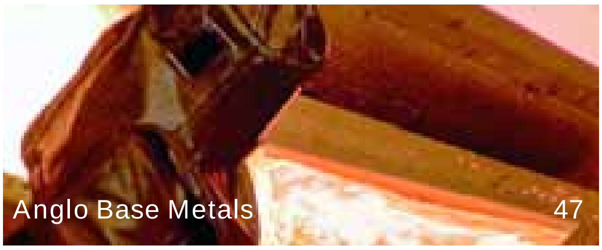
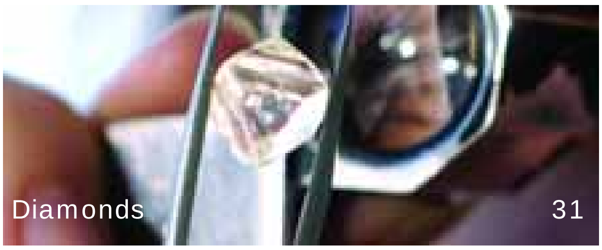
Anglo American
Fact Book 2005/6

Contents


Anglo American plc 1


Anglo Platinum 13


Anglo Base Metals 47

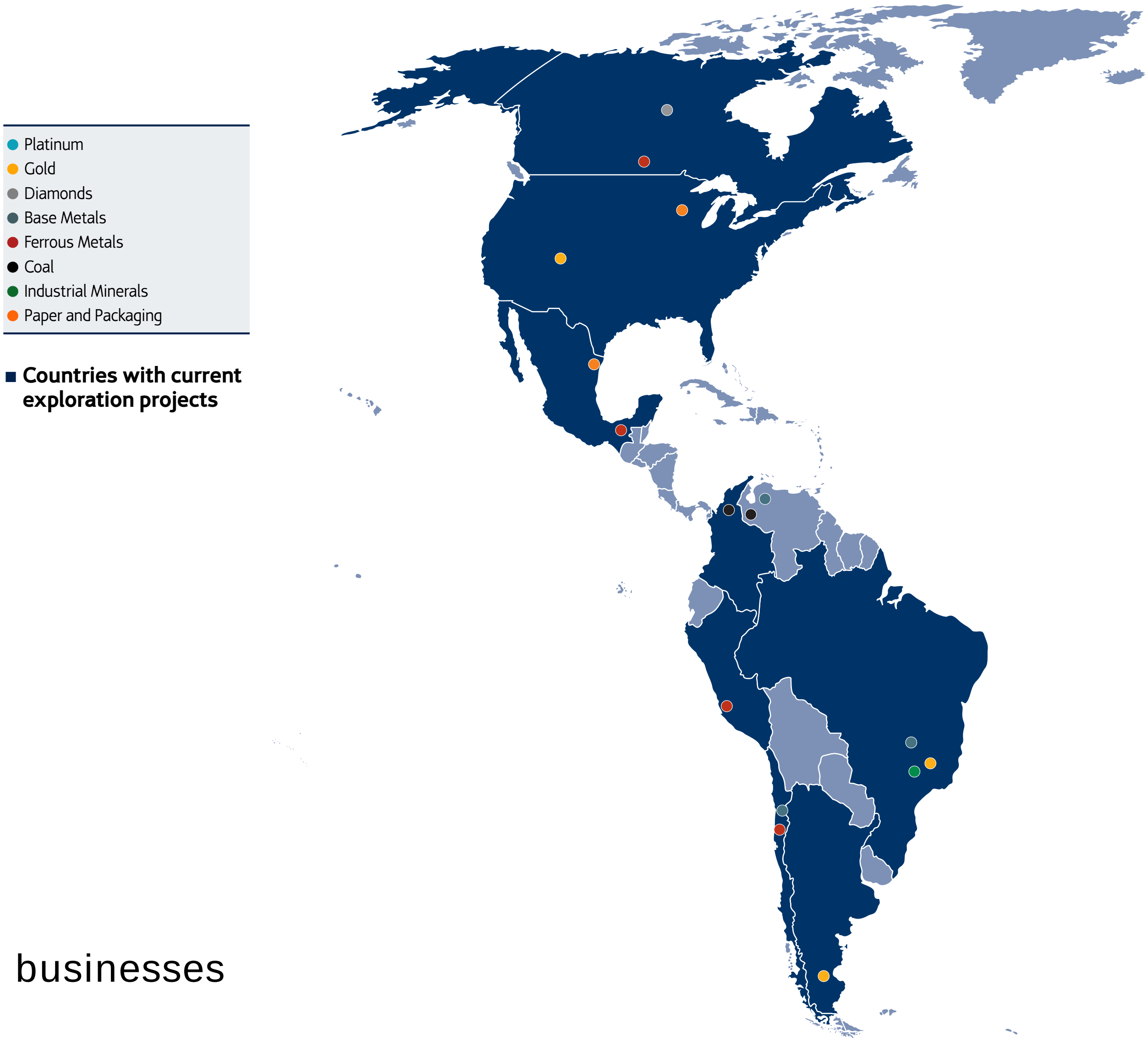

Diamonds 31


Anglo Coal 67

Anglo American plc:

creating long term shareholder value

Worldwide operations



Our businesses

Platinum

Business profile
- The world's largest primary producer of platinum, accounting for 37% 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.

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.

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.

Ferrous Metals

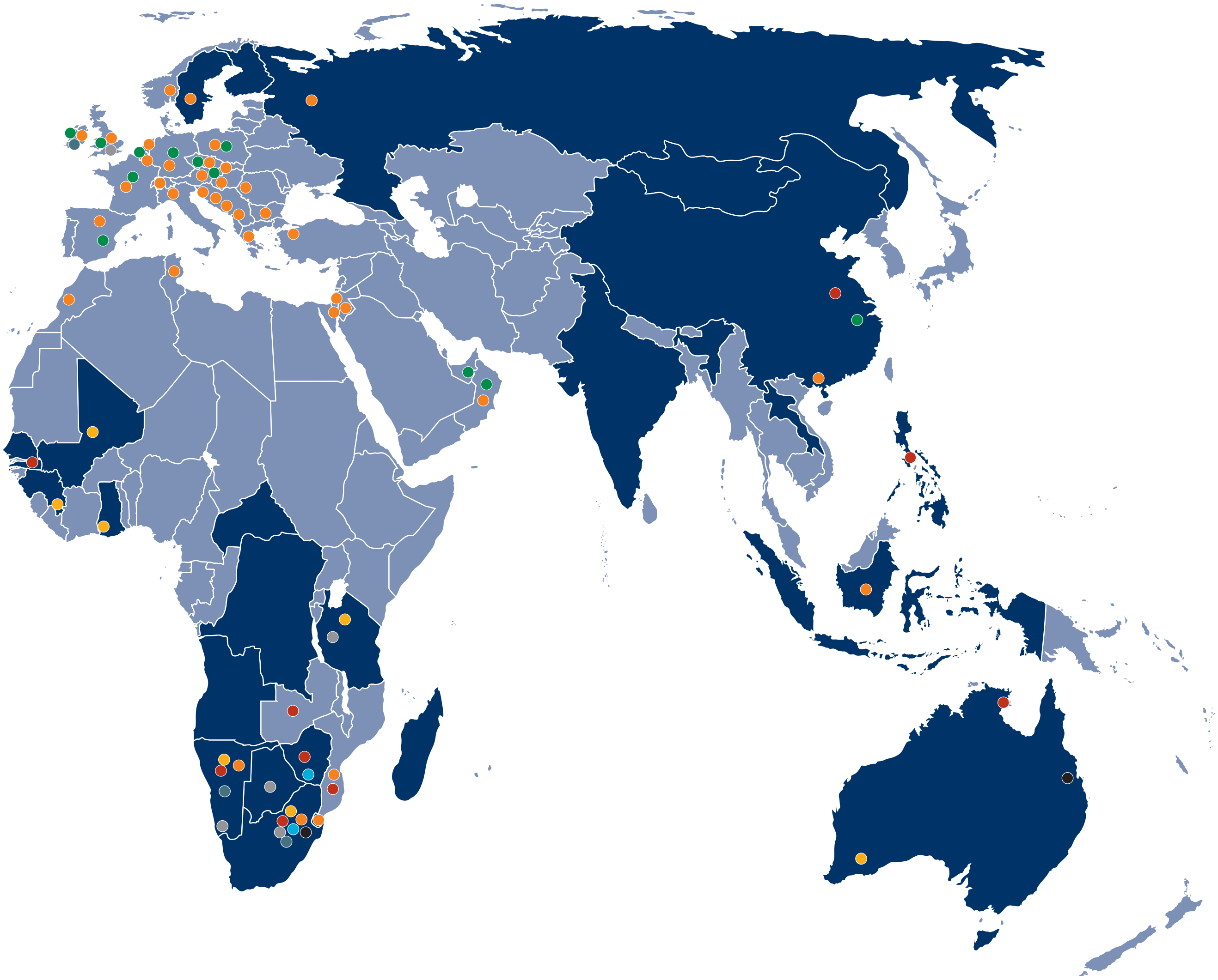
Business profile
- Operations are mainly in southern Africa, South America and Australia.
- Anglo American holds the major interest in Kumba, a significant iron ore producer.

Products and uses
- Iron ore is the basic raw material used in steel production.
- Manganese and vanadium are all important in steelmaking.

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.



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.

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.

Exploration

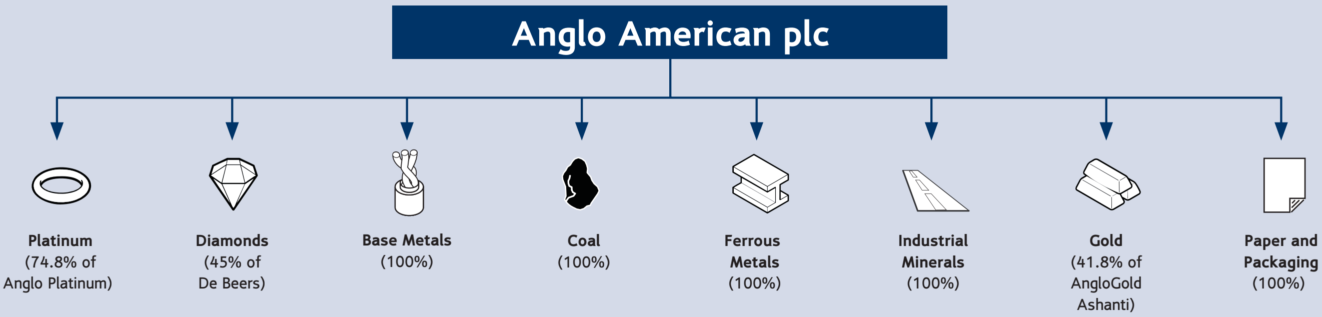
As one of the major diversified mining groups, Anglo American's exploration activities cover many parts of the globe. In its constant search for minerals, Anglo American is currently prospecting in more than 30 countries. In addition to its focus on areas surrounding its existing mining operations, Anglo 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.

Structure

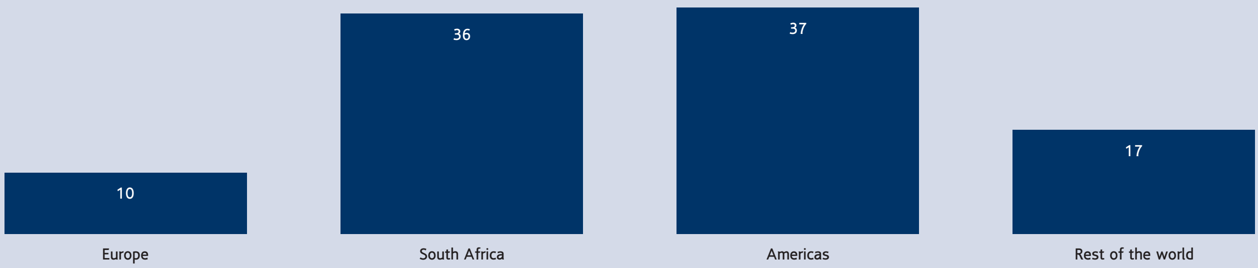
Anglo American is a global leader in mining focused on adding value for shareholders, customers, employees and the communities in which it operates. The Group owns a diversified range of high quality businesses covering platinum, gold, diamonds, coal, base and ferrous metals, industrial minerals, and paper and packaging, underpinned by considerable financial strength and technical expertise.

Above: Kumba's 75 year old Thabazimbi mine in South Africa's Limpopo province produces around 2.7 million tonnes of iron ore annually.



Underlying earnings by geography

%



Strategy

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

Regarding Anglo American's 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 Anglo American's mining portfolio. The Group has therefore decided to list Mondi on the London Stock Exchange in 2006/7. In the meantime, Anglo American 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.

Anglo American is also progressing well with the remainder of its industries portfolio. Boart Longyear and Samancor Chrome were sold in mid-2005 and the disposal of its 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. ■

Sustainable development

In the face of climate change, Anglo American must play its part in reducing carbon emissions. Anglo American has 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:

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

Anglo American continues to make good progress in the implementation of its 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 its interactions with surrounding communities, its local development impacts and its risk management.

Anglo American is 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.

Anglo American was also a strong advocate 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. Anglo American was 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. ■

Left: Sustainable development – education for the future. The Chagres division in Chile has implemented the Catemu Agricultural Farm programme to support small goat and bee honey producers in the Catemu valley.

Company ownership levels
effective 14 February 2006

Platinum

Anglo Platinum 74.8%

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%

Diamonds

De Beers[1] 45%

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%

Namibia

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

Tanzania

Williamson Diamonds	75%

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%

Industrial Diamonds

Companies manufacturing synthetic diamonds and abrasive products	60%

[1] The Company's independently managed associate.

Base Metals

Anglo Base Metals 100%

Copper

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

Nickel

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

Zinc/Lead

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

Mineral Sands

Namakwa Sands (South Africa)	100%

Niobium

Catalão (Brazil)	100%

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%

Venezuela

Carbones del Guasare	25%

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(2)	
Tongaat-Hulett (southern Africa)	52%
Hippo Valley Estates (Zimbabwe)	50%
Vergelegen (South Africa)	100%

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%

Gold

AngloGold Ashanti 41.8%

South Africa (100% owned)	
Great Noligwa	
Kopanang	
Moab Khotsong	
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(3) (USA)	67%

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

Australia	
Sunrise Dam	100%
Boddington	33%

Paper and Packaging

Anglo Paper and Packaging 100%

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

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

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

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

(3) 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.

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

Through history

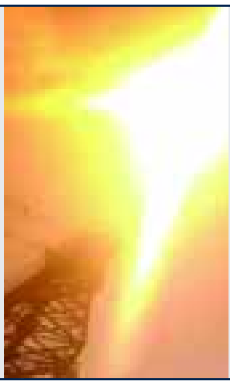
1800s

1871: Diamonds discovered at Kimberley, South Africa.

1886: Gold discovered on the Witwatersrand.

1910s

1917: Anglo American Corporation (AAC) of South Africa was founded to exploit the gold deposits east of Johannesburg. The £1 million authorised capital was raised largely from British and American sources.



1920s

1923: Platinum first discovered in South Africa in the Bushveld Complex north of Nylstroom.

1926: AAC becomes the largest shareholder in De Beers.

1930s

1934: Diamond Trading Company formed as a diamond selling company based in Kimberley and London.

1960s

1967: Mondi is incorporated.

1970s

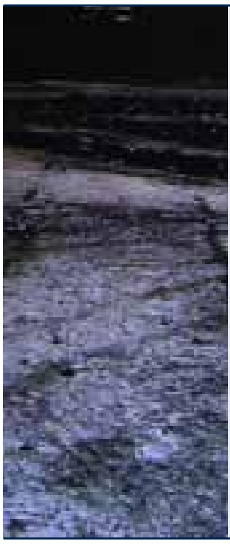
1975: The various Anglo American Group coal interests were merged into VEL and the merged business was then renamed Anglo American Coal Corporation Limited (Amcoal).

1990s

1997: Anglo Platinum becomes the single listed holding company for the Anglo Platinum group of companies: RPM, PPRust, Lebowa Platinum Mines Limited (Leplats) and Anglo Platinum Limited.

1998: AngloGold is formed from the separately listed South African companies, which then made up the Gold and Uranium Division of Anglo American.

1999: Anglo American plc is established by combining the business interests of Anglo and Minorco. This, together with a sweeping restructuring of the Group, has created one of the world's largest mining and natural resource companies.



2000s

2000: Tarmac acquired by Anglo American plc.

Mondi Europe increased its interest in Frantschach Packaging to 70% and its interest in Neusiedler to 100%. Additionally, a 50% interest in Ruzomberok was acquired as well as 100% of Assi Sacks.

A further restructuring of the Colombian coal assets initially left Anglo Coal with 33% of an enlarged venture which subsequently acquired 50% of Cerrejón Zona Norte (CZN) from the Colombian Government.

2001: Removal of cross-holding with De Beers. De Beers is privatised after 113 years as a public company.

2002: Anglo Base Metals acquires the Disputada copper operations in Chile from Exxon Mobil in November 2002.

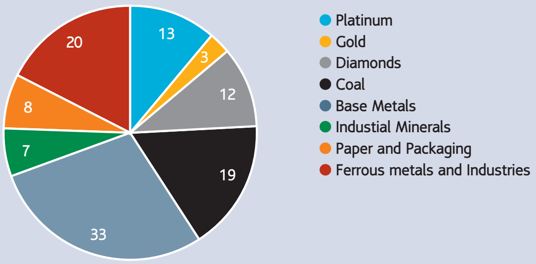
2003: Anglo American acquires a major stake in Kumba Resources.

2004: AngloGold Ashanti merger completed in April 2004.

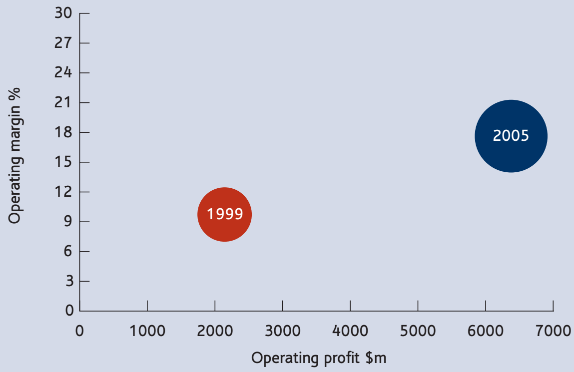
2005: Anglo American announces the outcome of the strategic review. Further rationalisation and simplification of the Group's portfolio and structure and an increased focus on controlled mining businesses that leverage the core skills of the Group.

Financial highlights

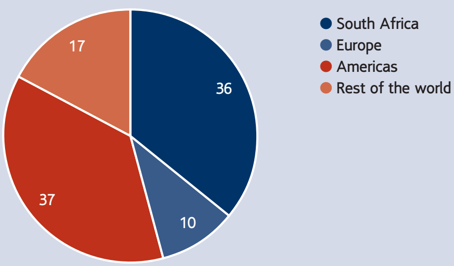
2005 Underlying earnings by business unit
%



Scale and profitability growth
Bubble size represents turnover

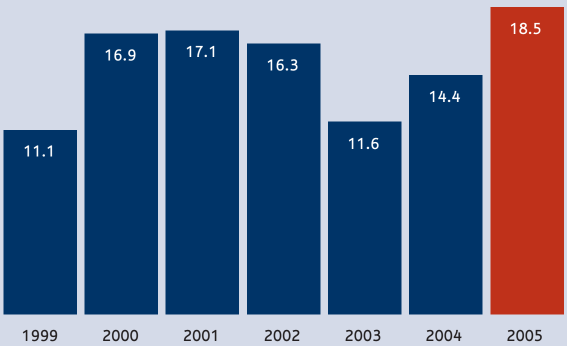


2005 Geographic underlying earnings mix
%

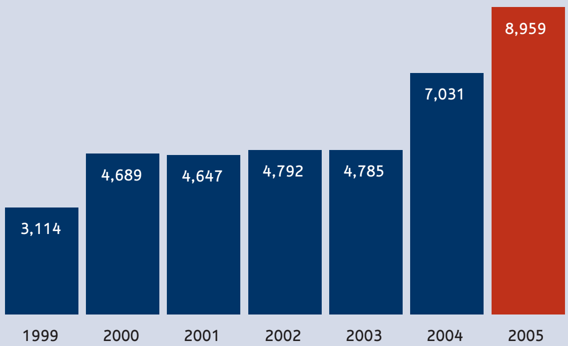


Underlying earnings sensitivities
10% movement in price/exchange rate

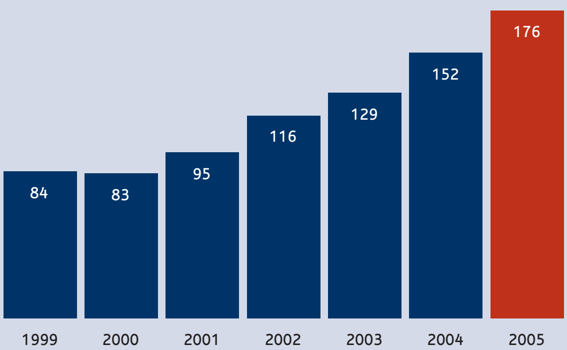
Operating margin
%



Seven-year EBITDA history
$m



Turnover per employee
$'000



Key financials

$m	2001	2002	2003	2004	2005
Turnover	19,282	20,497	24,909	31,938	**34,472**
EBITDA	4,647	4,792	4,785	7,031	**8,959**
Operating profit	3,298	3,332	2,892	4,697	**6,376**
Underlying earnings	1,681	1,759	1,694	2,684	**3,736**
Underlying EPS	1.14	1.25	1.20	1.87	**2.58**
Dividend per share	0.49	0.51	0.54	0.70	**1.23**

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

Financial highlights continued

Financial data

US$ million (unless otherwise stated)	2005	2004
Group revenue including associates	**34,472**	31,938
Less: share of associates' revenue	**(5,038)**	(5,670)
Group revenue	**29,434**	26,268
Operating profit including associates before special items and remeasurements	**6,376**	4,697
Special items and remeasurements (excluding financing remeasurements)	**(455)**	933
Net finance costs (including remeasurements), taxation and minority interests of associates	**(320)**	(399)
Total profit from operations and associates	**5,601**	5,231
Net finance costs (including remeasurements)	**(393)**	(367)
Profit before tax	**5,208**	4,864
Income tax expense	**(1,275)**	(923)
Profit for the financial year	**3,933**	3,941
Minority interests	**(412)**	(440)
Profit attributable to equity shareholders of the Company	**3,521**	3,501
Underlying earnings[1]	**3,736**	2,684
Earnings per share ($)	**2.43**	2.44
Underlying earnings per share ($)	**2.58**	1.87
Ordinary dividend per share (US cents)	**90.0**	70.0
Special dividend per share (US cents)	**33.0**	–
Weighted average number of shares outstanding (million)	**1,447**	1,434
EBITDA[2]	**8,959**	7,031
EBITDA interest cover[3]	**20.0**	18.5
Operating margin (before special items and remeasurements)	**18.5%**	14.7%
Ordinary dividend cover (based on underlying earnings)	**2.9**	2.7
Balance Sheet		
Intangible and tangible assets	**33,368**	35,816
Other non-current assets and investments	**5,375**	5,375
Working capital	**3,719**	3,715
Other net current liabilities	**(1,473)**	(611)
Other non-current liabilities and obligations	**(8,418)**	(8,339)
Net debt	**(4,993)**	(8,243)
Net assets	**27,578**	27,713
Minority interests	**(3,957)**	(4,588)
Equity attributable to the equity shareholders of the Company	**23,621**	23,125
Total capital[4]	**32,571**	35,956
Cash inflows from operations	**7,265**	5,291
Dividends received from associates and investments	**470**	396
Return on capital employed[5]	**19.2%**	14.6%
EBITDA/average total capital[4]	**26.0%**	21.2%
Net debt to total capital[6]	**17.0%**	25.4%

US$ million (unless otherwise stated)	2003[7]	2002[7][8]	2001[7][8]
Group turnover including share of joint ventures and associates	24,909	20,497	19,282
Less: Share of joint ventures' turnover	(1,060)	(1,066)	(1,109)
Share of associates' turnover	(5,212)	(4,286)	(3,387)
Group turnover – subsidiaries	18,637	15,145	14,786
Operating profit before exceptional items	2,892	3,332	3,298
Operating exceptional items	(286)	(81)	(513)
Total operating profit	2,606	3,251	2,785
Non-operating exceptional items	386	64	2,148
Net (interest expense)/investment income	(319)	(179)	130
Profit on ordinary activities before taxation	2,673	3,136	5,063
Taxation on profit on ordinary activities	(749)	(1,042)	(1,247)
Taxation on exceptional items	13	(3)	(147)
Equity minority interests	(345)	(528)	(584)
Profit for the financial year	1,592	1,563	3,085
Underlying earnings[1]	1,694	1,759	1,681
Earnings per share ($)	1.13	1.11	2.09
Underlying earnings per share ($)	1.20	1.25	1.14
Dividend per share (US cents)	54.0	51.0	49.0
Basic number of shares outstanding (million)	1,415	1,411	1,474
EBITDA[2]	4,785	4,792	4,647
EBITDA interest cover[3]	9.3	50.5	58.4
Operating margin (before exceptional items)	11.6%	16.3%	17.1%
Dividend cover (based on underlying earnings)	2.2	2.5	2.3
Balance Sheet			
Intangible and tangible fixed assets	26,646	18,841	12,870
Investments	7,206	6,746	4,873
Working capital	1,903	822	282
Provisions for liabilities and charges	(3,954)	(2,896)	(2,194)
Net debt	(8,633)	(5,578)	(2,018)
Equity minority interests	(3,396)	(2,304)	(1,607)
Total shareholders' funds (equity)	19,772	15,631	12,206
Total capital[4]	31,801	23,513	15,831
Net cash inflow from operating activities	3,184	3,618	3,539
Dividends received from joint ventures and associates	426	258	258
Return on capital employed[5]	10.7%	17.5%	19.0%
EBITDA/average total capital[4]	17.3%	24.4%	26.0%
Net debt to total capital[6]	32.0%	27.9%	14.4%

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 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.

