

A large industrial crane, likely a bucket wheel excavator, is silhouetted against a dramatic sky at sunset or sunrise. The sky transitions from a deep blue at the top to a bright orange and yellow near the horizon, with scattered white clouds. The crane's complex structure of steel beams and cables is clearly visible. In the foreground, a dark, rounded mound of earth or ore is partially visible.

Anglo American: creating long term shareholder value

Transforming
Anglo American's
asset base [p04](#)

Building our project
portfolio for the next
decade [p08](#)

Gaining value from
cost savings and
efficiencies [p10](#)

Anglo American is a global leader in mining – our diversified products are essential parts of modern life.

Anglo American is committed to operating in a profitable, sustainable and responsible way.

Cover image:

Bucketwheel excavator at South Africa's Richards Bay Coal Terminal, in which Anglo American is a major shareholder and through which Anglo Coal South Africa's export coal is shipped.

Throughout this review, '\$' and 'dollar' denote United States dollars. 2004 and 2005 figures are presented under IFRS. Figures for the years 2001 to 2003 are presented under UK GAAP. 2001 figures have been restated for FRS 19.

The 2005 Annual Review, the 2005 Annual Report and the Notice of Annual General Meeting, together with the shareholder information booklet, are available on the corporate website: www.angloamerican.co.uk

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Anglo American at a glance

Anglo American is a **global leader** in mining focused on adding value for shareholders, customers, employees and the communities in which it operates.

The Group owns a diversified range of **high quality businesses** covering platinum, gold, diamonds, coal, base and ferrous metals, industrial minerals and paper and packaging, underpinned by considerable financial strength and technical expertise.



Our businesses

Mining

Platinum

Business profile

- The world's largest primary producer of platinum, accounting for 40% of the world's newly mined platinum output.

Products and uses

- Primarily used in autocatalysts and jewellery.
- Also used in chemical, electrical, glass and petroleum industries and medical applications.

Gold

Business profile

- AngloGold Ashanti is one of the world's largest gold producers.
- It has 21 operations in 10 countries.

Products and uses

- Mainly used for fabrication and bullion investment.
- Fabricated gold used in jewellery, electronics, dentistry, decorations, medals and coins.

Diamonds

Business profile

- De Beers accounts for about 45% by value of global rough diamond production.
- The world's largest supplier and marketer of gem diamonds.

Products and uses

- The majority of cuttable diamonds are used in jewellery.
- Some natural stones are used for industrial purposes such as cutting and other applications.

Base Metals

Business profile

- Comprises primarily copper, nickel, zinc and mineral sands operations.
- Operates in South America, southern Africa and Ireland.

Products and uses

- Copper is used mainly in wire and cable, as well as in brass, tubing and pipes.
- Zinc is chiefly used for galvanising.
- Nickel is mostly used in the production of stainless steel.

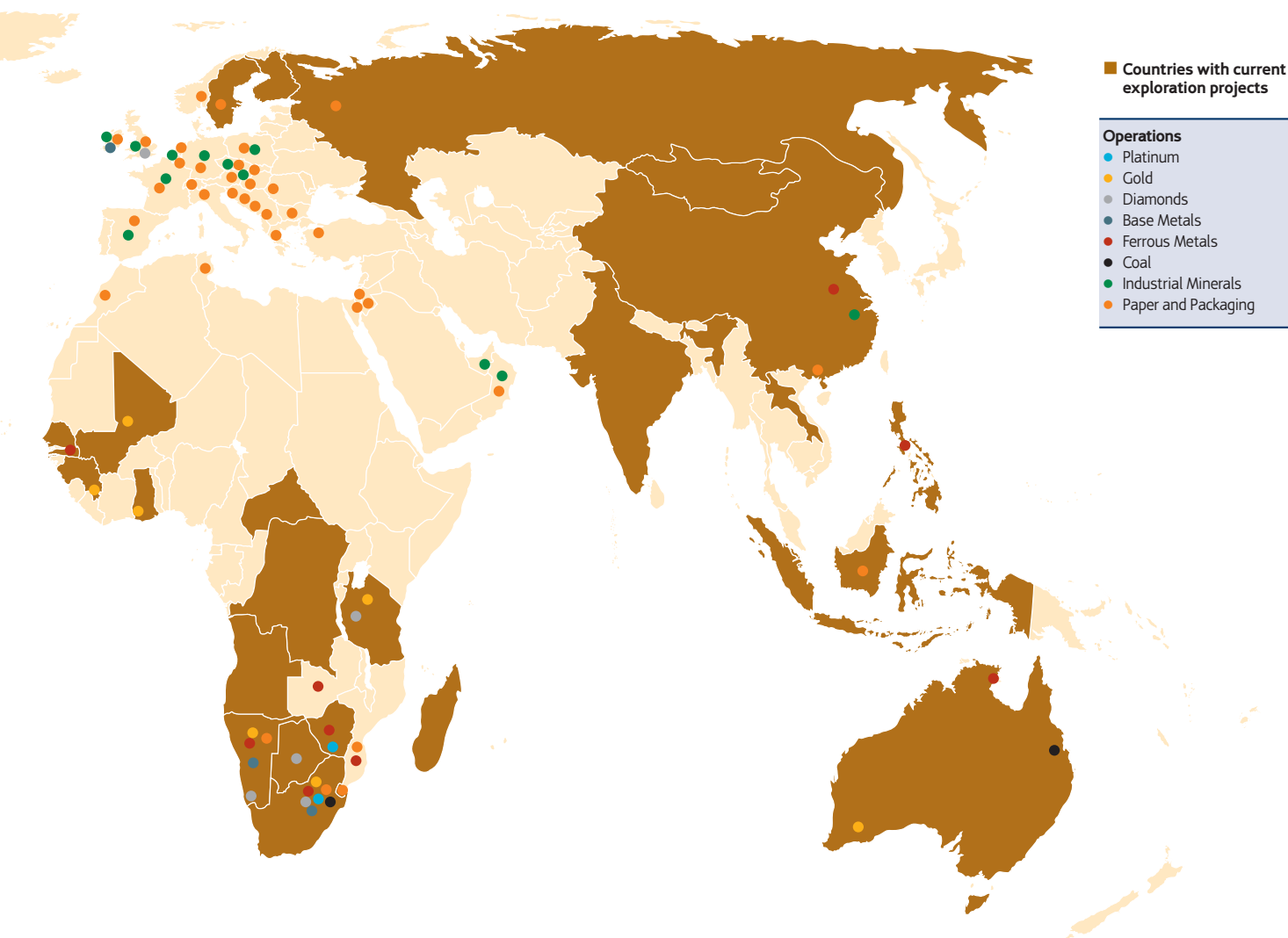
Ferrous Metals

Business profile

- Operations are mainly in southern Africa, South America and Australia.
- Anglo American holds the major interest in Kumba, a significant iron ore producer.

Products and uses

- Iron ore is the basic raw material used in steel production.
- Chrome, manganese and vanadium are all important in steelmaking.



Industrial Minerals

Paper and Packaging

Exploration

Coal

Business profile

- Anglo Coal is one of the world's largest private sector coal producers and exporters.
- Its operations are in South Africa, Australia, Colombia and Venezuela.

Products and uses

- About 40% of all electricity generated globally is powered by coal.
- 70% of the world's steel industry uses coal and it is an important fuel for other industries.

Industrial Minerals

Business profile

- Tarmac is the No.1 UK producer of aggregates and asphalt and a leading producer of ready-mixed concrete.
- Its operations are primarily in the UK, continental Europe and Brazil.

Products and uses

- Tarmac is involved in the production of crushed rock, sand, gravel, concrete and mortar, lime, cement and concrete products.
- Copebrás is a Brazilian producer of phosphate fertilisers.

Paper and Packaging

Business profile

- Mondi is an integrated paper and packaging group.
- It has operations and interests in Europe, Russia, South Africa, Asia and North America.

Products and uses

- Mondi manufactures office papers, packaging papers, board, converted packaging and newsprint.

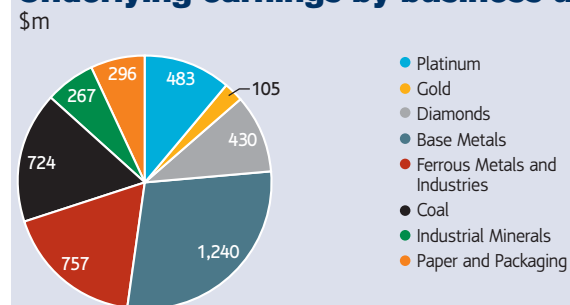
As one of the major diversified mining groups, Anglo American's exploration activities cover many parts of the globe. In its constant search for minerals, Anglo American is currently prospecting in more than 30 countries. In addition to its focus on areas surrounding its existing mining operations, Anglo American is now looking at relatively unexplored new frontiers, including in the Arctic region through an arc stretching from Alaska to Kamchatka in Russia's far east.

During 2005, \$150 million was spent on exploration – \$50 million on base metals, \$21 million on platinum, \$13 million on coal, \$21 million on ferrous metals, while AngloGold Ashanti's exploration expenditure, taking in 18 countries, totalled \$45 million.

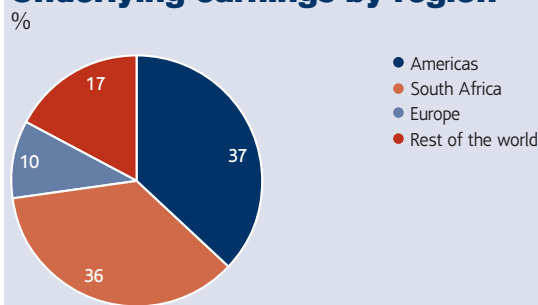
Highlights of 2005

- **Record underlying earnings of \$3.7 billion, a 39% increase over 2004**
- **Operating profit increased to \$6.4 billion, up 36%, with record production levels for nickel, zinc, coal, iron ore, vanadium, platinum group metals and diamonds; highest ever profit contributions from Base Metals, Ferrous Metals and Coal**
- **Cost pressures continue – offset by cost savings and efficiencies of \$730 million**
- **Cash generation at a record level – EBITDA of \$9 billion, up \$1.9 billion**
Net debt down 39% to \$5 billion
- **\$6.7 billion project pipeline – new projects totalling \$3.8 billion approved:**
 - **Coal (\$919 million): Dawson, Lake Lindsay, Mafube**
 - **Platinum (\$1 billion): Mototolo JV, Marikana JV, Potgietersrust**
 - **Diamonds (\$718 million): Snap Lake, Victor, Voorspoed, South African Sea Areas**
 - **Ferrous Metals (\$559 million): Sishen Expansion**
 - **Gold (\$432 million): Boddington**
- **Normal dividends up 29% to 90 US cents. Special dividend of 33 US cents per share**
- **\$1 billion capital return increased to \$1.5 billion – \$1 billion buyback in 2006 and \$0.5 billion special dividend.**

Underlying earnings by business unit



Underlying earnings by region

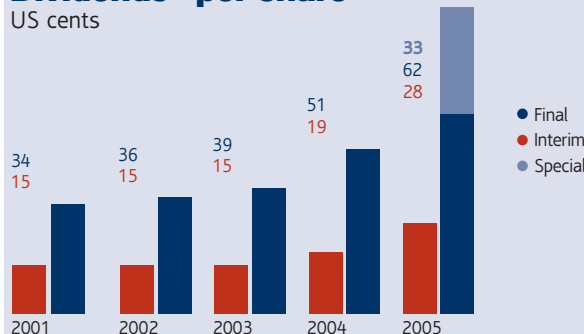


Group EBITDA



* UK GAAP.

Dividends per share**



** Represents dividends declared relating to the year.

Throughout this review unless otherwise stated, operating profit includes share of associates' operating profit (before share of associates' tax and finance charges) and is before special items and remeasurements. See footnote 1 to the key financial data for the basis of the calculation of underlying earnings. See footnote 2 to key financial data for definition of EBITDA.

World growth and strong metal prices produce a record year

Anglo American chairman Mark Moody-Stuart describes how emerging market developments play to the strengths of the Group

2005 was an excellent year for Anglo American. Supported by strong metal prices, the Group once again achieved record earnings. The period was dominated by the continued strength of metal markets and by our strategic review. Conditions were significantly more challenging for our Paper and Packaging and Industrial Minerals businesses. However, despite the strong commercial performance, the Board continues to be profoundly dissatisfied with the Group's safety performance. A new drive is under way to deliver further improvements in 2006.

The outcome of our strategic review is addressed in detail in the chief executive's statement. It will lead towards a Group that is more focused on core extractive competencies and better able to realise value for shareholders.

Although economic cycles are still with us, we are seeing a more sustained uplift in many commodity prices than has been experienced for some years. This has been driven chiefly by the impact of Chinese growth. Indeed, coupled with growing optimism about India's prospects, we appear to be on the cusp of a realignment in the world economy. This has major implications for our Group. The growth of the leading emerging market economies is relatively materials-intensive as they devote a higher proportion of their growing wealth to infrastructure. China's consumer preferences also mean that it remains the leading market for platinum jewellery and a major source of demand for diamonds. Moreover, Chinese, Indian, Russian and Brazilian multinational companies are emerging both as significant competitors and as potential partners.

Safety

During 2005, 46 people lost their lives at our managed operations (compared with 49 in 2004).

These figures are unacceptable, inconsistent with our values and must be improved. To this end:

- we have established a new peer-review mechanism to identify and spread 'best practice';
- all our senior executives have been through DuPont safety training and a similar leadership programme is being implemented across the organisation;
- we have established a framework of 12 safety management standards; and
- we have developed a comprehensive Safety Improvement Plan.

This plan is based on three pillars: the creation of a mindset that accepts zero injuries as a realistic objective; ensuring that we learn from each incident and take action to prevent repeats; and adherence to a set of simple, non-negotiable standards.

Sustainable development

In the face of climate change, we must play our part in reducing carbon emissions. We have a number of perspectives: as major consumers of energy; as coal producers; as producers of platinum (a key element in autocatalysts and fuel cells) and



as managers of forests. In terms of actions already under way:

- we have set initial targets for improving energy efficiency;
- investment proposals must include an assumed cost of carbon;
- we are investing in coal-bed methane projects; and
- in Australia, we are evaluating an ambitious project involving conversion of coal to liquid fuels and potential carbon capture and storage.

We continue to make good progress in the implementation of our Socio-Economic Assessment Toolbox (SEAT) process. SEAT is being implemented at around 40 major sites in 16 countries. The local reports being generated help to improve our interactions with surrounding communities, our local development impacts and our risk management.

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We appear to be on the cusp of a realignment in the world economy. This has major implications for our Group

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We are involved in a variety of international partnerships, including the UN Global Compact, the Extractive Industries Transparency Initiative, the Voluntary Principles on Human Rights and the Global Business Coalition on HIV/AIDS. We were also strong advocates of the G8 acting to address poverty in Africa, including pledging \$2.5 million to support the New Partnership for Africa's Development (NEPAD) Investment Climate Facility. We were pleased to receive Business in the Community's International Award as the company judged to be making the biggest contribution to the Millennium Development Goals in Africa.

