	32	—	—	32
Tangible fixed assets	123	170	14	307
Financial asset investments	18	—	—	18
Deferred tax assets	22	—	—	22
Total non-current assets	195	170	14	379
Inventories	121	—	—	121
Trade and other receivables	219	—	—	219
Cash and cash equivalents	38	—	—	38
Total current assets	378	—	—	378
Total assets	573	170	14	757
Short term borrowings	(7)	—	—	(7)
Trade and other payables	(139)	—	—	(139)
Total current liabilities	(146)	—	—	(146)
Medium and long term borrowings	(5)	—	—	(5)
Retirement benefit obligations	(72)	—	—	(72)
Deferred tax liabilities	—	(49)	—	(49)
Provisions	(11)	—	—	(11)
Total non-current liabilities	(88)	(49)	—	(137)
Total liabilities	(234)	(49)	—	(283)
Net assets	339	121	14	474

The net carrying amount of assets and associated liabilities reclassified as held for sale were written down by \$36 million (after tax) in the current period to their fair value less costs to sell. The above assets and liabilities are held principally within Ferrous Metals and Industries.

12 Contingent liabilities and contingent assets

There have been no significant changes in contingent liabilities from those reported at 31 December 2004.

There were no significant contingent assets in the Group at either 31 December 2004 or at 30 June 2005.

At 31 December 2004, contingent liabilities comprised aggregate amounts of \$272 million in respect of loans and performance guarantees given to banks and other third parties.

At 31 December 2004, AngloGold North America had \$30 million of reclamation bonds with various federal and governmental agencies, to cover potential environmental obligations. These obligations are guaranteed by AngloGold Ashanti Limited.

There are a number of legal or potential claims against the Group where an outcome cannot be foreseen and as such any loss cannot be reliably measured. Provision is made for all liabilities that are expected to materialise.

13 Exploration expenditure

US\$ million	6 months ended 30.06.05	6 months ended 30.06.04	Year ended 31.12.04
By business segment			
Platinum	9	11	13
Gold	22	19	43
Coal	4	3	9
Base Metals	20	18	41
Ferrous Metals and Industries	12	5	14
	67	56	120

14 Capital expenditure

US\$ million	6 months ended 30.06.05	6 months ended 30.06.04	Year ended 31.12.04
Platinum	243	292	633
Gold	311	234	585
Coal	126	64	218
Base Metals	100	176	367
Industrial Minerals	120	130	304
Paper and Packaging	392	383	758
Ferrous Metals and Industries	133	144	284
Other	8	5	17
Purchase of tangible fixed assets	1,433	1,428	3,166
Purchase of biological assets	26	28	67
	1,459	1,456	3,233

15 Reconciliation of profit before tax to cash inflows from operations

US\$ million	6 months ended 30.06.05	6 months ended 30.06.04	Year ended 31.12.04
Profit before tax	2,657	2,932	4,864
Depreciation and amortisation	1,199	963	2,107
Share option expense	40	32	50
Special items of subsidiaries and joint ventures	56	(1,005)	(1,040)
Net finance costs	102	161	367
Fair value gains	(43)	—	—
Net income from associates	(407)	(330)	(550)
Provisions	60	2	17
Increase in inventories	(113)	(61)	(279)
Increase in operating debtors	(471)	(418)	(444)
Increase/(decrease) in operating creditors	13	(42)	113
Other adjustments	(19)	8	86
Cash inflows from operations	3,074	2,242	5,291

16 EBITDA by business segment

US\$ million	6 months ended 30.06.05	6 months ended 30.06.04	Year ended 31.12.04
By business segment			
Platinum	610	465	853
Gold	415	319	694
Diamonds	337	375	655
Coal	476	286	687
Base Metals	875	720	1,625
Industrial Minerals	317	288	638
Ferrous Metals and Industries	961	563	1,231
Paper and Packaging	449	523	978
Exploration	(67)	(56)	(120)
Corporate Activities	(124)	(83)	(210)
EBITDA	4,249	3,400	7,031

EBITDA is stated before special items and is reconciled to 'Total profit from operations and associates' as follows:

US\$ million	6 months ended 30.06.05	6 months ended 30.06.04	Year ended 31.12.04
Total profit from operations and associates	2,759	3,093	5,231
Special items (including associates)	55	—	92
Net profit on disposals (including associates)	(67)	(1,007)	(1,025)
Depreciation and amortisation: subsidiaries and joint ventures	1,199	963	2,107
Share of associates' interest, tax, depreciation, amortisation and underlying minority interests	303	351	626
EBITDA	4,249	3,400	7,031

EBITDA is reconciled to cash inflows from operations as follows:

US\$ million	6 months ended 30.06.05	6 months ended 30.06.04	Year ended 31.12.04
EBITDA	4,249	3,400	7,031
Share of operating profit of associates, before special items	(567)	(567)	(1,056)
Underlying depreciation and amortisation in associates	(75)	(112)	(227)
Share option expense	40	32	50
Fair value gains	(43)	—	—
Provisions	60	2	17
Increase in inventories	(113)	(61)	(279)
Increase in operating debtors	(471)	(418)	(444)
Increase/(decrease) in operating creditors	13	(42)	113
Other adjustments	(19)	8	86
Cash inflows from operations	3,074	2,242	5,291