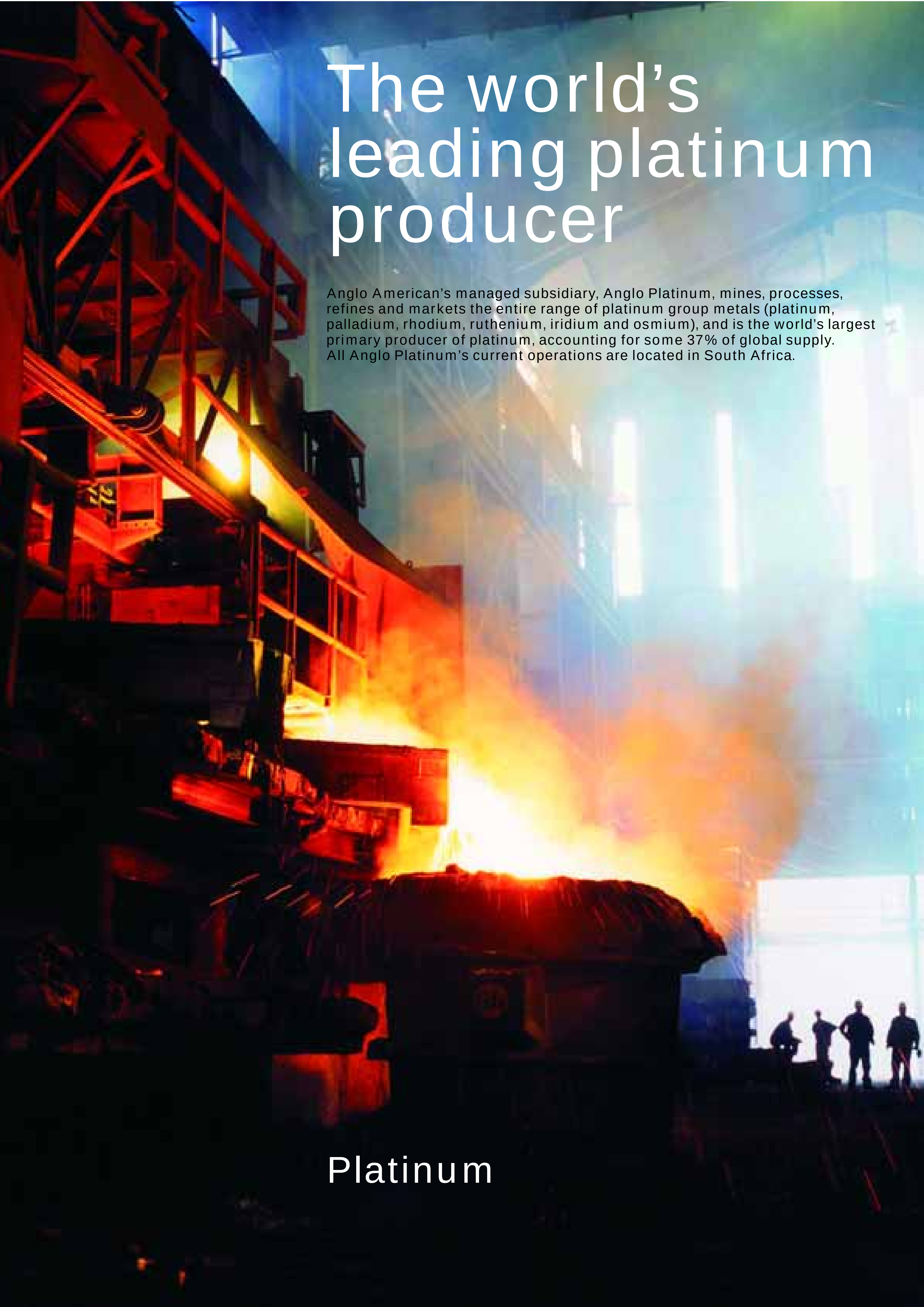
Commodity and exchange rate history

Year		1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005
Nominal money												
Copper	c/lb	133.1	104.0	103.3	75.1	71.4	82.3	71.6	70.6	80.7	130.0	**167.1**
Lead	c/lb	28.6	35.1	28.3	24.0	22.8	20.6	21.6	20.5	23.4	40.3	**44.2**
Zinc	c/lb	46.8	46.5	59.7	46.5	48.8	51.2	40.2	35.3	37.5	47.5	**62.6**
Nickel	$/lb	3.7	3.4	3.1	2.1	2.7	3.9	2.7	3.1	4.4	6.3	**6.7**
Cobalt	$/lb	29.2	25.5	22.6	21.6	16.8	15.3	10.6	7.1	10.8	24.1	**15.8**
Molybdenum	$/lb	7.9	3.8	4.3	3.4	2.7	2.6	2.4	3.8	5.3	16.4	**31.7**
Gold	$/oz	384.1	387.7	331.1	294.2	278.6	279.0	271	310	364	409	**445**
Silver	$/oz	5.2	5.2	4.9	5.6	5.2	5.0	4.4	4.6	4.9	6.7	**7.3**
Platinum	$/oz	424	397	395	372	378	544	529	539	692	847	**897**
Palladium	$/oz	151	128	178	285	358	681	604	337	201	231	**201**
Rhodium	$/oz	424	281	268	575	822	1963	1600	815	511	991	**2056**
Int $ deflator, '06 = 1.000		**0.827**	**0.832**	**0.819**	**0.783**	**0.794**	**0.806**	**0.793**	**0.808**	**0.868**	**0.929**	**0.973**
Real 2006 money												
Copper	c/lb	160.9	125.0	126.1	96.0	89.9	102.1	90.2	87.4	93.0	139.9	**171.7**
Lead	c/lb	34.6	42.2	34.5	30.7	28.7	25.6	27.2	25.4	27.0	43.4	**45.4**
Zinc	c/lb	56.6	55.9	72.9	59.4	61.4	63.5	50.7	43.7	43.2	51.1	**64.3**
Nickel	$/lb	4.5	4.1	3.8	2.7	3.4	4.9	3.4	3.8	5.0	6.8	**6.9**
Cobalt	$/lb	35.3	30.6	27.6	27.6	21.2	19.0	13.4	8.8	12.4	25.9	**16.2**
Molybdenum	$/lb	9.6	4.5	5.3	4.4	3.3	3.2	3.0	4.7	6.1	17.6	**32.6**
Gold	$/oz	464.4	466.1	404.1	376.0	350.7	346.2	341.6	383.8	419.3	440.2	**457.3**
Silver	$/oz	6.3	6.3	6.0	7.1	6.6	6.2	5.5	5.7	5.6	7.2	**7.5**
Platinum	$/oz	513	477	482	475	476	675	667	667	797.1	910.5	**921.9**
Palladium	$/oz	183	154	217	364	451	845	761	417	231.5	247.5	**206.6**
Rhodium	$/oz	513	338	327	735	1035	2436	2017	1009	588.6	1066.5	**2068.9**

Year	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005
Period averages											
£/$	1.579	1.562	1.638	1.656	1.618	1.516	1.440	1.501	1.639	1.810	**1.820**
$/ZAR	3.627	4.299	4.608	5.528	6.109	6.940	8.609	10.541	7.550	6.440	**6.370**
$/Euro					0.939	1.085	1.118	1.063	0.880	0.800	**0.800**
$/A$	0.742	0.783	0.744	0.629	0.645	0.582	0.518	0.544	0.654	0.735	**0.760**
$/C$	1.372	1.364	1.385	1.484	1.486	1.485	1.549	1.569	1.399	1.300	**1.212**
$/BReal	0.918	1.005	1.078	1.161	1.815	1.830	2.358	2.921	3.072	2.920	**2.455**
$/CPeso	396.770	412.270	419.300	460.290	508.780	535.470	634.940	688.940	690.150	609.000	**559.600**
End of period											
£/$	1.550	1.698	1.654	1.664	1.616	1.492	1.450	1.612	1.786	1.923	**1.724**
$/ZAR	3.648	4.683	4.868	5.860	6.155	7.569	12.127	8.640	6.670	5.650	**6.350**
$/Euro					0.995	1.075	1.135	0.954	0.880	0.740	**0.850**
$/A$	0.745	0.797	0.653	0.614	0.654	0.554	0.511	0.566	0.752	0.781	**0.735**
$/C$	1.365	1.370	1.429	1.531	1.443	1.500	1.593	1.580	1.297	1.202	**1.165**
$/BReal	0.973	1.039	1.116	1.209	1.789	1.955	2.320	3.533	2.918	2.656	**2.340**
$/CPeso	407.130	424.970	439.810	473.770	530.070	572.680	656.200	712.380	592.750	556.000	**512.000**

Conversion tables

Change...	To...	Multiply by
acres	hectares	0.4047
acres	square feet	43,560
acres	square miles	0.001562
centimetres	inches	0.3937
centimetres	feet	0.03281
cubic feet	cubic metres	0.0283
cubic metres	cubic feet	35.3145
cubic metres	cubic yards	1.3079
cubic yards	cubic metres	0.7646
feet	metres	0.3048
feet	miles (statute)	0.0001894
gallons (US)	litres	3.7853
grains	grams	0.0648
grams	grains	15.4324
grams	ounces (advp)	0.0353
grams	ounces (troy)	0.0321508
grams	pounds	0.002205
hectares	acres	2.471
inches	millimetres	25.4
inches	centimetres	2.54
kilograms	pounds (advp or troy)	2.2046
kilometres	miles	0.6214
litres	gallons (US)	0.2642
litres	pints (liquid)	2.1134
metres	feet	3.2808
metres	miles	0.0006214
metres	yards	1.0936
metric tonnes	tonnes (long)	0.9842
metric tonnes	tonnes (short)	1.1023
miles	kilometres	1.6093
miles	feet	5280
millimetres	inches	0.0394
ounces (avdp)	grams	28.3495
ounces	pounds	0.0625
ounces (troy)	ounces (avdp)	1.09714
ounces (troy)	grams	31.103
pints (dry)	litres	0.5506
pints (liquid)	litres	0.4732
pounds (ap or troy)	kilograms	0.3732
pounds	kilograms	0.4536
pounds	ounces	16
square feet	square metres	0.0929
square kilometres	square miles	0.3861
square metres	square feet	10.7639
square metres	square yards	1.196
square miles	square kilometres	2.59
square yards	square metres	0.8361
tonnes (long)	metric tonnes	1.016
tonnes (short)	metric tonnes	0.9072
tonnes (long)	pounds	2240
tonnes (short)	pounds	2000
metric tonnes	pounds	2204.623



The world's leading platinum producer

Anglo American's managed subsidiary, Anglo Platinum, mines, processes, refines and markets the entire range of platinum group metals (platinum, palladium, rhodium, ruthenium, iridium and osmium), and is the world's largest primary producer of platinum, accounting for some 37% of global supply. All Anglo Platinum's current operations are located in South Africa.

Platinum

Right: Sello Mojalefa, a technician at the Polokwane Smelter, tapping the molten matte into the casting machine.

Operating profit
2004:
$536m
2005:
$854m

Anglo Platinum wholly owns five mines, three smelters, a base metals refinery and a precious metals refinery located in the Limpopo and North West provinces of South Africa. Each of Anglo Platinum's mines operates its own concentrator facilities, with smelting and refining of the output being undertaken at the Rustenburg Platinum Mines metallurgical facilities and at the new Polokwane smelter.

Anglo Platinum has two joint ventures and three pooling and sharing arrangements including Barm, Modikwa, Kroondal, Marikana and Mototolo.

The operations exploit the world's richest reserve of platinum group metals (PGMs), known as the Bushveld Complex. Although PGMs are the primary products of these operations, base metals such as nickel, copper and cobalt sulphate are important by-products.

In addition to its current operations, Anglo Platinum has access to an excellent portfolio of ore reserves to ensure that the company is well placed to strengthen its position as the world's leading platinum producer for many generations to come.

Anglo Platinum's strategy is to grow market demand for PGMs, expand supply into that growth and optimise operational costs. Growing demand is achieved by substantial investment in research and development into new uses for PGMs, through Johnson Matthey plc, and global promotional campaigns for jewellery through the Platinum Guild International. These investments enable Anglo Platinum to meet its objective of growing the market and expanding its operations to meet the increased demand.

Anglo Platinum is steadily expanding output: current plans for 2006 indicate refined platinum production of between 2.7 and 2.8 million ounces. While Anglo Platinum remains flexible with regard to the rate of expansion, the current expansion programme is expected to result in average growth in refined platinum production of 5% per annum.

77.7% of global platinum supply in 2005 came from South Africa, and Anglo Platinum's production accounts for approximately half of that (47.9%). The other major platinum producing countries are Russia, with approximately 13% of world supply, and North America providing around 5.2% of global supply.

The largest palladium producer in the world is Russia, which supplied around 49% of the global total in 2005. South Africa is the second largest palladium producer with 34% of world supply, of which Anglo Platinum accounts for approximately half (52%).

PGMs have a wide range of industrial and high technology applications that have an important and growing impact on our daily lives. Platinum has the widest range of applications of all the PGMs.

Its main uses are in jewellery and as a component of autocatalysts, for both petrol and diesel engine vehicles, which together are responsible for more than 76% of net total platinum consumption. However, platinum also has an enormous range of lesser-known applications, predominantly in the chemical, electrical, medical, glass and petroleum industries.

Below: Platinum jewellery.

Palladium's principal application is in autocatalysts (around 45% of net production in 2005). Palladium is still used in electronic components, including multi-layer ceramic capacitators, and in dental alloys.

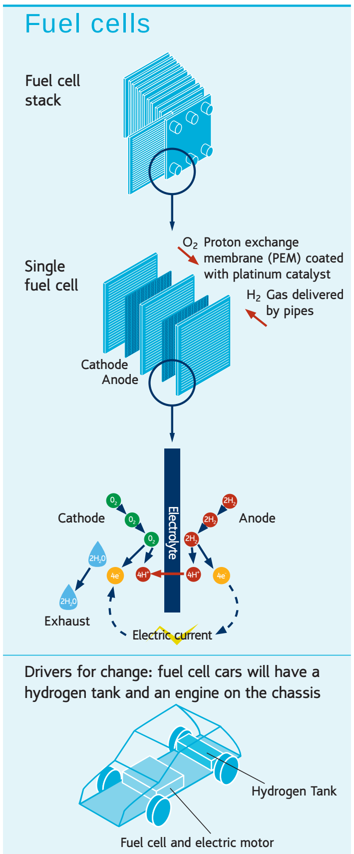
Rhodium is the third most important autocatalyst metal. Nearly 85% of rhodium is used in catalytic converters for the auto industry. Small amounts are consumed in industrial applications such as glass-making.

The other three PGMs, ruthenium, iridium and osmium, are produced in significantly smaller quantities. Ruthenium and iridium are mainly used in chemical and electronic applications and osmium is used as a catalyst in the pharmaceutical industrial sector and to stain specimens for microscopic analysis. ■

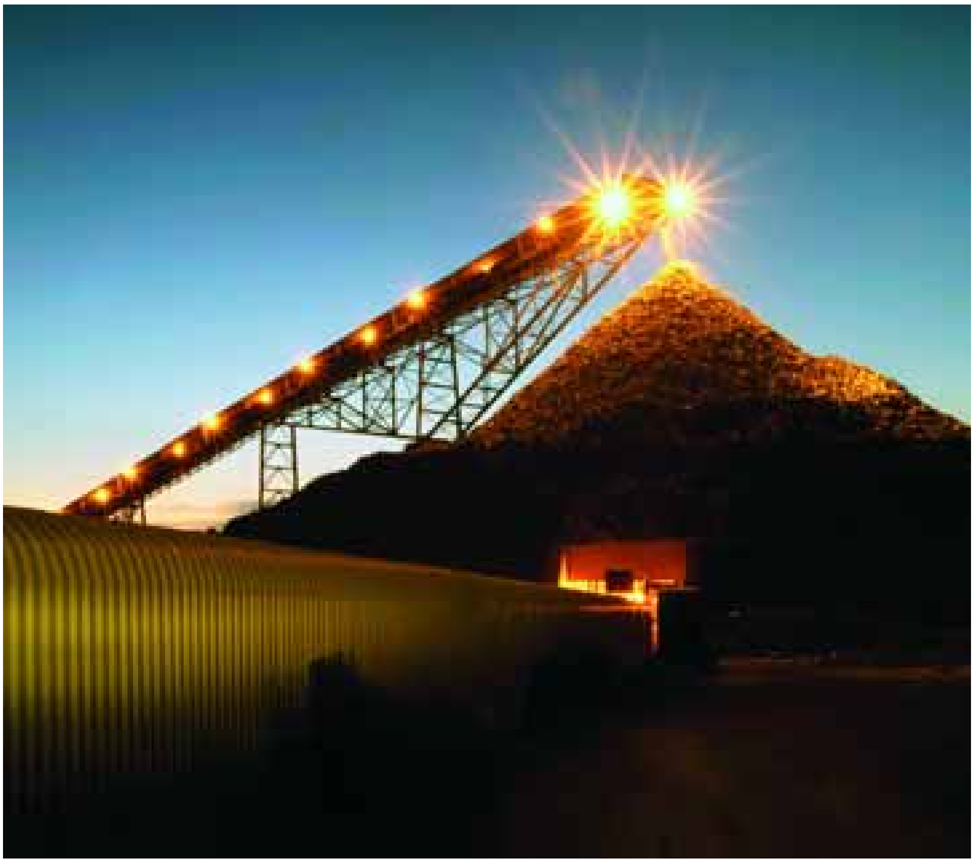
The plati**num** **g**roup **m**etals

1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18
1 H 1.008																	2 He 4.003
3 Li 6.941	4 Be 9.012											5 B 10.81	6 C 12.01	7 N 14.01	8 O 16.00	9 F 19.00	10 Ne 20.18
11 Na 22.99	12 Mg 24.31											13 Al 26.98	14 Si 28.09	15 P 30.97	16 S 32.07	17 Cl 35.45	18 Ar 39.95
19 K 39.10	20 Ca 40.08	21 Sc 44.96	22 Ti 47.88	23 V 50.94	24 Cr 52.00	25 Mn 54.94	26 Fe 55.85	27 Co 58.93	28 Ni 58.69	29 Cu 63.55	30 Zn 65.39	31 Ga 69.72	32 Ge 72.59	33 As 74.92	34 Se 78.96	35 Br 79.90	36 Kr 83.80
37 Rb 85.47	38 Sr 87.62	39 Y 88.91	40 Zr 91.22	41 Nb 92.21	42 Mo 95.94	43 Tc 98.91	44 Ru 101.1	45 Rh 102.9	46 Pd 106.4	47 Ag 107.9	48 Cd 112.4	49 In 114.8	50 Sn 118.7	51 Sb 121.8	52 Te 127.6	53 I 126.9	54 Xe 131.3
55 Cs 132.9	56 Ba 137.3	57 La★ 138.9	72 Hf 178.5	73 Ta 180.9	74 W 183.9	75 Re 186.2	76 Os 190.2	77 Ir 192.2	78 Pt 195.1	79 Au 197.0	80 Hg 200.6	81 Tl 204.4	82 Pb 207.2	83 Bi 209.0	84 Po (210.0)	85 At (210.0)	86 Rn (222.0)
87 Fr (223.0)	88 Ra 226.0	89 Ac● 227.0	104 Rf (261)	105 Db (262)	106 Sg (263)	107 Bh (262)	108 Hs (265)	109 Mt (266)	110 Uun (269)	111 Uuu (272)	112 Uub (277)						

Platinum group metals market



Below: PPRust – Stockpile taken at dusk.



Supply of platinum in 2005 continued to rise, reaching 6.6 million ounces resulting in a small deficit of 70,000 ounces in 2005.

The platinum jewellery market arises from created demand: constant promotion and development are required to ensure that platinum maintains its position as one of the most desirable metals for jewellery. Industrial applications, on the other hand, are driven by technology and, especially in the case of autocatalysts, by legislation. Technological development continues to drive industrial demand and ongoing research into new applications will create further growth in this sector.

Jewellery: The outlook for platinum jewellery is positive, with platinum increasingly being seen by many as the metal of choice, especially amongst the younger affluent generations. Anglo Platinum is the major supporter of the Platinum Guild International (PGI), which since its inception in 1975 has played a key role in creating demand for platinum and establishing new platinum jewellery markets.

Currently, the three largest platinum jewellery markets are China, Japan and North America. China has gone from being a very modest platinum consumer 10 years ago, to the world's largest consumer of platinum jewellery today. China continues to experience strong economic growth with the result that, despite current high prices, the outlook for platinum remains robust.

The bridal sector is an important market for platinum jewellery. Although Japan is no longer the largest market, platinum is still used in close to 100% of engagement rings and over 80% of wedding rings in Japan. In the USA, the PGI's efforts led to platinum's share of the bridal market rising from less than 1% in 1990 to around 40% in 2002.

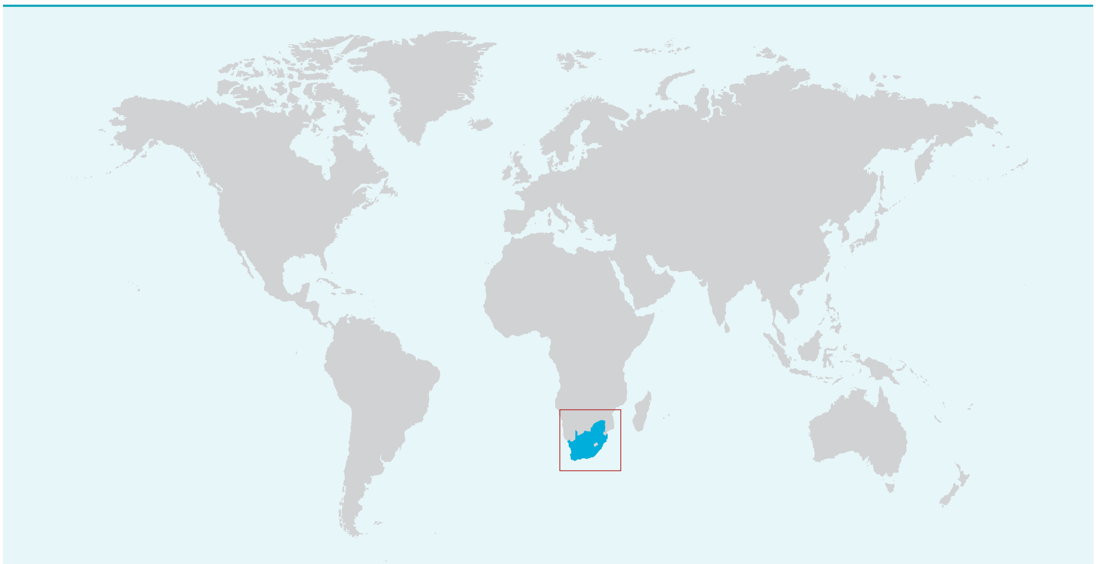
European jewellery demand is centred mainly in Italy, Germany, the UK and Switzerland. Italian and German manufacturers produce most of their platinum jewellery for export, although domestic demand is also growing well, especially in the bridal market.

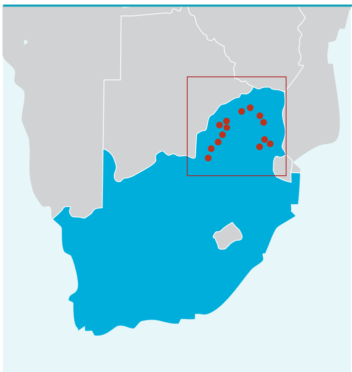
Autocatalysts: With the rapid spread of exhaust emissions legislation, over 91% of new vehicles sold in the world now have autocatalysts fitted. The intensifying stringency of emissions legislation will drive growth in PGM demand for autocatalysts as new legislation is applied to trucks in the USA.

The popularity of diesel-powered vehicles in Europe continues. This has also intensified the demand for platinum, as diesel-powered cars can only use autocatalysts that are platinum-based.

The future: Interest in fuel cell technology has accelerated dramatically over the past decade, largely on the back of rising concerns about environmental degradation. Fuel cells do not burn fuel, thus eliminating the air pollution associated with fossil fuels. Almost all prototype fuel cell vehicles are powered by the proton exchange membrane fuel cell, which uses platinum as the primary catalyst. All major automobile companies now have fuel cell programmes. At present demand is small, but gradual medium to long term growth, first in stationary fuel cells and later with the commercialisation of fuel cell vehicles, is envisaged.

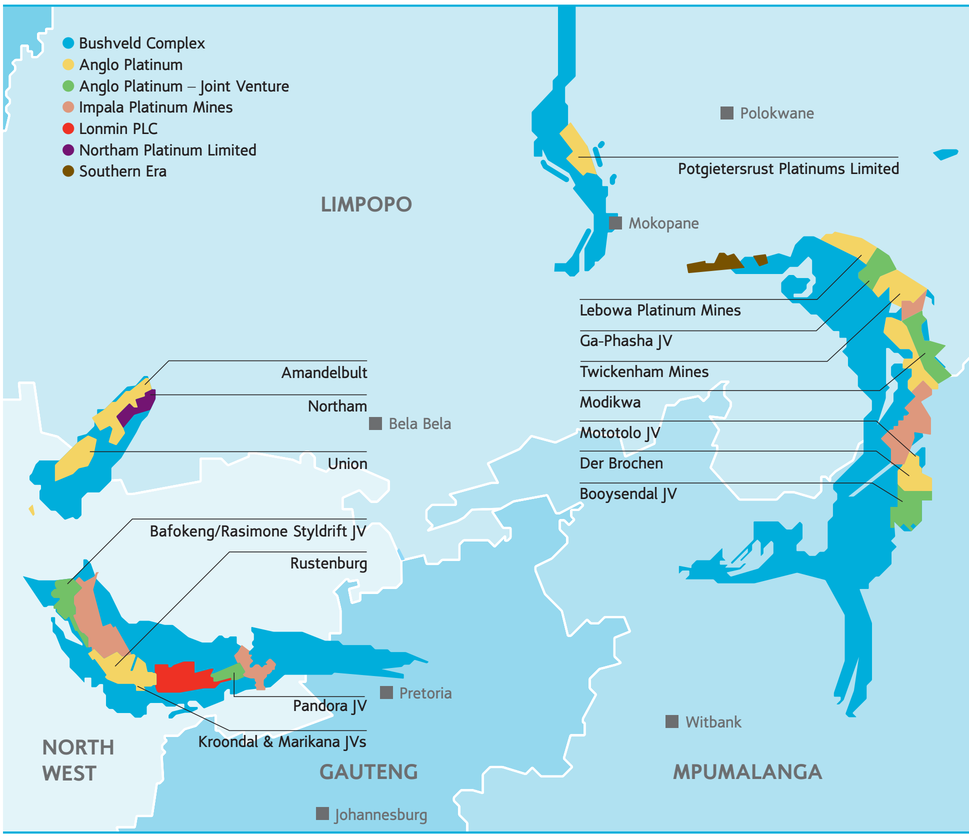
Around the world





The focus of Anglo Platinum's operations is the Rustenburg area of South Africa's North West province where the company conducts underground mining at Rustenburg, Union and Amandelbult Sections, and at the Bafokeng Rasimone, Kroondal and Marikana joint ventures. Of increasing importance are the operations on the eastern limb of the Bushveld Complex, including the Modikwa JV and the new Mototolo JV.

UG2 is one of the two main platinum-bearing reefs in the Bushveld Complex, source of 75% of the world's platinum; the other is the Merensky Reef. Further to the north are Potgietersrust Platinums, an opencast operation, and Lebowa Platinum. Anglo Platinum is also in joint venture in new projects at Modikwa Platinum (50%) and Pandora (42.5%) and has recently entered into a venture with Aquarius Platinum.



	Ownership
Bafokeng-Rasimone JV	50%
Lebowa Mine	100%
Modikwa JV	50%
Pandora JV	50%
Polokwane Smelter	100%
Potgietersrust Platinum Mine	100%
Precious Metal Refinery	100%
Rustenburg Base Metals Refinery	100%
Rustenburg Platinum Mines (RPM)	100%
RPM Amandbelbult Section	100%
RPM Union Section	100%
Twickenham Mine	100%
Mototolo JV	50%
Kroondal and Marikana JV	50%

Key

- Underground
- Open Cut
- Other

Through history

1923

Platinum first discovered in South Africa in the Bushveld Complex in the north of of the country.