Governance

There have been extensive changes amongst the executive directors. Tony Lea and Barry Davison retired from the Board at the end of 2005. Both are continuing to play a role in the Group and we are grateful to them for their service as directors and for the major contributions which they have made to the Company. We

welcomed René Médori to the Board as finance director and David Hathorn and Simon Thompson, respectively chairmen of the Paper and Packaging, and Base Metals and Industrial Minerals divisions.

There have also been changes amongst our non-executive directors. Maria Silvia Bastos Marques is standing down at the annual general meeting and I am grateful for the perspectives that she brought to our deliberations. As anticipated in last year's annual review, Ralph Alexander joined the Board in April 2005 as an independent non-executive director and we were also pleased to welcome Peter Woicke, formerly chief executive officer of the International Finance Corporation, to the Board at the beginning of 2006. For a few months during 2005, due to the importance of ensuring continuity, we were not compliant with the Combined Code's provisions on the composition of the Board. As promised, recent changes have restored us to full compliance. ■



Transforming Anglo American's asset base

Anglo American continued on its strong growth path in 2005, with many of the Group's commodities enjoying buoyant market conditions and record prices as China once again proved to be the chief driver of global growth, with the US economy showing its resilience and signs of a long awaited recovery beginning to emerge from Japan.

This upsurge in the prices of many metals and minerals over the past year was further supported by fairly constrained supply-side growth – in part due to some operating constraints, including the ability to access new capital equipment – and low global inventories in a number of metals as well as sustained

Including the special dividend of 33 cents, our total dividend increased 76% to 123 cents per share for the year.

Operating performance

Overall, we had a good operating performance during 2005, with highest ever contributions from our base metals, coal and ferrous metals businesses. We achieved record production for nickel, zinc, niobium, zircon, coal, iron ore, vanadium, diamonds and platinum group metals. Our Chilean copper production was impacted by lower grades at Los Bronces, and also at Collahuasi where an earthquake and pit wall failures led to rescheduling of the mining plan, exacerbating the impact of equipment problems. In Namibia, Skorpion zinc mine ramped up to

was slightly weaker, though it was pleasing to note that the ramp-up of production at the Buxton cement plant exceeded expectations, averaging 97.5% of design capacity during the year.

Cost savings and efficiency improvements

In the field of cost containment, 2005 was a challenging year for all mining groups. Price escalations in excess of inflation over a range of inputs from tyres to fuel, to steel and contractors, exerted material pressure on running costs and capital expenditure. We achieved cost and efficiency savings of \$730 million in 2005, up 32% on the prior year, and are targeting \$500 million in 2006.

Anglo American is simplifying its structure and focusing more tightly on its core mining portfolio. Chief executive Tony Trahar explains how the Group is putting the recent strategic review into practice.

demand from China. Investment funds have also shown an increasing appetite for investing in underlying metals as a means of diversification, particularly against a background of high liquidity levels.

Financial results and dividends

We posted record results in 2005, with operating profit increasing by 36% to \$6.4 billion and underlying earnings improving by 39% to \$3.7 billion. Cash generation reached a new high, with EBITDA at \$9 billion.

Our strong financial position affords us the opportunity to return \$1.5 billion of capital in 2006 in the form of a \$1 billion buyback as well as a \$0.5 billion special dividend. The capital structure will be reviewed regularly in light of market conditions, operating cash flows and progress on strategic delivery and capital projects.

In line with our progressive dividend policy, the final dividend has been raised 22% to 62 cents per share.

design capacity in May. In Australia, the Dartbrook thermal coal mine was affected by geological difficulties. New production records were achieved across a number of Mondi's paper machines. However, our Industrial Minerals profit performance

Safety

After many years of steady improvement, our injury rate appears to have reached a plateau, while our fatality rate improved slightly over the previous year. Nevertheless, we incurred

Strategic review developments

Further rationalisation and simplification of the Group's portfolio and structure and an increased focus on controlled mining businesses that leverage the core skills of the Group:

- Mondi to be listed on the LSE in 2006/7
- Anglo American will reduce its shareholding in AngloGold Ashanti
- Tarmac review under way; first phase completed with businesses in Germany, Hong Kong and UK concrete paving identified for disposal
- Sale of Highveld Steel progressing; Tongaat-Hulett to unbundle and list Hulett Aluminium
- \$1 billion capital return increased to \$1.5 billion – \$1 billion buyback in 2006 and \$0.5 billion special dividend.

Technology in action



Zeppelin first

The development of the world's first exploration airship will give De Beers a competitive edge in prospecting. The Zeppelin's equipment measures magnetic field changes faster and more cheaply than traditional surveys. Slower speed and low vibration give higher image resolution – and promise improved discovery rates.

46 fatalities amongst our own employees and contractors and we continue our efforts to eliminate fatal accidents at our operations.

We are directing many more resources to addressing issues of safety and in trying to instil a safety culture throughout the Group. This has started from the top with myself and the most senior executives all having undergone safety training with DuPont, the recognised leaders in this field.

Mining is generally regarded as a dangerous business – sometimes justifiably so – but that does not mean accepting that injuries are inevitable. It does mean taking greater care and having the right systems in place to manage the risks. People are being needlessly injured and killed in the workplace through individuals taking short cuts and generally not adhering to our rules of safety. We are determined to bring about a permanent lowering of the Group's fatality and injury statistics.

Strategy

In October 2005 we announced the outcome of our strategic review, which represents a further chapter in our ongoing strategic development over the past six years. Our aim is to further focus the Group on its core mining portfolio and, in the process, simplify our structure and enhance returns and shareholder value. In early 2006, we provided a further update on our strategy.

Regarding our investment in Mondi, one of the largest and most successful paper and packaging groups in Europe, it is clear there are only limited synergies with our mining portfolio. We have therefore decided to list Mondi on the London Stock Exchange in 2006/7. In the meantime, we will continue to support Mondi's growth opportunities as they arise.

The decision to reduce the Group's shareholding in AngloGold Ashanti relates to the higher relative valuations investors attribute to pure-play gold mining stocks,

rather than as part of the make-up of a diversified mining group. Anglo American is considering a number of options to effect the reduction.

In the case of Tarmac, the considerably strengthened management team is in the process of undertaking a review of its business with the aim of improving returns on capital invested by turning around, restructuring or divesting underperforming parts of the portfolio while continuing to grow its core businesses. Since the year end the first phase of the review has been completed, with businesses in Germany and Hong Kong identified for disposal as well as the concrete paving business in the UK. Tarmac has also made three acquisitions in its aggregates business in the UK, Poland and, in early 2006, in Romania.

We are also progressing well with the remainder of our industries portfolio. Boart Longyear and Samancor Chrome were sold in mid-2005 and the disposal of our investment in Highveld Steel is progressing. In addition, Tongaat-Hulett has recently announced that it intends to unbundle and list its aluminium business, Hulett Aluminium, and simultaneously introduce black economic empowerment equity participation in both Tongaat-Hulett and Hulett Aluminium.

The Group has approved significant platinum expansion projects and negotiations for a further platinum black empowerment transaction have commenced.

Growth and projects

Anglo American has one of the strongest growth profiles in the mining industry. Across our portfolio we have a broad suite of approved projects, and others that are being considered, as well as significant exploration prospects. Having completed a number of projects during the year, we boosted our approved pipeline with the addition of a number of new projects totalling \$3.8 billion, bringing total projects under development to \$6.7 billion. With further major projects, with an

estimated potential cost of between \$10 billion and \$15 billion under consideration, we are building a powerful platform for future growth through the cycle.

Anglo Coal has a substantial near term project portfolio spread across Australia, South Africa and South America. The Dawson and Lake Lindsay expansions in Australia represent a \$1.4 billion investment in Australia's coal export industry and will increase Anglo Coal's metallurgical coal capacity by around 50% over the next three years. Subject to regulatory clearances the \$264 million Mafube coal project in South Africa will increase attributable thermal coal production by 2.5 million tonnes from 2008. At Cerrejón in Colombia, a \$280 million two-phase expansion has been approved to increase production to 32 million tonnes per annum. A pre-feasibility study is currently under way to investigate additional expansion beyond this. In China, the Group has a 60% interest in the Xiwan open cut coal mining project, where the feasibility of a large coal to chemicals project is being investigated with a number of partners. In addition, we invested \$153 million in the IPO of China Shenhua Energy, the largest coal producer in China and the fifth largest in the world, and we look forward to a mutually beneficial strategic alliance with the company. Subsequent to the year end, we announced that Anglo Coal had entered into a joint coking coal venture in British Columbia in Canada. Work continues on the feasibility study for Monash, a fuel from brown coal project in Australia.

We are laying the foundations for a significant expansion of production at our Chilean copper operations. In 2005 we completed the Chagres Smelter de-bottlenecking project and brought on stream, ahead of schedule and under budget, the molybdenum plant at Collahuasi. Also at Collahuasi, a significant de-bottlenecking opportunity that has the potential to increase production at a relatively low

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**We have
\$6.7 billion of
projects under
development**
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State of the art analysis

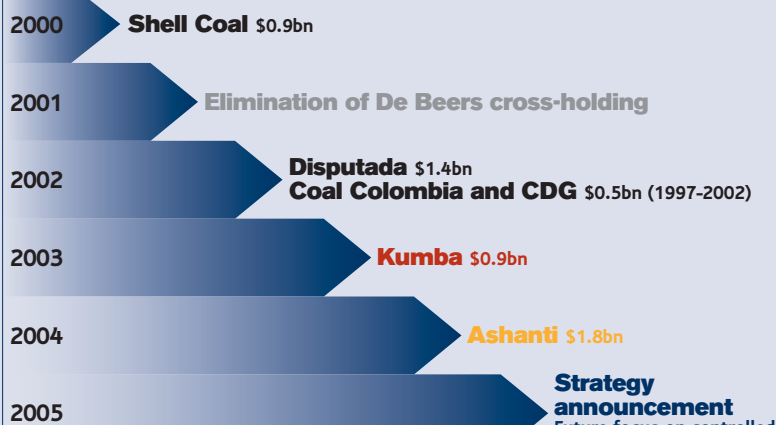
The very latest instrumentation underpins the work of the Anglo Research division, which has one of the largest automated laboratories of its kind in the world. From exploration to metallurgical processing, these analyses inform decisions on new projects, plant and environmental issues.

Taming methane

Australia's Dawson Central coal mine helps to improve the environment and save energy by capturing methane and selling it to the local pipeline network. Extracted from coal seams, the gas provides enough energy to power 150,000 households.

Focus on our mining asset base

Acquisitions



Diversified portfolio

Mining portfolio

Disposals

Li & Fung \$0.3bn
FirstRand \$0.7bn
Billiton \$0.8bn
Aracruz \$0.4bn
SA Breweries \$0.1bn
Salobo \$0.1bn
Tati \$0.1bn
Avmin \$0.2bn
Avgold \$0.1bn
Terra \$0.3bn
HBMS \$0.3bn
Li & Fung \$0.2bn
FirstRand \$0.1bn
Gold Fields \$1.2bn
Samancor Chrome \$0.5bn
Boart Longyear \$0.6bn

capital cost, is currently under evaluation. The pit expansion project at El Soldado is progressing well, while at Los Bronces a feasibility study to examine a possible doubling of production is due for completion in 2007. The feasibility study for the \$1 billion Barro Alto nickel project in Brazil is well advanced and Board approval is likely to be sought later this year. In South Africa the Namakwa Sands expansion project, which will increase output of rutile and zircon, is under way.

In May, De Beers gave the go-ahead for the \$513 million Snap Lake project and in November approval was given to develop the \$791 million Victor diamond deposit, both located in Canada. In February 2006 De Beers announced that it intended to re-open the Voorspoed mine in South Africa and will develop the South African Sea Areas marine mining project.

Anglo Platinum expects to increase platinum production from 2.45 million ounces in 2005

to between 2.7 million and 2.8 million ounces in 2006 and thereafter to grow production by around 5% per annum to meet ongoing demand. During 2005, the company announced the Mototolo and Marikana joint ventures. Anglo Platinum approved mining replacement projects totalling \$770 million, including the \$230 million Potgietersrust replacement project, and is in the final stages of approving the \$692 million Potgietersrust expansion, which will bring on 230,000 ounces of additional platinum production per annum by 2009.

The \$559 million Sishen iron ore expansion project in South Africa was approved by Kumba in March, which will raise annual production by 10 million tonnes to 41 million tonnes by 2009. Further projects could see iron ore production more than double from the current level.

Mondi is considering a 1 million tonne softwood pulp expansion at Syktyvkar in north west Russia at a capital cost of around \$1.5 billion to meet growing worldwide pulp demand, driven mainly by China.

Tarmac also has several growth and expansion programmes under way to enhance market penetration in key regional markets, mainly in central and eastern Europe.

Outlook

The outlook for the global economy is encouraging, with leading indicators showing signs of continuing global growth and strong underlying demand for our products. If prices and demand continue at or near current levels the Group should have another strong year.

Every effort will be made to contain cost increases and improve efficiencies against a background of exceptional inflationary pressures in the mining sector.

The Group has real momentum, as evidenced by its performance in 2005. We expect to make significant progress on delivering our recently announced strategy while at the same time pursuing our strong organic project pipeline and looking for further growth and acquisition opportunities. ■



Better buckets

Anglo Coal is improving its dragline operations in inventive ways. With lighter, quick-release designs, buckets can now be changed more quickly. The weight saving allows increased capacity, improvements in flow design and a corresponding productivity boost.

Building our project portfolio for the next decade

Anglo American will continue to invest in growth projects and to evaluate acquisition opportunities in the mining sector

Anglo American has one of the largest project portfolios in the mining industry. Currently it has projects under development amounting to \$6.7 billion in the pipeline, stretching across all business units and geographies, while the Group is considering further major projects with an estimated potential cost of between \$10 billion and \$15 billion.

Following assessment by the Investment Committee, which vets all potential projects, including appraisal of geological, engineering, safety, environmental and financial risks, proposals then go to the Executive Board and ultimately to the Anglo American plc Board for final approval.

Anglo has a long track record of professional and efficient management of big capital projects. Skorpion, its new Namibian zinc mine with innovative mineral processing technology, is an impressive example of a major, highly complex project commissioned within budget and ramped up to full production during 2005. The large Rosario project at Chile's Collahuasi copper mine was completed ahead of schedule and under budget.



Left: Anglo Coal has two major expansions under way in Queensland, Australia – the Dawson and Lake Lindsay projects. Featured is the port of Gladstone, Anglo Coal Australia's major gateway to the Pacific Rim countries, where port facilities are steadily being expanded to handle increasing Asian demand for metallurgical and thermal coal.



◀ Exceedingly fine

The world's biggest ISAMill – an ultrafine grinding unit – has improved concentrate recoveries at Anglo Platinum's Western Limb Tailings Retreatment plant. The new mill regrinds tailings sands from old mining operations, liberating very fine particles of residual metals.

▶ Platinum robots

Robolab is a technological leap forward in the daily online analysis of samples from platinum mining. At Anglo Platinum's Modikwa mine an automated robotic laboratory has helped to reduce turnaround times to two hours from sampling to assay.