17 Cash and cash equivalents

US\$ million	As at 30.06.05	As at 30.06.04	As at 31.12.04
Cash and cash equivalents per balance sheet			
Continuing operations	2,788	2,495	2,955
Disposal groups	38	—	—
Bank overdrafts			
Continuing operations	(143)	(78)	(174)
Disposal groups	(7)	—	—
Net cash and cash equivalents per cash flow statement	2,676	2,417	2,781

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18 Movement in net debt

	Cash and cash equivalents		Debt due within one year		Debt due after one year ⁽¹⁾	Current financial asset investments	Total net debt
		Carrying value	Hedge		Carrying value	Hedge	
US\$ million							
Opening balance at 1 January 2005	2,781	(3,209)	–		(7,817)	–	(8,243)
IAS 32 and IAS 39 adjustments	–	(63)	–		(144)	–	(207)
Adjusted opening balance at 1 January 2005	2,781	(3,272)	–		(7,961)	–	(8,450)
Cash flow	52	510	–		33	–	600
Disposal of business (note 11)	–	–	–		1	–	1
Accretion of convertible debt	–	–	–		(23)	–	(23)
Reclassifications	–	(59)	–		59	–	–
Movement in fair value	–	–	–		(25)	24	(1)
Exchange movements	(157)	341	–		661	–	843
Closing balance at 30 June 2005	2,676	(2,480)	–		(7,255)	24	(7,030)

The Group's net debt position as at 30 June 2005, disclosed above, includes the following balances that have been reclassified as 'held for sale' at period end and are included within 'Assets classified as held for sale' and 'Liabilities directly associated with assets classified as held for sale':

	Cash and cash equivalents		Debt due within one year		Debt due after one year	Current financial asset investments	Total net funds
		Carrying value	Hedge		Carrying value	Hedge	
US\$ million							
Disposal groups	31	–	–		(5)	–	26

⁽¹⁾ Debt due after one year includes convertible debt of \$1,954 million and excludes overdrafts (see note 17).

19 Events occurring after end of the period

Effective 29 July 2005, the Boart Longyear Group has been sold to Advent International plc at an enterprise value of \$545 million. For the purpose of reporting as at 30 June 2005 Boart Longyear was treated as a disposal group.

A cash settlement of A\$231 million (\$176 million) was received by Kumba on 1 July 2005 on sale of its 49% interest in the Hope Downs project. The disposal follows the exercise of an option to purchase this interest by Kumba's local partner in the project.

Since the end of the period, AngloGold Ashanti has received notification that the Department of Minerals and Energy in South Africa has granted its applications for new order mining rights in terms of the Mineral and Petroleum Resources Development Act.

20 Changes in estimates

Anglo Platinum – metal inventories

During the period, Anglo Platinum changed its estimate of the quantities of valuation of inventory based on the outcome of a physical count of in-process metal inventory. Anglo Platinum runs a theoretical metal inventory system based on inputs, the results of previous physical counts and outputs. Due to the nature of in-process inventories being contained in weirs, pipes and other vessels, physical counts only take place periodically.

This change in estimate has had the effect of increasing the value of inventory disclosed in the financial statements by \$54 million to \$524 million. This results in the recognition of an after tax gain of \$38 million.

21 Related party transactions

With effect from 1 June 2001, the cross-holding between Anglo American and De Beers was eliminated and Anglo American now accounts for its 45% interest in DB Investments (DBI), the new holding company of De Beers Société Anonyme (Dbsa). As a result of De Beers' partial interest in Debswana Diamond Company (Proprietary) Limited (one of the shareholders in DBI), Anglo American accounted for an additional 3.65% of DBI's post-tax equity earnings. As part of an agreement to extend a number of mining licences, this partial interest was ceded during 2004 by De Beers to the Government of the Republic of Botswana. Following this restructuring, Anglo American only accounts for its direct 45% interest in DBI. Anglo American accounts for the dividends attributable to 10% non-cumulative preference shares as interest income.

The Company and its subsidiaries, in the ordinary course of business, enter into various sales, purchase and service transactions with associates and others in which the Group has a material interest. These transactions are under terms that are no more favourable than those arranged with third parties. These transactions, in total, are not considered to be significant.

Dividends received from associates during the period totalled \$300 million (June 2004: \$136 million; December 2004: \$368 million), as disclosed in the consolidated cash flow statement on page 14.

22 Consolidated interim statement of changes in shareholders' equity

US\$ million	Attributable to equity holders of the Company						Total equity
	Total share capital ⁽¹⁾	Retained earnings	Share-based payment reserve	Cumulative translation adjustment reserve	Fair value and other reserves	Minority interests	
Balance at 1 January 2004	2,022	15,012	25	–	772	3,365	21,196
Total recognised income and expense	–	2,210	–	481	–	252	2,943
Dividends paid	–	(554)	–	–	–	–	(554)
Shares issued	333	–	–	–	–	–	333
Share-based payments	–	5	19	–	–	3	27
Subsidiary shares issued	–	–	–	–	–	890	890
Minority interests acquired	–	–	–	–	–	(425)	(425)
Dividends paid to minority interests	–	–	–	–	–	(100)	(100)
Deemed disposal of AngloGold	–	–	–	–	–	155	155
Balance at 30 June 2004	2,355	16,673	44	481	772	4,140	24,465
Balance at 1 July 2004	2,355	16,673	44	481	772	4,140	24,465
Total recognised income and expense	–	1,264	–	1,766	–	503	3,533
Dividends paid	–	(273)	–	–	–	–	(273)
Shares issued	25	–	–	–	–	–	25
Share-based payments	–	7	11	–	–	–	18
Minority interests acquired	–	–	–	–	–	23	23
Dividends paid to minority interests	–	–	–	–	–	(78)	(78)
Balance at 31 December 2004	2,380	17,671	55	2,247	772	4,588	27,713
Adoption of IAS 32 and IAS 39 ⁽²⁾	–	(231)	–	–	226	(122)	(127)
Balance at 1 January 2005	2,380	17,440	55	2,247	998	4,466	27,586
Total recognised income and expense	–	1,798	–	(2,147)	(97)	(123)	(569)
Dividends paid	–	(734)	–	–	–	–	(734)
Shares issued	1	–	–	–	–	–	1
Share-based payments	–	–	35	–	–	3	38
Disposal of business	–	–	–	–	–	(3)	(3)
Minority interests acquired	–	–	–	–	–	3	3
Dividends paid to minority interests	–	–	–	–	–	(165)	(165)
Exercise of employee share options	–	82	–	–	–	–	82
Other movements	–	–	9	–	–	1	10
Balance at 30 June 2005	2,381	18,586	99	100	901	4,182	26,249