1926

Potgietersrust Platinums (PPRust) Limited and Waterval (Rustenburg) Platinum Mining Company Ltd formed to develop platinum-bearing properties in the Rustenburg District. JCI acquires a controlling stake in PPRust.

1931

Rustenburg Platinum Mines (RPM) Ltd registered.

1946

Union Platinum Mining Co Ltd formed to develop platinum-bearing ground about 100km north of RPM's operations.

1972

Matthey Rustenburg Refiners established as a joint venture between RPM and Johnson Matthey to refine PGMs locally.

1994

JCI unbundling gives rise to Anglo American Platinum Corporation, listed on the Johannesburg Stock Exchange.

1997

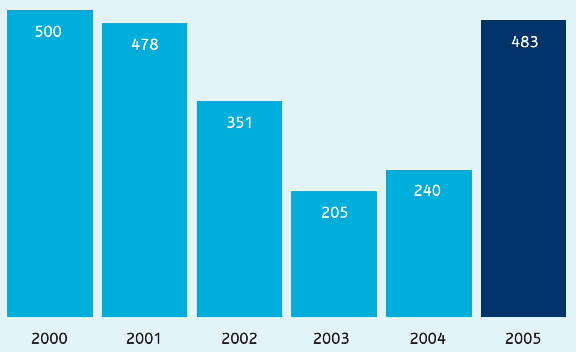
Anglo Platinum becomes the single listed holding company for the Anglo Platinum group of companies: RPM, PPRust, Lebowa Platinum Mines Limited (Leplats) and Anglo Platinum Limited.

2000

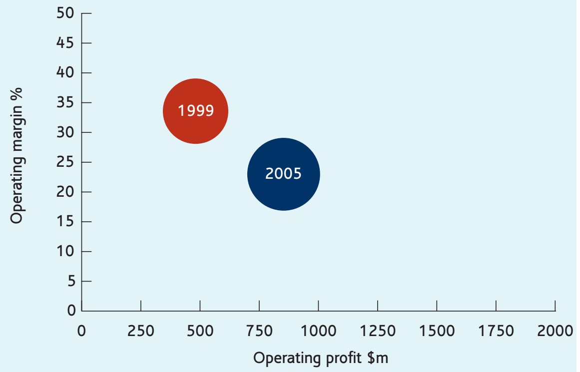
Anglo Platinum starts to steadily lift platinum output during the decade.

Financial highlights

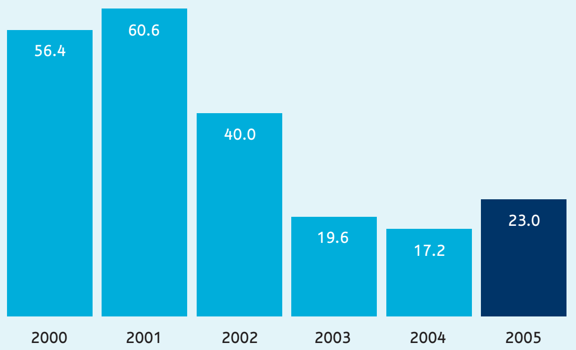
Six-year underlying earnings
$m



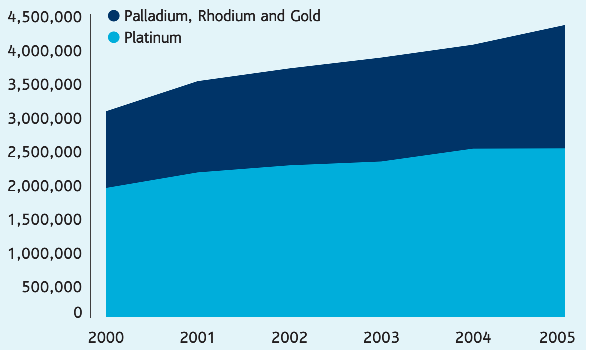
Scale and profitability growth
Bubble size represents platinum production in ounces.



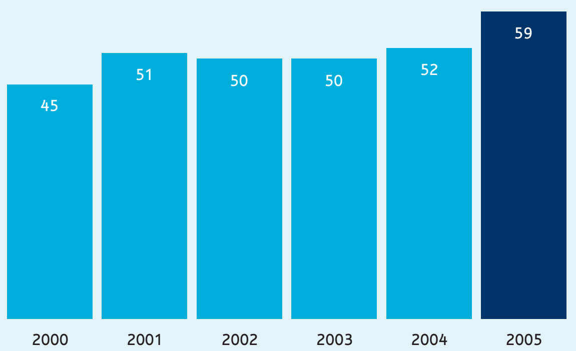
Operating margin
%



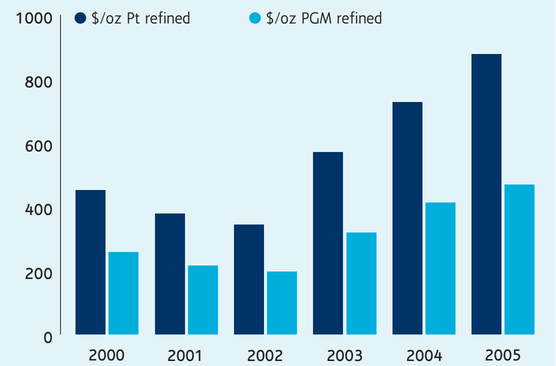
Production
ounces



Production per employee
ounces



Cash operating costs*



* Steady-state operations

Financial highlights continued

Financial data

Production	2005	2004	2003	2002	2001	2000
Platinum (troy ounces)	**2,502,000**	2,498,200	2,356,100	2,294,300	2,145,900	1,915,300
Palladium (troy ounces)	**1,376,700**	1,331,800	1,213,700	1,136,500	1,075,900	967,000
Rhodium (troy ounces)	**333,500**	258,600	237,400	215,900	204,100	168,700
Nickel (tonnes)	**20,900**	22,700	22,500	19,700	19,500	19,200

Turnover	2005	2004	2003	2002	2001	2000
Subsidiaries	**3,646**	3,065	2,232	1,964	2,180	2,318
Joint ventures	**–**	–	–			–
Associates	**68**	55	46	40	38	50
Total turnover	**3,714**	**3,120**	**2,278**	**2,004**	**2,218**	**2,368**
EBITDA	**1,282**	**853**	**673**	**926**	**1,442**	
Depreciation and amortisation	**428**	**317**	**226**	**124**	**93**	**77**
Operating profit before special items and remeasurements	**854**	**536**	**447**	**802**	**1,345**	**1,336**
Operating special items and remeasurements	**–**	**–**	**(14)**	**–**		**–**
Operating profit after special items and remeasurements	**854**	**536**	**433**	**802**	**1,345**	**1,336**
Net interest, tax and minority interests	**(371)**	**(296)**	**(259)**	**(468)**	**(883)**	**(891)**
Total underlying earnings	**483**	**240**	**205**	**351**	**478**	**500**
Net segment assets	**7,018**	**7,560**	**6,119**	**3,580**	**1,847**	**1,327**
Capital expenditure	**616**	**633**	**1,004**	**586**	**391**	**272**

Includes Anglo Platinum's share of Northam Platinum Limited

Production data

Total operations, salient statistics

	unit	2005	2004	2003	2002	2001	2000
Total refined production							
Platinum	000 oz	**2,453.2**	2,453.5	2,307.8	2,251.1	2,109.2	1,871.7
Palladium	000 oz	**1,353.2**	1,310.7	1,190.9	1,115.3	1,049.0	946.6
Rhodium	000 oz	**328.1**	253.3	232.5	211.7	200.4	165.1
Gold	000 oz	**117.5**	109.9	116.1	107.1	102.2	97.9
PGMs	000 oz	**4,651.0**	4,426.4	4,161.5	3,947.6	3,673.6	3,255.4
Nickel	000 tonnes	**20.5**	22.3	22.1	19.4	19.5	19.2
Copper	000 tonnes	**11.3**	12.9	12.9	10.5	10.8	10.8

Rustenburg Section including all production

100% owned

	unit	2005	Includes UG2 Ramp-up 2004	2004	2003	2002	2001
Refined production							
Platinum	000 oz	**822.1**	864.1	552.0	557.3	655.5	719.1
Palladium	000 oz	**401.5**	409.7	233.3	230.0	272.7	307.7
Rhodium	000 oz	**114.4**	82.0	42.4	38.5	43.1	54.0
Gold	000 oz	**40.6**	38.3	30.1	37.2	39.0	41.8
PGMs	000 oz	**1525.9**	1495.4	898.3	927.9	1,077.7	1,175.6
Nickel	000 tonnes	**6.3**	7.4	5.5	6.0	6.8	7.8
Copper	000 tonnes	**3.5**	4.5	3.3	3.7	3.9	4.5
Cash operating costs	US$/oz PT refined	**937.0**	838	717.0	579.0	365.0	424.0
Cash operating costs	US$/oz PGM refined	**505.0**	484	441.0	348.0	222.0	259.0

Amandelbult Section

100% owned

	unit	2005	2004	2003	2002	2001	2000
Refined production							
Platinum	000 oz	**548.9**	605.6	634.6	711.0	679.3	570.8
Palladium	000 oz	**255.4**	272.0	277.1	314.7	299.4	261.1
Rhodium	000 oz	**74.1**	64.8	66.1	71.9	73.0	57.2
Gold	000 oz	**20.7**	19.8	24.0	23.6	23.0	22.1
PGMs	000 oz	**992.9**	1,048.4	1,102.0	1,228.6	1,172.4	981.9
Nickel	000 tonnes	**3.6**	4.0	3.9	4.2	4.2	4.1
Copper	000 tonnes	**1.9**	2.3	2.3	2.1	2.3	2.3
Cash operating costs	US$/oz PT refined	**663.0**	566.0	426.0	242.0	268.0	326.0
Cash operating costs	US$/oz PGM refined	**366.0**	327.0	245.0	140.0	155.0	189.0

Union Section

100% owned

	unit	2005	2004	2003	2002	2001	2000
Refined production							
Platinum	000 oz	**310.1**	319.6	313.2	284.7	280.4	288.8
Palladium	000 oz	**139.0**	139.8	132.6	125.8	122.2	137.7
Rhodium	000 oz	**57.8**	47.6	43.6	40.2	42.3	42.1
Gold	000 oz	**5.8**	5.4	5.8	5.2	4.8	5.3
PGMs	000 oz	**595.0**	581.6	572.0	514.7	505.2	528.5
Nickel	000 tonnes	**1.1**	1.1	1.1	1.0	1.1	1.4
Copper	000 tonnes	**0.5**	0.5	0.5	0.4	0.5	0.7
Cash operating costs	US$/oz PT refined	**988.0**	871.0	663.0	405.0	439.0	460.0
Cash operating costs	US$/oz PGM refined	**515.0**	479.0	363.0	224.0	244.0	252.0

Production data continued

PPRust

100% owned

	unit	2005	2004	2003	2002	2001	2000
Refined production							
Platinum	000 oz	**200.5**	196.0	188.9	165.3	211.1	194.1
Palladium	000 oz	**214.3**	209.2	196.9	159.0	219.8	203.7
Rhodium	000 oz	**13.8**	13.1	12.5	12.1	16.4	13.9
Gold	000 oz	**21.7**	21.7	21.4	17.1	21.2	19.6
PGMs	000 oz	**443.4**	431.9	411.0	349.4	462.9	424.0
Nickel	000 tonnes	**4.6**	5.1	5.7	3.4	4.2	4.4
Copper	000 tonnes	**2.7**	2.9	3.2	1.9	2.2	4.4
Cash operating costs	US$/oz PT refined	**1,014.0**	911.0	790.0	506.0	428.0	528.0
Cash operating costs	US$/oz PGM refined	**458.0**	413.0	363.0	239.0	195.0	242.0

Leplats

100% owned

	unit	2005	2004	2003	2002	2001	2000
Refined production							
Platinum	000 oz	**110.0**	113.6	105.1	102.0	89.1	72.2
Palladium	000 oz	**76.4**	78.0	68.9	65.4	55.6	35.7
Rhodium	000 oz	**11.7**	11.6	10.5	9.5	7.2	4.4
Gold	000 oz	**5.9**	6.2	6.1	5.9	5.3	4.5
PGMs	000 oz	**217.7**	222.1	201.7	192.6	161.9	119.7
Nickel	000 tonnes	**1.4**	1.5	1.4	1.4	1.2	1.1
Copper	000 tonnes	**0.8**	0.9	0.8	0.8	0.7	0.6
Cash operating costs	US$/oz PT refined	**1,031.0**	916.0	729.0	480.0	527.0	604.0
Cash operating costs	US$/oz PGM refined	**521.0**	468.0	380.0	254.0	290.0	364.0

BRPM

50:50 JV with Royal Bafokeng Resources – steady-state from January 2004[(1)]

	unit	2005	2004	2003	2002	2001	2000
Refined production							
Platinum	000 oz	**188.4**	183.5	177.6	162.1	130.2	115.0
Palladium	000 oz	**77.7**	74.1	69.1	68.2	44.3	31.1
Rhodium	000 oz	**15.2**	11.5	11.2	10.5	7.5	3.9
Gold	000 oz	**12.8**	10.1	10.8	9.4	6.1	7.0
PGMs	000 oz	**306.9**	289.6	280.9	261.5	195.6	172.8
Nickel	000 tonnes	**2.2**	2.2	2.0	1.7	1.0	0.6
Copper	000 tonnes	**1.2**	1.3	1.3	1.0	0.6	0.5
Cash operating costs	US$/oz PT refined	**924.0**	770.0	692.0	481.0	538.0	500.0
Cash operating costs	US$/oz PGM refined	**567.0**	475.0	437.0	298.0	358.0	333.0

(1) The joint venture with the Royal Bafokeng Nation became fully operational on 1 March 2004. The information reported reflects 100% of the Bafokeng-Rasimone Platinum Mine operations up to the end of February 2004, and thereafter represents half of the Bafokeng-Rasimone Platinum Mine operations plus the purchase, conversion and sale of 50% of the metals in concentrate.

Modikwa Platinum Mine

50:50 JV with ARM Platinum[2]

	unit	2005	2004	2003	2002
Refined production					
Platinum	000 oz	**128.2**	114.0	86.2	25.1
Palladium	000 oz	**127.7**	109.9	80.6	24.4
Rhodium	000 oz	**29.6**	20.9	14.6	3.3
Gold	000 oz	**4.0**	3.2	2.5	0.7
PGMs	000 oz	**328.3**	276.6	204.9	53.7
Nickel	000 tonnes	**0.7**	0.6	0.4	0.1
Copper	000 tonnes	**0.4**	0.3	0.3	–
Cash operating costs	US$/oz PT refined	**1,335.0**	1,323.0	1,228.0	752.0
Cash operating costs	US$/oz PGM refined	**521.0**	545.0	517.0	352.0

Western Limb Tailings Retreatment

	unit	2005	2004
Refined production			
Platinum	000 oz	**55.0**	57.1
Palladium	000 oz	**18.6**	18.0
Rhodium	000 oz	**4.0**	1.8
Gold	000 oz	**5.0**	5.2
PGMs	000 oz	**91.2**	80.8
Nickel	000 tonnes	**0.5**	0.4
Copper	000 tonnes	**0.2**	0.2
Cash operating costs	US$/oz PT refined	**722.0**	582.0
Cash operating costs	US$/oz PGM refined	**435.0**	411.0

Kroondal Pooling and Sharing Agreement

50:50 JV with Aquarius Platinum, South Africa[3]

	unit	2005
Refined production		
Platinum	000 oz	**90.0**
Palladium	000 oz	**42.6**
Rhodium	000 oz	**7.5**
Gold	000 oz	**1.0**
PGMs	000 oz	**149.7**
Nickel	000 tonnes	**0.1**
Copper	000 tonnes	**0.1**
Cash operating costs	US$/oz PT refined	**775.0**
Cash operating costs	US$/oz PGM refined	**465.0**

[2] Represents half of the Modikwa Platinum mine operation plus the purchase, conversion and sale of 50% of the metals in concentrate.
[3] Represents half of the Kroondal Platinum Mine operation for 2004.

Reserves and resources data

The Ore Reserve and Mineral Resource estimates were compiled in accordance with the Australasian Code for Reporting of Mineral Resources and Ore Reserves (The JORC Code, 2004) as a minimum standard. Where relevant, the estimates were also prepared in compliance with regional codes and requirements (e.g. The South African Code for Reporting of Mineral Resources and Mineral Reserves, The SAMREC Code, 2000). The Mineral Resources are additional to the Ore Reserves. Mineral Resources are reported over an economic and mineable resource cut appropriate to the specific ore deposit. The figures reported represent 100% of the Mineral Resources and Ore Reserves attributable to Anglo Platinum Limited at 31 December unless otherwise noted. Anglo American plc's interest in Anglo Platinum is 74.51%.

Anglo Platinum – Ore Reserves

Operations/Projects by reef

	Classification	Tonnes[1] million 2005	2004	Grade[2] g/t 2005	2004	Contained metal tonnes 2005	2004	Contained metal million ounces[3] 2005	2004
Merensky Reef[4]				4E PGE	4E PGE				
	Proved	98.6	91.3	5.42	5.57	534.4	508.9	17.2	16.4
	Probable	118.7	124.8	5.70	6.14	676.8	765.8	21.8	24.6
	Total	**217.3**	**216.0**	**5.57**	**5.90**	**1,211.2**	**1,274.7**	**38.9**	**41.0**
UG2 Reef[5]				4E PGE	4E PGE				
	Proved	279.5	229.5	4.03	4.12	1,127.4	944.8	36.2	30.4
	Probable	420.8	362.3	4.12	4.41	1,735.6	1,596.9	55.8	51.3
	Total	**700.3**	**591.8**	**4.09**	**4.29**	**2,863.0**	**2,541.7**	**92.0**	**81.7**
Platreef[6]				4E PGE	4E PGE				
	Proved	276.9	246.8	3.21	3.34	889.8	825.5	28.6	26.5
	Proved (stockpiles)[7]	12.4	9.9	2.76	2.91	34.1	28.9	1.1	0.9
	Probable	59.1	92.0	3.29	4.09	194.1	376.0	6.2	12.1
	Total	**348.3**	**348.7**	**3.21**	**3.53**	**1,118.0**	**1,230.4**	**35.9**	**39.6**
All Reefs				4E PGE	4E PGE				
	Proved	667.4	577.6	3.87	4.00	2,585.7	2,308.0	83.1	74.2
	Probable	598.6	579.1	4.35	4.73	2,606.5	2,738.8	83.8	88.1
	Total metric	**1,265.9**	**1,156.6**	**4.10**	**4.36**	**5,192.2**	**5,046.8**		
	Total All Reefs imperial[3]	**1,395.5Mton**	**1,275.0Mton**	**0.120oz/t**	**0.127oz/t**			**166.9**	**162.3**
Tailings[8]				4E PGE	4E PGE				
	Proved	–	–	–	–	–	–	–	–
	Probable	48.2	33.5	0.98	1.10	47.2	36.9	1.5	1.2
	Total metric	**48.2**	**33.5**	**0.98**	**1.10**	**47.2**	**36.9**		
	Total Tailings imperial[3]	**53.2Mton**	**37.0Mton**	**0.029oz/t**	**0.032oz/t**			**1.5**	**1.2**

Rounding of figures may cause computational discrepancies.

New joint venture (JV) agreements have been finalised (PSA2 with Aquarius Platinum South Africa and Mototolo with Xstrata).

(1) The tonnage is quoted as metric tonnes and abbreviated as Mt for million tonnes.

(2) **Grade:** 4E PGE is the sum of platinum, palladium, rhodium and gold grades in grammes per tonne.

(3) **Imperial units:** tonnage is reported in million short tons (Mton), grade in troy ounces per short ton (oz/t) and contained metal in million troy ounces (Moz).

(4) **Merensky Reef:** The global grade decrease results from changes in stope widths applied due to improved understanding of the geology and mineralisation obtained from additional drilling. Stope bolting has been introduced at Amandelbult Section for safety reasons, leading to an increased stope width and hence reduced grades.

(5) **UG2 Reef:** Metal increases by 10 Moz due to the conversion of Mineral Resources to Ore Reserves and the introduction of JV Reserves. Tonnage increases by 108 Mt mainly due to mechanised mining methods applied in the Rustenburg and Mototolo mining areas. The overall effect is a decrease in grade.

(6) **Platreef:** Recently encountered geotechnical constraints led to a restriction of the depth of the final pit layout at PPRust North, resulting in some of the previously reported portion of the higher grade Ore Reserves being re-allocated to Mineral Resources and necessitating a redesign of the pit.

(7) **Platreef stockpiles:** These are reported separately as Proved Ore Reserves and aggregated into the summation tabulations.

(8) **Tailings:** These are reported separately as Ore Reserves but are not aggregated in the total Ore Reserve figures.

The following operations/projects were reviewed by an external third party consulting firm: Rustenburg Section, Amandelbult Section, PPRust North, Ga-Phasha, Styldrift and Unki.

Anglo Platinum – Mineral Resources

Operations/Projects by reef

	Classification	Tonnes[1] million 2005	2004	Grade[2] g/t 2005	2004	Contained metal tonnes 2005	2004	Contained metal million ounces[3] 2005	2004
Merensky Reef[4]				4E PGE	4E PGE				
	Measured	68.4	76.1	5.62	5.23	384.7	398.3	12.4	12.8
	Indicated	250.0	261.4	5.30	5.63	1,326.2	1,470.4	42.6	47.3
	Measured and Indicated	318.4	**337.5**	5.37	**5.54**	1,710.9	**1,868.7**	55.0	**60.1**
	Inferred	1,057.8	1,138.9	5.54	5.53	5,863.5	6,299.4	188.5	202.5
	Total	1,376.2	**1,476.4**	5.50	**5.53**	7,574.4	**8,168.1**	243.5	**262.6**
UG2 Reef[5]				4E PGE	4E PGE				
	Measured	262.7	312.0	5.48	5.25	1,438.1	1,638.8	46.2	52.7
	Indicated	660.7	766.8	5.45	5.12	3,601.6	3,925.4	115.8	126.2
	Measured and Indicated	923.4	**1,078.9**	5.46	**5.16**	5,039.6	**5,564.2**	162.0	**178.9**
	Inferred	1,394.3	1,648.2	5.41	5.30	7,550.2	8,732.1	242.7	280.7
	Total	2,317.7	**2,727.1**	5.43	**5.24**	12,589.8	**14,296.3**	404.8	**459.6**
Platreef[6]				4E PGE	4E PGE				
	Measured	206.1	148.5	2.58	1.88	531.2	278.6	17.1	9.0
	Indicated	715.0	309.2	2.46	2.49	1,757.1	769.0	56.5	24.7
	Measured and Indicated	921.2	**457.7**	2.48	**2.29**	2,288.3	**1,047.6**	73.6	**33.7**
	Inferred	1,472.5	575.5	1.79	1.37	2,629.2	788.6	84.5	25.4
	Total	2,393.7	**1,033.2**	2.05	**1.78**	4,917.5	**1,836.2**	158.1	**59.0**
All Reefs				4E PGE	4E PGE				
	Measured	537.2	536.7	4.38	4.31	2,354.0	2,315.7	75.7	74.5
	Indicated	1,625.8	1,337.4	4.11	4.61	6,684.9	6,164.8	214.9	198.2
	Measured and Indicated	2,163.0	**1,874.1**	4.18	**4.53**	9,038.9	**8,480.5**	290.6	**272.7**
	Inferred	3,924.6	3,362.6	4.09	4.70	16,042.9	15,820.1	515.8	508.6
	Total metric	6,087.6	**5,236.6**	4.12	**4.64**	25,081.8	**24,300.6**		
	Total imperial[3]	6,710.4Mton	**5,772.4Mton**	0.120oz/t	**0.135oz/t**			806.4	**781.3**
Tailings[7]				4E PGE	4E PGE				
	Measured	–	–	–	–	–	–	–	–
	Indicated	161.9	180.1	1.05	1.03	170.2	186.4	5.5	6.0
	Measured and Indicated	161.9	**180.1**	1.05	**1.03**	170.2	**186.4**	5.5	**6.0**
	Inferred		–		–		–		–
	Total Tailings metric	161.9	**180.1**	1.05	**1.03**	170.2	**186.4**		
	Total Tailings imperial[3]	178.5Mton	**198.5Mton**	0.031oz/t	**0.030oz/t**			5.5	**6.0**

Rounding of figures may cause computational discrepancies.
New joint venture (JV) agreements have been finalised: PSA2 with Aquarius Platinum South Africa and Mototolo with Xstrata. Pending the finalisation of a JV agreement only 50% of the Booysendal Mineral Resources are reported. The Modikwa JV with ARM expanded and now includes the Modikwa Deeps and portions of Driekop. Only the 50% attributable Mineral Resources to Anglo Platinum are reported.

(1) The tonnage is quoted as metric tonnes and abbreviated as Mt for million tonnes.
(2) **Grade:** 4E PGE is the sum of platinum, palladium, rhodium and gold grades in grammes per tonne.
(3) **Imperial units:** tonnage is reported in million short tons (Mton), grade in troy ounces per short ton (oz/t) and contained metal in million troy ounces (Moz).
(4) **Merensky Reef:** Changes are mainly due to the attributable reporting of JV Merensky Reef Mineral Resources (Booysendal and Modikwa).
(5) **UG2 Reef:** Changes are mainly due to the attributable reporting of all the JV UG2 Mineral Resources. In addition, Mineral Resources decreased due to conversion to Ore Reserves in the new PSA1 JV with Aquarius Platinum South Africa. Disposal of Elandsfontein 440JQ to a third party resulted in a 13.6 million ounce decrease.
(6) **Platreef:** Extensive core drilling during 2005 has increased the volume of, and confidence in, the Mineral Resources. Zwartfontein North resources have now reached reporting status due to additional drilling and modelling.
In 2005 a 1g/t cut-off has been applied for reporting Platreef Mineral Resources.
(7) **Tailings:** These are reported separately as Mineral Resources but are not aggregated in the total Mineral Resource figures.