Key projects in the pipeline

	Project	Country	Production volume	Full production	Estimated capex (100% basis)
Platinum	Mototolo JV	South Africa	132,000 Pt oz in concentrate pa	2007	\$100m
	Marikana JV	South Africa	145,000 Pt oz pa	2007	\$18m
	Potgietersrust	South Africa	Additional 230,000 Pt oz pa	2009	\$692m
Gold	Mponeng	South Africa	4.8 M oz life of project	2007	\$191m
	Cuiabá	Brazil	1.9 M oz life of project	2007	\$121m
	Boddington	Australia	1 M oz pa	tbc	\$1.3bn
Diamonds	Snap Lake	Canada	19 M carats over life of project	2008	\$513m
	Victor	Canada	6 M carats over life of project	2009	\$791m
	Voorspoed	South Africa	12 M in situ carats	2009	\$177m
	South African Sea Areas	South Africa	250,000 carats pa	2007	\$115m
Base Metals	Barro Alto (nickel)	Brazil	33,000 tpa	tbc	\$1bn
	Los Bronces (copper)	Chile	Additional 175,000 tpa	tbc	Under review
Ferrous Metals	Sishen expansion	South Africa	10 Mtpa additional iron ore	2009	\$559m
	Sishen South	South Africa	3 Mtpa iron ore	tbc	Under review
	Faleme	Senegal	12 Mtpa iron ore	tbc	\$950m
Coal	Dawson	Australia	Additional 5.7 Mtpa met/thermal	2007	\$835m
	Lake Lindsay	Australia	Additional 4.0 Mtpa metallurgical	2008	\$516m
	Mafube	South Africa	Additional 5.0 Mtpa thermal	2008	\$264m

Anglo Platinum is set to increase platinum output from 2.45 million ounces to between 2.7 million and 2.8 million ounces in 2006 and thereafter grow production by around 5% per annum to meet ongoing demand. Approval is expected shortly for the \$692 million Potgietersrust expansion to bring on an additional 230,000 ounces of platinum production per annum.

Anglo Coal has a substantial near term approved project portfolio spread across Australia, South Africa and South America, with nearly 14 million tonnes of coal coming into production over the next three years. This includes Australian expansion projects at Grasstree (\$151 million) and Dawson (\$835 million) and a recently approved \$516 million greenfield project at Lake Lindsay. Anglo Coal's metallurgical coal production is set to increase by about 50% to around 16 million tonnes a year over the next three years.

At Cerrejón in Colombia, a \$280 million two phase expansion has been approved. South Africa's Isibonelo mine, which supplies Sasol's oil-from-coal operations, recently commissioned

a \$65 million expansion project that is currently working up to full production.

Anglo Base Metals has completed a number of capital projects in the past two years. In Chile, further copper expansion is being contemplated at both Collahuasi and Los Bronces. A feasibility study at Los Bronces to examine a possible doubling of production will be completed in 2007. In Brazil the feasibility study for the \$1 billion, 33,000 tonnes per annum Barro Alto nickel project is well advanced and Board approval is likely to be sought later this year. In South Africa the Namakwa Sands \$43 million expansion project, to increase output of rutile by 26% and zircon by approximately 20%, is under way.

Kumba, the Group's iron ore producer, has a \$559 million approved project to raise production by 10 million tonnes to 41 million tonnes per annum at Sishen, one of the biggest open pit mines in the world. Further growth, with an initial 3 million tonnes per annum, is expected from the Sishen South project if that is given the green light. Also under consideration is the possibility of developing iron ore production

at the Faleme iron ore project in Senegal.

De Beers is spending \$1.6 billion on expanding diamond production. In Canada two new diamond projects, at Snap Lake and Victor, are well under way. In South Africa, De Beers is to re-open the Voorspoed mine at a cost of \$177 million and has allocated \$115 million to the South African Sea Areas marine mining project.

AngloGold Ashanti has several projects in progress. Still at the review stage there is the prospect of developing the Obuasi Deeps mine in Ghana.

Anglo's resource base includes assets that are unparalleled anywhere else in the world. Its long term project portfolio will ensure that they continue to deliver growth well into the future. ■



Solvent revolution

Namibia's Skorpion zinc mine has scored an international first by using solvent extraction technologies to process primary zinc ore. Since going into full production in the first half of 2005 the mine and refinery complex have operated at design capacity.



Gaining value from cost savings and efficiencies

How Anglo American's strategy aims to increase returns on capital

In 2005, like all mining groups globally, Anglo American faced significant upward pressure on operating and capital costs as many parts of the supply chain to the industry operated at, or close to, capacity. Against this, the Group achieved cost savings of \$730 million in synergies, operating efficiencies and procurement.

The focus on cost savings has been a key element of the Group's activities. Since 2003 Anglo American has achieved cumulative cost savings and efficiencies of \$1.6 billion.

Benefits have materialised in different ways. Reduced pricing from suppliers has provided much of the programme's success so far. This has been achieved through detailed analysis of costs and cost drivers, better negotiation and a rationalisation of the supplier base.



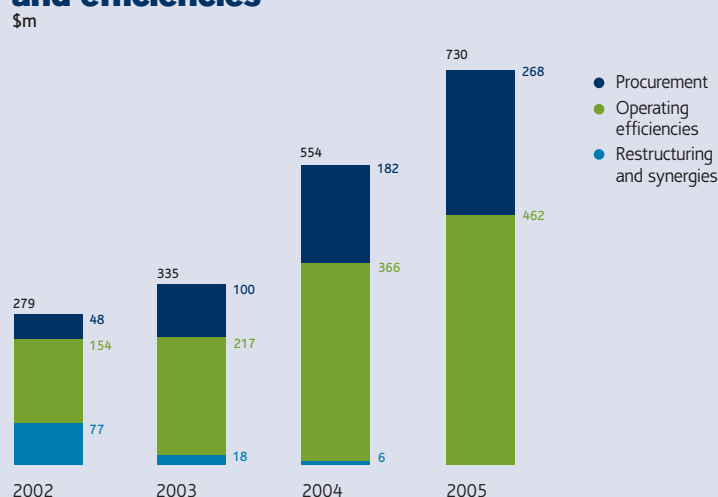
◀ Extending tentacles

SQUID – Anglo Technical's super conducting quantum interference device – boosts success rates in finding certain buried targets, like nickel sulphides. It measures minute changes in the earth's magnetic field, producing improved signal to noise ratios over competing systems.

▶ Rock acoustics

Anglo is widely acknowledged as the world leader in hard rock seismic exploration, employing advanced techniques and interpretation methods developed at least partly in-house. The latest Vibroseis systems greatly extend ground penetration capability and accuracy in determining a mine's geological structure.

Value from cost savings and efficiencies



Left: Los Bronces copper mine in Chile. Significant synergies have been generated since Anglo American acquired a suite of high quality Chilean copper assets from Exxon in late 2002.

Reducing supplier numbers brings two important advantages. Consolidating spending with fewer big suppliers means greater economies of scale. Rationalisation among smaller suppliers also provides a focus for local community and small to medium enterprise development in different regions around the world.

As the number of suppliers and contractors has fallen, there has been an emphasis on closer collaboration – working on a common agenda with those whose specialist knowledge can contribute most to our operations. This involves a tough but fair approach to extract maximum benefits.

Part of this co-operation aims to avoid inflationary pressures in the supply chain, and a number of projects to identify waste and unnecessary costs are being put in place with suppliers.

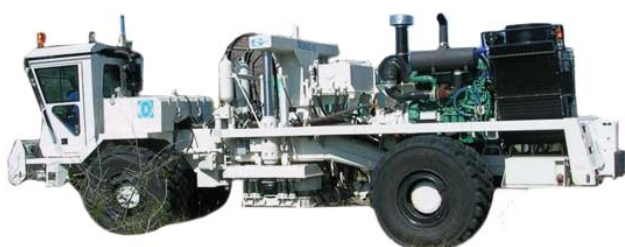
Purchase price accounts for only around 20% of the overall cost of some major items of capital equipment. The balance is rooted in operating costs and the Group is making more progress in the area of total cost of ownership. One such example is in the field of heavy mobile equipment.

For the past two years, five divisions have run a co-ordinated programme to reduce the life costs of heavy open pit equipment, such as large and ultra large trucks. At more than 20 Group sites around the world, the manufacturers concerned are working alongside Anglo management to identify and exploit ways to improve productivity. They are looking for opportunities not only in major equipment components – such as engines, gearboxes and axles – but also in the operating environments themselves, as well as in areas like fuel efficiency and tyre and component wear. The results so far have been excellent: double digit savings are anticipated.

Apart from Group-wide initiatives, Anglo business units are working individually to reduce costs and boost productivity. Their projects are diverse and include:

- improving coal cutting productivity in South African open pits;
- redesigning dragline operations in South Africa and Australia;
- developing more effective use of explosives in South African mines; and
- improving the efficiency of Mondi's paper machines.

More will be achieved as procurement processes continue to be integrated across the Group. Cross-business unit agreements, the sharing of plans and technology and knowledge of supply markets are making for a truly aligned approach to achieving greater efficiency at all levels of operations. ■



Hot but clean

Anglo Research has developed or refined many new processes from experimental to commercial scale. One of the latest is the Ausmelt high intensity submerged injection furnace installed in the new Anglo Platinum Converting Plant at Rustenburg – which has reduced sulphur dioxide emissions by around 85%.



Platinum

Business unit head
Ralph Havenstein



Operating profit

2004:
\$536m

2005:
\$854m

Higher prices and increased sales volumes helped to raise Anglo Platinum's operating profit by 59% to \$854 million. While lower production at Amandelbult and Rustenburg raised operating costs, cost reduction initiatives saved an additional \$36 million compared with 2004.

The average price for the basket of metals sold rose by 16% to \$1,388 per platinum ounce sold, mainly because of firmer platinum, rhodium and nickel prices.

Platinum group metals production increased by 5% when compared with 2004. While mining production was higher, refined platinum production of 2.45 million ounces was similar to 2004. This resulted from a three month shutdown of the Polokwane Smelter to repair and upgrade the cooler system which had been damaged in an explosion. Process changes at the Precious Metals Refinery led to a significant one-off increase in rhodium production.

Anglo Platinum reached agreement with Aquarius Platinum to mine on their contiguous Rustenburg and Marikana properties. Annual production at the new venture will be doubled to around 145,000 ounces of platinum in concentrate during 2007.

The Mototolo joint venture was formed with Xstrata Alloys. Production is planned to start in the last quarter of 2006 and is expected to produce 132,000 ounces of platinum and 82,000 ounces of palladium in concentrate annually from the third quarter of 2007.

Ongoing demand for platinum remains robust and Anglo Platinum is continuing with its expansion programme. During 2005, mining replacement projects totalling some \$770 million were approved. These projects are planned to reach steady state between 2008 and 2012. Notably, Anglo Platinum is in the final stages of approving the \$692 million Potgietersrust expansion which will bring on 230,000 ounces of additional platinum production per annum by 2009.

The outlook for long term platinum prices is more positive than it has been for some time. Consequently, studies evaluating the ramping up of projects previously slowed down for economic reasons are being conducted.

Anglo Platinum's refined platinum production is expected to rise to between 2.7 million and 2.8 million ounces in 2006, as mining production increases and pipeline inventories are reduced, and thereafter grow production by around 5% per annum to meet ongoing demand.

Demand for platinum continues to be strong and remains supportive of firm platinum prices. The resilience of jewellery demand, particularly in the Chinese market at prices over \$900 per ounce, is encouraging. ■



The outlook for long term platinum prices is more positive than it has been for some time



Right: Washers struck from platinum sheet are crafted into bridal rings. Although jewellery remains the No. 2 demand sector for platinum, behind the autocatalyst sector, the metal's use in industry continues to increase and industrial applications now represent nearly a quarter of total demand.

Gold



Left: Separating fine and coarse gold bearing ore at AngloGold Ashanti's Sunrise Dam mine in Western Australia. The mine's open pit is currently being deepened to 430 metres while, simultaneously, a three year feasibility study, expected to be completed in about a year's time, is being conducted for an underground operation to extend the mine's life to 2015, six years after the open pit operation is due to close.

Business unit head
Bobby Godsell



Operating profit

2004:
\$296m

2005:
\$332m

AngloGold Ashanti's operating profit was 12% higher at \$332 million. The rand gold price benefited from the general strength in commodity prices during 2005. Total cash costs rose by \$13 per ounce to \$281, mainly as a result of stronger operating currencies, inflation and lower grades.

The return of investor interest in gold was reflected throughout the year by a sustained rise in the gold price. The average price received increased by \$45 per ounce to \$439, while the average spot price of \$445 per ounce was \$36 (or 9%) stronger than in 2004. During the final quarter of 2005 the gold price broke through the \$500 per ounce mark and has stayed well above that level in early 2006.

In 2005 AngloGold Ashanti's gold production from ongoing operations rose by 6% to 6.17 million ounces. The increase flowed largely from the inclusion of a full year's production of the Ashanti assets, as well as from higher production at Sunrise Dam in Australia and from production improvements at Morila and Mponeng. These contributions were partly offset by a reduction in output from the South African operations.

During the year AngloGold Ashanti was advised that its applications for the conversion of its old order mining rights to new order mining rights had been approved.

Current growth projects aim to maintain production above 6 million ounces through to 2013. AngloGold Ashanti also plans to grow its reserve and resource base by exploration and by acquisition. Through Trans-Siberian Gold, AngloGold Ashanti now has a foothold in Russian gold production. AngloGold Ashanti has exploration projects in the Democratic Republic of Congo and Colombia. It has also entered into exploration partnerships in China, the Philippines, Laos and Mongolia.

The gold price has now risen for five years in succession, a phenomenon not seen since the deregulation of the gold market in the developed markets in the early 1970s. The spot gold price has risen again during the first few weeks of the new year. Ongoing strong demand from growing economies in China and India as well as continued investor speculation and official sector activities are seen as supportive of the gold price. ■



The gold price has now risen for five years in succession

Diamonds

Business unit head
Gareth Penny



Operating profit

2004:
\$573m

2005:
\$583m



Left: In what was another good year for retail sales of diamond jewellery, De Beers, through its Diamond Trading Company, supplied around 45% of all rough diamonds in 2005 and gave the go-ahead for two new mines in Canada.

Anglo American's share of operating profit from De Beers increased to \$583 million.

Preliminary reports point to global retail sales of diamond jewellery for the year, rising by 6% to 7%. The diamond trade experienced growth in all major regions with the exception of Europe, where sales were generally flat. Sales by The Diamond Trading Company (the DTC), the marketing arm of De Beers, were a record \$6,539 million, 15% higher than in 2004. The DTC raised its rough diamond prices by an average of 9.5%.

De Beers Group production, including joint ventures in Botswana and Namibia, increased by 4% to 49 million carats. The South African operations lifted output by 10% to 15.2 million carats. Debswana

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The outlook for diamonds in 2006 is a positive one
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raised production by 2% to a record 31.9 million carats, while Namdeb produced 1.86 million carats, 5% down on 2004.

De Beers is spending \$1.6 billion on expanding diamond production. During the year De Beers approved the \$513 million Snap Lake underground project in Canada's Northwest Territories, which will be the company's first mine outside Africa, and gave the go-ahead for a second Canadian project, the \$791 million Victor project in Ontario. Snap Lake is due to enter production in late 2007 with Victor following about a year later. In South Africa, approval has been given for the \$177 million re-opening of the Voorspoed mine, while \$115 million has been allocated to the South African Sea Areas marine mining project.