⁽¹⁾ Total share capital comprises called-up share capital and the share premium account.

⁽²⁾ Details of the accounting policy changes are set out in note 24.

23 Reconciliation between UK GAAP and IFRS

The Group published financial information in accordance with IFRS for 2004, as required by IFRS 1, on 9 May 2005 in its news release entitled 'International Financial Reporting Standards (IFRS) restatements for 2004 and update on adoption of IFRS'. The news release is published on the Company's website, www.angloamerican.co.uk, and includes explanations of the significant UK GAAP to IFRS differences and reconciliations for:

- total equity as at 1 January 2004 (date of transition to IFRS), 30 June 2004 and 31 December 2004;
- profit attributable to shareholders for the period to 30 June 2004 and the year to 31 December 2004; and
- pro forma IAS 32 and IAS 39 information for the period to 30 June 2004 and the year to 31 December 2004.

The news release also included detailed IFRS accounting policies and supplementary notes to provide more information for understanding the restatements. A summary of the detailed information presented in the news release is provided below:

Reconciliation of equity

US\$ million	As at 01.01.04	As at 30.06.04	As at 31.12.04
Total equity presented under UK GAAP	19,772	22,531	24,998
Reclassification of UK GAAP minority interests within equity	3,396	4,160	4,620
Proposed dividend adjustment	622	349	815
Recognition of deferred tax on fair value adjustments ⁽¹⁾	(1,712)	(1,782)	(1,899)
Defined benefit pension obligations	(576)	(585)	(628)
Translation of goodwill arising post 1 January 2004	–	–	21
Treatment of De Beers' preference shares	(130)	(143)	(218)
Net impairment of goodwill	(214)	(214)	(214)
Reversal of goodwill amortisation	–	112	221
Fair value of biological assets	26	24	14
Share-based payments	6	14	1
Net impact of other IFRS adjustments	6	(1)	(18)
Total equity and reserves presented under IFRS	21,196	24,465	27,713

23 Reconciliation between UK GAAP and IFRS continued

Reconciliation of profit attributable to equity shareholders of the Company

US\$ million	6 months ended 30.06.04	Year ended 31.12.04
Attributable profit under UK GAAP	1,709	2,913
Reclassification of unrealised gains	424	427
Deferred tax on fair value adjustments	2	41
Defined benefit schemes	8	–
Recycling of currency translation adjustments	–	30
Treatment of De Beers' preference shares	(5)	(69)
Reversal of goodwill amortisation	104	205
Fair value of biological assets	(4)	(21)
Share-based payments	(14)	(21)
Net impact of other IFRS adjustments	2	(4)
Attributable profit under IFRS	2,226	3,501

⁽¹⁾ Since the release of the Group's restated IFRS information on 9 May 2005, an additional deferred tax liability of £126 million (\$227 million) has been recognised on transition to IFRS in respect of underlying fair value adjustments. This adjustment was taken to opening retained earnings in accordance with IFRS 1.

Reconciliation of cash flows

The material adjustments made to the presentation of the Group's consolidated cash flow statement were the inclusion of cash flows from joint venture entities on a line by line basis in accordance with the proportional consolidation rules set out in IAS 31 *Interests in Joint Ventures*, and the inclusion of short term cash investments maturing within 90 days of deposit, previously disclosed as 'current asset investments', as 'cash equivalents' in accordance with IAS 7 *Cash Flow Statements*.

notes to financial information

continued

24 Adoption of IAS 32 and IAS 39

The consolidated balance sheet as at 31 December 2004 has been adjusted to apply IAS 32 and IAS 39 prospectively from 1 January 2005 as set out below:

US\$ million	Footnotes	IFRS 31.12.04	Effect of adoption of IAS 32 and IAS 39	Restated IFRS 01.01.05
Intangible fixed assets		2,644	—	2,644
Tangible fixed assets	1	33,172	(173)	32,999
Biological assets		374	—	374
Environmental rehabilitation trusts		237	—	237
Investments in associates		3,486	4	3,490
Financial asset investments		1,084	58	1,142
Deferred tax assets		128	(1)	127
Other financial assets (derivatives)	2	—	675	675
Other non-current assets		66	—	66
Total non-current assets		41,191	563	41,754
Inventories		3,549	—	3,549
Trade and other receivables		5,534	(86)	5,448
Current tax assets		220	—	220
Other current financial assets (derivatives)	2	—	670	670
Current financial asset investments		2	—	2
Cash and cash equivalents		2,955	—	2,955
Total current assets		12,260	584	12,844
Total assets		53,451	1,147	54,598
Short term borrowings		(3,383)	(63)	(3,446)
Trade and other payables		(5,368)	78	(5,290)
Current tax liabilities		(831)	1	(830)
Other current financial liabilities (derivatives)	2	—	(628)	(628)
Total current liabilities		(9,582)	(612)	(10,194)
Medium and long term borrowings	3	(7,817)	(144)	(7,961)
Retirement benefit obligations		(1,201)	—	(1,201)
Other financial liabilities (derivatives)	2	—	(610)	(610)
Deferred tax liabilities		(5,810)	92	(5,718)
Provisions		(1,328)	—	(1,328)
Total non-current liabilities		(16,156)	(662)	(16,818)
Total liabilities		(25,738)	(1,274)	(27,012)
Net assets		27,713	(127)	27,586
Equity				
Called-up share capital		747	—	747
Share premium account		1,633	—	1,633
Other reserves		3,074	226	3,300
Cash flow hedge reserve	4	—	50	50
Convertible debt reserve	5	—	128	128
Available-for-sale reserve		—	48	48
Other		3,074	—	3,074
Retained earnings	4	17,671	(231)	17,440
Equity attributable to equity shareholders of the Company		23,125	(5)	23,120
Minority interests		4,588	(122)	4,466
Total equity		27,713	(127)	27,586

24 Adoption of IAS 32 and IAS 39 continued

The IFRS news release issued on 9 May 2005 sets out the detailed accounting policies for the Group's financial instruments and a reconciliation by adjustment type on adoption of IAS 32 and IAS 39.

The key changes in accounting policy on adoption of IAS 32 and IAS 39 are:

- recognition and fair value of derivatives, including embedded derivatives;
- fair value of investments that were previously cost accounted; and
- the separation of the equity conversion option within convertible debt instruments.

A summary of the more significant adjustments is set out below:

1. The reduction in tangible fixed assets was largely due to an impairment triggered by the recognition of an embedded derivative. The derivative was in a commercial purchase contract in a Base Metals' operation and the resulting financial asset increased the carrying value of total assets over their recoverable amount.
2. All outstanding derivatives, other than commodity contracts which meet the normal sale exemption criteria of IAS 39, are now recognised on the balance sheet at their marked to market value and are disclosed within 'Other financial assets (derivatives)' or 'Other financial liabilities (derivatives)'. They are classified as current or non-current depending on the maturity of the derivative.
3. The increase in 'medium and long term borrowings' is largely due to a \$277 million increase following the separate presentation of derivatives within 'Other financial assets (derivatives)' and 'Other financial liabilities (derivatives)'. This is partially offset by a \$133 million reduction in liabilities following the separation of the conversion option from the Group's convertible debt instruments.
4. Derivative financial instruments that were designated and effective as hedges of future cash flows as at 1 January 2005 were fair valued through the 'cash flow hedge reserve' at that date. Derivatives not designated as cash flow hedges as at 1 January 2005 were fair valued through retained earnings.
5. The conversion option within the convertible bond issued by the Company was fair valued at the date of issue and is included in equity, net of deferred tax. The conversion option within the convertible bond issued by AngloGold Ashanti, however, is classified as a liability within 'Other financial liabilities (derivatives)'. This accounting treatment follows recent IFRIC guidance.

The pro forma information presented in the IFRS news release assumed application of IAS 32 and IAS 39 from 1 January 2004. As such, it is slightly different to the information restated here, for statutory purposes, which applies the standards prospectively from 1 January 2005.

independent review report to Anglo American plc

Introduction

We have been instructed by the Company to review the financial information for the six months ended 30 June 2005 which comprises the consolidated income statement, the consolidated balance sheet, the consolidated cash flow statement, the consolidated statement of total recognised income and expense and the related notes 1 to 24. 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 and the requirements of International Accounting Standard 34 *Interim Financial Reporting* (IAS 34), which require that the accounting policies and presentation applied to the interim figures are consistent with those applied in preparing the preceding annual financial statements except where any changes, and the reasons for them, are disclosed.

International Financial Reporting Standards

As disclosed in note 2, the next annual financial statements of the Group will be prepared in accordance with International Financial Reporting Standards as adopted for use in the EU. Accordingly, the interim report has been prepared in accordance with IAS 34, and the requirements of International Financial Reporting Standard 1 *First Time Adoption of International Financial Reporting Standards* relevant to interim reports. The accounting policies are consistent with those that the directors intend to use in the annual financial statements.

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 International Standards on Auditing (UK and Ireland) 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 2005.

Deloitte & Touche LLP
Chartered Accountants
London
3 August 2005

production statistics

	6 months ended 30.06.05	6 months ended 30.06.04	Year ended 31.12.04
Anglo Platinum (troy ounces)⁽¹⁾⁽²⁾			
Platinum	1,291,400	1,182,700	2,498,200
Palladium	731,700	634,900	1,331,800
Rhodium	175,700	109,300	258,600
Nickel (tonnes)	11,200	11,300	22,700
AngloGold Ashanti (gold in troy ounces)⁽²⁾⁽³⁾			
South Africa	1,330,000	1,529,000	3,079,000
Argentina	108,000	82,000	211,000
Australia	261,000	184,000	410,000
Brazil	167,000	163,000	334,000
Ghana	342,000	123,000	485,000
Guinea	123,000	17,000	83,000
Mali	261,000	211,000	475,000
Namibia	37,000	31,000	67,000
Tanzania	357,000	233,000	570,000
United States	152,000	148,000	329,000
Zimbabwe	—	4,000	9,000
	3,138,000	2,725,000	6,052,000
Gold Fields (troy ounces)⁽⁴⁾			
Gold	—	207,000	207,000