Reserves and resources data continued

Anglo Platinum – Ore Reserves

Other projects

	Classification	Tonnes[1] million 2005	2004	Grade[2] g/t 2005	2004	Contained metal tonnes 2005	2004	Contained metal million ounces[3] 2005	2004
Zimbabwe				4E PGE	4E PGE				
Unki – Great Dyke[4]	Proved	5.2	14.9	3.81	4.30	19.9	64.1	0.6	2.1
	Probable	43.2	22.2	3.81	4.30	164.5	95.5	5.3	3.1
	Total metric	**48.4**	**37.1**	**3.81**	**4.30**	**184.4**	**159.6**		
	Total imperial[3]	**53.4Mton**	**40.9Mton**	**0.111oz/t**	**0.125oz/t**			**5.9**	**5.1**

Anglo Platinum – Mineral Resources

Other projects

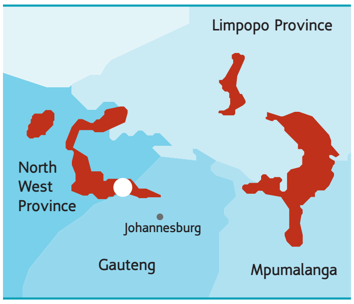
	Classification	Tonnes[1] million 2005	2004	Grade[2] g/t 2005	2004	Contained metal tonnes 2005	2004	Contained metal million ounces[3] 2005	2004
Zimbabwe				4E PGE	4E PGE				
Unki – Great Dyke[5]	Measured	7.9	19.5	4.08	4.98	32.1	97.1	1.0	3.1
	Indicated	11.7	29.1	4.28	4.98	49.9	144.9	1.6	4.7
	Measured and Indicated	**19.5**	**48.6**	**4.20**	**4.98**	**82.1**	**242.0**	**2.6**	**7.8**
	Inferred	98.7	11.6	4.29	4.98	423.5	57.8	13.6	1.9
	Total metric	**118.2**	**60.2**	**4.28**	**4.98**	**505.6**	**299.8**		
	Total imperial[3]	**130.3Mton**	**66.4Mton**	**0.125oz/t**	**0.145oz/t**			**16.3**	**9.6**
South Africa				3E PGE	3E PGE				
Anooraq – Anglo Platinum JV[6]									
Platreef	Measured	–	–	–	–	–	–	–	–
	Indicated	88.3	88.3	1.35	1.35	119.2	119.2	3.8	3.8
	Measured and Indicated	**88.3**	**88.3**	**1.35**	**1.35**	**119.2**	**119.2**	**3.8**	**3.8**
	Inferred	52.0	52.0	1.23	1.23	64.0	64.0	2.1	2.1
	Total metric	**140.4**	**140.4**	**1.31**	**1.31**	**183.3**	**183.3**		
	Total imperial[3]	**154.7Mton**	**154.7Mton**	**0.038oz/t**	**0.038oz/t**			**5.9**	**5.9**
Sheba's Ridge[7]				3E PGE	3E PGE				
	Measured	143.1	–	0.74	–	106.3	–	3.4	–
	Indicated	109.6	180.9	0.80	0.66	88.1	118.9	2.8	3.8
	Measured and Indicated	**252.7**	**180.9**	**0.77**	**0.66**	**194.4**	**118.9**	**6.3**	**3.8**
	Inferred	18.7	150.8	0.71	0.65	13.3	98.3	0.4	3.2
	Total metric	**271.4**	**331.7**	**0.77**	**0.65**	**207.7**	**217.2**		
	Total imperial[3]	**299.1Mton**	**365.6Mton**	**0.022oz/t**	**0.019oz/t**			**6.7**	**7.0**
Canada				3E PGE	3E PGE				
River Valley[8]	Measured	4.3	4.3	1.79	1.79	7.6	7.6	0.2	0.2
	Indicated	11.0	8.4	1.20	1.17	13.3	9.8	0.4	0.3
	Measured and Indicated	**15.3**	**12.7**	**1.37**	**1.38**	**20.9**	**17.4**	**0.7**	**0.5**
	Inferred	1.2	1.8	1.24	1.09	1.5	2.0	0.0	0.1
	Total metric	**16.5**	**14.5**	**1.36**	**1.34**	**22.4**	**19.4**		
	Total imperial[3]	**18.2Mton**	**16.0Mton**	**0.040oz/t**	**0.039oz/t**			**0.7**	**0.6**
Brazil				3E PGE	3E PGE				
Pedra Branca[9]	Measured	–	–	–	–	–	–	–	–
	Indicated	–	–	–	–	–	–	–	–
	Measured and Indicated	–	**–**	–	**–**	–	**–**	–	**–**
	Inferred	6.5	–	2.27	–	14.7	–	0.5	–
	Total metric	**6.5**	**–**	**2.27**	**–**	**14.7**	**–**		
	Total imperial[3]	**7.2Mton**	**–**	**0.066oz/t**	**–**			**0.5**	**–**

Rounding of figures may cause computational discrepancies.

(1) The tonnage is quoted as metric tonnes and abbreviated as Mt for million tonnes.
(2) **Grade:** 4E PGE is the sum of platinum, palladium, rhodium and gold grades in grammes per tonne,
3E PGE is the sum of platinum, palladium and gold grades in grammes per tonne.
(3) **Imperial units:** tonnage is reported in million short tons (Mton), grade in troy ounces per short ton (oz/t) and contained metal in million troy ounces (Moz).
(4) **Unki Ore Reserves:** A revision of the stope width resulted in a grade decrease and tonnage increase. The new mine plan converts only the first five years into Proved Ore Reserves.
(5) **Unki Mineral Resources:** A revised resource cut resulted in a grade decrease and tonnage increase. The 2005 model covers a different area than previously reported.
(6) **Anooraq – Anglo Platinum JV:** Following the finalisation of an agreement, Anglo Platinum holds an attributable interest of 50%.
(7) **Sheba's Ridge:** Following the finalisation of an agreement, Anglo Platinum holds an attributable interest of 35%. The revised modelling with external reviews by SRK and Snowden resulted in Mineral Resource classification upgrades. In 2005, a cut-off of US$10.5 per tonne total revenue from the constituent metals was applied. In 2004, erroneously reported 2.1 Moz contained ounces in the Inferred category.
(8) **River Valley:** Anglo Platinum holds an attributable interest of 50%.
(9) **Pedra Branca:** Anglo Platinum holds an attributable interest of 50%. In 2005, a cut-off 3E PGE grade of 0.7 g/t was applied. The Mineral Resources were not reported in 2004.

Project pipeline

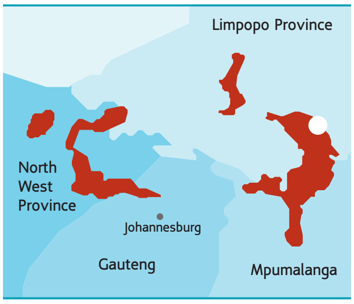
Pandora – South Africa



Date approved	April 2001
Ownership	45% Anglo Platinum
Incremental production	104,000 oz
Full project capex	$190m

The joint venture agreements have been concluded with enhanced BEE participation in line with the requirements of the Mining Charter. A mining authorisation has been issued for the project. Due to prevailing economic circumstances, the joint venture partners have approved a phased implementation of the project. A revised expansion strategy for the way forward is proposed and will be decided in conjunction with the joint venture partners during 2006.

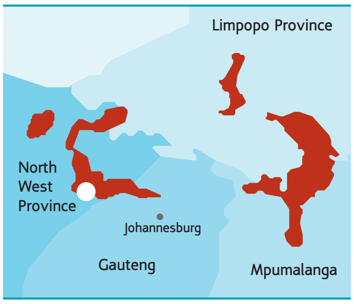
Twickenham Platinum Mine – South Africa



Date approved	September 2001
Ownership	100% Anglo Platinum
Incremental production	160,000 oz
Full production by	2008
Full project capex	$343m

Early in 2004, it was resolved to continue with a small mine on the Hackney Shaft. This operation proved favourable under difficult economic conditions and has built up to 13,000 tons per month. There are now further plans to continue growing this to some 50,000 tons per month pending final project approvals. The initial mining has proven most valuable with better-than-expected stoping widths and grade having been achieved. This has now laid the foundation to improve confidence levels on the proposed mining method as well as the geological model. The mine will continue with the pre-feasibility study to expand the operation to 125,000 tons per month from Hackney Shaft and 130,000 tons per month from Twickenham Shaft during the 2006 financial year.

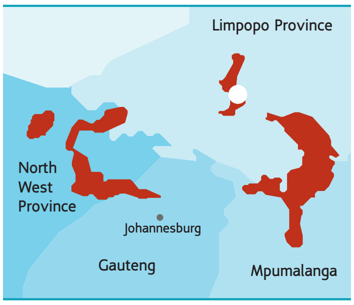
PMR Plant expansion – South Africa



Date approved	May 2002
Ownership	100% Anglo Platinum
Incremental production	met expansion req.
Production commences	2002
Full production by	2004
Full project capex	$99m

The expansion of the PMR in accordance with the Group's PGM production targets continued on schedule during 2005. The new plant areas have been commissioned successfully and the ramp-up of the new rhodium process completed to plan. The expansion programme is substantially complete with two minor areas requiring de-bottlenecking, which will be implemented as required by production forecasts.

PPRust North Replacement Project

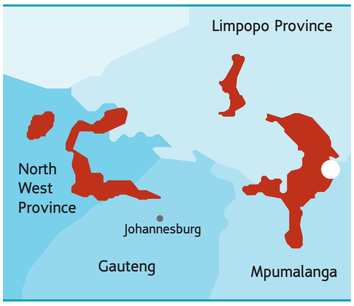


Date Approved:	2005
Ownership:	100% Anglo Platinum
Incremental production:	200,000 oz replacement
Full production:	2009
Full project capex:	$230m

In 2005 the board approved the PPRust North replacement project which will mill 385,000 tons per month, producing 200,000 replacement platinum ounces per annum. This project will be further expanded to mill an additional 600,000 tons per month, producing an additional 230,000 platinum ounces per annum. The current estimated capital cost of this expansion is some R4 billion in 2006 money terms. Board and regulatory approvals for this expansion project are expected shortly.

Project pipeline continued

Mototolo Joint Venture

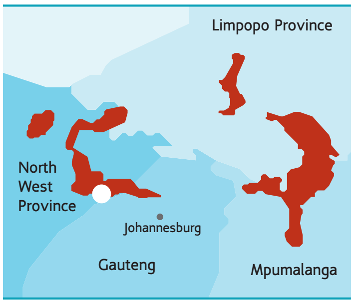


Date Approved:	July 2005
Ownership:	50% Anglo Platinum
Incremental production:	132,000 oz
Full production:	2007
Full project capex:	$200m

Mototolo project is located close to Steelpoort, adjacent to Anglo Platinum's Der Brochen property. The 50:50 joint venture between Anglo Platinum and Xstrata began with initial discussions in 2003, culminating in the respective board approvals in July 2005. This UG2 mine comprises two decline shaft systems which are being sunk on reef, each producing 100,000 tons per month, using a mechanised bord-and-pillar mining method. Ore will be transported to the concentrator by overland conveyor. The concentrator is a 200,000 tons per month MF2 plant similar to those in service elsewhere in the Group. The tailings dam is adjacent to the plant. Commissioning of the 200,000 tons per month concentrator is scheduled for the last quarter of 2006.

By agreement, Xstrata is developing and operating the mine and Anglo Platinum is designing, constructing and operating the concentrator. All concentrate produced by the joint venture will be processed through Anglo Platinum's smelters and refineries. At steady-state, the project will produce 132,000 ounces of platinum per annum.

Kroondal



Date approved	2005
Ownership	50% Anglo Platinum
Incremental production	280,000 oz
Full production by	2006
Full project capex	$138m

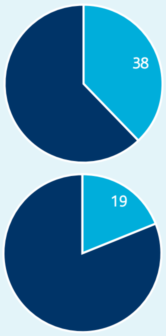
Construction of the project, announced in 2003, has continued satisfactorily. Sinking of the No 3 Shaft, and the extension to current mine infrastructure, is on schedule with production ramp-up ahead of plan. The new concentrator facility was commissioned, ahead of schedule, in March 2005. The expected mine output is 500,000 tons per month, which is planned to be achieved in 2006. During 2005, the mine achieved an overall average of 240,000 tons per month, with 486,330 tons delivered in the month of November.

Marikana

Negotiations were finalised to reconstitute the existing pooling-and-sharing agreement as the Marikana Pooling and Sharing agreement into a revised project incorporating additional reserves from RPM and Aquarius. The requisite board approvals were obtained at end of 2005. The revised project will deliver 750,000 tons per month at full capacity by 2008.

Market information

2005 share of world production
%

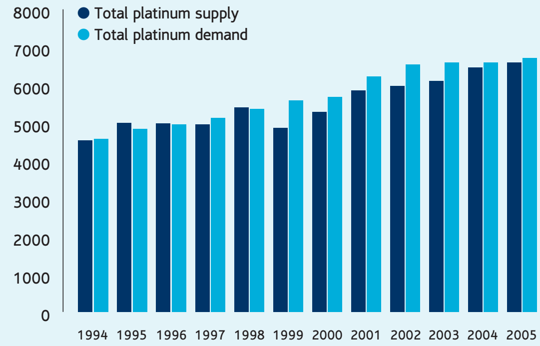


2005 Platinum supply
World
6,590,000
Anglo Platinum
2,502,000
(includes share of Northam Platinum)

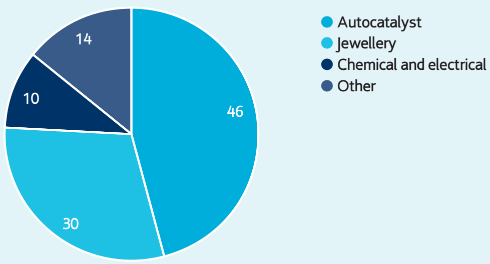
2005 Palladium supply
World
7,220,000
Anglo Platinum
1,376,700

Source: Johnson Matthey

Platinum supply and demand
000oz

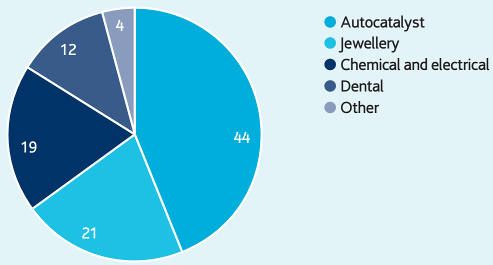


2005 platinum end use
%



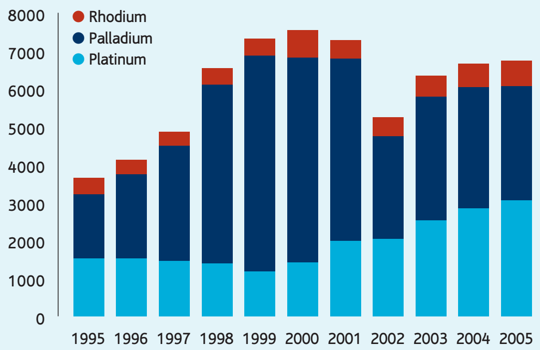
Source: Johnson Matthey

2005 palladium end use
%



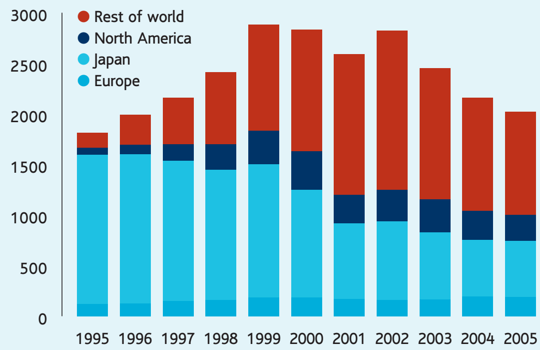
Source: Johnson Matthey

Autocatalyst demand
000oz



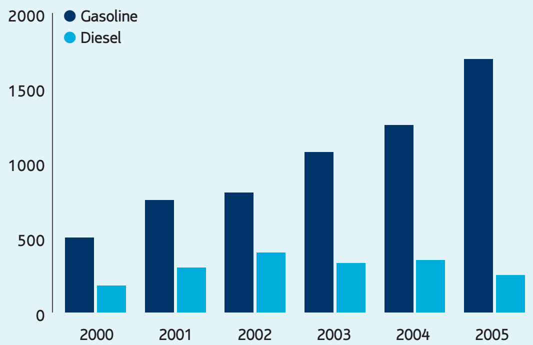
Source: Johnson Matthey

Platinum jewellery market
000oz



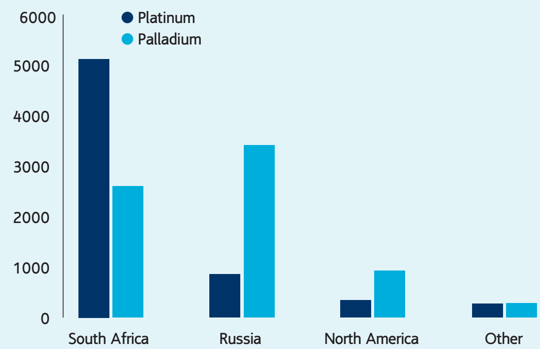
Source: Johnson Matthey

European demand for autocatalyst
000oz



Source: Johnson Matthey

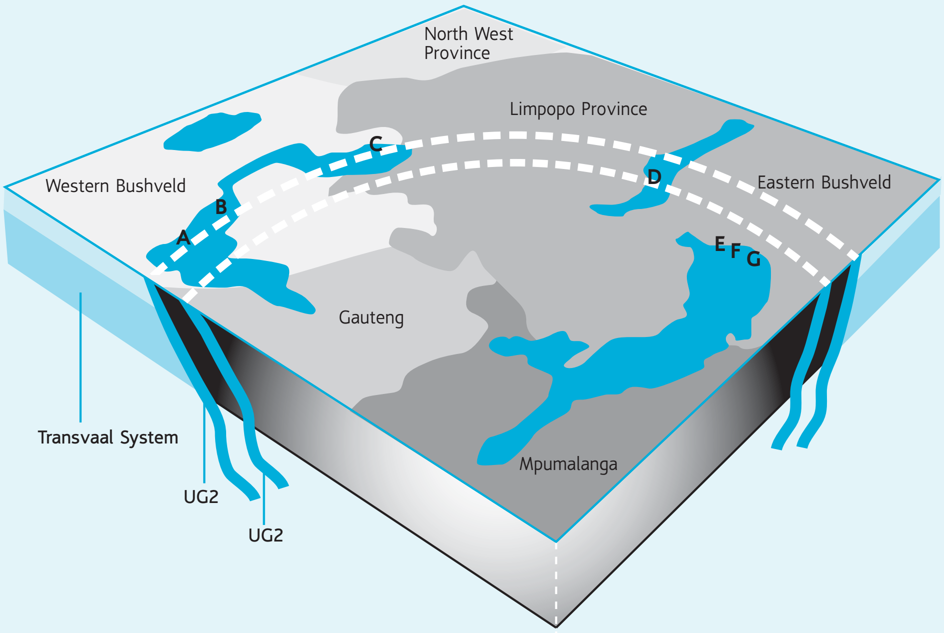
Geographical PGM supply
000oz



Source: Johnson Matthey

Operations diagram

The Bushveld Complex

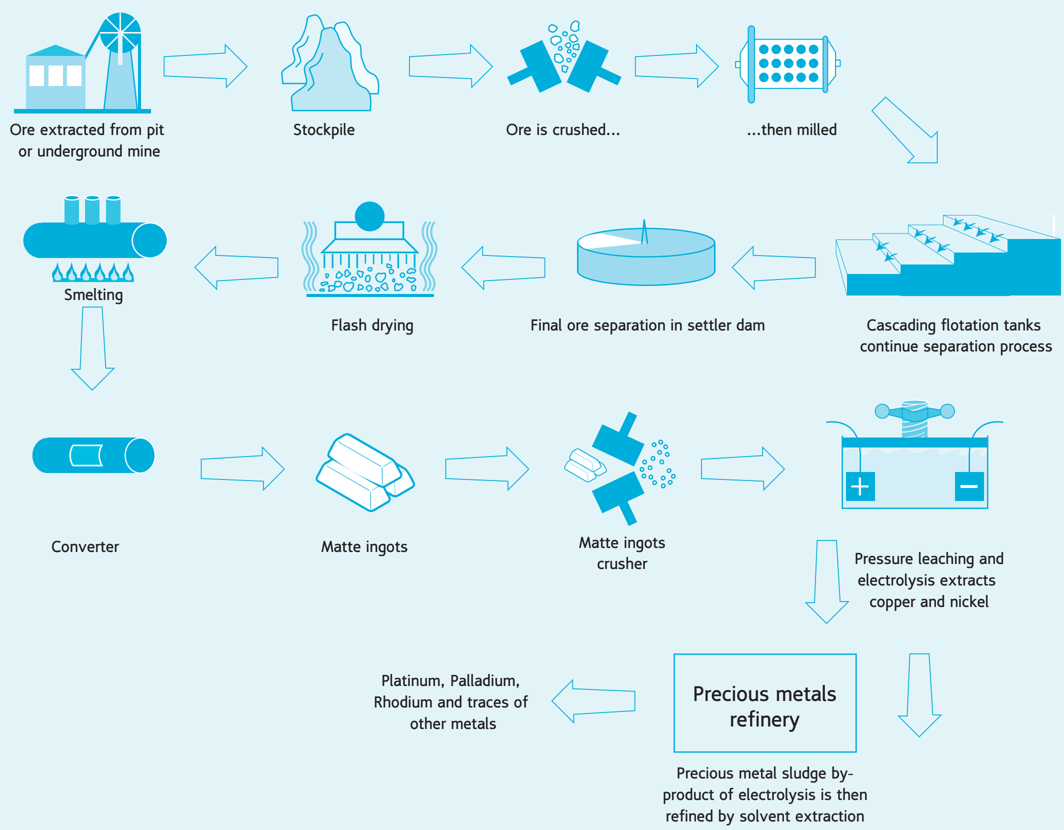


The Bushveld Complex is the world's largest and most valuable layered intrusion. It hosts over half of the world's known platinum, chromium, vanadium and refractory minerals, and has ore reserves that will last hundreds of years.

Mines

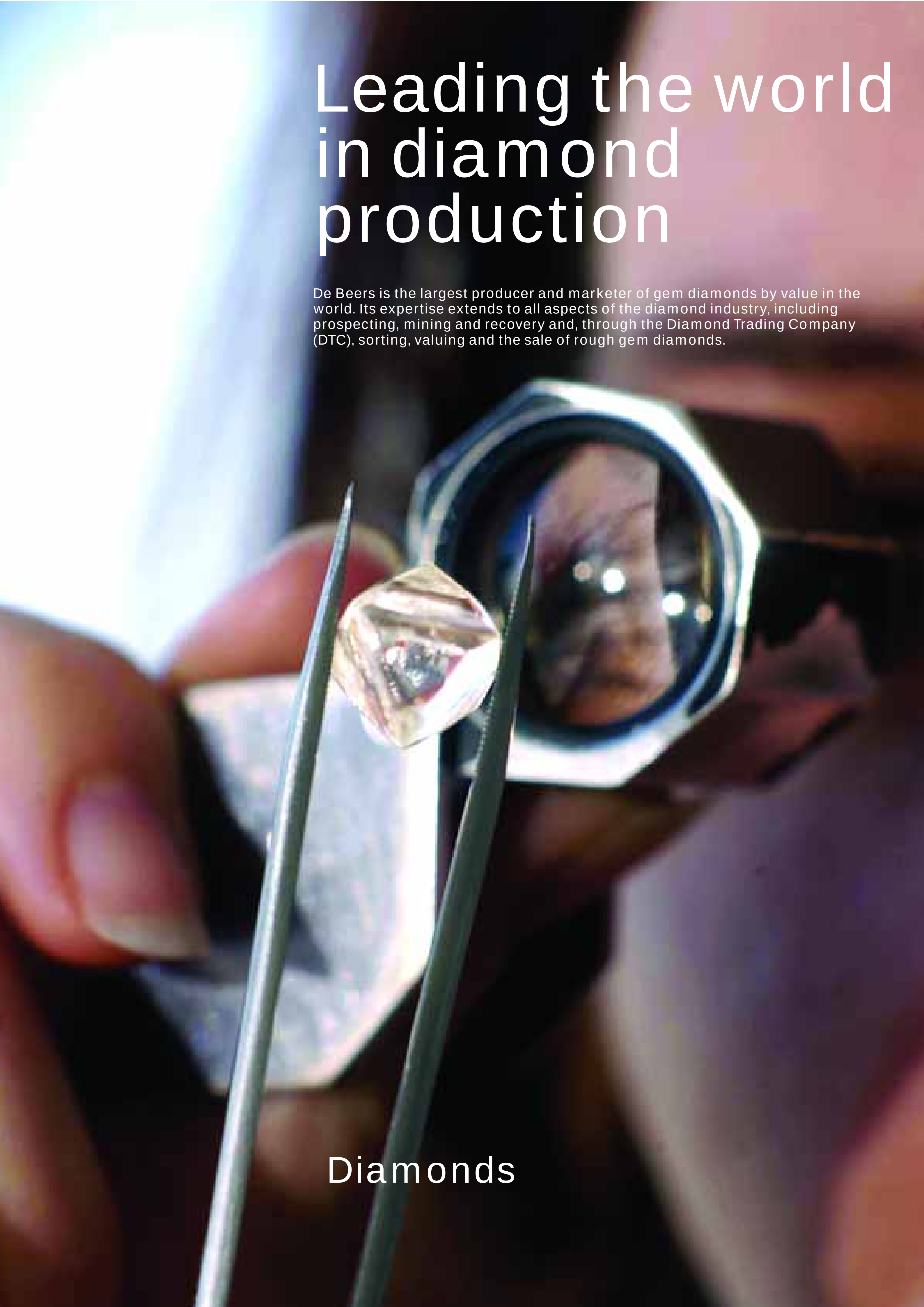
A	Rustenburg
B	Bafokeng Rasimone
C	Amandelbult
D	Potgietersrust
E	Lebowa
F	Twickenham
G	Modikwa

A typical platinum process



Leading the world in diamond production

De Beers is the largest producer and marketer of gem diamonds by value in the world. Its expertise extends to all aspects of the diamond industry, including prospecting, mining and recovery and, through the Diamond Trading Company (DTC), sorting, valuing and the sale of rough gem diamonds.



Diamonds

Operating profit
2004:
$573m
2005:
$583m

De Beers produces around 45% by value of the total annual global diamond production from its mines in South Africa, and through its 50:50 partnerships with the governments of Botswana and Namibia. Through its marketing arm, the London-based Diamond Trading Company (DTC), De Beers markets over half of global supply and has conducted a renowned diamond advertising campaign for over half a century. The company, in partnership with Louis Vuitton Moët Hennessy (LVMH), is currently committed to exploring ways to exploit the value of its brand.

Anglo American's diamond interests are represented by its 45% shareholding in De Beers Investments (DBI), the other shareholders are Central Holdings Limited, an Oppenheimer family holding company, (40%) and the Botswana Government (15%).

De Beers Consolidated Mines Limited (DBCM) is the ultimate parent company in South Africa. The major diamond assets of DBCM consists of the South African diamond mines owned and operated by De Beers, and interests in the South African elements of the DTC. De Beers SA is the ultimate parent company outside of South Africa.

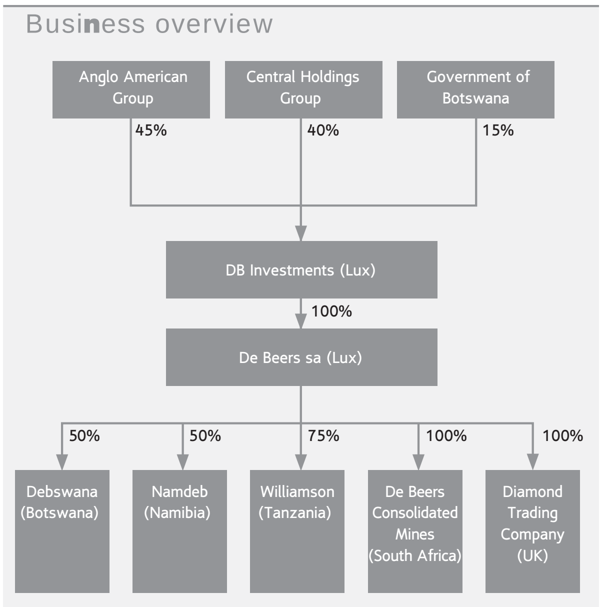
The major diamond assets of DBCAG consist of a 50% interest in each of Debswana Diamond Company (Proprietary) Limited and Namdeb Diamond Corporation (Proprietary) Limited, owned jointly with the Governments of Botswana and Namibia respectively; De Beers Marine Namibia which operates as an off-shore mining contractor; interests in the non-South African elements of the DTC and interests in the independently managed and operated Element Six business which manufactures and sells synthetic industrial diamond and related products for the diamond industry and others. ■

Above: A finished collection of polished diamonds.