In 2005 De Beers and Ponahalo Investment Holdings signed a Memorandum of Understanding relating to the proposed sale of a 26% equity interest in De Beers Consolidated Mines Limited to Ponahalo, a broad based South African black economic empowerment company, for approximately \$597 million. The sale is likely to be completed in April 2006.

Demand for rough diamonds continues to be steady, though stocks of both rough and polished diamonds in the cutting centres are at relatively high levels. The outlook for diamonds in 2006 is a positive one, in line with macro-economic forecasts of another good year of growth for the global economy. ■

Base Metals

Anglo Base Metals grew operating profits to a new high of \$1,678 million as metal prices continued to reach new highs and record production was achieved for zinc, nickel, niobium, zircon and rutile from ongoing operations.

Controllable costs were well contained, though margins were affected by significant increases in the costs of energy and most key consumables, freight rates, higher treatment and refining charges and by adverse currency movements.

Attributable copper production from ongoing operations declined by 6% to 634,600 tonnes. This was due mainly to lower output from Collahuasi, where attributable output fell from 211,600 tonnes to 187,900 tonnes, as a result of sulphide mill throughput being reduced by equipment failures, while an earthquake and pit wall failures led to lower grades and necessitated rescheduling of the mine plan. The \$80 million El Soldado pit extension project remains on schedule and within budget. The Chagres Smelter de-bottlenecking project, which increases production capacity of anode/blister from 162,000 tonnes to 184,000 tonnes, was successfully completed, as was

the Collahuasi molybdenum plant which came in under budget and ahead of time.

Nickel output from ongoing operations increased by 11% to 26,500 tonnes as Codemin's nickel production rose 48% to 9,600 tonnes following the completion, within budget and on time, of the Codemin 2 project. At Catalão, niobium output rose after successful completion of a project to improve metal yields. Improved recoveries raised rutile and zircon production at Namakwa Sands, where a \$43 million project to lift rutile output by 26% and zircon production by approximately 20% has now begun. The feasibility study on the \$1 billion, 33,000 tonnes per annum Barro Alto nickel project in Brazil will be completed during 2006.

Zinc production from ongoing operations was 7% higher. Skorpion has consistently achieved design capacity since May 2005, following a fire in the tankhouse in February that interrupted ramp up. Production for the year was 11% higher at 132,800 tonnes. The improving performance of Lisheen's new backfill plant allowed secondary mining to begin, leading to increased zinc and lead production and improved grades. Substantial completion of



**Business unit head
Peter Smith**

Operating profit

2004:
\$1,276m

2005:
\$1,678m

the Black Mountain Deeps project has materially improved zinc and lead grades.

The outlook for 2006 is good, with most forecasters projecting strong global growth and constrained production increases across the base metal industry. With the possible exception of zinc, base metal markets may move into small surplus but fundamentals may have less influence on short term price movements than fluctuating levels of investment fund interest. Cost pressures are likely to remain intense, as the entire supply chain to the base metal industry is operating at or close to capacity. ■

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Fundamentals may have less influence on short term price movements than fluctuating levels of investment fund interest
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Left: At the Chagres copper smelter in Chile, 100 kilometres from Santiago, a \$21 million de-bottlenecking project to further modernise and upgrade the plant was completed in late 2005. Annual production capacity of copper anode/blister has been raised from 162,000 tonnes to 184,000 tonnes.

Coal

Business unit head
John Wallington

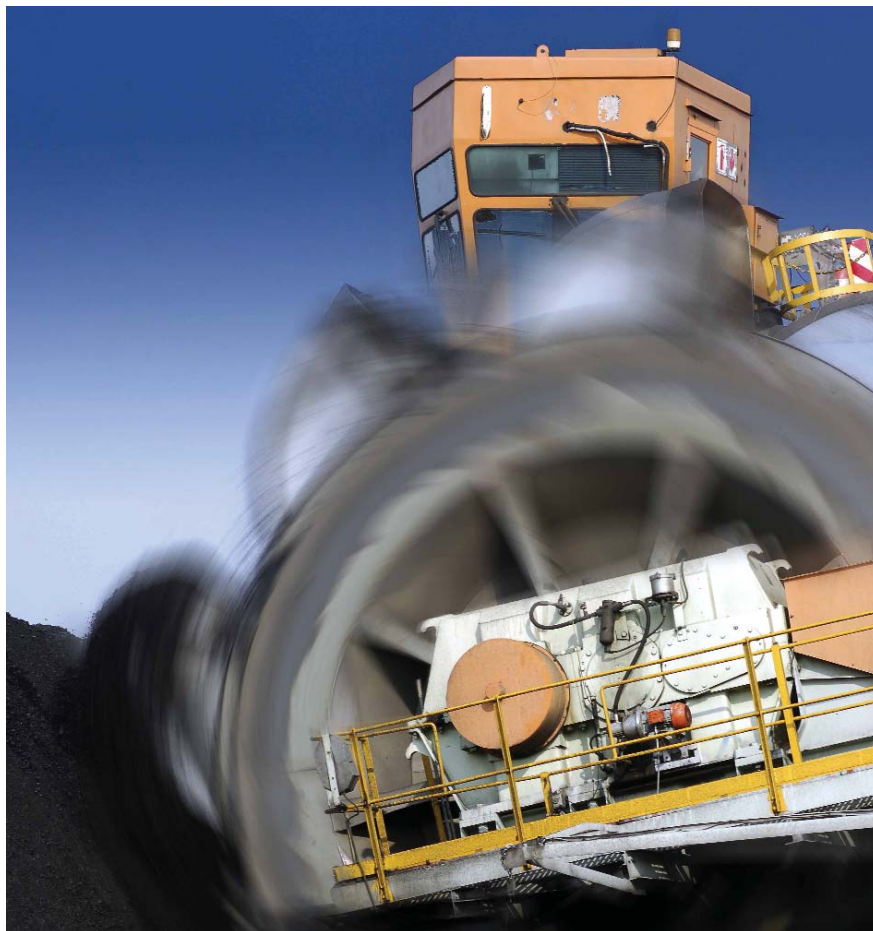


Operating profit

2004:
\$497m

2005:
\$1,019m

Right: Increased production at many operations, combined with higher prices, led to a strong performance by Anglo Coal in 2005. Here, at the partly owned Richards Bay Coal Terminal on South Africa's Indian Ocean coastline, a giant stacker-reclaimer works a stockpile of coal destined for utilities in Japan.



Anglo Coal lifted operating profit by 105% to a record \$1,019 million. The increase was attributable to improved export prices and a 4% rise in production to 93 million tonnes.

Operating profit for South African-sourced coal, at \$463 million, was 84% higher than for the previous year. Production rose by 4% to 56.9 million tonnes following the start up of the Isibonelo mine in July and higher production elsewhere. Subject to regulatory clearances, the \$264 million Mafube coal project in South Africa will increase thermal coal production by 5 million tonnes from 2008. (Anglo Coal share 2.5 million tonnes.)

Operating profit for the Australian operations climbed by 305% to \$316 million. Higher prices contributed strongly to the result, as did an increase in production of 0.5 million tonnes to 26.1 million tonnes. The increase in output was mainly a result of improved performance at Moranbah North,

The Lake Lindsay feasibility study was completed, with the \$516 million project commencing in early 2006

partially offset by Dartbrook where production was restricted by difficult geological conditions. Strong demand across the industry for key resources created contractor availability shortfalls that limited production at some sites and resulted in increased costs.

In South America, operating profit was up by 44% to \$240 million on the back of export price increases and a 5% increase in production to 10.1 million tonnes. These gains were counteracted in part by increases in operating costs caused by rising fuel prices, royalties and the strengthening of the Colombian and Venezuelan currencies against the dollar.

In Australia, ramp up continues on the \$835 million Dawson expansion project. The \$151 million Grasstree project is planned to start production during the second half of 2006. The Lake Lindsay feasibility study was completed, with the \$516 million project commencing in early 2006. In South America, Cerrejón is

continuing with the expansion to 28 million tonnes per annum (Mtpa), which should be completed by the end of 2006. Further expansion to 32 Mtpa has commenced. Work continues on the feasibility study for Monash, a fuel from brown coal project.

Hard coking coal prices are anticipated to be firm in the coming year, but prices for semi-soft coking and pulverised coal injection (PCI) coals will reflect the downward trend which commenced in 2005. Although thermal coal demand for 2006 appears to be generally firm, improved supply infrastructure performance, combined with incremental supply increases, will have a moderating influence. Consequently, average thermal coal prices in 2006 are expected to be slightly lower than in 2005.

Substantial capital expenditure will continue to be invested in all regions, with the main resulting increases in production, especially in Australia, coming through in 2007. ■

Ferrous Metals and Industries



**Business unit head
Philip Baum**

Operating profit

**2004:
\$887m**

**2005:
\$1,456m**

Ferrous Metals and Industries' operating profit reached a record \$1,456 million, up 64% on 2004. This resulted from substantially higher iron ore and vanadium prices, generally greater volumes and increased cost savings, partially offset by the strong rand and lower manganese alloy prices.

Several non-core disposals were completed in 2005 for a combined attributable enterprise value for Anglo American of \$1,029 million. Anglo American has decided to dispose of its interest in Highveld, while Tongaat-Hulett has recently announced its intention to unbundle and list its aluminium business, Hulett Aluminium, and simultaneously introduce black economic empowerment equity participation in both Tongaat-Hulett and Hulett Aluminium.

Kumba's operating profit was \$568 million (2004: \$203 million). Stronger commodity prices and higher sales volumes, together with solid operational performances and increased cost savings, were offset in part by the strong rand. As part of its black economic empowerment transaction announced in October, Kumba's iron ore assets are to be partially unbundled to Kumba shareholders and two separate listed entities established, Kumba Iron Ore and Newco. Anglo American will own 66% of Kumba Iron Ore and 17% of Newco. The \$559 million Sishen iron ore expansion project was approved by Kumba in March 2005 and will lift annual production by 10 million tonnes to 41 million tonnes by 2009.

Highveld Steel had a record year, with an operating profit of \$436 million (2004: \$169 million). This was largely due to higher vanadium prices, relatively strong sales into the South African steel market and cost saving initiatives.

Scaw also produced its best ever results, posting an operating profit of \$121 million (2004: \$85 million). Strong demand for cast and forged products offset a weaker performance from rolled products.

The attributable share of Samancor's operating profit amounted to \$144 million (2004: \$241 million). The manganese operations experienced lower sales volumes and substantially lower alloy prices.

Tongaath-Hulett's operating profit rose to \$131 million (2004: \$69 million) following improved performances from all of its divisions.

In 2006 global iron ore demand should remain firm. Market consensus is that iron ore prices should rise by 10% to 20%. Vanadium prices are, however, unlikely to match those achieved in 2005, though the manganese alloy market should strengthen. Prospects for continued real growth in global steel demand remain positive, with the strongest growth again expected to come from China. ■

Below: Prior to a furnace metal pouring operation, a refractory lined steel ladle is gas heated at Scaw Metals, one of Africa's largest diversified iron, steel and engineering works.



In 2006 global demand for iron ore should remain firm



Industrial Minerals

Business unit head
Robbie Robertson



Operating profit

2004:
\$421m

2005:
\$370m

Operating profit for the division was 12% lower at \$370 million, while Tarmac's operating profit declined by 4% to \$340 million, mainly because of difficult UK market conditions in the second half of the year and higher energy costs.

In the UK, volumes were generally flat. The single exception was cement, where output was lifted after the Buxton cement plant successfully ramped up to full production. Margins came under pressure in the second half with prices affected by competitive conditions, while costs were impacted by energy related increases. The weak UK housing market led to a softening of demand for concrete products. This was particularly true of Aircrete blocks, where the market declined by some 11%, although Tarmac's share increased slightly.

The contribution from Tarmac's international businesses was in line with last year. This reflected a strong performance in France and the Middle East, offset by weaker demand in Germany and Poland. Tarmac's international portfolio grew modestly, with a number of small bolt-on acquisitions in Poland and France, while three acquisitions were also made in its aggregates business in the UK, Poland and, in early 2006, in Romania. In China, production

increased substantially at the start of 2006 despite production delays at Yang Quarry in the Shanghai region. Profits at Copebrás were \$37 million lower, mainly due to a 17% appreciation of the Brazilian real since 2004.

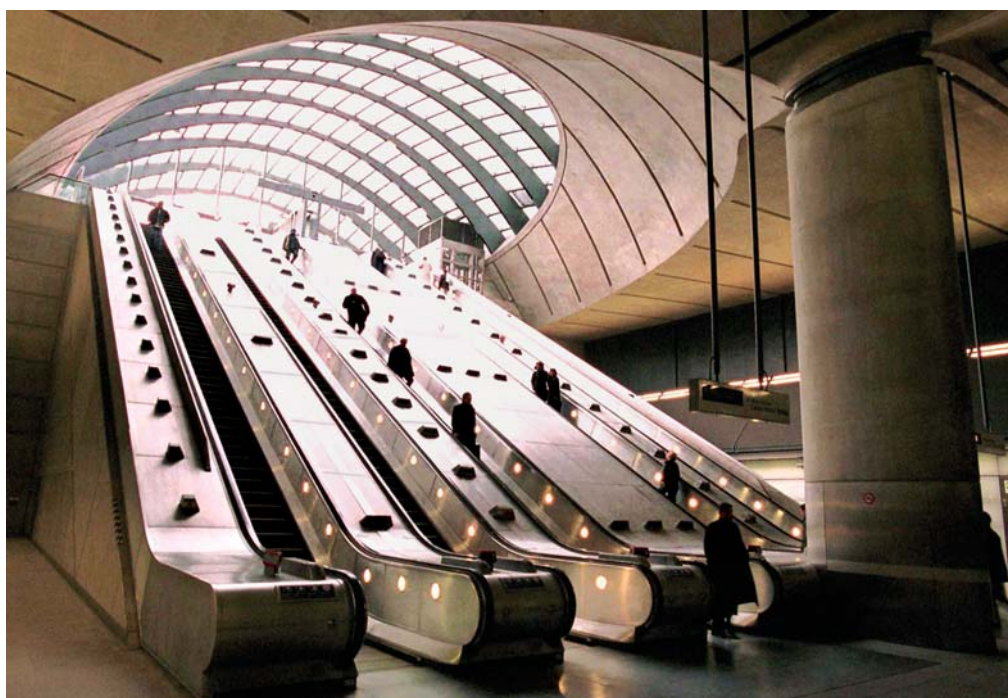
Tarmac's fundamental organisational restructuring was completed in the second half of the year. This brings greater alignment between the company's organisation and a dynamic marketplace and strengthens its ability to drive through continuous improvement, which delivered cost savings of \$86 million during the year.

Tarmac is undertaking a strategic portfolio review designed to increase focus and improve performance and is currently planning to exit certain non-core businesses in Germany and Hong Kong, as well as the concrete paving business in the UK. The disposal of Tarmac's business in India was completed in 2005.

In 2006 market conditions in the UK are expected to remain difficult, with sluggish demand and rising energy costs. In Brazil, the business environment will once again be challenging, with increasing pressure on margins if the country's currency continues to appreciate. ■

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In the UK,
the Buxton
cement plant
successfully
ramped up to
full production
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Right: The soaring ceiling of Canary Wharf station on London's Jubilee Line, which required a high level of finished concrete, supplied by Tarmac.