	6 months ended 30.06.05	6 months ended 30.06.04	Year ended 31.12.04
Anglo Coal (tonnes)			
South Africa:			
Eskom	16,585,200	15,995,300	33,668,300
Trade – Thermal	9,170,800	9,033,000	18,648,600
Trade – Metallurgical	852,800	912,300	2,143,700
	26,608,800	25,940,600	54,460,600
Australia:			
Thermal	8,147,700	8,694,000	17,378,800
Metallurgical	4,591,000	3,300,800	8,203,800
	12,738,700	11,994,800	25,582,600
South America:			
Thermal	4,835,300	4,891,700	9,589,600
	44,182,800	42,827,100	89,632,800
South Africa:			
Bank	1,415,600	1,271,600	2,733,100
Greenside	1,345,600	1,378,300	2,754,800
Goedehoop	3,029,100	3,201,200	6,462,100
Kriel	5,918,800	5,360,400	11,059,500
Kleinkopje	2,090,800	2,226,000	4,691,600
Landau	1,760,000	1,573,500	3,474,100
New Denmark	2,007,500	2,279,100	4,975,800
New Vaal	8,066,200	8,355,800	17,312,000
Nooitgedacht	382,400	294,700	676,600
Mafube	592,800	—	321,000
	26,608,800	25,940,600	54,460,600
Australia:			
Callide	4,851,500	4,774,200	9,355,300
Drayton	2,043,900	2,035,900	4,278,800
Dartbrook	501,000	1,062,600	2,268,100
German Creek	1,433,600	1,690,400	4,047,600
Jellinbah East	461,900	420,900	925,200
Moranbah	1,861,400	153,400	1,125,900
Dawson Complex	1,585,400	1,857,400	3,581,700
	12,738,700	11,994,800	25,582,600
South America:			
Carbones del Guasare	748,200	866,400	1,677,600
Carbones del Cerrejón	4,087,100	4,025,300	7,912,000
	4,835,300	4,891,700	9,589,600

	6 months ended 30.06.05	6 months ended 30.06.04	Year ended 31.12.04
Anglo Base Metals			
Copper (tonnes) ⁽⁵⁾			
Collahuasi (44% basis)	93,000	84,300	211,700
Mantos Blancos	71,300	75,400	155,000
Minera Sur Andes	150,000	150,800	300,400
Black Mountain and Hudson Bay	1,300	43,200	79,500
Other	–	10,200	19,400
	315,600	363,900	766,000
Nickel (tonnes)			
Loma de Níquel	8,300	8,500	17,400
Codemín	4,300	3,100	6,500
Other	–	100	100
	12,600	11,700	24,000
Zinc (tonnes)			
Hudson Bay	–	52,700	107,000
Black Mountain	16,200	13,300	28,200
Skorpion	56,300	56,700	119,200
Lisheen	81,300	80,500	156,300
	153,800	203,200	410,700
Lead (tonnes)			
Black Mountain	19,500	16,800	37,500
Lisheen	10,300	9,500	17,200
	29,800	26,300	54,700
Mineral sands (tonnes)			
Slag tapped	83,600	81,800	169,300
Iron tapped	53,200	51,100	105,900
Zircon	63,100	58,700	119,100
Rutile	14,700	10,800	23,700
Niobium (tonnes)			
Catalão	1,900	1,700	3,500
Anglo Industrial Minerals (tonnes)			
Aggregates	38,425,000	33,225,000	70,448,300
Lime products	751,800	503,600	1,185,700
Concrete (m³)	4,204,000	4,167,000	8,310,800
Sodium tripolyphosphate	60,700	55,900	115,700
Phosphates	471,000	563,200	1,169,300

	6 months ended 30.06.05	6 months ended 30.06.04	Year ended 31.12.04
Anglo Paper and Packaging			
Mondi Packaging			
Packaging papers (tonnes)	1,336,298	1,297,060	2,600,291
Corrugated board and boxes (m m²)	1,169	1,028	2,103
Paper sacks	1,667	1,660	3,251
Coating and release liners (m m²)	868	841	1,661
Pulp – external (tonnes)	85,282	74,266	153,045
Mondi Business Paper			
Uncoated wood free paper (tonnes)	938,582	928,634	1,881,851
Pulp – external (tonnes)	66,989	25,494	53,142
Wood chips (green metric tonnes)	877,693	1,149,200	2,125,858
Mondi Packaging South Africa			
Packaging papers (tonnes)	182,384	185,962	365,557
Corrugated case material (m m²)	154	156	335
Newsprint and other			
Newsprint (attributable share) (tonnes)	247,636	294,759	550,986
Mining timber (tonnes)	59,981	74,100	154,727
Anglo Ferrous Metals and Industries (tonnes)			
Kumba Resources Limited⁽⁶⁾			
Iron ore production	15,511,000	15,284,000	30,112,000
Coal	10,054,000	9,496,000	19,444,000
Zinc	53,000	56,000	116,000
Heavy minerals	345,000	374,000	694,000
Highveld Steel			
Vanadium slag	32,612	32,516	67,587
Rolled products	319,627	325,123	674,013
Continuous cast blocks	421,315	456,971	922,477
Samancor			
Manganese ore (mtu m)	46	53	106
Manganese alloys	164,400	173,960	321,100
Scaw Metals			
Rolled products	179,237	216,517	458,000
Cast products	63,018	68,565	110,000
Grinding media	223,533	194,793	429,000
Tongaat-Hulett			
Sugar	388,810	392,510	756,000
Aluminium	94,348	79,600	162,000
Starch and glucose	283,436	277,670	576,000
Hippo Valley			
Sugar	74,946	60,398	200,000

⁽¹⁾ Includes Anglo Platinum's share of Northam Platinum Limited.