Industry overview

The vast majority of natural diamond production by value is gem quality rough, sold for use in jewellery. Some natural stones are used for industrial purposes, cutting and other applications. Industrial diamonds are generally much smaller and 95% of diamonds used in industrial applications are synthetic.

The characteristics of diamonds are such that there is a continuum from the lowest quality to the highest quality of stones. Each diamond is unique. In broad terms, rough diamonds can be categorised according to caratage (size), colour, shape and quality. Given that there are many gradations of colour, size, quality and shape, there are a large number of permutations of how each of these factors can be combined in individual stones. And, as each stone has unique attributes, there are no standard prices. Diamonds are valued by DTC according to some 16,000 classifications based on size, colour, quality and shape. Once the diamond is polished, key classification aspects are broadly the '4Cs'
– Cut, Colour, Clarity and Carat. ■



Supplier of choice

In 2005 DTC continued to successfully address the challenges of driving consumer demand through their sales and marketing strategy, Supplier of Choice (SoC). This strategy has effectively restimulated growth in the industry following the stagnation of the mid-late 1990s, resulting in both volume and value gains in diamond demand. Global retail sales are estimated to have exceeded $65 billion in 2005 and have been bolstered by an increase in advertising programmes by DTC's clients and their downstream trade partners as well as DTC's scale marketing initiatives.

Left: De Beers' Debmar Atlantic Vessel at sea.

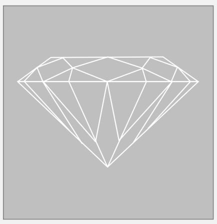
To sustain the success of driving retail demand the DTC continues to develop further consumer understanding on a market-by-market basis. With a global spend of over $8 million each year on research, they are continuously developing and researching big, new ideas to provide new opportunities that have the potential to stimulate retail growth and increase desire for diamonds.

While developing these new programmes, DTC executes existing scale marketing programmes which are at present the primary vehicles for stimulating the diamond market to achieve its ambitious growth targets. Increasing industry marketing remains a vital goal if the DTC are to achieve these targets and while they have been hugely successful to date, they continue to aim to increase quality marketing spend at approximately twice the rate of diamond jewellery market growth over the next five-year period.

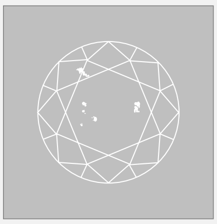
The launch of Value Added Services for clients marks the second phase of SoC, focusing on generating profitable value growth for them in an increasingly competitive environment. The services are based on DTC expertise in selling and marketing gem diamonds, and are designed to enable Sightholders to maximise their effectiveness in creating consumer demand. ■

The four Cs

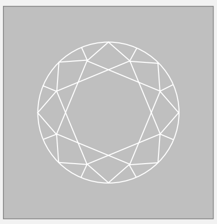
The characteristics which give the diamond its quality and value are: Cut, Colour, Clarity and Carat weight.



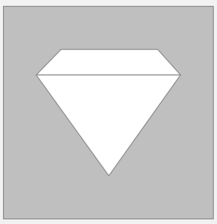
Cut:
A diamond's cut is what gives it sparkle and fire. The better the proportions, the better the diamond is able to handle light, creating more sparkle and scintillation.



Clarity:
Most diamonds contain tiny inclusions, not discernible to the naked eye. The fewer and smaller they are, the less likely they are to interfere with the passage of light through the diamond, and therefore the more rare and beautiful it will be.



Colour:
The majority of diamonds range from those with barely perceptible yellow and brownish tints up to the very rare pinks, blue and greens which are known as 'fancies'. The best 'colour' for a diamond is however 'colourless'.



Carat weight:
One carat is divided into 100 'points', so that a diamond of 75 points weighs 0.75 carats. (1 carat = 0.2 grams). Two diamonds of equal weight can therefore have very different values, depending on their cut, clarity and colour.

Exploration

Left: De Beers' exploration camp at Pingu Juak on Baffin Island.

North America
During 2005, De Beers conducted exploration activities in Canada within the Northwest Territories, Nunavut, Saskatchewan, Manitoba, Ontario and Quebec. Further exploration and evaluation work continues on the Fort á la Corne kimberlites in partnership with Shore Gold Inc. (following their merger with Kensington Resources in 2005) and Cameco Corporation. Assessment of satellite kimberlites around Victor in the Attawapiskat cluster is also in progress.

South America
A presence is maintained in Brazil with an indicator mineral laboratory in Brasilia and a small team to manage existing joint venture agreements and assess other opportunities. In 2005 deals were concluded with Brazilian Diamonds and Majescor Resources. Negotiations with other mining and exploration entities are under way.

Southern Africa
Exploration continues in South Africa, Botswana and Zimbabwe. Botswana continues to yield interesting results and the AK06 project (in joint venture with African Diamonds plc) in the Orapa area is making encouraging progress and will undergo a conceptual economic study during 2006. De Beers will continue to assess the economic potential of other kimberlites within the Orapa area in partnership with African Diamonds, Firestone Diamonds and Wati Ventures.

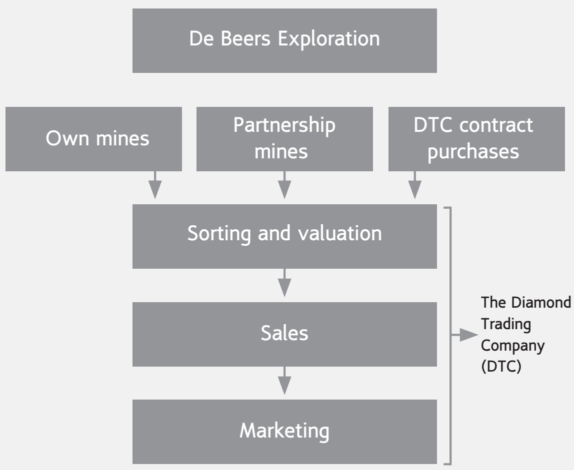
Central Africa
There is exploration in highly prospective parts of Angola, the Democratic Republic of Congo and Central African Republic. The Partner of Choice strategy has been successful in the region, resulting in a number of joint venture agreements with parastatal agencies and other privately and publicly owned exploration and mining entities. Unearthing opportunities for further joint venture agreements remains high on the agenda.

Eastern Europe
De Beers are steadily increasing its exploration activities within Russia and Ukraine and are actively looking for partnership opportunities within the region. Archangel Diamond Corporation and De Beers are still pursuing a settlement over the disputed Verkhotina licence with Archangelskgeoldobycha.

Asia
In India, there is exploration in Karnataka, Andhra Pradesh, Orissa, Madhya Pradesh, Uttar Pradesh and Chattisgarh, with encouraging results.

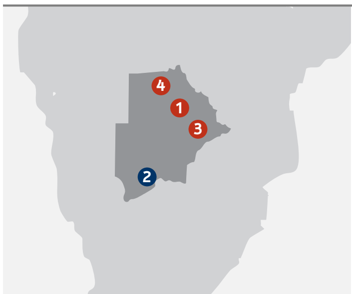
In China, the representative office in Beijing continues to seek opportunities for partnership and some cooperative activities were supported in Liaoning. ■

The De Beers pipeline from exploration to marketing



Around the world

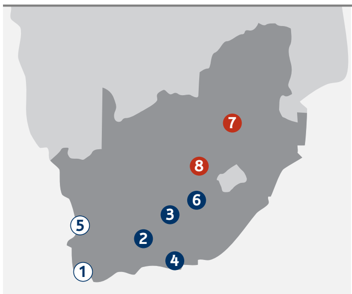
Key
- Underground
- Open Cut
- Other



Botswana

1	50%	Orapa
2	50%	Jwaneng
3	50%	Letlhakane
4	50%	Damtshaa

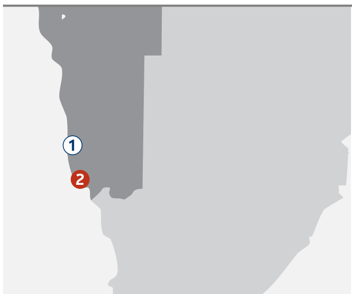
In 2005, De Beers, with its principal partners Debswana and Namdeb, produced 49 million carats of rough diamonds. The main component of this output was Debswana, which operates two of the world's great diamond mines, Jwaneng and Orapa. In 2005 Debswana produced a record 31.9 million carats, an increase of 2% over 2004.



South Africa

1	100%	De Beers Marine
2	100%	Finsch
3	100%	Kimberley
4	100%	Koffiefontein
5	100%	Namaqualand
6	100%	Cullinan
7	100%	The Oaks
8	100%	Venetia

De Beers' South African mines produced a total of 15.2 million carats in 2005, an increase of 1.5 million carats (10%) on 2004.



Namibia

1	85%	De Beers Marine Namibia
2	50%	Namdeb

Namdeb, a 50:50 partnership between De Beers and the Namibian Government, historically, has been a source of high value gemstones. Today, it is the acknowledged leader in marine recovery of diamonds, with approximately half of its annual production of 1.8 million carats coming from marine mining, at depths down to 200 metres, in the Atlantic Ocean off Namibia. In 2005 Namdeb's production of 1.8 million carats was 5% lower but included record marine production of 922,000 carats.

United Kingdom/Ireland

1	–	Element Six (Ireland)
2	–	De Beers LV Store (UK)
3	100%	DTC (UK)

During 2005 the independently managed retail joint venture with LVMH Moët Hennessy Louis Vuitton, De Beers LV, experienced 61% growth to approximately US$30 million in sales. An additional five stores were opened worldwide in New York, Beverly Hills, Paris, London and Osaka.

Plans for 2006 include more stores in existing and new geographies, funded by both the JV and franchise partners.

Through history

1860s

1866: Eureka diamond discovered by Erasmus Jacobs on the banks of the Orange River, SA.

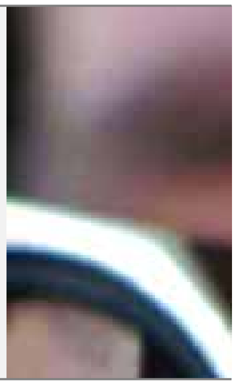
1869: Discovery of Star of Africa diamond (83.5 carats rough) sparked the great diamond rush in South Africa.

1871

Diamonds discovered at Kimberley, South Africa.

1888

De Beers Consolidated Mines Limited was established after the merger of De Beers and the Barnato Diamond Mining Limited.

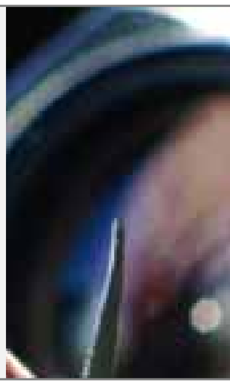


1929

Sir Ernest Oppenheimer appointed chairman of De Beers.

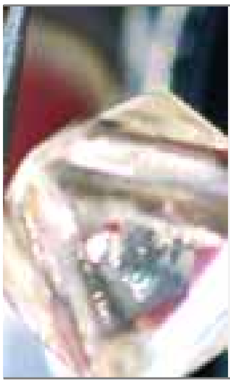
1934

Diamond Trading Company formed as a diamond selling company based in Kimberley and London.



1947

"A diamond is forever" coined for De Beers' advertising.



1956

De Beers forms Adamant Research Laboratory to research into diamond synthesis.

1967

Orapa pipe discovered in Botswana, currently the second largest pipe known. In 1969, Debswana, a joint venture between the government of Botswana and De Beers, was established to develop the mine.

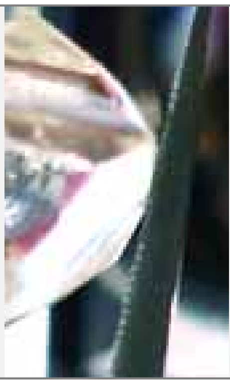
1980s

To strengthen the demand for diamonds, De Beers extended the scope and reach of its generic advertising campaign to reach a worldwide audience.

1988: De Beers celebrated its centenary.

1994

Namdeb JV formed with Namibian Government to develop diamond mining in that country.



2000s

2001: De Beers' cross-holding with Anglo American plc removed and De Beers delisted from the Johannesburg Stock Exchange.

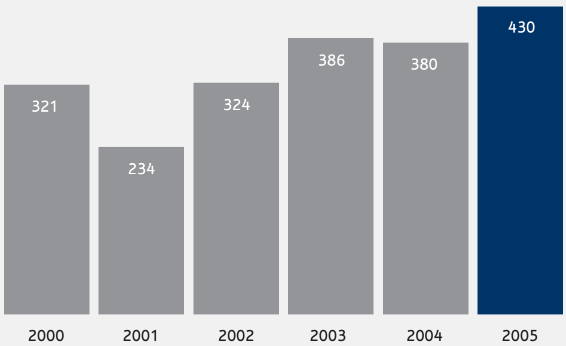
2003: The DTC's Supplier of Choice is launched in July (announced July 2000).

2004: De Beers and the Government of the Republic of Botswana renew their partnership for a further 25 years from 1 August 2004.

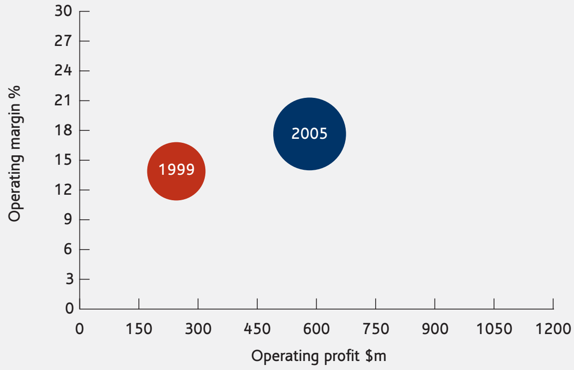
Financial highlights

Anglo American's reported share of De Beers' results

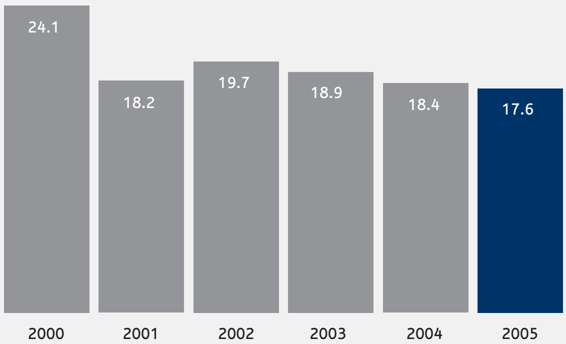
Six-year underlying earnings
$m



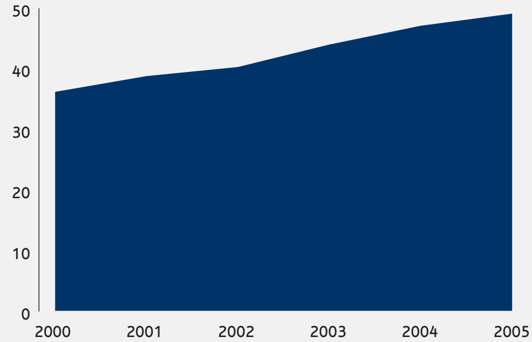
Scale and profitability growth
Bubble size represents production carats



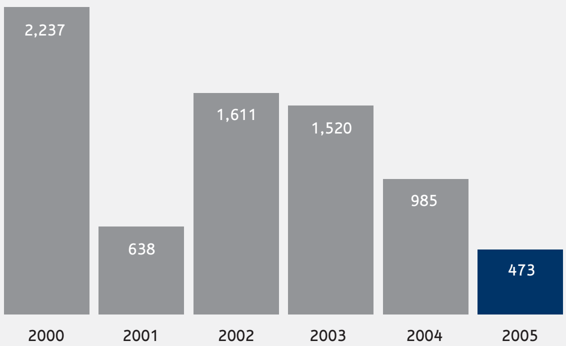
Operating margin
%



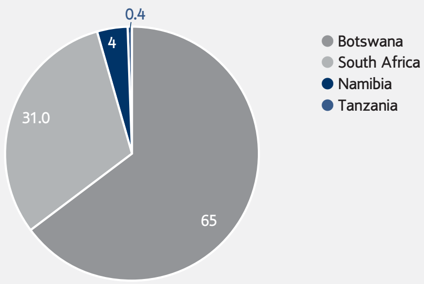
De Beers mine production
Total carats DBCM, Debswana, Namdeb and Williamson



Cash generation from operating activities
From 2000 – 2005 on a 100% basis

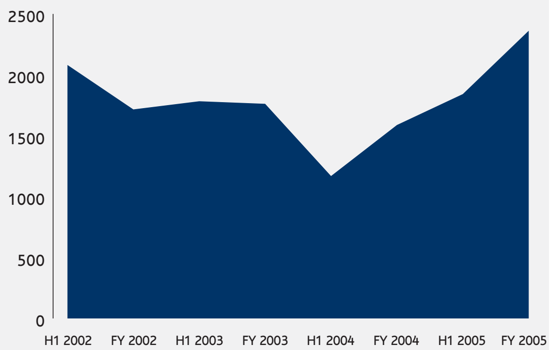


2005 De Beers mine production by region
%



Total: 49.0m carats

Net interest bearing debt



Source: Anglo American plc financial statements.

Financial highlights continued

Anglo American's reported share of De Beers' results

Financial data

Turnover	2005	2004	2003	2002	2001	2000
Subsidiaries	–	–	–	–	–	–
Joint Ventures	–	–	–	–	–	–
Associates	3,316	3,177	2,967	2,746	2,055	2,034
Total turnover	3,316	**3,177**	**2,967**	**2,746**	**2,055**	**2,034**
EBITDA	655	**655**	**638**	**594**	**428**	
Depreciation and amortisation	72	**82**	**76**	**53**	**55**	**6**
Operating profit before special items and remeasurements	583	**573**	**562**	**541**	**373**	**491**
Operating special items and remeasurements	(152)	–	–	–	–	
Operating profit after special items and remeasurements	431	**573**	**562**	**541**	**373**	**491**
Net interest, tax and minority interests	(153)	**(193)**	**(208)**	**(246)**	**(173)**	
Total underlying earnings	430	**380**	**386**	**324**	**234**	**321**
Group's share of net assets	2,056	**2,199**	**2,886**	–	–	**101**
Capital expenditure	–	–	–	–	–	–

Diamonds recovered
Carat

South Africa

	2005	2004	2003	2002	2001	2000
Cullinan	**1,304,653**	1,304,416	1,273,022	1,471,754	1,636,921	1,782,420
Finsch Mine	**2,215,643**	2,108,481	1,942,235	2,378,243	2,464,849	1,925,059
Kimberley	**1,896,893**	2,050,907	1,054,181	473,975	549,724	568,639
Koffiefontein	**123,505**	113,481	113,715	112,265	145,061	151,498
Namaqualand	**1,014,132**	909,706	829,686	773,768	808,318	809,928
The Oaks	**85,766**	68,943	100,123	115,234	123,548	116,048
Venetia	**8,515,045**	7,187,300	6,600,721	5,077,042	4,976,546	4,497,756
Total	15,155,637	**13,743,234**	**11,913,683**	**10,402,281**	**10,704,967**	**9,851,348**

Botswana

	2005	2004	2003	2002	2001	2000
Debswana (50% owned by De Beers)						
Orapa	**14,890,436**	16,070,076	16,294,258	14,329,642	13,056,403	12,171,887
Letlhakane	**1,097,231**	1,033,162	1,061,068	1,025,690	1,020,698	958,715
Jwaneng	**15,599,427**	13,682,502	12,764,649	13,034,510	12,339,430	11,520,253
Damtshaa	**302,677**	338,909	292,180	7,084	–	–
Total	31,889,771	**31,124,649**	**30,412,155**	**28,396,926**	**26,416,531**	**24,650,855**

Namibia

	2005	2004	2003	2002	2001	2000
Namdeb (50% owned by De Beers)						
Diamond Area 1	**797,518**	992,872	796,694	696,914	742,732	652,746
Marine Mining	**976,891**	865,511	658,062	578,985	641,972	667,562
Total	1,774,409	**1,858,383**	**1,454,756**	**1,275,899**	**1,384,704**	**1,320,308**

Tanzania

	2005	2004	2003	2002	2001	2000
Williamson	**190,384**	285,778	166,263	152,234	190,634	317,478
Total	**190,384**					

Grand Total	49,010,201	**47,012,045**	**43,946,857**	**40,227,340**	**38,696,836**	**36,139,992**

Diamonds grade
Carat/100 metric tons

South Africa

	2005	2004	2003	2002	2001	2000
Cullinan	28.3	29.3	37.5	45.4	52.8	62.6
Finsch Mine	37.3	36.5	36.8	46.6	51.7	45.8
Kimberley	19.6	22.6	17.7	13.0	14.6	16.2
Koffiefontein	6.8	5.8	5.6	5.2	6.3	6.9
Namaqualand	15.7	14.2	13.2	14.7	13.3	13.2
The Oaks	34.4	23.8	32.1	35.7	60.9	54.7
Venetia	143.5	122.4	121.9	107.8	108.1	122.0
Total (weighted average)	43.7	**40.6**	**41.5**	**42.5**	**43.1**	**43.2**

Botswana

	2005	2004	2003	2002	2001	2000
Debswana (50% owned by De Beers)						
Orapa	90.2	95.2	99.2	87.4	82.7	82.9
Letlhakane	31.7	30.4	29.6	28.0	28.2	27.3
Jwaneng	155.9	156.3	143.1	139.8	138.3	124.7
Damtshaa	23.5	25.6	23.6	5.7	–	–
Total (weighted average)	102.0	**102.5**	**100.8**	**96.2**	**93.3**	**89.9**

Namibia

	2005	2004	2003	2002	2001	2000
Namdeb (50% owned by De Beers)						
Diamond Area[(1)]	3.0	3.2	3.1	2.5	3.4	2.8
Marine Mining	0.2	n/a	n/a	n/a		
Total (weighted average)	n/a[1]	**5.9**	**5.6**	**4.5**	**6.3**	**5.6**

Tanzania

	2005	2004	2003	2002	2001	2000
Williamson	5.6	8.4	3.7	4.6	6.7	10.7
Total (weighted average)	5.6	**8.4**				

	2005	2004	2003	2002	2001	2000
Grand Total (weighted average)	50.2	**46.7**	**49.3**	**47.1**	**49.7**	**47.9**

(1) Recovered Grade represented as carats recovered per m^2 and not carats recovered per hundred metric tons.

Project pipeline

Victor – Canada

Ownership:	100% De Beers
Incremental production:	6m carats (over life of project)
Production commences:	end Q3 2008
Full production by:	mid-2009
Full project capex:	US$864m

The project was approved by the De Beers board in May 2005, conditional upon the approval of the EA and the ratification of the IBA. The project Impact Benefit agreement was signed with the most impacted community following completion of the environmental assessment with the regulator agencies and federal government approval in 2005. Detailed design, procurement and placing initial large contracts progressed steadily during 2005 and early 2006. Construction work has commenced on site. As of the date of this report 70% of materials and fuel had been delivered to site in an extraordinarily warm winter which has impacted work on site and the winter ice road construction. The balance of 2006 will consist of site earthworks and design, procurement and contract placement to meet the major construction year of 2007 with most equipment and materials needing to be delivered on the February 2007 winter road. The project looks to be on time and on budget.

Snap Lake – Canada

Ownership:	100% De Beers
Incremental production:	19m carats (over life of project)
Production commences:	2007
Full production by:	2008
Full project capex:	US$ 511m

The Snap Lake Project was approved by the De Beers Board in May 2005 for C$511m. Detailed design commenced early 2005 and early procurement and contract placement allowed key equipment and materials to be mobilised to site along the winter road of 2005. Detailed design and procurement continued throughout 2005 to meet the 2006 winter road mobilisation to site. Construction infrastructure was expended, underground development commenced and site work continued throughout 2005. Initial concrete foundations were cast ready for steel erection to commence in May 2006 when the site would warm up for safe outdoor erection work. The balance of 2006 will be erection of buildings and enclosure before the next winter to allow work to continue into 2007.

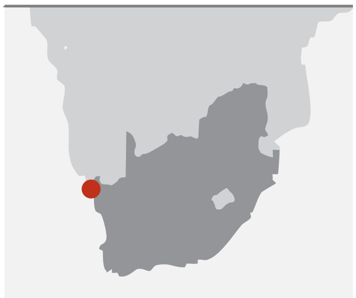
Gahcho Kué – Canada

Ownership:	51% De Beers (will earn 60% if built)
Incremental production:	44m carats (over life of project)
Production commences:	2011
Full production by:	mid-2012
Full project capex:	US$959m (escalated) (US$ 844.19m)

A pre-feasibility was completed mid-2005. Licensing for a future mine has commenced and has now passed into an environmental impact assessment phase. The next major milestones will be setting terms of reference for this EIA (second quarter 2006) and then into technical reviews and stakeholder consultation over the balance of the year. In addition, a LDD bulk sampling and final mine design geotechnical core drilling programme commenced end 2005 and will be complete mid-2006. Final results and impacts on the resource will only be concluded end 2006. This will result in 4.5 million tons of the 5034 ore body's north lobe, which would be mined during the capital payback period, to be reclassified as indicated, will improve confidence in Tuzo particularly at depth and confirm geotechnical data for the final pit designs. Impact benefit agreements will also be negotiated with impacted First Nation communities during this licensing phase.

Project pipeline continued

De Beers Marine South African Sea Areas Project



Ownership:	100% De Beers Consolidated Mines
Incremental production:	240 000 cts/annum
Production commences:	2007
Full production by:	2007
Full project capex:	US$152m

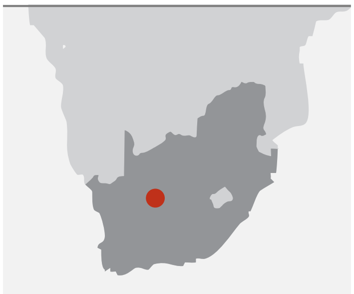
This project will establish a full scale mining operation in the ML3 concession area off the South African west coast. The project is currently in the Implementation Phase. A second-hand ship is undergoing conversion, and the treatment plant and crawler-based undersea mining system are being designed and built. Unconsolidated diamondiferous gravels will be recovered from the seabed at depths between 100m and 140m and processed onboard the mining vessel. Mining areas have been identified through an ongoing geosurvey and sampling programme.

Finsch Block 4 – South Africa

Ownership:	100% DBCM
Incremental production:	22m carats (over life of project)
Production commences:	2004
Full production by:	2007
Full project capex:	US$282m

This project constitutes the implementation of a Block Cave to sustain the production output of Finsch Mine. The primary crusher and high speed tramming loop have been completed. Production ramp-up is in progress and is scheduled to be completed in 2007. The manufacture of the second crusher is in progress and its installation is scheduled to be completed in 2007.