Paper and Packaging

Difficult trading conditions persisted across all key markets, and operating profit declined by 13% to \$495 million. Mondi was, however, able to deliver \$223 million in cost savings and profit improvement initiatives.

Mondi Packaging's operating profit was \$4 million lower, at \$293 million. Cost savings and profit improvements were offset by sustained weakness in its trading environment – the result of overcapacity and lacklustre manufacturing growth in core European markets. The most difficult market was sackpaper, which saw substantial price declines.

A number of paper machines achieved all-time production records, while productivity improved by almost 8% across the business.

In response to overcapacity in the corrugated sector Mondi has restructured its operations. This involved the closure of four plants in the UK and France, the disposal of a further nine plants in the UK and other rationalisation measures across the remaining operations. One-off cash costs associated with these restructurings amounted to \$15 million, with a further \$62 million in asset and goodwill write-downs and provisions. The restructuring programme will yield annual cash flow benefits in excess of \$22 million, of which \$12 million has been realised in 2005. This is in addition to steps taken over the past 18 months to rationalise the upstream paper business, including the closure of two high cost recycled containerboard mills, representing around 14% of Mondi Packaging's total capacity in these grades.

With the acquisition of US release liner manufacturer Akrosil, completed in January 2006, Mondi Packaging consolidated its position as one of the main players in the global release liner sector. The recent acquisition, which remains subject to competition clearance, of Paper Factory Stambolijski in Bulgaria, strengthens its position as one of the leading global suppliers of sack kraftliner. A recently approved €39 million project to rebuild the PM1 machine at Swiecie in Poland will increase Mondi Packaging's penetration of the fast growing lightweight kraftliner market.



Left: Paper reels in a new Austrian warehouse of Mondi Business Paper, one of the leading manufacturers of high quality office papers.

Mondi has strengthened its position as one of the leading low cost suppliers of uncoated woodfree paper

Mondi Business Paper's operating profit declined by 9% to \$163 million. Although demand remained reasonable, overcapacity and a strong euro – which attracts dollar denominated imports – kept pricing under pressure during the year. Uncoated woodfree sales volumes increased by 3.3% on the back of additional production from the successful Ruzomberok PM18 rebuild in Slovakia. In South Africa, the Merebank rebuild and the Richards Bay RB720 project have now been commissioned and full production is expected during 2006.

Mondi is considering a 1 million tonnes per year softwood pulp expansion, at a capital cost of \$1.5 billion, at its Syktyvkar plant in north west Russia in order to meet growing worldwide pulp demand, driven mainly by China.

While it is still too early to call a sustained turnaround in trading conditions there are signs of improvement. The recently implemented price increases in containerboard and uncoated woodfree reflect the benefits of industry rationalisation and improved demand, although sustained dollar weakness may undermine any recovery. ■



Business unit head
David Hathorn

Operating profit

2004:
\$569m

2005:
\$495m

Exploration



Above: In its relentless search for metals the Anglo Group is looking at 'new frontier' territory in the Arctic region. Here a drill rig has been set up by Anglo Base Metals in 2.5 metres of snow south of the Alaskan city of Fairbanks.

As the prelude to any new mining project, exploration is fundamental to the Group's success. And as the world becomes increasingly well prospected, Anglo American is searching for new deposits in remoter regions, such as the Arctic Circle and central Africa. In 2005 it spent \$150 million on exploration across 32 countries.

Anglo Base Metals (which spent \$50 million) has found significant new resources close to the Chilean copper mines of Los Bronces and El Soldado and near the Catalão niobium mine in Brazil. Elsewhere, work continues on extending the copper resources discovered by Anglo American at Boyongan in the Philippines, while greenfield exploration is in progress in Chile, Brazil, Indonesia, Mexico and Peru. Nickel sulphide mineralisation has been discovered at West Raglan, Canada, and drilling continues for nickel resources at the Mosku project in Finland and the MAN project in Alaska. Delineation of the nickel laterite discovery at Jacaré, Brazil, is under way.

Anglo Coal (\$13 million) is assessing the viability of methane production in South Africa's Waterberg coalfield. It completed scoping studies on China's Xiwan project and began drilling on the Guxian prospect. Coal exploration is also being carried out in Canada.

Anglo Ferrous Metals (\$21 million) is exploring for iron ore in South Africa on both greenfield and brownfield sites and continues to evaluate opportunities in west Africa.

Anglo Platinum (\$21 million) is exploring near existing operations and in South Africa's Bushveld Complex. Early-stage drilling at China's Danba project has been encouraging and programmes continued in Brazil, Canada, Russia and Zimbabwe.

AngloGold Ashanti (\$45 million) is exploring around many of its existing operations, as well as in China, Colombia, the Democratic Republic of Congo, Laos, Mongolia, the Philippines and Russia. ■

The technology multiplier

Anglo American draws heavily on technology and research to maintain a lead in its core mining activities. Technology as a core competence adds significant value to operations, thereby enhancing shareholder value.

It is important for significant research and development activity to be undertaken in house, although external partnerships are also of great value. The Anglo American Research Laboratory and the Anglo Platinum Research Centre have recently merged to form Anglo Research. The organisations will come together on the same site, to derive maximum synergies and value adding benefits from the new structure.

Anglo Research and Anglo Technical Division work closely alongside the operating divisions on continuous improvement programmes. At the other end of the spectrum, research focuses on cutting edge innovation and a number of pilot plants to test potential breakthrough technologies are in place or are at the design stage.

In one innovative study, finite-element analysis techniques are being used to identify potential areas of weakness in underground mining vehicles. Another project is investigating the use of microwaves and radio frequency heating to pre-condition ores before separation. A third is testing hyperspectral scanning technology as an aid to ore sorting. Removing waste rock before crushing and separation can reduce operating

costs and boost throughput of value bearing ore.

Safety needs are often an important component of research and Anglo Technical Division is looking into safety commissioning procedures for major processing plant such as mills, furnaces and solvent extraction plants, where incidents are more likely during initial start up or after change interventions.

Other projects are aimed at improving energy efficiency or reducing environmental impact. Notably, Anglo Coal is studying a number of clean coal technologies to further the sustainable use of this fuel in long term, environmentally friendly applications. ■

The Executive Board is the key co-ordinating management body. It is responsible for implementing strategies approved by the plc Board, monitoring operating results, prioritising allocation of capital, technical and human resources and establishing best management practice.



1. Tony Trahar

See page 24

2. Simon Thompson

See page 24

3. René Médori

See page 24

4. David Hathorn

See page 24

5. Tony Redman

MSC

57. Tony Redman worked for Anglo American on the Zambian Copperbelt from 1970 to 1974. In 1976 he started working at Vaal Reefs gold mine before moving to the Anglo Coal division in 1979, where he was appointed managing director in 1996 and chairman in 2002. In January 2005 he took up the position of group technical director of Anglo American, retaining the chairmanship of Anglo Coal. He is a member of Anglo American's Investment and S&SD Committees.

6. Lazarus Zim

MComm

45. Lazarus Zim was appointed chief executive of Anglo American South Africa Limited (AASA) on 1 February 2005. He joined AASA as deputy CEO in 2003. Before joining Anglo American he was managing director of MTN International, where he led all MTN operations outside South Africa, and before that he was CEO of MIH South Africa. He began his career in small business development in the early 1980s. Lazarus Zim is currently president of South Africa's Chamber of Mines.

7. Russell King

BA Hons

48. Russell King has held a variety of business and functional responsibilities in the UK and Australia with ICI PLC. From 1997 to 2000 he was managing director of Orica Consumer Products. He joined Anglo American in July 2001 as executive vice president, group human resources

and business development, and is responsible for sustainable development issues.

8. Philip Baum

BComm, LLB, Higher Dip Tax Law

51. Philip Baum is chairman and CEO of Anglo American's Ferrous Metals and Industries Division and is responsible for Group procurement. He joined the Group in 1979 and has worked in a wide variety of positions, including head of the Small and Medium Enterprise Initiative, chief executive of Anglo American Zimbabwe and chief operating officer of AASA. His directorships include Kumba Resources, Tongaat-Hulett and Samancor.

How we meet our wider responsibilities

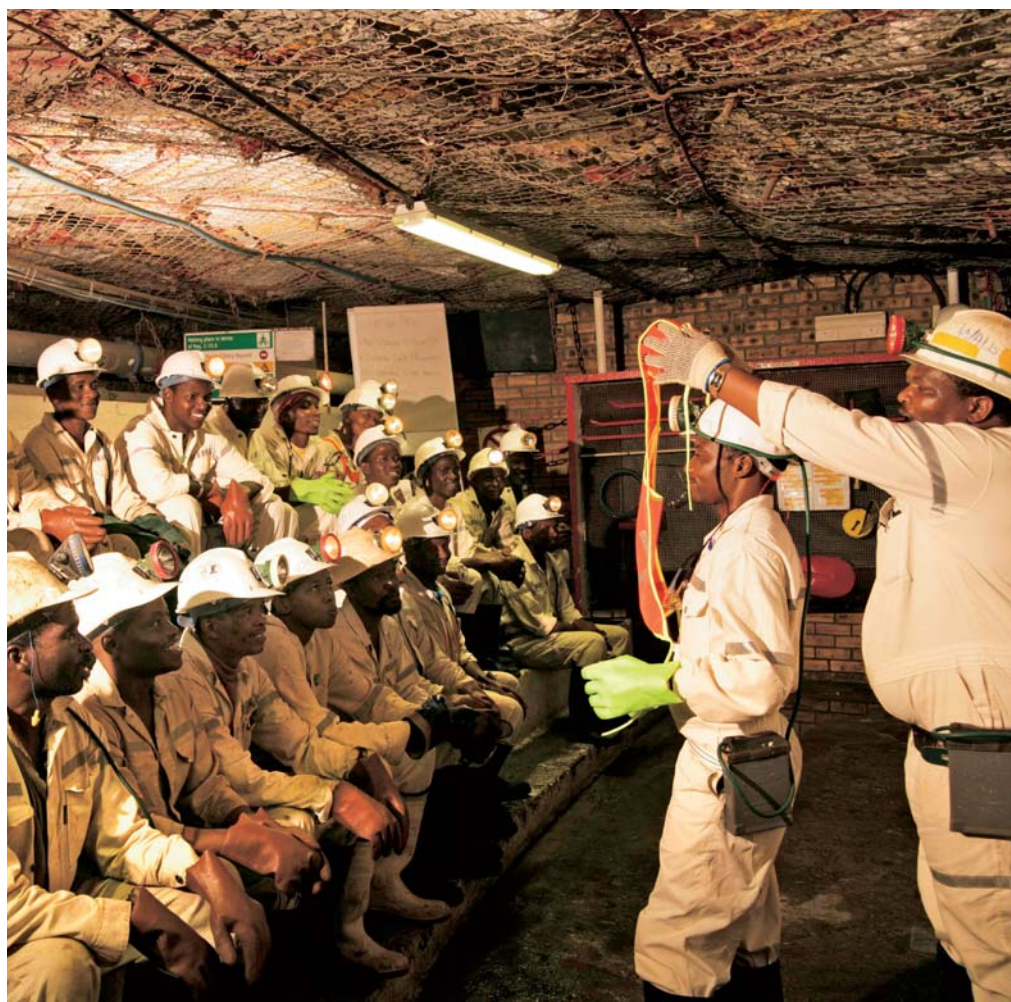
We believe that zero harm to our employees is a necessary and achievable goal

Safety – a defining value

Over the last five years we have achieved a significant improvement in our safety record. However, the rate of improvement has slowed and 46 people lost their lives at our managed operations in 2005 – compared with 49 in 2004 – of whom 21 were employees and 25 contractors.

The Board has consistently stressed that fatalities are not acceptable. To this end a series of major initiatives was launched during 2005. These included the adoption of a new set of principles which rest upon: a mindset that accepts that zero harm to our employees is an achievable goal; that we should learn more effectively from incidents so as to prevent repeats; and that a set of simple, non-negotiable standards and rules (the Anglo Safety Way and our safety Golden Rules) should operate across our businesses.

A safety peer review process has been initiated to spread training and best practice between operations. As part of a fundamental overhaul of training, all of the Executive Board and the business unit chief executives underwent DuPont safety training and this approach will be cascaded to managers and front line supervisors throughout the organisation.



◀ **Energy Day**

Anglo's inaugural Energy Day, held in August, focused on issues such as long term prospects for coal, oil prices, nuclear options and renewables, while progress reports were presented on Group targets to improve energy efficiency by 1.5% per annum.

HIV/AIDS ▶

The HIV/AIDS epidemic remains the most significant health issue confronting the Group's operations in southern Africa. At an Anglo Platinum refinery, this graffiti wall helps publicise the disease, thus assisting in countering a prevalent culture of denial.

Additional work is also under way on the more effective communication of our safety programmes, on improving the dissemination of lessons from accidents and ensuring that contractors are integrated into our safety processes. ■

HIV/AIDS – combating the pandemic

HIV/AIDS continues to take a heavy toll in parts of southern Africa and we estimate that 23% of our workforce in the region is infected.

Since 2002 our focus has been on the encouragement of Voluntary Counselling and Testing (VCT). Within an environment of confidentiality and guaranteed non-discrimination it is important for individuals to know their status and for those who are HIV+ to have their health monitored and at the appropriate moment to move to anti-retroviral treatment (ART), which is provided free to all employees. Take-up has been slower than we had hoped. During 2005 the overall level of VCT increased from 20% to 30% but reached a high of 96% for the year at the award-winning Goedeheop colliery.

At the end of 2005 we had some 2,733 people on anti-retrovirals, of whom 95% were fit enough to carry on their normal work. In Anglo Coal South Africa a high proportion of the costs of treatment are being balanced by reduced absenteeism, better productivity and stopping the loss of skilled personnel.

There is cause for concern that the virus could attain critical mass in a number of other countries, including China, India and Russia. We are, therefore, working with the Global Business Coalition on HIV and others to encourage higher awareness and effective government action in those countries. ■

Development and poverty – playing our part
2005 saw the Report of the Commission for Africa and the G8 Gleneagles Declaration. Over half our workforce lives in Africa and

so we were at the forefront of corporate advocacy of measures to reduce poverty and to improve life-chances in the continent.

If Africa's economic revival is to be sustainable it will require a better environment for enterprise and wealth creation. Thus, we were the first company to commit to fund the NEPAD Investment Climate Facility through a contribution of \$2.5 million. The Facility is a public-private partnership intended, inter alia, to be a source of authoritative advice on and advocacy for effective regulation, for easing the process of business registration, for reforming African capital markets, for streamlining customs procedures and fiscal regimes and for strengthening property rights.

We were involved in a number of partnerships to improve development outcomes, including the Extractive Industries Transparency Initiative, the Voluntary Principles on Security and Human Rights and the International Council on Mining and Metals' Resource Endowment Project.

In July 2005 we were delighted to receive the Business in the Community International Award for our contribution to the Millennium Development Goals in Africa. ■

Corporate social investment

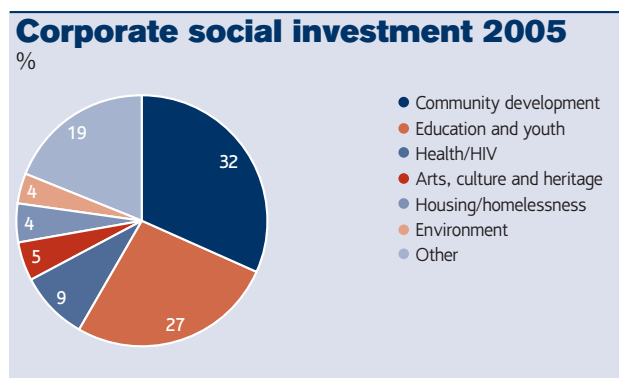
Anglo American plc and its subsidiaries contributed \$56.7 million (1% of pre-tax profit) to charitable causes and social investment. This compares with \$47.4 million in 2004 (1.1% of pre-tax profit).