⁽²⁾ See the published results of Anglo Platinum Limited or AngloGold Ashanti Limited for further analysis of production information.

⁽³⁾ 2005 excludes Ergo production. Ergo production for the six months ended 30 June 2004 was 121,000 ounces and for the year ended 31 December 2004 was 222,000 ounces.

⁽⁴⁾ Gold Fields was sold in March 2004.

⁽⁵⁾ In respect of the six months ended 30 June 2005, production for Palabora is excluded.

⁽⁶⁾ See the published results of Kumba Resources Limited for further analysis of production information.

The figures above and on the preceding page include the entire output of consolidated entities and the Group's share of joint ventures, joint arrangements and associates with the exception that the production for AngloGold Ashanti is on an attributable basis for all of its operations.

exchange rates and commodity prices

	6 months ended 30.06.05	6 months ended 30.06.04	Year ended 31.12.04
US dollar exchange rates			
Average spot prices for the period			
South African rand	6.21	6.67	6.44
Sterling	0.53	0.55	0.55
Euro	0.78	0.81	0.80
Australian dollar	1.29	1.35	1.36
Chilean peso	580	609	609
Period end spot prices			
South African rand	6.68	6.23	5.65
Sterling	0.56	0.55	0.52
Euro	0.83	0.82	0.74
Australian dollar	1.31	1.44	1.28
Chilean peso	579	636	556
Commodity prices			
Average market prices for the period			
Gold – US\$/oz	427	401	409
Platinum – US\$/oz	867	850	847
Palladium – US\$/oz	190	248	231
Rhodium – US\$/oz	1,583	696	991
Copper – US cents/lb	151	125	130
Nickel – US cents/lb	720	619	628
Zinc – US cents/lb	59	48	48
Lead – US cents/lb	45	38	40
European eucalyptus pulp price (CIF) – US\$/tonne	575	525	520

summary by business segment

US\$ million	Revenue ⁽¹⁾		EBITDA ⁽²⁾		Operating profit/(loss) ⁽³⁾		Headline earnings/(loss)	
	6 months ended 30.06.05	6 months ended 30.06.04	6 months ended 30.06.05	6 months ended 30.06.04	6 months ended 30.06.05	6 months ended 30.06.04	6 months ended 30.06.05	6 months ended 30.06.04
Platinum	1,767	1,475	610	465	410	314	259	137
Gold	1,333	1,058	415	319	154	156	73	67
Diamonds	1,628	1,647	337	375	297	340	270	169
Coal	1,479	1,040	476	286	374	201	263	148
South Africa	681	501	231	115	205	93	142	64
Australia	536	343	109	71	48	26	36	26
South America	262	196	136	100	121	82	85	58
Base Metals	1,629	1,592	875	720	721	568	525	434
Copper	1,118	969	673	530	570	435	413	351
Collahuasi	319	237	209	154	174	126	133	102
Minera Sur Andes	559	463	355	269	306	221	216	175
Mantos Blancos	240	225	110	110	90	96	64	80
Palabora and other	—	44	(1)	(3)	—	(8)	—	(6)
Nickel, Niobium, Mineral Sands	324	265	164	139	141	117	103	70
Catalão	25	22	11	11	10	10	6	9
Codemin	65	41	36	23	33	21	34	11
Loma de Níquel	143	136	89	87	79	77	47	43
Namakwa Sands	91	64	28	16	19	8	16	6
Nkomati and other	—	2	—	2	—	1	—	1
Zinc	187	358	56	66	29	31	26	27
Black Mountain	33	35	6	(1)	6	(3)	4	(2)
Hudson Bay	—	204	—	42	—	23	—	19
Lisheen	68	95	23	17	17	11	21	11
Skorpion	86	24	27	8	6	—	1	(1)
Other	—	—	(18)	(15)	(19)	(15)	(17)	(14)
Industrial Minerals	2,035	1,843	317	288	193	181	140	120
Tarmac	1,921	1,750	299	262	183	162	136	113
Copebrás	114	93	18	26	10	19	4	7
Ferrous Metals and Industries	3,694	3,183	961	563	791	394	413	208
Kumba	846	712	324	160	246	98	105	32
Highveld Steel	668	362	282	88	261	67	130	37
Scaw Metals	488	392	68	56	58	46	41	33
Samancor Group	466	375	133	105	121	89	85	67
Boart Longyear	512	408	72	42	55	30	33	17
Tongaat-Hulett	658	507	86	48	56	28	21	6
Terra	—	368	—	66	—	41	—	17
Other	56	59	(4)	(2)	(6)	(5)	(2)	(1)
Paper and Packaging	3,580	3,371	449	523	233	328	132	223
Mondi Packaging	1,969	1,788	250	282	132	170	81	111
Mondi Business Paper	1,063	980	164	188	89	119	54	87
Other	548	603	35	53	12	39	(3)	25
Exploration	—	—	(67)	(56)	(67)	(56)	(50)	(42)
Corporate	—	90	(124)	(83)	(131)	(101)	(241)	(216)
Gold Fields ⁽⁴⁾	—	90	—	19	—	7	—	6
Other	—	—	(124)	(102)	(131)	(108)	(241)	(222)
	17,145	15,299	4,249	3,400	2,975	2,325	1,784	1,248

⁽¹⁾ Revenue includes share of revenue from joint ventures and associates. Base Metals' turnover is shown before deduction of treatment and refining charges (TC/RCs) in 2004.