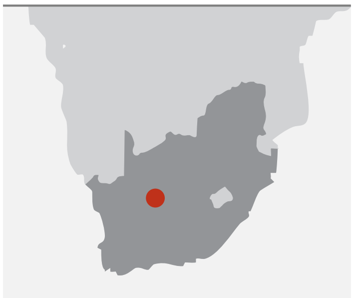
Finsch Block 5 (under review) – South Africa



Ownership:	100% DBCM
Incremental production:	37m carats (over life of project)
Production commences:	2011
Full production by:	2014
Full project capex:	$523m

This project aims to further extend the life of mine of Finsch Mine after depletion of Block 4. Currently, a pre-feasibility study is in progress and it is anticipated to commence with a feasibility study in early 2007. Delineation drilling has been commenced and construction of an access ramp is underway to facilitate a dewatering programme and also offer early access options.

Finsch Plant upgrade – South Africa



Ownership:	100% DBCM
Incremental production:	4m carats (over life of project)
Production commences:	2007
Full production by:	2007
Full project capex:	US$ 80m

The FMTPU (Finsch Mine Treatment Plant Upgrade) was approved for implementation at the January 2005 board. The project represents a significant upgrade of process technology for the Finsch Mine Treatment Plant. The business case for the upgrade is based on two separate value propositions:

1. The upgrade of the old technology currently in use which will realise a revenue improvement ranging between 6% and 30%.
2. A capacity upgrade which will enable the mine to treat an additional 2 Mtpa of the pre-79 tailings resource, bringing the total tailings capacity treatment to 3.4 Mtpa.

Civil works are nearing completion and structural steel erection is in progress. Production ramp-up is scheduled to commence in Q1 2007.

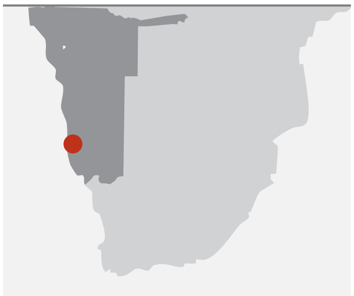
Voorspoed Project

Ownership:	100% DBCM
Incremental production:	8.3 m carats
Production commences:	2008
Full production by:	2009
Full project capex:	US$ 185m

This project will establish a greenfield open pit diamond mining operation in the Orange Free State for De Beers Consolidated Mines Limited with an expected life-of-mine of 13 years. The operation will extract and process the Kimberlite ore at a rate of 4 Mtpa on a continuous operations basis using conventional ore extraction and ore processing technology and methodologies.

The project is in the detail engineering design and procurement phases. Site mobilisation for construction start was planned for mid-March 2006 but has been delayed pending mining licence approval. Orders have been placed for major equipment and for long delivery lead items. The delay in the mining licence will move the achievement of full production from Q1 2009 to Q2 2009.

Additional Mining Vessel 2 (AMV2)



Ownership:	De Beers Marine Namibia
Incremental production:	390,000 Cts per annum
Production commences:	First quarter 2009
Full production by:	First quarter 2009
Full project capex:	US$ 405m

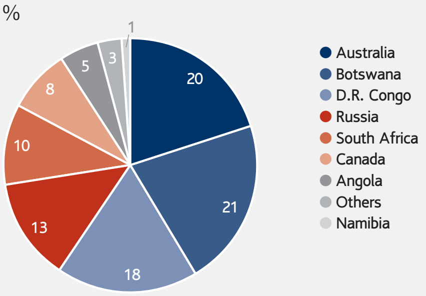
This project is currently in the final assurance phase of the feasibility study and is currently scheduled for presentation for implementation phase approval during the July/August 2006 Board cycle. The AMV2 solution is based on a horizontal mining system and will accommodate two sub-sea crawlers, one operational and one on standby. The treatment plant has been designed to treat 320 tph of plant feed. The treatment plant and mining system will be installed on a purpose-built vessel platform. A shipyard based in Italy, Fincantieri, has been nominated as the preferred yard to construct the AMV2. ■

Market information

2005 world mine production

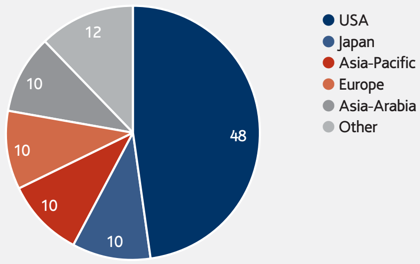
Carats

%



2005 global demand for retail diamond jewellery

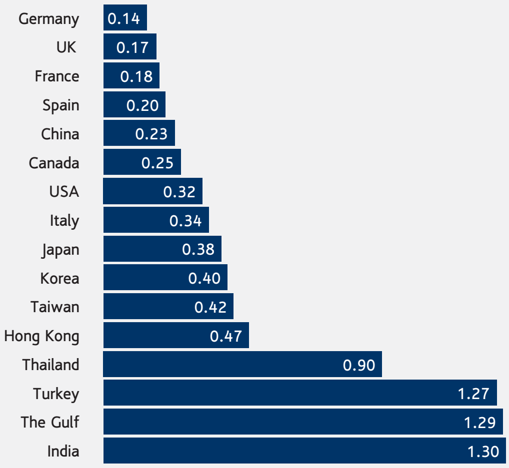
%



Source: De Beers

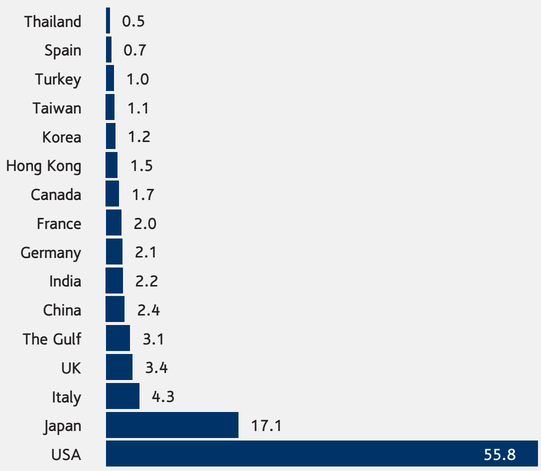
2003 diamond jewellery:

average carats per piece

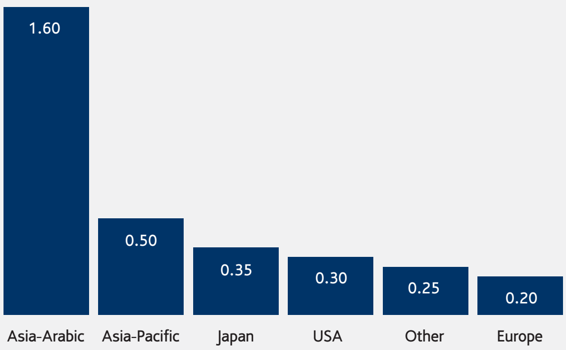


2003 diamond jewellery market by retail sales value

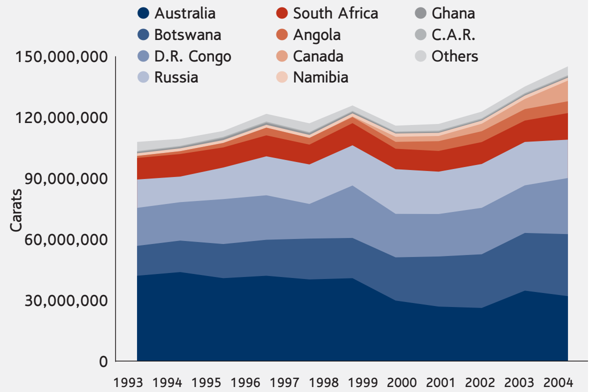
%



Average carats per piece of jewellery sold by region

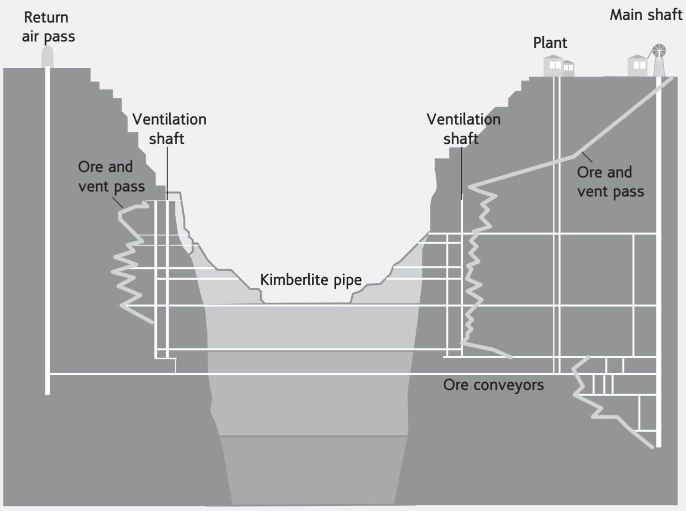


Diamond mine production by country

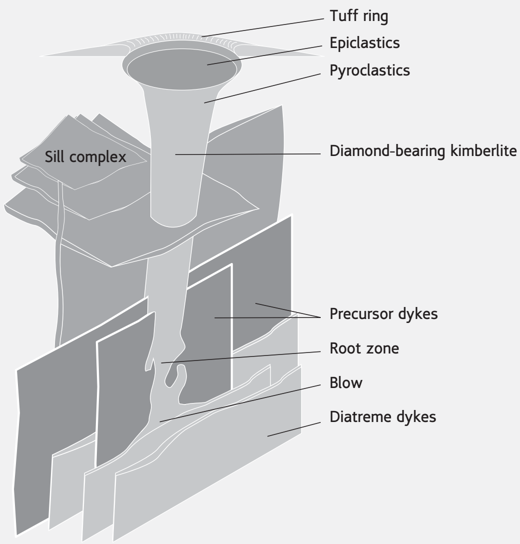


Operations diagram

A typical kimberlite diamond extraction site

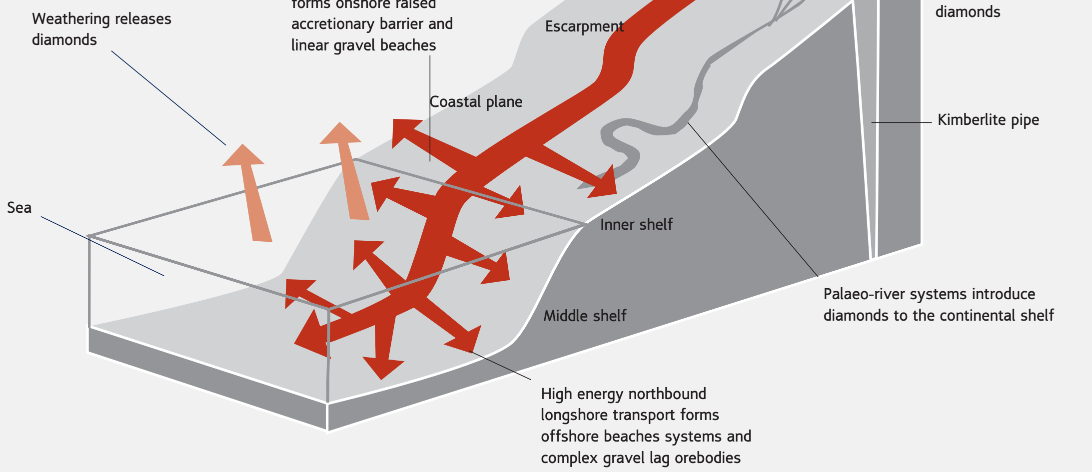


A kimberlite system

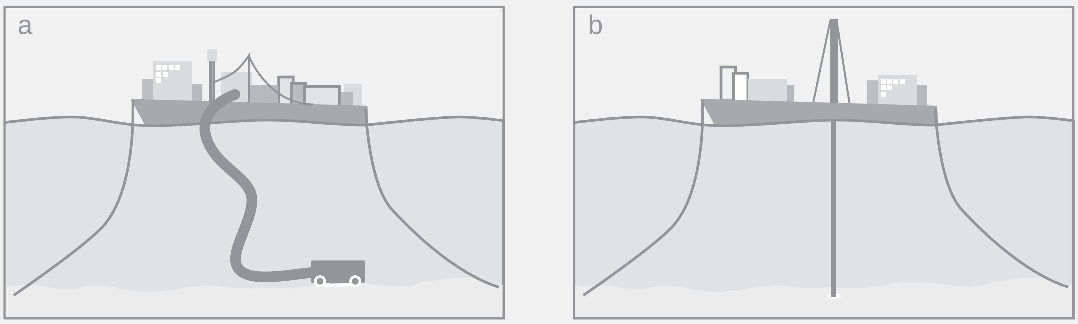


West coast placer diamond deposits

On the west coast of Africa kimberlite pipes inland from the present day shoreline have been subject to erosion. As a result, diamonds have been placed by drainage water and offshore currents in alluvial and seabed locations.



Recovery of offshore diamonds



Offshore vessels operating in two modes recover diamonds.

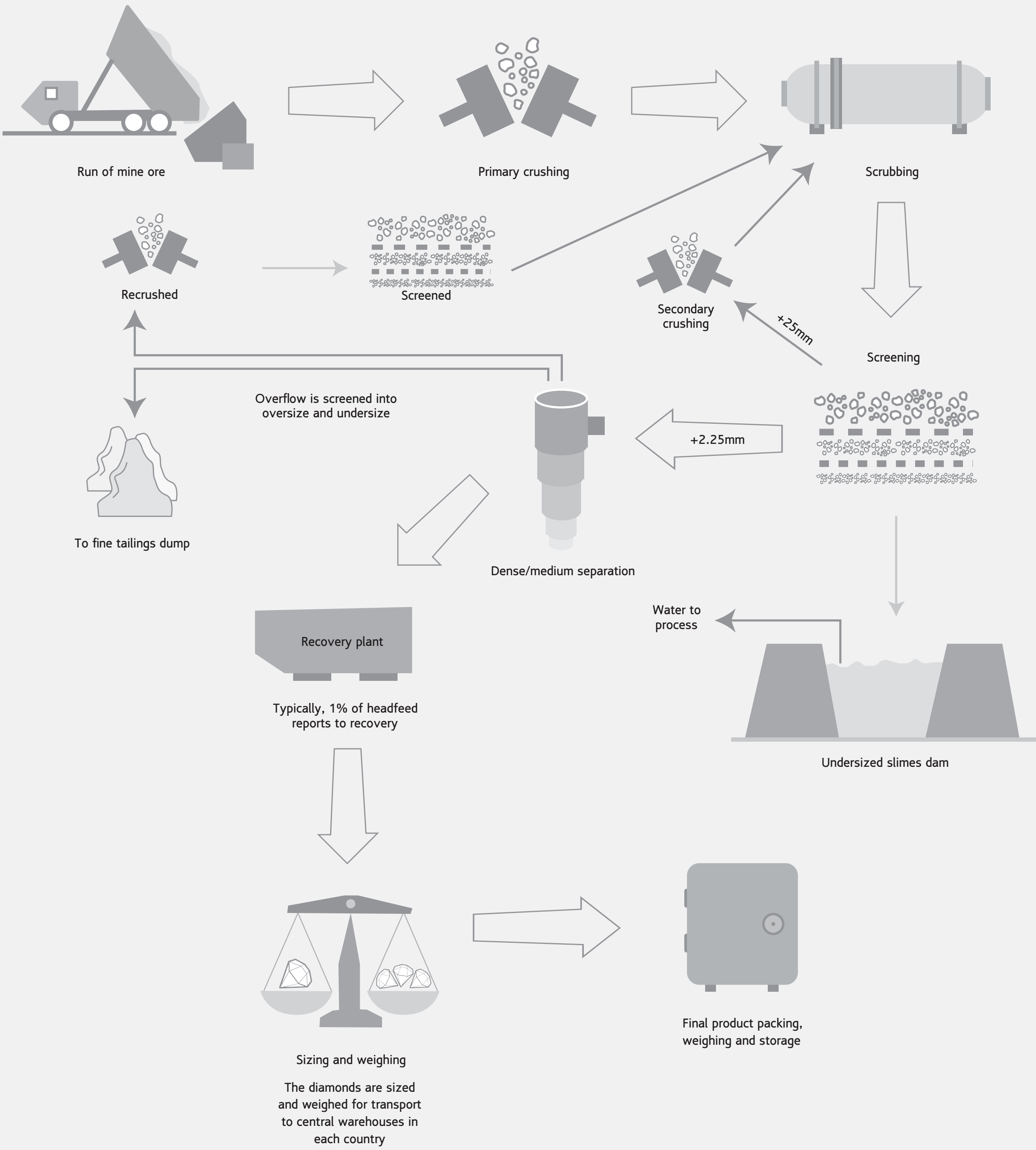
a Diamondiferous seabed surface material is drawn up from a mobile vacuum vehicle.

b Deeper-lying diamondiferous material is drawn up through a drill probe from strata below the seabed.

Operations diagram continued

A typical diamond recovery process

The concentration of diamonds in the headfeed ranges from 14ppb from alluvial (placer) deposits to 140ppb in high grade kimberlite.



Focusing on quality assets

Anglo Base Metals comprises copper, nickel, zinc and mineral sands operations and projects in South America, Southern Africa and Ireland.

Base metals

Business overview

Operating profit
2004:
$1,276m

2005:
$1,678m

Anglo Base Metals has interests in 14 operations in six countries which produce copper, nickel, zinc, niobium, titanium dioxide and zircon, together with associated by-products including lead, molybdenum and silver. Anglo Base Metals' copper operations in Chile comprise the wholly owned Los Bronces, El Soldado, Mantos Blancos and Mantoverde mines, the Chagres smelter and a 44% interest in the Collahuasi mine.

Anglo Base Metals also has a 29% interest in Palabora in South Africa. The nickel operations consist of the 91% owned Loma de Níquel operation in Venezuela and the Codemin operation in Brazil. In zinc, the Group has wholly owned operations at Black Mountain in South Africa, Lisheen in Ireland and Skorpion in Namibia. The Base Metals division also manages the Group's 100% interest in Catalão in Brazil, an important niobium producer, and Namakwa Sands in South Africa, which mines heavy mineral sands. ■

Above: Mantos Blancos Copper Mine in Chile

Industry overview

Annual changes in demand for base metals are reasonably well correlated with changes in industrial production. In general, however, the long term trend is for the intensity of use (consumption of metal per unit of industrial production) to decline. With the exception of nickel, the base metals industry is relatively fragmented.

The market shares of the four largest copper, nickel and zinc metal producers are approximately 31%, 49% and 22% respectively. Producers are price takers and there are relatively few opportunities for product differentiation. The industry is highly capital intensive and is likely to become more so in the future as high grade surface deposits are exhausted and deeper and/or lower grade deposits, requiring greater economies of scale in order to be commercially viable, are developed. Real prices of copper, nickel and zinc have declined over the long term, although there have been material and sustained deviations from this trend. The decline in prices over a lengthy period reflects the long term reduction in costs as a result of improvements in technology and lower input costs. Average margins, therefore, have tended to be maintained.

In recent years one of the dominant features has been the increased demand for a range of commodities as China's industrialising economy continued to consume more raw materials. Copper, nickel, zinc (and coal and iron ore) markets all benefited materially and a number of these commodities reached their highest price levels for many years in 2005. ■

Uses of base metals

Copper
The main attributes of copper are electrical conductivity, corrosion resistance and thermal conductivity. Applications making use of copper's electrical conductivity, such as wires, cables and electrical connectors, account for approximately 60% of total demand. Corrosion resistance makes up around 20% of demand, with applications in the construction industry including plumbing pipe and roof sheeting. The metal's thermal conductivity makes it suitable for use in heat transfer applications such as air conditioning and refrigeration. This use makes up 10% of total demand. Remaining applications include structural and aesthetic uses.

Nickel
Nickel usage is dominated by the stainless sector which accounts for around 67% of refined consumption (over 45% of the nickel used in stainless is recycled). Other uses include high corrosion-resistant alloys for use in chemical plants, superalloys that can withstand elevated temperatures and are predominantly used in aviation, high tech electronic uses and chromium plating.

Zinc
Zinc is used predominantly in galvanising and alloys. The electrochemistry of zinc is such that steel coated with zinc (galvanised steel) exhibits high levels of corrosion resistance. This application is responsible for around 55% of total refined demand. Zinc-based alloys in die-casting, ranging from automotive components to toys and models, account for around 14% of refined demand, with copper-based zinc alloys (brass) accounting for 13%. Other uses of metallic zinc include roofing products and dry cell batteries. Chemical and other applications make up the remainder of refined demand (~11%), where it is used in a diverse range of products and applications including tyres, paints, pharmaceuticals and chemical processing.

Mineral sands
Titanium dioxide is the primary product of the mineral sands industry where it is mined in the form of ilmenite and rutile. Over 90% of world titanium dioxide production is used in the manufacture of pigment used in paints, papers and plastics. It is also used for the production of titanium metal, welding rods and titanium-based chemicals. Pig iron is produced as a by-product of the manufacture of titanium dioxide slag. In addition to ilmenite and rutile, most minerals sands deposits contain zircon, which is widely used in the ceramics industry. ■

Above: Skorpion zinc mine in Namibia.

Strategy

Anglo Base Metals' strategy is to find or acquire, develop and operate longlife, low cost mines in a socially and environmentally responsible manner with a strong focus on resource allocation and to make continuous improvements in capital and operating efficiency.

Right: Namakwa Sands mineral sands operation, South Africa – East Mine Conveyor System.

Technological innovation

An entirely new process for extracting zinc from basic ore has been developed and put into commercial operation by Anglo Base Metals at its Skorpion zinc mine in southern Namibia.

The remote Skorpion deposit is made up of an unusual combination of zinc oxide minerals, which do not lend themselves to extraction by conventional technology. For Anglo Base Metals to exploit the deposit's commercial potential, an alternative form of processing had to be found.

New technology was developed, over an eight-year period, in partnership with Reunion Mining (subsequently acquired by Anglo American) and Spain's Técnicas Reunidas. It required the integration of new leaching and neutralisation techniques with a customised solvent extraction purification process.

After pilot plant testing at Anglo American Research Laboratories in Johannesburg, but before completing the final industrial scale facility, Anglo Base Metals built a training and demonstration plant at Skorpion. This not only proved the viability of the process but also provided an opportunity to expose Skorpion's employees to the new technology at an early stage. ■

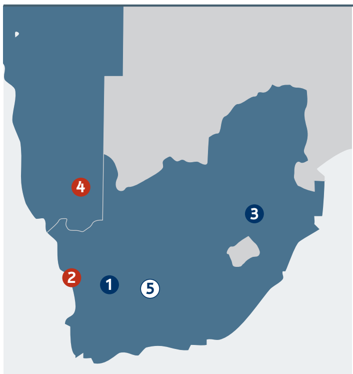
The base metals

1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18
1 H 1.008																	2 He 4.003
3 Li 6.941	4 Be 9.012											5 B 10.81	6 C 12.01	7 N 14.01	8 O 16.00	9 F 19.00	10 Ne 20.18
11 Na 22.99	12 Mg 24.31											13 Al 26.98	14 Si 28.09	15 P 30.97	16 S 32.07	17 Cl 35.45	18 Ar 39.95
19 K 39.10	20 Ca 40.08	21 Sc 44.96	22 Ti 47.88	23 V 50.94	24 Cr 52.00	25 Mn 54.94	26 Fe 55.85	27 Co 58.93	28 Ni 58.69	29 Cu 63.55	30 Zn 65.39	31 Ga 69.72	32 Ge 72.59	33 As 74.92	34 Se 78.96	35 Br 79.90	36 Kr 83.80
37 Rb 85.47	38 Sr 87.62	39 Y 88.91	40 Zr 91.22	41 Nb 92.21	42 Mo 95.94	43 Tc 98.91	44 Ru 101.1	45 Rh 102.9	46 Pd 106.4	47 Ag 107.9	48 Cd 112.4	49 In 114.8	50 Sn 118.7	51 Sb 121.8	52 Te 127.6	53 I 126.9	54 Xe 131.3
55 Cs 132.9	56 Ba 137.3	57 La★ 138.9	72 Hf 178.5	73 Ta 180.9	74 W 183.9	75 Re 186.2	76 Os 190.2	77 Ir 192.2	78 Pt 195.1	79 Au 197.0	80 Hg 200.6	81 Tl 204.4	82 Pb 207.2	83 Bi 209.0	84 Po (210.0)	85 At (210.0)	86 Rn (222.0)
87 Fr (223.0)	88 Ra 226.0	89 Ac• 227.0	104 Rf (261)	105 Db (262)	106 Sg (263)	107 Bh (262)	108 Hs (265)	109 Mt (266)	110 Uun (269)	111 Uuu (272)	112 Uub (277)						

Around the world

Anglo Base Metals' strategy is to focus on low cost, long life assets.

Key
- Underground
- Open Cut
- Other



Southern Africa

1. 100% **Black Mountain** (South Africa)
2. 100% **Namakwa Sands** (South Africa)
3. 29% **Palabora** (South Africa)
4. 100% **Skorpion** (Namibia)
5. 100% **Gamsberg** (South Africa)

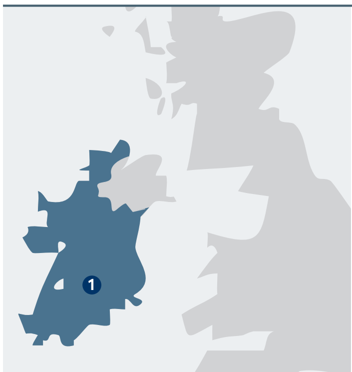
The 100% owned Skorpion zinc mine in Namibia commenced commercial production in May 2004, achieving 95% of design capacity by year end and will produce some 150,000 tonnes of zinc per year at full production. Black Mountain is a wholly owned lead, zinc, copper and silver concentrate operation located in South Africa. Namakwa Sands is a wholly owned mineral sands operation producing titanium dioxide slag, zircon, rutile and pig iron in South Africa. Anglo American also has a 29% interest in the Palabora copper mine in South Africa.

South America

1. 100% **Barro Alto Project** (Brazil)
2. 100% **Catalão** (Brazil)
3. 100% **Codemin** (Brazil)
4. 44% **Collahuasi** (Chile)
5. 100% **Los Bronces** (Chile)
5. 100% **El Soldado** (Chile)
5. 100% **Chagres** (Chile)
6. 100% **Mantos Blancos** (Chile)
7. 100% **Mantoverde** (Chile)
8. 80% **Quellaveco Project** (Peru)
9. 91% **Loma de Níquel** (Venezuela)

In Chile, Anglo American holds a 44% joint venture interest in the Collahuasi copper mine and has a 100% interest in Los Bronces, El Soldado, Mantos Blancos and Mantoverde copper mines and the Chagres smelter. In Brazil, Anglo American owns the ferronickel producer, Codemin, and the ferroniobium producer, Catalão, and in Venezuela, the 91% owned Loma de Níquel ferronickel operation.

In addition, Anglo American has an 80% interest in the Quellaveco copper project in Peru and 100% of the Barro Alto nickel project in Brazil (feasibility study to be completed in 2006).



Ireland

1. 100% Lisheen

The wholly owned Lisheen zinc/lead mine in central Ireland, produces some 150,000 tonnes of zinc in concentrate per year.