Our biggest single commitment is to the Anglo American Chairman's Fund in South Africa, reflecting social needs, longstanding connections and the high regard which the Fund enjoys as a social-investment vehicle. A flagship project is the Mbilwi High School. Located in a poor rural area of Limpopo Province, the school has become recognised as a centre of educational excellence. The Fund has agreed a grant towards the construction of fully equipped science laboratories and a media resource centre.

The Anglo American Community HIV/AIDS Partnership Programme is in its third year and works in communities around eight Anglo operations. It is leveraging Company resources and increasing support for youth behaviour change and prevention programmes and home-based care projects in informal settlements. At one site, as part of the VCT campaign, over 1,000 community members were counselled, tested and referred to support services in one 18-hour period.

In Europe, the biggest new commitment is Mondi's creation of a new scholarship fund for 16 students each year from Africa, Asia and Central and Eastern Europe to study in Austrian universities.

Within the UK we maintained our emphasis on international development, education, health and the environment, including support for CARE projects, the National AIDS Trust, Transparency International and the Chevening Scholarship scheme. ■



Water management

Water is an increasingly valuable commodity in Australia, the driest of all the inhabited continents. Here at Anglo Coal Australia's Callide mine, an Environmental Management Programme approved by the state of Queensland has been developed to control water discharges and ensure a sustainable supply of water.



Executive

1. Tony Trahar

BComm, CA (SA)

56, is chief executive and has been with the Group since 1974. He was appointed to the Board in 1999 and became chief executive in July 2000. He is chairman of the Executive Board (Exboard) and a member of the Safety and Sustainable Development (S&SD) Committee. Tony Trahar's other directorships include AngloGold Ashanti, Anglo Platinum and De Beers S.A.

2. David Hathorn

BComm, CA (SA), CFA

43, was appointed to the Board on 20 April 2005 and is a member of Exboard and the Investment Committee. David Hathorn is chairman and CEO of the Mondi Group, a director of Anglo Platinum and De Beers S.A. and has been with the Group since 1989.

3. Simon Thompson

MA

46, was appointed to the Board on 20 April 2005 and is a member of Exboard and the Investment Committee. Simon Thompson is chairman of Anglo Base Metals, Anglo Industrial Minerals and Anglo Exploration and a director of AngloGold Ashanti. He joined the Group in 1995.

4. René Médori

Doctorate in Economics

48, joined the Group and was appointed to the Board on 1 June 2005, becoming finance director on 1 September 2005. René Médori is a member of Exboard, chairman of the Investment Committee and a director of AngloGold Ashanti and DB Investments. He is a former finance director of The BOC Group plc and is a non-executive director of Scottish and Southern Energy plc.

Non-executive

5. Sir Mark Moody-Stuart KCMG

PhD, MA, FGS

65, was appointed a non-executive director on 16 July 2002 and non-executive chairman on 1 December 2002. He also sits on the S&SD and Nomination Committees. He is a director of HSBC Holdings plc and Accenture Ltd. Sir Mark Moody-Stuart was chairman of The Shell Transport and Trading Company plc from 1997 to 2001 and was a member of the UN Secretary-General's Advisory Council for the Global Compact from 2001 to 2004. He is being proposed for re-election at the AGM in April.

6. Dr Maria Silvia Bastos Marques

BA, PhD

49, joined the Board on 9 December 2003. She is a member of the S&SD Committee. She is currently a partner in the corporate finance consultancy MS & CR2 Finanças Corporativas Ltda. Maria Silvia Bastos Marques has held non-executive directorships in Petroleo Brasileiro SA, Companhia Vale do Rio Doce and is currently a non-executive director of Arcelor Brasil, Companhia Souza Cruz SA, Pão de Açúcar and Embratel and a member of the advisory board of Peugeot-Citroën PSA Brasil. She has indicated her intention to stand down as a director at the AGM in April.

7. Bobby Godsell

MA

53, joined the Board on 18 March 1999. He is a member of the S&SD Committee and has been with the Group since 1974. He is chief executive of AngloGold Ashanti and has been chief executive of its predecessor company, AngloGold, since 1998. He is chairman of South Africa's national business organisation, BUSA, and a past president of South Africa's Chamber of Mines.



8. Dr Chris Fay CBE

BSc, PhD, FEng, FRSE, FICE, FEI
60, joined the Board on 19 April 1999. He is chairman of the S&SD Committee and a member of the Remuneration and Audit Committees. He is a non-executive director of BAA plc and Stena International b.v. and non-executive chairman of Expro International Group plc. Chris Fay is a former chairman of Shell UK and of the British government's Advisory Committee on Business and the Environment.

9. Ralph Alexander

MA
50, was appointed to the Board on 20 April 2005. Ralph Alexander is the former CEO of BP Petrochemicals. From 1977 to 1982 he worked for Exxon. He joined BP in 1982 where his career encompassed experience in Latin America, Africa, China and Russia including positions as executive vice president and CEO, Gas Power and Renewables and group vice president, Upstream, responsible for Russia.

10. Professor Karel Van Miert

Graduate in Diplomatic Sciences
64, joined the Board on 19 March 2002. He is a member of the Audit and Nomination Committees. He is currently a member of the supervisory boards of German utility RWE, Philips NV, Munich Re and Vivendi Universal. He is also a member of the advisory boards of Goldman Sachs and Eli Lilly and a member of the Boards of Solvay s.a. and Agfa-Gevaert. He was previously President of Nyrenode University, Netherlands Business School, a member of the European Parliament from 1979 to 1985 and a member of the European Commission from 1989 to 1999.

11. David Challen CBE

MA, MBA
62, joined the Board on 9 September 2002. He is chairman of the Audit Committee and a member of the Remuneration Committee. He is currently vice chairman of Citigroup European Investment Bank and a non-executive director of Smiths Group plc. Previously he was chairman of J. Henry Schroder & Co. Limited, where he spent most of his professional career. He is currently a member of the UK's Takeover Panel. David Challen is being proposed for re-election at the AGM in April.

12. Rob Margetts CBE

BA, FEng
59, joined the Board on 18 March 1999 and was appointed as the senior independent non-executive director in April 2003. He is chairman of the Remuneration Committee and a member of the Audit and Nomination Committees. He is the non-executive chairman of Legal & General Group Plc and The BOC Group plc and was formerly vice chairman of ICI PLC. Rob Margetts is also chairman of the UK Natural Environment Research Council and a member of the UK Council for Science and Technology.

13. Nicky Oppenheimer

MA
60, joined the Board on 18 March 1999. He is a member of the Nomination Committee. He joined the Group in 1968 and subsequently became an executive director and a deputy chairman of AASA. He became deputy chairman of De Beers Consolidated in 1985 and has been chairman of De Beers since 1998.

14. Fred Phaswana

BComm, MA
61, joined the Board on 12 June 2002. He is chairman of the Nomination Committee and a member of the Remuneration and Audit Committees. He is currently chairman of Transnet and a director of Naspers and was previously BP regional president: Africa, a director of BP Oil (Benelux), an associate president of BP Netherlands and chairman and chief executive of BP Southern Africa. His other appointments include the South African Institute of International Affairs and the Graduate School of Business, Cape Town. Fred Phaswana is being proposed for re-election at the AGM in April.

15. Peter Woicke

MBA
63, joined the Board on 1 January 2006. From 1999 to January 2005 he was chief executive officer of the International Finance Corporation, the largest multilateral provider of loans and equity to the private sector in the emerging markets. He was also a managing director of the World Bank. Prior to joining the International Finance Corporation, Peter Woicke held numerous positions over nearly 30 years with J.P. Morgan. He is currently a member of the Boards of Raiffeisen International Holding and Plugpower Inc. He is being proposed for election at the AGM in April.



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Summary directors' report

for the year ended 31 December 2005

Introduction

The directors present their summary financial statements for the year ended 31 December 2005. The summary financial statements do not constitute the statutory financial statements as they do not contain sufficient information to allow as full an understanding of the results of the Group and the state of affairs of the Company or of the Group, and of its policies and arrangements concerning directors' remuneration, as is provided by the full Annual Report.

The full financial statements, directors' report and report of the auditors (which is unqualified and contains no reservations about accounting records or obtaining necessary information) are included in a separate document entitled Annual Report 2005, which is available to shareholders free of charge. To obtain a copy of the Annual Report, for this and/or for future years, shareholders should contact either Lloyds TSB Registrars or Ultra Registrars as appropriate. Contact details for each are given on page 36.

Shareholder communications

Shareholders on the UK register may elect to receive communications from the Company electronically and will then receive future Annual Reviews/Annual Reports, Notice of the Annual General Meeting (AGM) and all other shareholder communications via e-mail notification. By registering for this service shareholders will be able to vote online at AGMs and access information on their shareholding including, for example, dividend payment history, sales and purchases and indicative share prices. For the Company, electronic communication represents a saving in terms of both costs and environmental resources. To encourage more shareholders to convert to e-communication, and as a way of saying 'thank you', the Company will arrange for a tree sapling to be planted in the UK for each converting shareholder.

To register for the service, shareholders should log on to www.shareview.co.uk and follow the on-screen instructions. It will be necessary to have a Shareholder Reference Number when registering, which is shown on share certificates, dividend tax vouchers and proxy cards.

Business activities and development

Reports by the chairman and chief executive on the performance for the year and the future development of the Group are included at the beginning of this document.

Dividends

An interim dividend of 28 US cents per ordinary share was paid on 20 September 2005. The directors are recommending that a final dividend of 62 US cents per ordinary share, together with a special dividend of 33 US cents per ordinary share, be paid on 3 May 2006, subject to shareholder approval at the AGM to be held on 25 April 2006.

Annual General Meeting

The AGM will be held on 25 April 2006. A separate booklet enclosed with this document contains the notice convening the meeting together with a description of the business to be conducted.

Corporate governance

Anglo American is committed to the highest standards of corporate governance – the way in which the Company is directed and controlled – and, except as set out below, the Company complied fully with the Combined Code on Corporate Governance (the "Code") throughout the year under review.

As highlighted by the chairman in the 2004 Annual Review, the Company was briefly non-compliant with the Code from June to December 2005 in that less than half the Board, excluding the chairman, were independent non-executive directors. The Board considers this was fully justified in ensuring continuity and a smooth handover between Tony Lea and René Médori, Anglo American's new finance director. The Company became compliant again on 30 December 2005 upon the retirement of Messrs Davison and Lea.

Directors

The Board has a strong independent element and currently comprises, in addition to the chairman, four executive and ten non-executive directors, eight of whom are independent according to the definition contained in the Code. Biographical details of the directors currently serving on the Board are given on pages 24 and 25 of this document.

The Company is conscious of the need to maintain an appropriate mix of skills and experience on the Board and to progressively refresh its composition over time. In this respect, 2005 saw the appointment of three new executive directors (David Hathorn, René Médori and Simon Thompson) and the appointment of Ralph Alexander as a new independent non-executive director. With effect from 1 January 2006 Peter Woicke was appointed to the Board as an independent non-executive director. Tony Lea and Barry Davison retired from the Board on 30 December 2005 and Maria Silvia Bastos Marques has indicated her wish to retire from the Board at the AGM in April 2006. To provide the necessary flexibility to continue the process of progressively refreshing the composition of the Board, authority will be sought at the AGM to amend the Company's Articles of Association to increase the maximum number of directors from 16 to 18.

Details of the remuneration policy and of the remuneration of directors are given in the remuneration report in the Annual Report and a summary is set out on pages 29 to 32 of this document.

21 February 2006

Consolidated income statement

for the year ended 31 December 2005

US\$ million	Before special items and remeasurements 2005	Special items and remeasurements 2005	2005	Before special items and remeasurements 2004	Special items and remeasurements 2004	2004
Group revenue	29,434	—	29,434	26,268	—	26,268
Total operating costs	(24,090)	(487)	(24,577)	(22,627)	25	(22,602)
Operating profit from subsidiaries and joint ventures	5,344	(487)	4,857	3,641	25	3,666
Net profit on disposals	—	87	87	—	1,015	1,015
Net income from associates	696	(39)	657	621	(71)	550
Total profit from operations and associates	6,040	(439)	5,601	4,262	969	5,231
Investment income	498	72	570	719	—	719
Interest expense	(926)	(37)	(963)	(974)	(112)	(1,086)
Net finance costs	(428)	35	(393)	(255)	(112)	(367)
Profit before tax	5,612	(404)	5,208	4,007	857	4,864
Income tax (expense)/income	(1,283)	8	(1,275)	(885)	(38)	(923)
Profit for the financial year	4,329	(396)	3,933	3,122	819	3,941
Attributable to:						
Minority interests	593	(181)	412	438	2	440
Equity shareholders of the Company	3,736	(215)	3,521	2,684	817	3,501
Earnings per share (US\$)						
Basic			2.43			2.44
Diluted			2.36			2.35
Dividends						
Proposed ordinary dividend per share (US cents)			62.0			51.0
Proposed ordinary dividend (US\$ million)			903			734
Proposed special dividend per share (US cents)			33.0			—
Proposed special dividend (US\$ million)			480			—
Dividends paid during the period per share (US cents)			79.0			58.0
Dividends paid during the period (US\$ million)			1,137			827

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

Summary consolidated balance sheet

as at 31 December 2005

US\$ million	2005	2004
Non-current assets		
Intangible assets	2,572	2,644
Tangible assets	30,796	33,172
Investments in associates	3,165	3,486
Other non-current assets	2,210	1,889
	38,743	41,191
Current assets		
Inventories	3,569	3,549
Trade and other receivables	5,174	5,534
Current financial asset investments and cash and cash equivalents	3,446	2,957
Other current assets	958	220
	13,147	12,260
Current liabilities		
Short term borrowings	(2,076)	(3,383)
Other current liabilities	(7,455)	(6,199)
Net current assets	3,616	2,678
Total assets less current liabilities	42,359	43,869
Non-current liabilities		
Medium and long term borrowings	(6,363)	(7,817)
Retirement benefit obligations	(1,258)	(1,201)
Deferred tax liabilities	(5,201)	(5,810)
Other non-current liabilities	(1,959)	(1,328)
Net assets	27,578	27,713
Attributable to:		
Equity attributable to equity shareholders of the Company	23,621	23,125
Minority interests	3,957	4,588
Total equity	27,578	27,713

The financial statements, including the summary financial statements, were approved by the Board of directors on 21 February 2006 and signed on its behalf by Tony Trahar, chief executive, and René Médori, finance director.