⁽²⁾ EBITDA is operating profit before special items plus depreciation and amortisation in subsidiaries and share of EBITDA of joint ventures and associates.

⁽³⁾ Operating profit includes operating profit from subsidiaries and joint ventures and share of operating profit (before tax and interest) of associates. See note 4 to the financial information.

⁽⁴⁾ Gold Fields was sold in March 2004.

reconciliation of subsidiaries' and associates' headline earnings to those included in the consolidated financial statements

for the six months ended 30 June 2005 – note only key reported lines are reconciled

AngloGold Ashanti Limited		2005 US\$ million	Kumba Resources Limited		2005 US\$ million
IFRS headline earnings (published)		143	IFRS headline earnings (published)		155
Exploration (excluding joint ventures)		22	Adjustments		(11)
		165	Depreciation on assets revalued on acquisition (net of tax)		(7)
Minority interest		(81)	Impact of change in South African corporate tax rate on assets revalued on acquisition		10
Depreciation on assets revalued on acquisition (net of tax)		(11)	Exploration		12
Contribution to Anglo American plc headline earnings		73			159
			Minority interest		(54)
			Contribution to Anglo American plc headline earnings		105
Anglo Platinum Limited		2005 US\$ million	Highveld Steel and Vanadium Corporation Limited		2005 US\$ million
IFRS headline earnings (published)		344	IFRS headline earnings (published)		167
Exploration		9	Adjustments		(2)
Other adjustments		(4)			165
		349	Minority interest		(35)
Minority interest		(88)	Contribution to Anglo American plc headline earnings		130
Depreciation on assets revalued on acquisition (net of tax)		(26)			
Impact of change in South African corporate tax rate on assets revalued on acquisition		24			
Contribution to Anglo American plc headline earnings		259			
			The Tongaat-Hulett Group Limited		2005 US\$ million
			IFRS headline earnings (published)		33
DB Investments (DBI)		2005 US\$ million	Minority interest		(15)
Reconciliation of headline earnings					18
DBI headline earnings – (100%)		336	Add AA plc's share of Hulett Aluminium		3
Adjustments ⁽¹⁾		5	Contribution to Anglo American plc headline earnings		21
DBI headline earnings – AA plc basis (100%)		341			
AA plc's 45% ordinary share interest		153			
Income from preference shares		26			
Exchange gains related to preference shares		91			
Contribution to Anglo American plc headline earnings		270			

⁽¹⁾ Adjustments include the reclassification of the actuarial gains and losses booked to the income statement by Dbsa under the corridor mechanism of IAS 19. As AA plc has early adopted the amended version of IAS 19, this charge has been included in the deficit booked to reserves in prior years.

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 2005 will be payable as follows:

Amount (United States currency)	28 cents per ordinary share (notes 1 and 2)
Currency conversion date	Monday 1 August 2005
Last day to trade on the JSE Securities Exchange South Africa (JSE) to qualify for the dividend	Friday 12 August 2005
Ex-dividend on the JSE from the commencement of trading on	Monday 15 August 2005
Ex-dividend on the London Stock Exchange from the commencement of trading on	Wednesday 17 August 2005
Record date (applicable to both the United Kingdom principal register and South African branch register)	Friday 19 August 2005
Last day for receipt of Dividend Reinvestment Plan (DRIP) mandate forms by Central Securities Depository Participants (CSDPs) (notes 4 and 5)	Tuesday 30 August 2005
Last day for receipt of DRIP mandate forms by the UK Registrars or the South African Transfer Secretaries (notes 4 and 5)	Thursday 1 September 2005
Dividend warrants posted	Monday 19 September 2005
Payment date of dividend	Tuesday 20 September 2005

Notes:

1. Shareholders on the United Kingdom register of members with an address in the United Kingdom will be paid in pounds sterling and those with an address in a country in the European Union which has adopted the euro, will be paid in euros. Such shareholders may, however, elect to be paid their dividends in US dollars provided the UK Registrar receives such election by Friday 19 August 2005. Shareholders with an address elsewhere (except in South Africa) will be paid in US dollars. The equivalent of the dividend in sterling will be 15.8508 pence per ordinary share based on an exchange rate of US\$1 = £0.5661. The equivalent of the dividend in euros will be 22.9124 euro cents per ordinary share based on an exchange rate of US\$1 = €0.8183.
2. Shareholders on the South African branch register will be paid in South African rand at R1.8346 per ordinary share based on an exchange rate of US\$1 = R6.5522.
3. Dematerialisation and rematerialisation of registered share certificates in South Africa will not be effected by CSDPs during the period Monday 15 August 2005 to Friday 19 August 2005 (both days inclusive).
4. Those shareholders who already participate in the DRIP need not complete a DRIP mandate form for each dividend as such forms provide an ongoing authority to participate in the DRIP until cancelled in writing. Shareholders who wish to participate in the DRIP should obtain a mandate form from the UK Registrars, the South African Transfer Secretaries or, in the case of those who hold their shares through the STRATE system, their CSDP.
5. In terms of the DRIP, and subject to the purchase of shares in the open market, share certificates/Crest notifications are expected to be mailed and CSDP investor accounts credited/updated on Tuesday 4 October 2005.
6. Copies of the terms and conditions of the DRIP are available from the UK Registrars or the South African Transfer Secretaries.