Through history

1999

Anglo Base Metals is formed from the merger of Anglo American and Minorco's worldwide base metal operations.

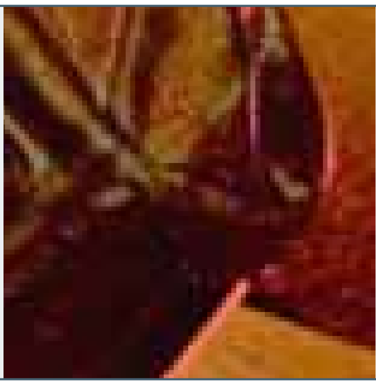
1999

Reunion Mining plc is acquired, taking Anglo American's interest in the Skorpion zinc project in Namibia to 100%.

2001

Following a major strategic review, the decision is taken to focus on fewer, larger, lower-cost operations.

Anglo Base Metals sells its interest in Anaconda, KCM, Tati, BCL, Kolwezi, Salobo and Bindura, and more recently, Nkomati.



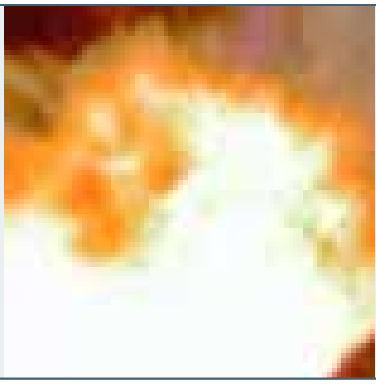
2002

The Lisheen zinc mine in Ireland achieves full production.

Anglo Base Metals acquires the Disputada copper operation in Chile from Exxon Mobil in November 2002.

2003

Loma de Niquel in Venezuela ramps up to full production.

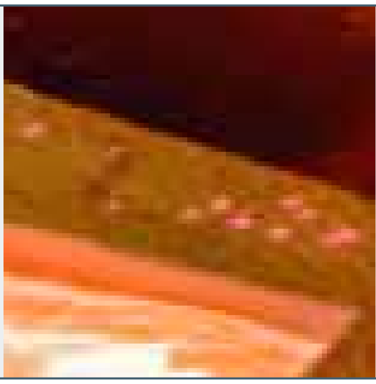


2003

The Skorpion zinc mine in Namibia produces first metal.

2004

Hudson Bay sold.



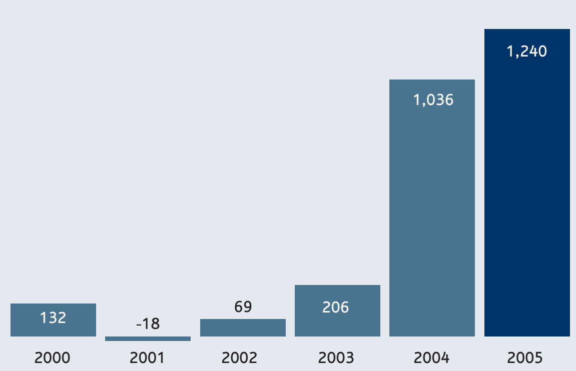
2005

Moly plant at Collahuasi commissioned.

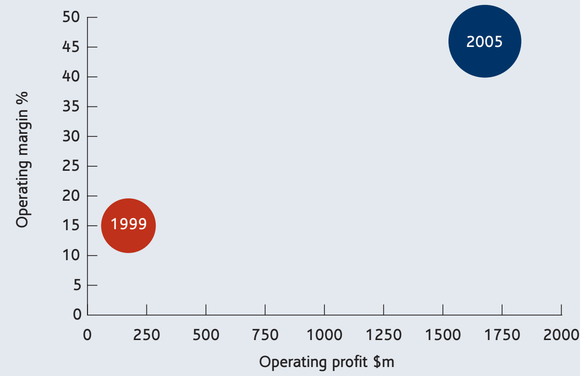
Chagres expansion completed.

Financial highlights

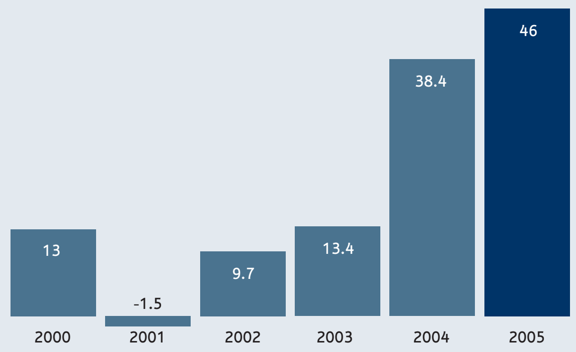
Six-year underlying earnings
$m



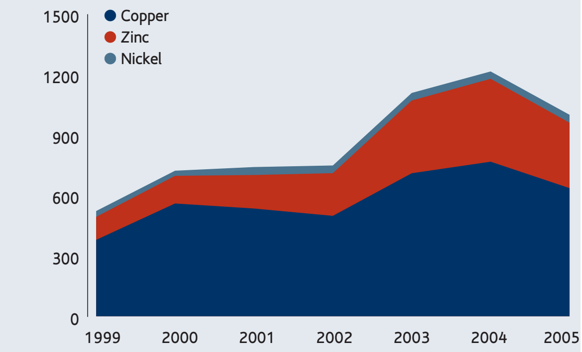
Scale and profitability growth
Bubble size represents combined Cu,Ni,Zn production tonnage



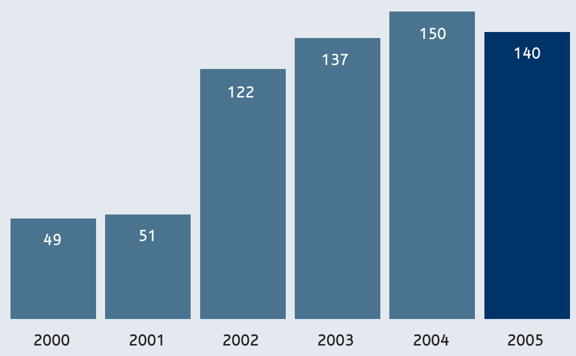
Operating margin
%



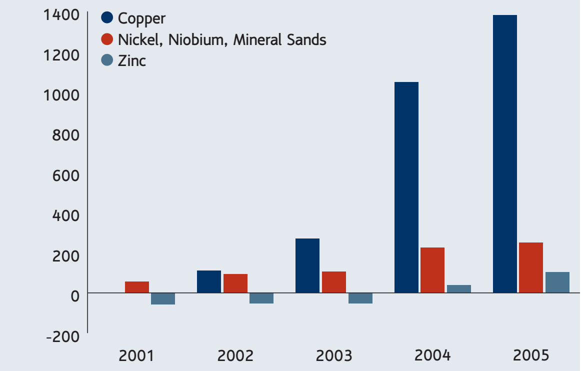
Production



Production per employee
tonnes metal



Operating profit by commodity
$m



Financial highlights continued

Financial data

Turnover	2005	2004	2003	2002	2001	2000
Subsidiaries	**3,647**	2,612	1,720	907	1,077	1,015
Joint Ventures	–	620	346	413	388	398
Associates	–	88	60	58	65	90
Total turnover	**3,647**	**3,320**	**2,126**	**1,378**	**1,530**	**1,503**
EBITDA	**1,990**	**1,625**	**569**	**330**	**183**	
Depreciation and amortisation	**312**	**349**	**221**	**125**	**131**	**119**
Operating profit before special items and remeasurements	**1,678**	**1,276**	**286**	**133**	**(23)**	**196**
Operating special items and remeasurements	**(11)**	**(237)**	**(208)**	**(51)**	**(488)**	**(237)**
Operating profit after special items and remeasurements	**1,667**	**1,039**	**78**	**82**	**(510)**	**(41)**
Net interest, tax and minority interests	**(438)**	**(240)**	**(81)**	**(65)**	**3**	**(16)**
Underlying earnings						
Copper	**983**	855	216	80	25	–
Nickel, Niobium, Mineral Sands	**202**	177	76	54	54	–
Zinc	**100**	37	(65)	(66)	(77)	–
Other	**(45)**	(33)	(21)	1	(20)	–
Total underlying earnings	**1,240**	**1,036**	**206**	**69**	**(18)**	**132**
Net segment assets	**4,785**	**4,952**	**4,087**	**3,617**	**1,977**	**2,102**
Capital expenditure	**271**	**367**	**352**	**346**	**446**	**410**

Production data

Copper

tonnes	2005	2004	2003	2002	2001	2000
Collahuasi	187,900	211,600	173,700	190,700	199,200	191,900
Minera Sur Andes – Los Bronces mine	227,300	231,600	207,800	29,000	–	–
Minera Sur Andes – El Soldado mine	66,500	68,800	70,500	10,000	–	–
Minera Sur Andes – Chagres Smelter						
Copper blister/anodes	138,100	165,000	160,100	21,900	–	–
Acid	371,900	440,500	436,700	66,400	–	–
Mantos Blancos – Mantos Blancos mine	87,700	94,900	86,900	96,200	101,200	–
Mantos Blancos – Mantoverde mine	62,000	60,100	60,200	57,300	55,600	–
Mantos Blancos – Total	149,700	155,000	147,100	153,500	156,800	155,300
Other	–	19,400	21,900	25,600	33,100	33,500
Total	**1,291,100**	**1,446,900**	**1,364,900**	**650,600**	**545,900**	**380,700**

Nickel

tonnes	2005	2004	2003	2002	2001	2000
Codemin	9,600	6,500	6,400	6,000	5,800	6,300
Loma de Niquel	16,900	17,400	17,200	15,500	9,700	
Other	–	100	1,300	4,100	–	4,700
Total	**26,500**	**24,000**	**24,900**	**25,600**	**15,000**	**11,000**

Niobium

tonnes	2005	2004	2003	2002	2001	2000
Catalão	4,000	3,500	3,300	3,300	3,400	

Mineral Sands

tonnes	2005	2004	2003	2002	2001	2000
Namakwa Sands						
Slag tapped	164,400	169,300	165,800	162,700	150,000	–
Iron tapped	105,400	105,900	105,900	103,000	93,000	–
Zircon	128,600	119,100	93,300	112,400	114,100	106,800
Rutile	29,100	23,700	20,400	26,000	27,100	23,200
Ilmenite	316,100	320,600	314,600	315,900	–	

Zinc and Lead

tonnes	2005	2004	2003	2002	2001	2000
Black Mountain						
Zinc in concentrate	32,100	28,200	25,900	27,600	24,300	27,100
Lead in concentrate	42,200	37,500	39,600	45,300	45,800	68,100
Copper in concentrate	3,200	5,200	4,700	5,400	5,400	–
Hudson Bay						
Copper	–	74,300	83,100	83,400	79,500	53,200
Zinc	–	107,000	117,900	108,100	88,400	98,900
Gold (ozs)	–	73,400	57,500	59,300	69,200	–
Silver (ozs)	–	1,020,900	1,032,800	1,234,200	1,213,200	–
Lisheen						
Zinc in concentrate	159,300	156,300	169,300	151,500	105,800	32,200
Lead in concentrate	20,800	17,200	20,800	22,000	16,900	10,700
Scorpion						
Zinc	132,800	119,200	47,400	–	–	–
Total zinc	**324,200**	**410,700**	**360,500**	**287,200**	**218,500**	**158,200**

Reserves and resources data

The Ore Reserve and Mineral Resource estimates were compiled in accordance with the Australasian Code for Reporting of Mineral Resources and Ore Reserves (The JORC Code, 2004) as a minimum standard. Where relevant, the estimates were also prepared in compliance with regional codes and requirements (e.g. The South African Code for Reporting of Mineral Resources and Mineral Reserves, The SAMREC Code, 2000). The Mineral Resources are additional to the Ore Reserves. The figures reported represent 100% of the Ore Reserves and Mineral Resources, the percentage attributable to Anglo American plc is stated separately.

Copper Division – Ore Reserves

	Attributable		Tonnes million		Grade %Cu		Contained metal thousand tonnes	
	%	Classification	2005	2004	2005	2004	2005	2004
Los Bronces (OP)	100							
Sulphide (TCu)[1] Flotation		Proved	**588.1**	638.0	**0.93**	0.92	**5,469**	5,839
		Probable	**194.8**	77.7	**0.75**	0.68	**1,461**	532
		Total	782.9	**715.7**	0.89	**0.89**	6,930	**6,371**
Sulphide (TCu) Dump Leach		Proved	**569.9**	480.9	**0.42**	0.47	**2,394**	2,261
		Probable	**567.0**	656.7	**0.34**	0.33	**1,928**	2,142
		Total	1,136.9	**1,137.6**	0.38	**0.39**	4,321	**4,403**
El Soldado (OP and UG)	100							
Sulphide (TCu) Flotation		Proved	**77.1**	76.8	**1.04**	1.06	**802**	815
		Probable	**62.2**	65.7	**0.86**	0.89	**535**	584
		Total	139.3	**142.5**	0.96	**0.98**	1,337	**1,398**
Mantos Blancos (OP)	100							
Sulphide (ICu)[2] Flotation		Proved	**3.1**	9.2	**1.47**	0.68	**46**	62
		Probable	**17.4**	17.1	**0.94**	1.21	**164**	207
		Total	20.5	**26.3**	1.02	**1.02**	209	**269**
Oxide (ASCu) Vat Leach		Proved	**0.9**	9.4	**0.98**	0.67	**9**	63
		Probable	**17.1**	10.2	**0.77**	0.97	**132**	99
		Total	18.0	**19.6**	0.78	**0.82**	140	**162**
Oxide (ASCu) Dump Leach		Proved	**0.3**	2.5	**0.30**	0.40	**1**	10
		Probable	**7.3**	3.2	**0.32**	0.40	**23**	13
		Total	7.6	**5.7**	0.32	**0.40**	24	**23**
Mantoverde (OP)	100							
Oxide (ASCu)[3] Heap Leach		Proved	**56.2**	51.8	**0.63**	0.63	**354**	326
		Probable	**9.9**	28.6	**0.55**	0.65	**54**	186
		Total	66.1	**80.4**	0.62	**0.64**	409	**512**
Oxide (ASCu)[4] Dump Leach		Proved	**35.2**	25.7	**0.37**	0.29	**130**	75
		Probable	**11.9**	21.3	**0.38**	0.29	**45**	62
		Total	47.1	**47.0**	0.37	**0.29**	175	**136**
Collahuasi (OP)[5]	44							
Oxide and Mixed (TCu) Heap Leach		Proved	**16.0**	27.9	**1.06**	1.01	**170**	282
		Probable	**19.2**	12.3	**1.01**	1.24	**194**	153
		Total	35.2	**40.2**	1.03	**1.08**	364	**435**
Sulphide (TCu)[6] Flotation – direct feed		Proved	**229.3**	282.6	**1.10**	1.09	**2,525**	3,088
		Probable	**1,154.3**	1,151.0	**0.97**	0.97	**11,248**	11,211
		Total	1,383.6	**1,433.6**	1.00	**1.00**	13,773	**14,299**
Low Grade Sulphide (TCu) Flotation – stockpile		Proved	–	–	–	–	–	–
		Probable	**385.3**	375.8	**0.53**	0.53	**2,027**	1,974
		Total	385.3	**375.8**	0.53	**0.53**	2,027	**1,974**

Rounding of figures may cause computational discrepancies.
Mining method: UG = Underground, OP = Open Pit.
TCu = total copper, ICu = insoluble copper (total copper less acid soluble copper), ASCu = acid soluble copper.
Footnote references are explained on the opposite page.

Copper Division – Mineral Resources

	Attributable %	Classification	Tonnes million 2005	Tonnes million 2004	Grade %Cu 2005	Grade %Cu 2004	Contained metal thousand tonnes 2005	Contained metal thousand tonnes 2004
Los Bronces (OP)	100							
Sulphide (TCu)[7] Flotation		Measured	54.0	451.5	0.57	0.60	308	2,721
		Indicated	542.1	619.4	0.50	0.51	2,711	3,161
		Measured and Indicated	596.1	**1,070.9**	0.51	**0.55**	3,018	**5,882**
		Inferred in Mine Plan	21.6	–	0.64	–	138	–
Sulphide (TCu) Dump Leach		Measured	–	–	–	–	–	–
		Indicated	–	–	–	–	–	–
		Measured and Indicated						
		Inferred in Mine Plan	112.3		0.31		347	
El Soldado (OP and UG)	100							
Sulphide (TCu) Flotation		Measured	54.8	34.3	0.82	0.82	449	281
		Indicated	37.8	54.4	0.75	0.73	284	397
		Measured and Indicated	92.6	**88.7**	0.79	**0.76**	733	**678**
		Inferred in Mine Plan	39.9		0.72		287	
Mantos Blancos (OP)	100							
Sulphide (ICu) Flotation		Measured	18.6	5.6	0.85	0.84	158	47
		Indicated	92.7	90.8	0.77	0.81	714	735
		Measured and Indicated	111.3	**96.4**	0.78	**0.81**	872	**782**
		Inferred in Mine Plan	1.3		1.12		15	
Oxide (ASCu) Vat Leach		Measured	1.0	1.5	0.62	0.49	6	7
		Indicated	10.3	9.3	0.61	0.57	63	53
		Measured and Indicated	11.3	**10.8**	0.61	**0.56**	69	**60**
		Inferred in Mine Plan	0.8		0.65		5	
Oxide (ASCu) Dump Leach		Measured	–	–	–	–	–	–
		Indicated	–	–	–	–	–	–
		Measured and Indicated						
		Inferred in Mine Plan	0.7		0.29		2	
Mantoverde (OP)	100							
Oxide (ASCu) Heap Leach		Measured	47.8	34.6	0.42	0.45	201	156
		Indicated	48.2	73.6	0.38	0.38	183	280
		Measured and Indicated	96.0	**108.2**	0.40	**0.40**	384	**435**
		Inferred in Mine Plan	–		–		–	
Oxide (ASCu) Dump Leach		Measured	1.2	1.1	0.32	0.32	4	4
		Indicated	1.5	0.3	0.30	0.35	5	1
		Measured and Indicated	2.7	**1.4**	0.31	**0.33**	8	**5**
		Inferred in Mine Plan	–		–		–	
Collahuasi (OP)[5]	44							
Oxide and Mixed (TCu) Heap Leach		Measured	0.1	0.1	0.97	0.97	1	1
		Indicated	1.8	1.8	1.09	1.09	20	20
		Measured and Indicated	1.9	**1.9**	1.09	**1.09**	20	**20**
		Inferred in Mine Plan	0.5		0.74		4	
Sulphide (TCu) Flotation – direct feed		Measured	12.3	12.3	0.86	0.86	106	107
		Indicated	189.1	189.1	0.89	0.88	1,680	1,671
		Measured and Indicated	201.5	**201.5**	0.89	**0.88**	1,785	**1,777**
		Inferred in Mine Plan	202.2		0.93		1,878	
Low Grade Sulphide (TCu) Flotation – stockpile		Measured	36.3	38.4	0.45	0.45	162	173
		Indicated	238.8	239.1	0.46	0.46	1,110	1,111
		Measured and Indicated	275.0	**277.5**	0.46	**0.46**	1,272	**1,283**
		Inferred in Mine Plan	106.9		0.48		510	

Rounding of figures may cause computational discrepancies.
Mining method: UG = Underground, OP = Open Pit.

TCu = total copper, ICu = insoluble copper (total copper less acid soluble copper), ASCu = acid soluble copper.

(1) **Los Bronces Sulphide (Flotation):** Reserve metal gains result from conversion of resources to reserves based on new drilling information.
(2) **Mantos Blancos (Sulphide Flotation):** Reserve metal loss due to transfer to vat leach process.
(3) **Mantoverde (Oxide Heap Leach):** Ore loss due mainly to change in pit design in order to optimise waste stripping.
(4) **Mantoverde (Oxide Dump Leach):** Metal gain results from relatively high carbonate-content material, previously considered waste, now being amenable for the dump leach process.
(5) **Collahuasi:** In the 2004 Annual Report, only the attributable tonnage was stated.
(6) **Collahuasi Sulphide (Flotation):** Metal decrease due to mining depletion and transfer of ore to low grade sulphide.
(7) **Los Bronces Sulphide (Flotation):** Measured and Indicated Resources have decreased due to conversion to reserves as well as a change in the classification methodology, inherited from the previous owner. The significant movements of material to Inferred resources which are not reported, are expected to be reversed with the current and future infill drilling programmes. Furthermore, although not reported, the total Inferred Resources have increased due to new information from the recent drilling campaign.
The Ore Reserves and Mineral Resources of the following operations were audited during 2005 by third party, independent auditors: El Soldado and Mantoverde.

Nickel Division – Ore Reserves

	Attributable %	Classification	Tonnes million 2005	Tonnes million 2004	Grade %Cu 2005	Grade %Cu 2004	Contained metal thousand tonnes 2005	Contained metal thousand tonnes 2004
Loma de Níquel (OP)	91.4							
Laterite		Proved	12.7	17.4	1.52	1.53	193	266
		Probable	23.3	18.9	1.46	1.43	340	270
		Total	36.0	**36.3**	1.48	**1.48**	533	**536**
Codemin (OP)	100							
Laterite		Proved	3.2	3.2	1.33	1.33	42	42
		Probable	0.5	0.5	1.33	1.33	7	7
		Total	3.7	**3.7**	1.33	**1.33**	49	**49**

Nickel Division – Mineral Resources

	Attributable %	Classification	Tonnes million 2005	Tonnes million 2004	Grade %Cu 2005	Grade %Cu 2004	Contained metal thousand tonnes 2005	Contained metal thousand tonnes 2004
Loma de Níquel (OP)	91.4							
Laterite		Measured	0.8	1.0	1.40	1.42	11	14
		Indicated	4.8	4.5	1.45	1.46	70	66
		Measured and Indicated	5.6	**5.5**	1.44	**1.45**	81	**79**
		Inferred in Mine Plan	–		–		–	
Codemin (OP)	100							
Laterite		Measured	3.4	3.4	1.29	1.29	43	43
		Indicated	3.5	3.5	1.25	1.25	44	44
		Measured and Indicated	6.9	**6.9**	1.27	**1.27**	87	**87**
		Inferred in Mine Plan	–		–		–	

Rounding of figures may cause computational discrepancies.
Mining method: OP = Open Pit.

For the polymetallic deposits, the tonnage figures apply to each metal.

Zinc Division – Ore Reserves

	Attributable %	Classification	Tonnes million 2005	Tonnes million 2004	Grade %Cu 2005	Grade %Cu 2004	Contained metal thousand tonnes 2005	Contained metal thousand tonnes 2004
Black Mountain (UG)	100							
Broken Hill Deeps[1]								
Zinc					%Zn	%Zn		
		Proved	–	0.1	–	3.53	–	5
		Probable	12.8	14.0	3.79	3.68	483	513
		Total	12.8	**14.1**	3.79	**3.68**	483	**519**
Copper					%Cu	%Cu		
		Proved			–	0.42	–	1
		Probable			0.73	0.67	93	94
		Total			0.73	**0.67**	93	**94**
Lead					%Pb	%Pb		
		Proved			–	2.57	–	4
		Probable			3.90	3.66	497	511
		Total			3.90	**3.65**	497	**514**
Swartberg[2]								
Zinc					%Zn	%Zn		
		Proved	–	–	–	–	–	–
		Probable	0.3	2.5	1.79	1.01	5	25
		Total	0.3	**2.5**	1.79	**1.01**	5	**25**
Copper					%Cu	%Cu		
		Proved			–	–	–	–
		Probable			0.13	0.40	0	10
		Total			0.13	**0.40**	0	**10**
Lead					%Pb	%Pb		
		Proved			–	–	–	–
		Probable			4.62	3.50	14	88
		Total			4.62	**3.50**	14	**88**
Lisheen (UG)[3]	100							
Zinc					%Zn	%Zn		
		Proved	6.8	8.6	13.20	12.38	902	1,059
		Probable	3.7	3.4	15.58	9.97	583	341
		Total	10.6	**12.0**	14.04	**11.69**	1,485	**1,399**
Lead					%Pb	%Pb		
		Proved			2.30	2.15	157	184
		Probable			1.92	1.41	72	48
		Total			2.16	**1.94**	229	**232**
Skorpion (OP)[4]	100							
Zinc					%Zn	%Zn		
		Proved	8.4	10.4	12.73	11.37	1,070	1,186
		Probable	6.1	9.3	9.35	9.58	570	887
		Total	14.5	**19.7**	11.31	**10.53**	1,640	**2,073**

Rounding of figures may cause computational discrepancies.
Mining method: UG = Underground, OP = Open Pit.

(1) **Black Mountain (Broken Hill Deeps):** In 2004 Broken Hill and the Deeps orebodies were reported combined. With the shift in mining operations to the Deeps orebody, the Broken Hill Ore Reserves have been closed off and re-allocated to Mineral Resources. Ore Reserves contain 12.8 Mt of silver ore at 54 g/t as a by-product.

(2) **Black Mountain (Swartberg):** Changes to the method for calculating the economic cut-off has led to a decrease in the Swartberg Ore Reserve. Ore Reserves contain 0.3 Mt of silver ore at 81 g/t as a by-product.

(3) **Lisheen:** Improved grades from drilling in the Bog Zone satellite orebody resulted in a net metal increase in the Ore Reserve.

(4) **Skorpion:** New information from infill drilling has resulted in a decrease in reserve tonnes but an increase in grade. Net effect is an overall decrease in contained zinc metal. A portion of the reserve has been reclassified and is reported as Inferred Resource in the mine plan.

Reserves and resources data continued

For the polymetallic deposits, the tonnage figures apply to each metal.

Zinc Division – Mineral Resources

	Attributable %	Classification	Tonnes million 2005	Tonnes million 2004	Grade %Cu 2005	Grade %Cu 2004	Contained metal thousand tonnes 2005	Contained metal thousand tonnes 2004
Black Mountain (UG)	100							
Broken Hill Deeps[5]								
Zinc					%Zn	%Zn		
		Measured	1.7	1.7	2.93	2.90	50	48
		Indicated	4.3	5.1	4.36	4.20	185	213
		Measured and Indicated	6.0	**6.7**	3.95	**3.88**	235	**261**
		Inferred in Mine Plan	–		–		–	
Copper					%Cu	%Cu		
		Measured			0.54	0.61	9	10
		Indicated			0.85	0.83	36	42
		Measured and Indicated			0.76	**0.78**	45	**52**
		Inferred in Mine Plan			–		–	
Lead					%Pb	%Pb		
		Measured			3.80	4.34	65	72
		Indicated			4.30	4.15	183	210
		Measured and Indicated			4.16	**4.20**	248	**282**
		Inferred in Mine Plan			–		–	
Swartberg[6]								
Zinc					%Zn	%Zn		
		Measured	–	–	–	–	–	–
		Indicated	17.2	17.8	0.62	0.66	107	118
		Measured and Indicated	17.2	**17.8**	0.62	**0.66**	107	**118**
		Inferred in Mine Plan	–		–		–	
Copper					%Cu	%Cu		
		Measured			–	–	–	–
		Indicated			0.70	0.69	121	123
		Measured and Indicated			0.70	**0.69**	121	**123**
		Inferred in Mine Plan			–		–	
Lead					%Pb	%Pb		
		Measured			–	–	–	–
		Indicated			2.85	2.90	491	517
		Measured and Indicated			2.85	**2.90**	491	**517**
		Inferred in Mine Plan			–		–	
Lisheen (UG)	100							
Zinc					%Zn	%Zn		
		Measured	1.4	1.1	13.80	13.36	194	148
		Indicated	1.0	0.4	12.11	9.63	122	41
		Measured and Indicated	2.4	**1.5**	13.09	**12.33**	317	**188**
		Inferred in Mine Plan	0.9		16.56		150	
Lead					%Pb	%Pb		
		Measured			2.39	2.38	34	26
		Indicated			1.54	1.43	16	6
		Measured and Indicated			2.04	**2.12**	49	**32**
		Inferred in Mine Plan			2.80		25	
Skorpion (OP)	100							
Zinc					%Zn	%Zn		
		Measured	–					
		Indicated	–					
		Measured and Indicated	–					
		Inferred in Mine Plan	0.3		9.19		31	

Rounding of figures may cause computational discrepancies.
Mining method: UG = Underground, OP = Open Pit.