Summary consolidated cash flow statement

for the year ended 31 December 2005

US\$ million	2005	2004
Cash inflows from operations	7,265	5,291
Dividends from associates and investments	470	396
Net interest (paid)	(337)	(406)
Taxation	(954)	(500)
Net capital expenditure	(3,034)	(3,082)
Acquisitions and disposals	517	1,054
Dividends paid to minority interests and Company shareholders	(1,558)	(1,005)
Financing activity	(1,988)	(1,440)
Other	221	178
Net increase in cash and cash equivalents	602	486

Summary remuneration report

for the year ended 31 December 2005

This is a summary of the full remuneration report contained in the Annual Report, copies of which may be obtained free of charge from the Company's Registrars or South African Transfer Secretaries, or may be viewed on, or downloaded from, the Company's website, www.angloamerican.co.uk.

Remuneration Committee

Anglo American has a Remuneration Committee (the Committee) consisting of independent non-executive directors, chaired by Rob Margetts, which is responsible for considering and making recommendations to the Board on executive and senior management remuneration policy, specific remuneration packages for executive directors and the design and operation of the Company's share incentive schemes.

Remuneration policy for executive directors

Each executive director's total remuneration consists of salary, annual bonus, long-term incentives and benefits. The basic salary of the executive directors is reviewed annually and is targeted at the median of companies of comparable size, market sector, business complexity and international scope. Company performance, individual performance and changes in responsibilities are also taken into consideration in setting salary levels at the end of each year. An appropriate balance is maintained between fixed and performance-related remuneration and between elements linked to short-term financial performance and those linked to longer-term shareholder value creation. Assuming on-target performance, the Committee's policy is that at least 50% (60% for the CEO) or more of total executive director remuneration is performance-related. In 2005, on average, 64% of executive directors' actual remuneration on an expected value basis was performance-related.

Bonus Share Plan

The Bonus Share Plan (BSP) was first operated in 2004 and all executive directors are eligible to participate in it. The BSP requires executive directors to invest a significant proportion of their remuneration in shares, thereby more closely aligning their interests with those of shareholders, and encourages management at all levels to build up a meaningful personal stake in the Company. Awards under the BSP are made annually and consist of three elements: a performance-related cash element, Bonus Shares as a conditional award to a value equal to the cash element and an additional performance-related element in the form of Enhancement Shares.

The value of the bonus is calculated by reference to achievement against annual performance targets which include measures of corporate and, where applicable, business unit performance as well as the achievement of specific individual objectives. For executive directors, the corporate element is based on demanding Earnings Per Share (EPS) targets. In 2005 the EPS targets were met in full. It is the Committee's usual policy to base at least 50% of each annual bonus award on the corporate or business measure and the remaining percentage on key personal performance measures. The level of bonuses payable will be reduced if certain overall safety improvement targets are not met.

The Committee reviews these measures annually to ensure they remain appropriate and sufficiently stretching in the context of the economic and performance expectations for the Company and its operating businesses.

In the case of the directors and top tier of management, half of the bonus is payable in cash. From 2006, the cash element has been adjusted to 90% (from 75%) of basic salary in the case of the chief executive and to 75% (from 60%) of basic salary for the other executive directors to sustain a competitive market position with companies of a similar size and complexity. The maximum bonus would only be paid for meeting targets which, in the opinion of the Committee, represent an exceptional performance for the Group and take account of the increased bonus potential. The other half of the bonus is in the form of a conditional award of Bonus Shares equal in value to the cash element. To encourage retention, Bonus Shares vest only if the participant remains in employment with the Group until the end of a three-year holding period, or (if having left during the holding period) is, in the view of the Committee, deemed to be a good leaver.

The maximum potential of the Enhancement Shares is 75% of the face value of the Bonus Shares (i.e. in the case of the CEO a maximum of 56% of basic salary). Awards will vest after three years only to the extent that a challenging performance condition (based on EPS growth) has been met.

On a change of control of the Company, Bonus Shares would be released and Enhancement Shares would vest, to the extent that the applicable performance conditions have been satisfied. The BSP is not pensionable.

In 2005 the BSP was extended to all those tiers of management globally who were previously eligible to receive share options.

Other long term incentive plans (LTIP)

Conditional LTIP awards continue to be made annually to executive directors. The maximum grant level under the LTIP is 200% salary. It is anticipated that in 2006, grants under the LTIP will be made at 200% salary for the chief executive and 175% salary for the other directors. The Committee is content that the performance conditions that need to be satisfied for these awards to vest in full are sufficiently stretching in the context of the award levels. In determining annual award levels, the Committee also gives consideration to market competitiveness and has set the levels taking account of median expected value of long term incentives relative to other companies. These awards are discretionary and considered on a case-by-case basis.

The LTIP closely aligns the interests of the shareholders and executive directors by rewarding superior shareholder and financial performance and by encouraging executives to build up a shareholding in Anglo American plc.

Within five years of their appointment, executive directors are expected to acquire a holding of shares with a value of two times' basic salary in the case of the chief executive and one times' basic salary in the case of other executive directors.

The vesting of LTIP awards made during 2005 is subject to the achievement of stretching performance targets, relating to Total Shareholder Return (TSR) and to an operating measure, currently Return on Capital Employed (ROCE), over a fixed three year period. Half of each award is subject to a Group TSR measure, while the other half is subject to a Group ROCE measure. These performance measures were selected on the basis that they clearly foster the creation of shareholder value. There is no retesting of performance.

Summary remuneration report continued

For awards made prior to and including 2004, vesting of the TSR part of the LTIP varies according to the Company's TSR over the performance period relative to a weighted basket of international resources companies (the Sector Index). However, from the 2005 award, to reflect better the Company's diverse shareholder base, the portion of each award that is based on TSR will now be measured 50% against the Sector Index and 50% against the constituents of the FTSE 100. Also from the 2005 award, to avoid problems arising from the distorting effect of single-commodity companies, the definition of above-target performance levels for the sector comparator group has been adjusted. As a result of these changes, maximum vesting on the TSR element of an award will only be possible if Anglo American outperforms by a substantial margin both the sector benchmark and the largest UK companies across all sectors. To achieve maximum vesting for the whole LTIP award the Company would, in addition, have to exceed demanding ROCE targets. These represent an extremely challenging set of performance hurdles.

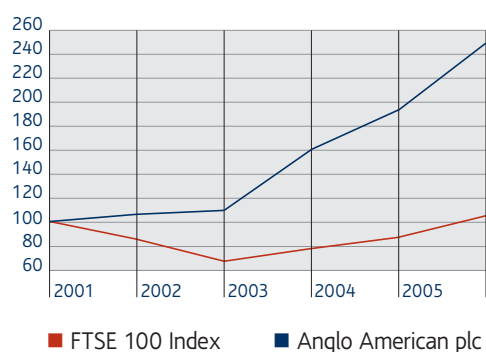
The Sector Index mentioned above comprises a weighted basket of international resources companies. For awards made in 2005, the companies constituting this index were as follows:

	Mining	Paper and Packaging	Industrial Minerals
Category weighting	80%	12%	8%
Comparator companies	BHP Billiton plc Falconbridge Limited Rio Tinto plc Vedanta Resources plc Xstrata plc	Sappi Limited SCA Stora Enso Oyj UPM-Kymmene Group	CRH plc Hanson plc Holcim Limited Lafarge

The LTIP closely aligns the interests of shareholders and executive directors by rewarding superior shareholder and financial performance and by encouraging executives to build up a shareholding in Anglo American plc.

In the event of a change of control of the Company, the number of shares that vest under the LTIP will be calculated by reference to the extent to which the applicable performance conditions have been met at the time of the change of control.

Performance graph



The graph shows the Company's TSR performance from 1 January 2001 against the TSR performance of the FTSE 100 Index, chosen

as being a broad equity market index consisting of companies of comparable size and complexity to Anglo American plc. In drawing this graph, it has been assumed that all dividends paid have been re-invested. This graph has been produced in accordance with the requirements of Schedule 7A to the Companies Act 1985.

Pensions

Each executive director participated in a defined contribution pension scheme and two of the executive directors are also active members of defined benefit pension schemes in South Africa. In the light of the new UK pensions regime, which will apply from 6 April 2006, the Committee has decided that, should an executive director request that his contract be altered for service after 6 April 2006 so that further pension benefits are reduced or cease to accrue, a pension allowance would be paid to him at the same value as his defined contribution benefits thereby forgone. Similarly, the Committee has decided that it will consider requests from executive directors that their contracts be altered for future service, so that supplementary pension contributions are made into their defined contribution pension arrangements, in return for the executive directors giving up their right to part of their future basic salary and/or cash element of the BSP.

Executive directors' service contracts

In order properly to reflect their spread of responsibilities, Tony Trahar and David Hathorn have contracts with Anglo American International (IOM) Limited and with Anglo Operations Limited. The salaries under these contracts are payable in sterling and/or South African rand as appropriate. René Médori is employed by Anglo American International (IOM) Limited and Simon Thompson is employed by Anglo American Services (UK) Limited. The employment contracts of all executive directors are terminable at 12 months' notice by either party. The Committee has taken note that the inclusion of liquidated damages clauses is no longer in complete compliance with the latest ABI guidelines and, as market practice has now moved away from the inclusion of such clauses in service contracts, the contracts of David Hathorn, René Médori and Simon Thompson do not include this provision.

Non-executive directors' remuneration and service contracts

Non-executive director remuneration is set at a level which is intended to be sufficient to attract and retain world-class non-executive talent and consistent with recognised best practice. Non-executive directors may not participate in the Company's BSP, LTIP or pension arrangements. The Board reviews non-executive directors' fees periodically to ensure they remain market-competitive. All non-executive directors have letters of appointment with Anglo American plc for an initial period of three years from their date of appointment, subject to re-election at the AGM.

Directors' emoluments

The fees and other emoluments paid to non-executive directors during the year ended 31 December 2005 amounted to £1,683,000 (2004: £1,602,000). In addition Bobby Godsell was granted 10,135 awards under the AngloGold Ashanti BSP and 30,400 under the AngloGold Ashanti LTIP, and exercised 25,100 AngloGold Ashanti executive share options.

Emoluments paid to executive directors, and their share interests, were as follows:

	Basic salary ⁽³⁾		Basic salary sacrificed into International Approved Pension Scheme ⁽³⁾		Annual performance bonus ⁽⁴⁾⁽⁵⁾		Benefits in kind ⁽⁶⁾		Payments on retirement ⁽⁷⁾		Total	
	2005 £000	2004 £000	2005 £000	2004 £000	2005 £000	2004 £000	2005 £000	2004 £000	2005 £000	2004 £000	2005 £000	2004 £000
Executive Directors ⁽¹⁾⁽²⁾												
Tony Trahar	855	801	95	89	627	601	54	53	—	—	1,631	1,544
Barry Davison	450	423	50	47	258	195	30	27	1	—	789	692
David Hathorn ⁽⁸⁾	335	—	—	—	216	—	17	—	—	—	568	—
Tony Lea	540	510	—	—	216	214	24	23	—	—	780	747
René Médori ⁽⁹⁾	303	—	—	—	164	—	13	—	—	—	480	—
Simon Thompson ⁽¹⁰⁾	335	—	—	—	213	—	17	—	—	—	565	—

In addition to the emoluments set out above, aggregate gains on exercise of directors' share options in the year amounted to £5,909,000 (2004: £546,000) and aggregate gains on vesting of directors' LTIP and DBP awards during 2005 amounted to £2,319,000 (2004: £1,568,000) and ZAR 1,208,000 (2004: ZAR 1,100,000)

Four directors participated in defined benefit pension schemes and six directors participated in defined contribution pension schemes during 2005. Normal contributions to defined contribution schemes in respect of these directors amounted to £814,000 (2004: £359,000). As disclosed in the 2004 Remuneration Report, a special contribution of £5,600,000 was also made into the defined contribution scheme in 2005 in respect of the pension benefits of Tony Trahar, being the actuarially-determined value necessary to replace the final salary pension benefits forgone by him. Further details of these schemes are contained in the Remuneration Report in the 2005 Annual Report.

	Interest at 31 December 2004							
	Beneficial share interests	Anglo American share options ⁽¹¹⁾⁽¹²⁾⁽¹³⁾	SIP shares	LTIP shares ⁽¹⁴⁾	BSP Bonus shares ⁽¹⁵⁾	BSP Enhancement shares ⁽¹⁵⁾	Deferred bonus matching shares ⁽¹⁶⁾	Other ⁽¹⁷⁾
Executive Directors	2005	2005	2005	2005	2005	2005	2005	2005
Tony Trahar	51,227	240,553	377	336,141	95,924	71,943	32,219	—
Barry Davison	53,356	90,000	—	114,840	27,718	20,788	5,267	—
David Hathorn ⁽¹⁸⁾	23,431	60,000	—	114,141	22,833	17,124	7,802	—
Tony Lea	48,953	98,000	377	158,413	33,441	25,081	12,803	—
René Médori ⁽¹⁸⁾	—	—	—	61,993	—	—	—	50,600
Simon Thompson ⁽¹⁸⁾	62,828	60,000	240	131,952	30,014	22,511	8,498	—

⁽¹⁾ Subsequent to his retirement from the Board in 2004, Bill Nairn has provided consultancy services to Anglo American. He received £130,000 for the provision of these services during the year.

⁽²⁾ Subsequent to their retirement from the Board in 2001, Leslie Boyd and Mike King continue to hold non-executive directorships with certain listed subsidiaries of the Group. They received fees of £26,000 (2004: £29,000) and £17,000 (2004: £21,000) respectively, for the provision of these services during the year.

⁽³⁾ Tony Trahar and Barry Davison have contractually agreed with their employing company that supplementary pension contributions should be made to the Anglo American plc International Approved Pension Scheme in return for these executives having given up their right to part of their future basic salary. The table above includes these amounts, which were £95,000 and £50,000 respectively for 2005.

⁽⁴⁾ The performance bonus represents the cash element of the BSP.

⁽⁵⁾ The value of the bonus under the BSP is calculated by reference to measures of both corporate performance (based on stretching EPS targets) as well as the achievement of specific individual objectives. In 2005 the EPS targets were met in full. Half the bonus is paid in cash and the other half takes the form of a conditional award of Bonus Shares equal in value to the cash element (see footnote 15 below).

⁽⁶⁾ Each director receives a car allowance or a fully expensed car and a limited amount of personal taxation/financial advice. All directors receive death and disability insurance and also receive medical insurance. Tony Trahar, Tony Lea and Simon Thompson received club membership; in addition, Tony Trahar receives a housing loan subsidy.

⁽⁷⁾ Upon retirement at 30 December 2005, Barry Davison received an award of £1,000 to mark completion of his service.

⁽⁸⁾ Since appointment on 20 April 2005. The basic salary equates to an annualised figure of £480,000.

⁽⁹⁾ Since appointment on 01 June 2005. The basic salary equates to an annualised figure of £520,000.

⁽¹⁰⁾ Since appointment on 20 April 2005. The basic salary equates to an annualised figure of £480,000.

⁽¹¹⁾ No share options were granted to executive directors during the year, although 812,220 options were exercised by executive directors in 2005. Bobby Godsell also has 199,200 options in AngloGold Ashanti.

⁽¹²⁾ The exercise of options under the ESOS is subject to Anglo American's EPS (based on the Company's headline earnings measure) increasing by at least 6% above the UK Retail Price Index over a three-year period. The EPS growth requirement takes account of the cyclical nature of the natural-resource business.

⁽¹³⁾ Tony Trahar's total includes 5,000 roll-over options and 5,553 SAYE options.