By order of the board

N Jordan
Secretary
3 August 2005

appendix

pro forma IAS 32 and IAS 39 financial information

Pro forma IFRS consolidated income statements including the effects of applying IAS 32 and IAS 39 for the period ended 30 June 2004 and the year ended 31 December 2004 and balance sheet for the period ended 30 June 2004 have been provided below. The full adoption of both these standards was not mandatory until January 2005. The restated opening balance sheet as at 1 January 2005 is presented in note 24 to this report.

The basis of presentation of these pro forma results is that IAS 32 and IAS 39 have not been applied to 2004 transactions within entities that were fully disposed of in 2004, or to contracts containing embedded derivatives that no longer existed as at 1 January 2005. In accordance with the transition rules applicable for first-time adopters, documentation and effectiveness calculations required for hedge accounting were put in place as at 1 January 2005. Where hedge accounting has been applied with effect from 1 January 2005, 2004 pro forma financial information has been stated on the same basis as if necessary documentation had been in place.

AngloGold Ashanti, a rand functional currency entity, issued a US dollar convertible bond in February 2004. The pro forma financial information classifies the equity conversion option within this debt as a derivative within liabilities, marked to market through the income statement. This is in accordance with the recent clarification of IAS 32 by IFRIC.

Pro forma IAS 32 and IAS 39 consolidated income statement for the six months ended 30 June 2004

US\$ million	IFRS ⁽¹⁾	IAS 32 and IAS 39 adjustments	IFRS pro forma
Group revenue	12,346	11	12,357
Total operating costs	(10,588)	(90)	(10,678)
Special items	–	(1)	(1)
Operating profit from subsidiaries and joint ventures	1,758	(80)	1,678
Net profit on disposals	1,005	(18)	987
Net income from associates	330	14	344
Total profit from operations and associates	3,093	(84)	3,009
Net finance costs	(161)	(20)	(181)
Profit before tax	2,932	(104)	2,828
Income tax expense	(516)	55	(461)
Profit for the financial period	2,416	(49)	2,367
Attributable to:			
Minority interests	190	(13)	177
Equity shareholders of the Company	2,226	(36)	2,190

for the year ended 31 December 2004

US\$ million	IFRS ⁽¹⁾	IAS 32 and IAS 39 adjustments	IFRS pro forma
Group revenue	26,268	57	26,325
Total operating costs	(22,627)	(185)	(22,812)
Special items	25	(66)	(41)
Operating profit from subsidiaries and joint ventures	3,666	(194)	3,472
Net profit on disposals	1,015	(23)	992
Net income from associates	550	1	551
Total profit from operations and associates	5,231	(216)	5,015
Net finance costs	(367)	(56)	(423)
Profit before tax	4,864	(272)	4,592
Income tax expense	(923)	78	(845)
Profit for the financial period	3,941	(194)	3,747
Attributable to:			
Minority interests	440	(55)	385
Equity shareholders of the Company	3,501	(139)	3,362

⁽¹⁾ Excludes the impact of IAS 32 and IAS 39.

Pro forma IAS 32 and IAS 39 consolidated balance sheet as at 30 June 2004

US\$ million	IFRS ⁽¹⁾	IAS 32 and IAS 39 adjustments	IFRS pro forma
Intangible fixed assets	2,501	–	2,501
Tangible fixed assets	30,227	(89)	30,138
Biological assets	374	–	374
Environmental rehabilitation trusts	182	–	182
Investments in associates	3,386	22	3,408
Financial asset investments	1,197	53	1,250
Deferred tax assets	97	5	102
Other financial assets (derivatives)	–	354	354
Total non-current assets	37,964	345	38,309
Inventories	3,148	–	3,148
Trade and other receivables	5,041	(12)	5,029
Current tax assets	192	–	192
Other current financial assets (derivatives)	–	379	379
Current asset investments	75	–	75
Cash and cash equivalents	2,495	–	2,495
Total current assets	10,951	367	11,318
Total assets	48,915	712	49,627
Short term borrowings	(3,266)	1	(3,265)
Trade and other payables	(4,732)	(6)	(4,738)
Current tax liabilities	(679)	–	(679)
Other current financial liabilities (derivatives)	–	(482)	(482)
Total current liabilities	(8,677)	(487)	(9,164)
Medium and long term borrowings	(8,258)	115	(8,143)
Retirement benefit obligations	(1,081)	–	(1,081)
Other financial liabilities (derivatives)	–	(465)	(465)
Deferred tax liabilities	(5,279)	23	(5,256)
Provisions	(1,155)	87	(1,068)
Total non-current liabilities	(15,773)	(240)	(16,013)
Total liabilities	(24,450)	(727)	(25,177)
Net assets	24,465	(15)	24,450
Equity			
Called-up share capital	746	–	746
Share premium account	1,609	–	1,609
Other reserves	1,297	176	1,473
Retained earnings	16,673	(78)	16,595
Equity attributable to equity shareholders of the Company	20,325	98	20,423
Minority interests	4,140	(113)	4,027
Total equity	24,465	(15)	24,450

⁽¹⁾ Excludes the impact of IAS 32 and IAS 39.

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