⁽¹⁴⁾ 259,920 conditional awards of shares were made to executive directors under the LTIP during the year. The vesting of those LTIP awards is subject to the achievement of stretching performance measures relating to TSR and ROCE. In 2005, 153,368 awards vested to executive directors under the 2002 LTIP Scheme. The outcome on the Group ROCE element of the 2002 LTIP was 100% and on the TSR element 52%. Thus, the average vesting level for those directors with a 50% Group ROCE, 50% TSR split was 76%.

⁽¹⁵⁾ 77,894 Bonus Shares and 58,419 Enhancement Shares were conditionally awarded to executive directors under the BSP during 2005 (in respect of 2004 performance). Bonus Shares vest if the executive director remains in employment with the Group until the end of the three-year holding period. The Enhancement Shares will vest to the extent that challenging EPS performance conditions were met.

⁽¹⁶⁾ No further awards were made to executive directors under the Deferred Bonus Plan during the year. 37,367 awards vested to executive directors during the year.

⁽¹⁷⁾ René Médori was granted 50,600 forfeitable shares upon appointment.

⁽¹⁸⁾ David Hathorn, René Médori and Simon Thompson were appointed as directors during 2005. Accordingly, for these directors, no information in respect of gains on share options for 2004 is disclosed in the table above.

Summary remuneration report continued

Independent remuneration report review

This letter reports on the results of the review carried out by Mercer Human Resource Consulting Limited of the processes followed by the Anglo American Remuneration Committee (the Committee) that support the remuneration report for the financial year 2005. Mercer undertook the review at the request of the chairman of the Committee in order to provide shareholders with assurance that the remuneration processes followed are appropriate and that the Committee has complied with the policies set out in the remuneration report.

In order to reach our opinion, we reviewed the Committee's Terms of Reference and the minutes of its meetings held during the year as well as material presented to the Committee for its review. We also interviewed the chairman and secretary of the Committee. Our review was not intended to audit the compensation data set forth in the remuneration report or to evaluate the merits of the Anglo American's remuneration programme.

Based on our review, Mercer is of the opinion that the processes followed by the Committee during 2005 were fully consistent with its Terms of Reference and that the decisions taken by the Committee were in line with the principles set out in the Remuneration Report. It continues to be our view that the Committee takes a suitably robust and pro-active approach to its work.

We note that the Committee has refined its modus operandi each year taking into account any comments we have made in our reviews. In addition, the Committee has taken steps to improve its processes, reflecting areas of improvement highlighted in the evaluation of the Committee undertaken with input from external advisers.

As a result, we believe that the Anglo American Remuneration Committee is exemplary in its conduct, decision making and reporting.

The members of the Remuneration Committee are regularly updated on executive compensation and corporate governance matters.

Further detail regarding the Mercer review is included in a letter of this date addressed to the Committee Chairman which we understand will be made available on the Company's website.

Belinda Hudson

Principal

Mercer Human Resource Consulting Limited
Dexter House
2 Royal Mint Court
London EC3N 4NA

26 January 2006

Independent auditors' statement

to the members of Anglo American plc

We have examined the summary financial statement which comprises the summary directors' report, consolidated income statement, consolidated balance sheet, consolidated cash flow statement and summary directors' remuneration report.

This report is made solely to the Company's members, as a body, in accordance with section 251 of the Companies Act 1985. Our work has been undertaken so that we might state to the Company's members those matters we are required to state to them in an auditors' 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 and the Company's members as a body, for our audit work, for this report, for our audit report or for the opinions we have formed.

Respective responsibilities of directors and auditors

The directors are responsible for preparing the Annual Review in accordance with applicable United Kingdom law. Our responsibility is to report to you our opinion on the consistency of the summary financial statement with the full annual accounts, the directors' report and the directors' remuneration report, and its compliance with the relevant requirements of section 251 of the Companies Act 1985 and the regulations made thereunder. We also read the other information contained in the Annual Review as described in the contents section, and consider the implications for our report if we become aware of any

apparent misstatements or material inconsistencies with the summary financial statement.

Basis of opinion

We conducted our work in accordance with bulletin 1999/6 'The Auditors' Statement on the Summary Financial Statement' issued by the United Kingdom Auditing Practices Board.

We have not considered the effect of any events between the date on which we signed the full annual accounts of Anglo American plc, 21 February 2006, and the date of this statement.

Opinion

In our opinion, the summary financial statement is consistent with the full annual accounts, the directors' report and the directors' remuneration report of Anglo American plc for the year ended 31 December 2005 and complies with the applicable requirements of section 251 of the Companies Act 1985, and the regulations made thereunder.

Deloitte & Touche LLP

Chartered Accountants and Registered Auditors
London

1 March 2006

Key financial data

US\$ million (unless otherwise stated)	2005	2004	US\$ million (unless otherwise stated)	2003 ⁽⁷⁾	2002 ⁽⁷⁾⁽⁸⁾	2001 ⁽⁷⁾⁽⁸⁾
Group revenue including associates	34,472	31,938	Group turnover including share of joint ventures and associates	24,909	20,497	19,282
Less: share of associates' revenue	(5,038)	(5,670)	Less: Share of joint ventures' turnover	(1,060)	(1,066)	(1,109)
Group revenue	29,434	26,268	Share of associates' turnover	(5,212)	(4,286)	(3,387)
Operating profit including associates before special items and remeasurements	6,376	4,697	Group turnover – subsidiaries	18,637	15,145	14,786
Special items and remeasurements (excluding financing remeasurements)	(455)	933	Operating profit before exceptional items	2,892	3,332	3,298
Net finance costs (including remeasurements), taxation and minority interests of associates	(320)	(399)	Operating exceptional items	(286)	(81)	(513)
Total profit from operations and associates	5,601	5,231	Total operating profit	2,606	3,251	2,785
Net finance costs (including remeasurements)	(393)	(367)	Non-operating exceptional items	386	64	2,148
Profit before tax	5,208	4,864	Net interest (expense)/investment income	(319)	(179)	130
Income tax expense	(1,275)	(923)	Profit on ordinary activities before taxation	2,673	3,136	5,063
Profit for the financial year	3,933	3,941	Taxation on profit on ordinary activities	(749)	(1,042)	(1,247)
Minority interests	(412)	(440)	Taxation on exceptional items	13	(3)	(147)
Profit attributable to equity shareholders of the Company	3,521	3,501	Equity minority interests	(345)	(528)	(584)
Underlying earnings⁽¹⁾	3,736	2,684	Profit for the financial year	1,592	1,563	3,085
Earnings per share (\$)	2.43	2.44	Underlying earnings⁽¹⁾	1,694	1,759	1,681
Underlying earnings per share (\$)	2.58	1.87	Earnings per share (\$)	1.13	1.11	2.09
Ordinary dividend per share (US cents)	90.0	70.0	Underlying earnings per share (\$)	1.20	1.25	1.14
Special dividend per share (US cents)	33.0	–	Dividend per share (US cents)	54.0	51.0	49.0
Weighted average number of shares outstanding (million)	1,447	1,434	Basic number of shares outstanding (million)	1,415	1,411	1,474
EBITDA⁽²⁾	8,959	7,031	EBITDA⁽²⁾	4,785	4,792	4,647
EBITDA interest cover ⁽³⁾	20.0	18.5	EBITDA interest cover ⁽³⁾	9.3	50.5	58.4
Operating margin (before special items and remeasurements)	18.5%	14.7%	Operating margin (before exceptional items)	11.6%	16.3%	17.1%
Ordinary dividend cover (based on underlying earnings)	2.9	2.7	Dividend cover (based on underlying earnings)	2.2	2.5	2.3
Balance Sheet			Balance Sheet			
Intangible and tangible assets	33,368	35,816	Intangible and tangible fixed assets	26,646	18,841	12,870
Other non-current assets and investments	5,375	5,375	Investments	7,206	6,746	4,873
Working capital	3,719	3,715	Working capital	1,903	822	282
Other net current liabilities	(1,473)	(611)	Provisions for liabilities and charges	(3,954)	(2,896)	(2,194)
Other non-current liabilities and obligations	(8,418)	(8,339)	Net debt	(8,633)	(5,578)	(2,018)
Net debt	(4,993)	(8,243)	Equity minority interests	(3,396)	(2,304)	(1,607)
Net assets	27,578	27,713	Total shareholders' funds (equity)	19,772	15,631	12,206
Minority interests	(3,957)	(4,588)	Total capital⁽⁴⁾	31,801	23,513	15,831
Equity attributable to the equity shareholders of the Company	23,621	23,125	Net cash inflow from operating activities	3,184	3,618	3,539
Total capital⁽⁴⁾	32,571	35,956	Dividends received from joint ventures and associates	426	258	258
Cash inflows from operations	7,265	5,291	Return on capital employed⁽⁵⁾	10.7%	17.5%	19.0%
Dividends received from associates and investments	470	396	EBITDA/average total capital⁽⁴⁾	17.3%	24.4%	26.0%
Return on capital employed⁽⁵⁾	19.2%	14.6%	Net debt to total capital⁽⁶⁾	32.0%	27.9%	14.4%
EBITDA/average total capital⁽⁴⁾	26.0%	21.2%				
Net debt to total capital⁽⁶⁾	17.0%	25.4%				

Years 2004 and 2005 are prepared under IFRS. Years 2001 to 2003 are prepared under UK GAAP.

⁽¹⁾ Underlying earnings is net profit attributable to equity shareholders, adjusted for the effect of special items and remeasurements, and any related tax and minority interests.

⁽²⁾ EBITDA is operating profit before special items and remeasurements (2001 to 2003: exceptional items) plus depreciation and amortisation in subsidiaries and joint ventures and share of EBITDA of joint ventures and associates.

⁽³⁾ EBITDA interest cover is EBITDA of subsidiaries and joint ventures divided by net finance costs excluding other net financial income, exchange gains and losses on monetary assets and liabilities, amortisation of discounts on provisions, special items and financial remeasurements (2001 to 2003: exceptional items).

⁽⁴⁾ Total capital is net assets excluding net debt.

⁽⁵⁾ Return on capital employed is calculated as total operating profit before impairments for the year divided by the average total capital less other investments and adjusted for impairments.

⁽⁶⁾ Net debt to total capital is calculated as net debt divided by total capital less investments in associates.

⁽⁷⁾ 2001 to 2003 have been restated to reflect the adoption of UITF abstract 38 *Accounting for ESOP trusts*.

⁽⁸⁾ 2001 and 2002 have been restated for the adoption of FRS 19.

The business

An overview – effective 14 February 2006

Mining

Platinum

Anglo Platinum	74.8%
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South Africa (100% owned)

Rustenburg Section	
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%
Marikana Pooling and Sharing Agreement	50%
Mototolo Joint Venture	50%

Gold

AngloGold Ashanti	50.9%
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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⁾
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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%
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South Africa (100% owned)

Cullinan	
De Beers Group Services (Exploration and Services)	
De Beers Marine	
Finsch	
Kimberley Mines	
Koffiefontein	
Namaqualand Mines	
The Oaks	
Venetia	

Botswana

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

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

Tanzania

Williamson Diamonds	75%
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Canada

Snap Lake	100%
Victor (approved for construction)	100%

Trading and Marketing

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

Companies manufacturing synthetic diamonds and abrasive products	60%
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Base Metals

Anglo Base Metals	100%
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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%
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Niobium

Catalão (Brazil)	100%
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⁽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⁽³⁾

Tongaat-Hulett (southern Africa)	52%
Hippo Valley Estates (Zimbabwe)	50%
Vergelegen (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

Monash Energy Holdings Limited	100%
Dalrymple Bay Coal Terminal Pty Ltd	33%
Newcastle Coal Shippers Pty Ltd	20%

Colombia

Cerrejón	33%
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Venezuela

Carbones del Guasare	25%
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Industrial Minerals

Industrial Minerals

Anglo Industrial Minerals **100%**

Aggregates and building materials (100% owned)

Tarmac Group (UK)
Tarmac France (France and Belgium)
Tarmac Germany
Tarmac Poland
Tarmac Czech Republic
Tarmac Iberia (Spain)
Tarmac International Holdings (Far East and Middle East)

Phosphate products

Copebrás (Brazil)	73%
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Paper and Packaging

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%
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Newspaper + Merchandising

Mondi Shanduka Newsprint (South Africa)	54%⁽⁴⁾
Aylesford Newsprint (UK)	50%
Europapier (Europe)	100%

⁽³⁾ Sale of Boart Longyear was completed in July 2005.

⁽⁴⁾ Shareholdings are shown on the basis that the contemplated commitments for employee ownership are finalised.

Shareholder information

Annual General Meeting

Will be held at 11:00 am on Tuesday, 25 April 2006, at The Institution of Electrical Engineers, Savoy Place, London WC2R 0BL.

Shareholders' diary 2006/7

Interim results announcement	August 2006
Interim dividend payment	September 2006
Annual results announcement	February 2007
Annual report	March 2007
AGM	April 2007
Final dividend	April 2007

Shareholding enquiries

Enquiries relating to shareholdings should be made to the Company's UK Registrars, Lloyds TSB or the South African Transfer Agents, Ultra Registrars, at the relevant address below:

UK Registrars

Lloyds TSB Registrars
The Causeway
Worthing
West Sussex BN99 6DA
England
Telephone:
In the UK: 0870 609 2286
From outside the UK: +44 121 415 7558

Transfer Secretaries in South Africa

Ultra Registrars (Pty) Ltd
11 Diagonal Street
Johannesburg 2001, South Africa
(PO Box 4844 Johannesburg 2000)
Telephone: +27 (0) 11 834 2266

Enquiries on other matters should be addressed to the Company Secretary at the following address:

Registered and Head Office

Anglo American plc
20 Carlton House Terrace
London SW1Y 5AN
England
Telephone: +44 (0)20 7968 8888
Fax: +44 (0)20 7968 8500
Registered number: 3564138
Website: www.angloamerican.co.uk

Additional information on a wide range of shareholder services can be found in the Shareholder Information section of the Notice of Annual General Meeting (enclosed with this document) and on the Group's website.

Other Anglo American publications

- 2005 Annual Report
- 2005 Interim Report
- 2005/6 Fact Book
- 2005 Report to Society
- Notice of AGM and Shareholder Information Booklet
- Optima – Anglo American's current affairs journal
- Good Neighbours: Our Work With Communities
- Good Citizenship: Our Business Principles
- Investing in the future – Black Economic Empowerment

If you would like to receive copies of Anglo American's publications, please write to:

Investor and Corporate Affairs Department

Anglo American plc
20 Carlton House Terrace
London SW1Y 5AN, England

Alternatively, publications can be ordered online at:

<http://www.angloamerican.co.uk/newsandmedia/reportsandpublications/request/requestreportpopup/>

The full 2005 Annual Report, which includes the financial statements, directors' report, corporate governance report, remuneration report and report of the auditors (which is unqualified), and the booklet containing the Notice of AGM and other shareholder information are available free of charge from the Company, its UK Registrars and South African Transfer Secretaries.

Charitable partners

This is just a selection of the charities which we have worked with in 2005.



THE
BRITISH
MUSEUM



Design and production: Addison Corporate Marketing Ltd
Print: St Ives Westerham Press

Printed on Go Silk, made with virgin wood fibre from sawmill residues,
forest thinnings and sustainable forests in Europe, South America and Canada

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