[5] **Black Mountain (Broken Hill Deeps):** Mineral Resources contain 6.0 Mt of silver ore at 60 g/t as a by-product.
[6] **Black Mountain (Swartberg):** Mineral Resources contain 17.2 Mt of silver ore at 34 g/t as a by-product.

Niobium – Ore Reserves

	Attributable		Tonnes million		Grade %Cu		Contained metal thousand tonnes	
	%	Classification	2005	2004	2005	2004	2005	2004
Catalão (OP)	100							
Niobium					%Nb205	%Nb205		
Carbonatite		Proved	**7.0**	7.0	**1.15**	1.15	**80**	80
		Probable	**7.6**	8.4	**1.45**	1.47	**110**	124
		Total	**14.6**	**15.4**	**1.30**	**1.33**	**189**	**204**

Projects – Ore Reserves

	Attributable		Tonnes million		Grade %Cu		Contained metal thousand tonnes	
	%	Classification	2005	2004	2005	2004	2005	2004
Quellaveco (OP)[(1)]	80							
Copper					%Cu	%Cu		
Sulphide		Proved	**250.1**	250.1	**0.76**	0.76	**1,901**	1,901
Flotation		Probable	**688.3**	688.3	**0.59**	0.59	**4,061**	4,061
		Total	**938.4**	**938.4**	**0.64**	**0.64**	**5,962**	**5,962**
Barro Alto (OP)[(2)]	100							
Nickel					%Ni	%Ni		
Laterite		Proved	**22.6**	22.9	**1.85**	1.85	**418**	424
		Probable	**7.0**	7.3	**1.79**	1.80	**125**	131
		Total	**29.6**	**30.2**	**1.83**	**1.84**	**542**	**555**
Gamsberg (OP)[(3)]	100							
Zinc					%Zn	%Zn		
		Proved	**34.6**	35.0	**7.55**	7.55	**2,613**	2,641
		Probable	**110.3**	110.3	**5.55**	5.55	**6,124**	6,124
		Total	**144.9**	**145.2**	**6.03**	**6.04**	**8,737**	**8,765**

Projects – Mineral Resources

	Attributable		Tonnes million		Grade %Cu		Contained metal thousand tonnes	
	%	Classification	2005	2004	2005	2004	2005	2004
Quellaveco (OP)	80							
Copper					%Cu	%Cu		
Sulphide		Measured	**1.5**	1.5	**0.53**	0.53	**8**	8
Flotation		Indicated	**176.7**	176.7	**0.46**	0.46	**813**	813
		Measured and Indicated	**178.2**	**178.2**	**0.46**	**0.46**	**821**	**821**
Barro Alto (OP)	100							
Nickel					%Ni	%Ni		
Laterite		Measured	**0.8**	0.8	**1.63**	1.63	**13**	13
		Indicated	**21.2**	21.2	**1.36**	1.36	**288**	288
		Measured and Indicated	**22.0**	**22.0**	**1.37**	**1.36**	**301**	**301**

Rounding of figures may cause computational discrepancies.
Mining method: OP = Open Pit.

(1) **Quellaveco:** Based on a feasibility study completed in 2000.
(2) **Barro Alto:** Based on a feasibility study completed in 2002, which is currently being updated.
During 2005 approximately 0.6 Mt at 2.13 %Ni was mined from Barro Alto and processed at the Codemin plant.
(3) **Gamsberg:** Based on a feasibility study completed in 2000. During 2005 approximately 0.2 Mt at 8.41 %Zn of Proved Reserves were mined from Gamsberg via an exploration audit. The mine plan includes an additional 54.2 Mt at 4.10 %Zn of Inferred Mineral Resources.

Reserves and resources data continued

For the multi-product deposits, the tonnage figures apply to each product.

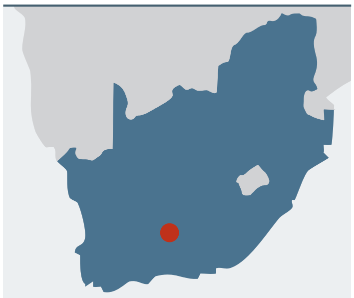
	Attributable %	Classification	Tonnes million 2005	Tonnes million 2004	Grade %Cu 2005	Grade %Cu 2004	Contained metal thousand tonnes 2005	Contained metal thousand tonnes 2004
Namakwa Sands (OP)	100							
Ilmenite					%Ilm	%Ilm		
		Proved	168.3	182.7	4.2	4.2	7.1	7.7
		Probable	168.9	173.3	3.4	3.5	5.8	6.0
		Total	337.2	**356.0**	3.8	**3.9**	12.9	**13.7**
Zircon					%Zir	%Zir		
		Proved			1.1	1.1	1.8	2.0
		Probable			0.8	0.8	1.4	1.4
		Total			0.9	**1.0**	3.2	**3.4**
Rutile					%Rut	%Rut		
		Proved			0.2	0.2	0.4	0.4
		Probable			0.2	0.2	0.3	0.4
		Total			0.2	**0.2**	0.7	**0.8**

	Attributable %	Classification	Tonnes million 2005	Tonnes million 2004	Grade %Cu 2005	Grade %Cu 2004	Contained metal thousand tonnes 2005	Contained metal thousand tonnes 2004
Namakwa Sands (OP)	100							
Ilmenite					%Ilm	%Ilm		
		Measured	177.8	178.3	3.4	3.4	6.0	6.0
		Indicated	106.1	104.2	2.9	2.9	3.0	3.0
		Measured and Indicated	283.9	**282.5**	3.2	**3.2**	9.0	**9.0**
		Inferred in Mine Plan	181.1		2.2		4.0	
Zircon					%Zir	%Zir		
		Measured			0.8	0.8	1.3	1.3
		Indicated			0.8	0.8	0.8	0.8
		Measured and Indicated			0.8	**0.8**	2.1	**2.1**
		Inferred in Mine Plan			0.6		1.0	
Rutile					%Rut	%Rut		
		Measured			0.1	0.2	0.2	0.3
		Indicated			0.2	0.2	0.2	0.2
		Measured and Indicated			0.2	**0.2**	0.4	**0.5**
		Inferred in Mine Plan			0.1		0.3	

Rounding of figures may cause computational discrepancies.
Mining method: OP = Open Pit.

Project pipeline

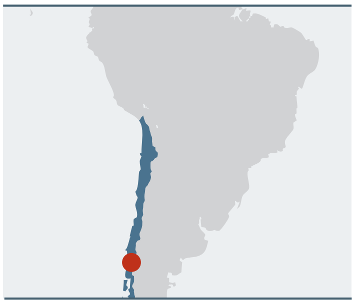
Black Mountain Deeps – South Africa



Date announced:	2001
Ownership:	100%
Incremental production:	maintain current production levels
Production commences:	2004
Full production by:	2006
Full project capex:	$110m

The sinking of both the main and ventilation shafts at Black Mountain are complete and hoisting operations commenced in early 2005. The development of the Deeps mine and the ramping-up of zinc production continued throughout 2005. The final estimated cost of the project is $126 million, against a budget of $110 million, as a result of the strength of the rand.

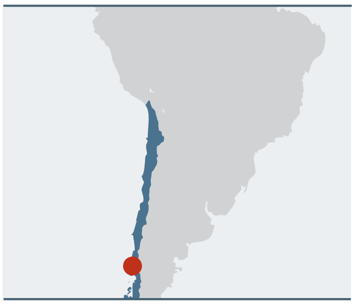
El Soldado – Chile



Date announced:	2004
Ownership:	100%
Incremental production:	maintain current production levels
Full production by:	2008
Full project capex:	$80m

Project commissioned in late 2004 and pre-stripping of the new Filo pit is underway. On target for life of the extension of 20 years.

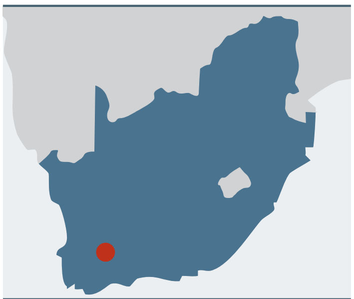
Chagres – Chile



Date announced:	2004
Ownership:	100%
Incremental production:	20-25 Ktpa
Production commences:	2006
Full production by:	2006
Full project capex:	$21m

Incremental expansion to raise smelting capacity to 184,000 tpa of anodes. Completed in 2005.

Gamsberg (on hold) – South Africa



Date announced:	n/a
Ownership:	100%
Incremental production:	300,000 tpa zinc
Production commences:	under review
Full production by:	under review

The Gamsberg zinc deposit in the Northern Cape Province of South Africa is wholly owned by Anglo American. A feasibility study was completed in July 2001 and subsequent discoveries at Gamsberg East are being drilled.

Quellaveco (on hold) – Peru

Date announced:	n/a
Ownership:	80%
Incremental production:	200,000 tpa copper
Production commences:	under review
Full production by:	under review

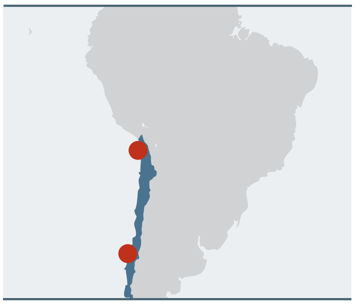
Quellaveco has the potential to produce an average of 200,000 tonnes per annum of copper and significant quantities of molybdenum over a mine life in excess of 25 years. A development decision on the Quellaveco project has not yet been made.

Barro Alto (unapproved) – Brazil

Date announced:	n/a
Ownership:	100%
Incremental production:	n/a
Production commences:	under review
Full production by:	under review

Previous feasibility study is being reviewed and updated, with expected completion in 2006. Subject to a positive outcome and recommendation, Board approval will be requested during 2006.

Collahuasi and Los Bronces Expansions (unapproved) – Chile



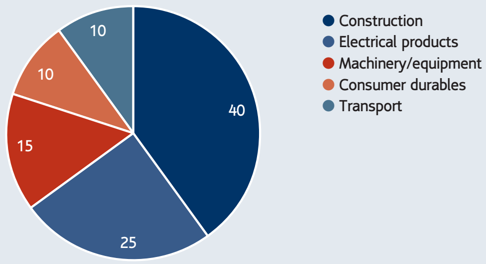
Date announced:	n/a
Ownership:	Collahuasi – 44% Los Bronces – 100%
Incremental production:	n/a
Production commences:	under review
Full production by:	under review

Preliminary studies are being conducted at both operations on potential expansion opportunities. The scope and timing have yet to be determined but the reserve and resource bases, already defined, will be able to support higher production rates over a sustained period.

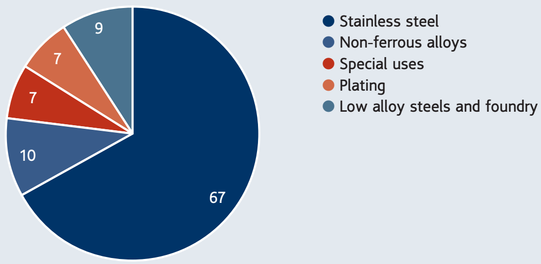
Market information

Estimated end usage
%

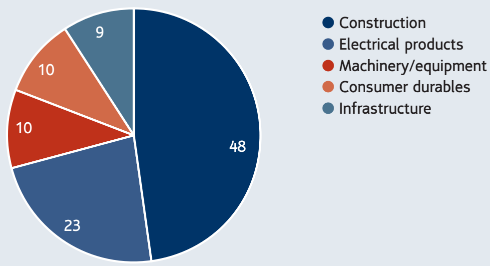
Copper



Nickel

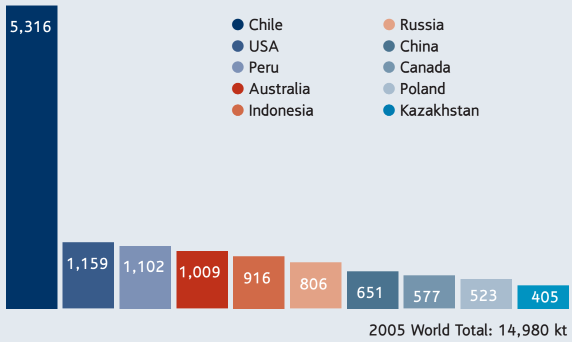


Zinc

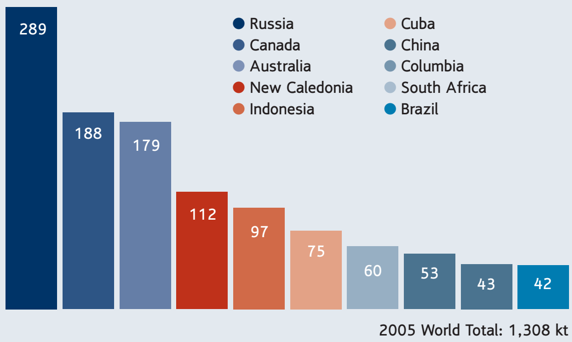


World mine production
by 2005 mine production – '000 tonnes

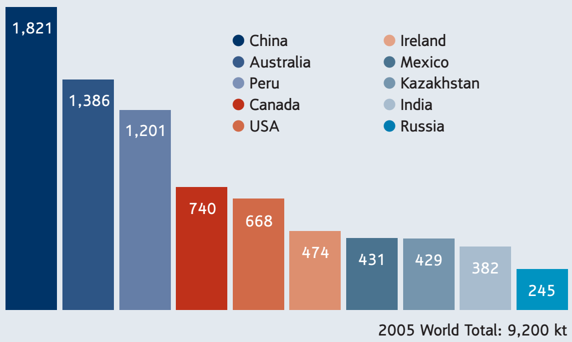
Leading copper mining countries



Leading nickel mining countries

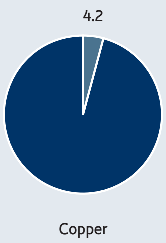


Leading zinc mining countries

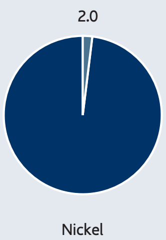


Source: WBMS

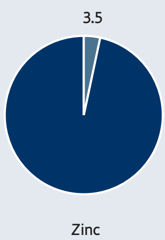
Share of world production 2005
%



2005 Copper production
World total:
14.98mt
Anglo Base Metals total:
634,600t

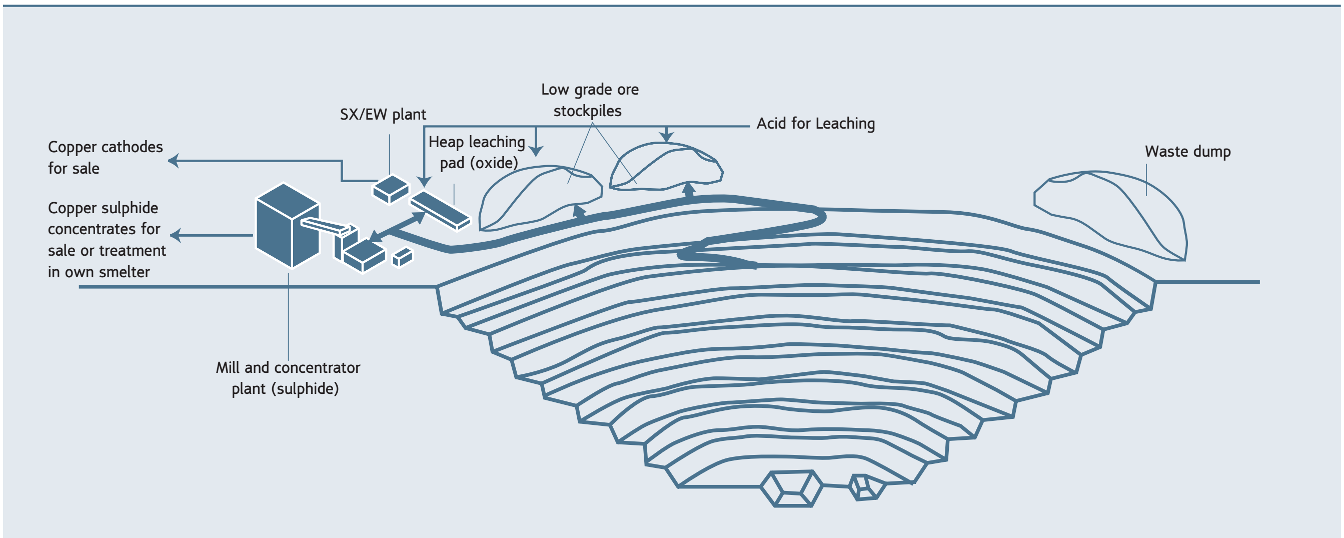


2005 Nickel production
World total:
1.308mt
Anglo Base Metals total:
26,500t

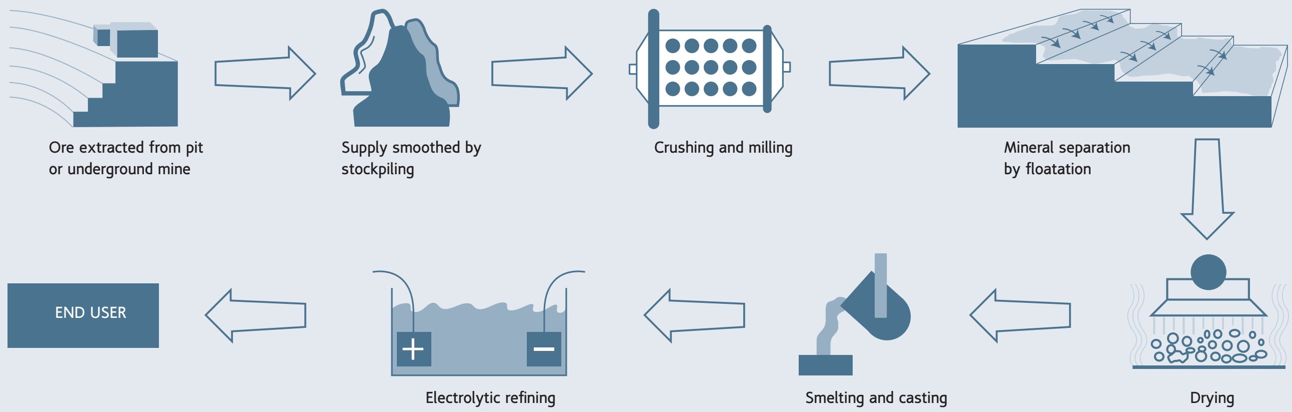


2005 Zinc production
World total:
9.2mt
Anglo Base Metals total:
324,200t

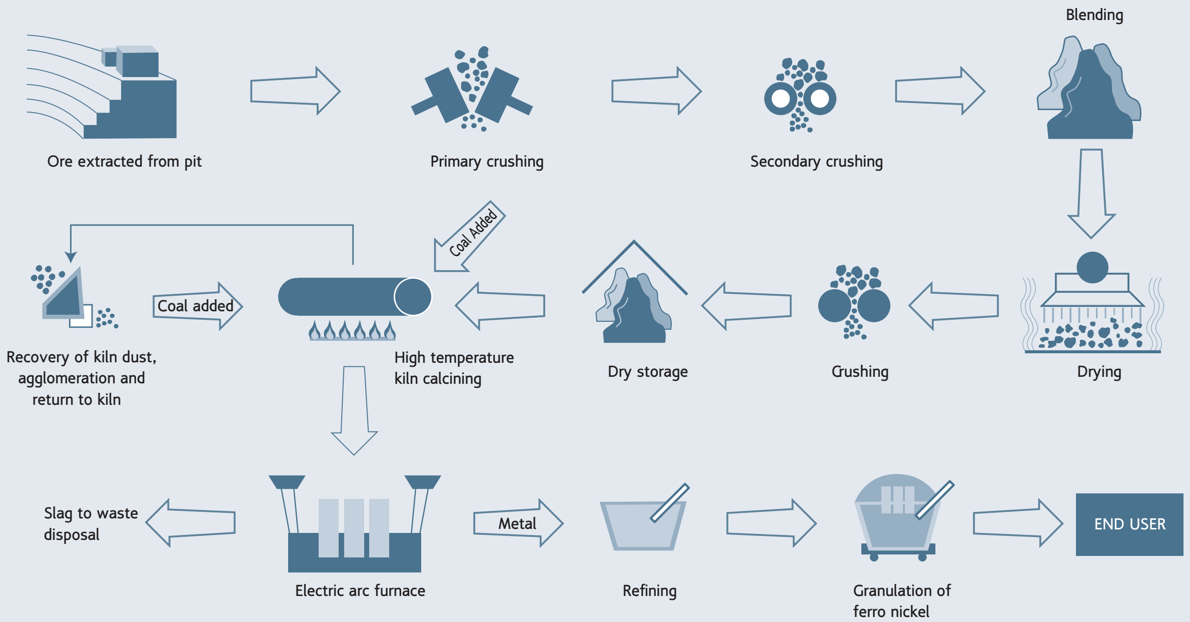
Operations diagram



Typical copper/nickel/zinc process for sulphide ores



Nickel process for ferro nickel production from lateritic ore



One of the world's largest private sector coal producers

Anglo American plc's coal interests are held through its wholly owned Anglo Coal division, one of the world's largest private sector coal producers and exporters. Anglo Coal has mining operations in South Africa, Australia, Colombia and Venezuela. Anglo Coal produces thermal and metallurgical coals for international customers in the Med-Atlantic and Indo-Pacific markets as well as local customers in South Africa and Australia.

Coal

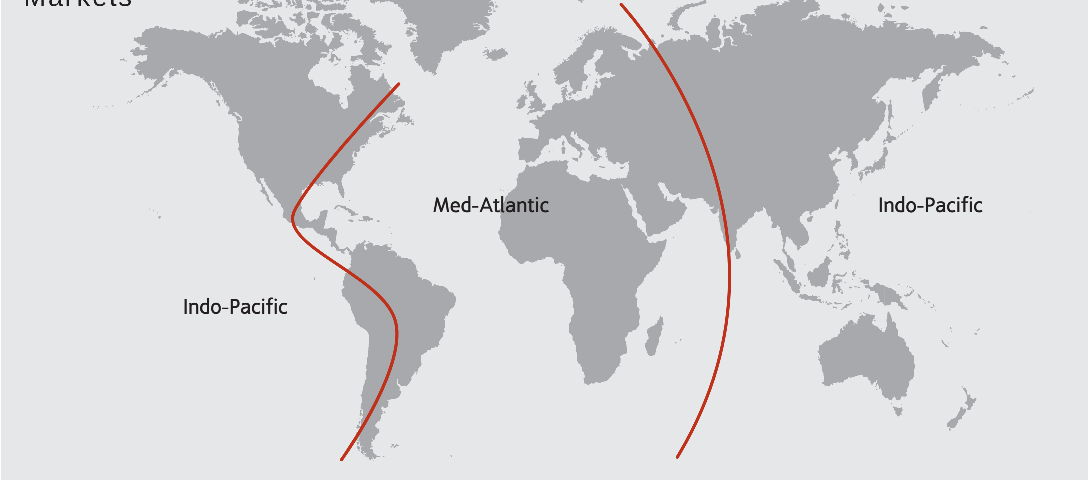
Operating profit
2004:
$497m
2005:
$1,019m

Coal is the most abundant source of fossil fuel energy in the world, considerably exceeding known reserves of oil and gas. The bulk of coal produced worldwide is thermal coal used for power generation where it competes with oil, gas, nuclear and hydro generation. Thermal coal is also supplied as a fuel to other industries such as the cement sector. Metallurgical coal is a key raw material for 70% of the world's steel industry.

Approximately 5 bnt of hard coal is produced globally each year and the majority of this is used in the country of production. A small volume is traded across land borders such as those between the US and Canada or between the former Soviet Union countries. The 'international seaborne coal market' comprises some 0.7 bnt. The thermal coal component in this sector comprises some 0.5 bnt and the metallurgical component some 0.2 bnt. ■

Above: Coal stockpile at a Moura coal mine in Australia.

Markets



International seaborne metallurgical coal market
Metallurgical coal is primarily used in the steel-making industry and includes hard coking coal, semi-soft coking coal and PCI coal.

Supply: Metallurgical coal is produced in a relatively limited number of countries. The chemical composition of the coal is fundamental to the steel producer's raw material mix and product quality. The market for this coal is generally characterised by large volume, longer term, annually-priced contracts.

Demand: Demand in this sector is fundamentally driven by economic, industrial and steel demand growth, but the Med-Atlantic and Indo-Pacific markets have their own particular supply and demand profiles. Price negotiations between Australian suppliers and Japanese steel producers generally, but not always, set the trend that influences settlements throughout the market. Anglo Coal is a significant supplier to virtually all the major steel producing groups in the world.

International seaborne thermal coal market
Thermal coal is primarily used for power generation, although the cement industry is an important secondary source of demand.

Supply: The thermal coal market is supplied by a larger number of countries and producers than the metallurgical coal market, spread across the world. Producer companies vary in size and operate in an intensely competitive market.

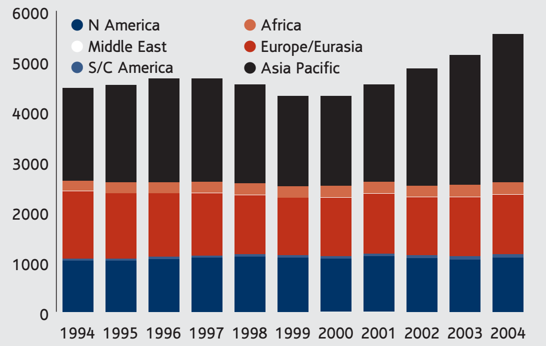
Demand: Demand for thermal coal is driven by demand for electricity, which is a product of economic and industrial growth. Weather, which can influence the availability of hydropower, can also be an important influence. Demand for thermal coal is also affected by the availability and price of competing fuels such as oil and gas, as well as nuclear power. Utility customers have greater flexibility on coal quality than their steel industry counterparts. Driven by the deregulation of the electricity markets, customers focus increasingly on securing the lowest cost fuel supply at any particular point in time. This has resulted in a move away from longer term contracts towards short term contracts, spot pricing, the development of various price indices, hedging and derivative instruments. The proximity of producing countries to markets has a direct bearing on freight costs which are critical in the customer's calculation of the full costs of delivery. Hence, producers in a particular region will tend to be biased toward customers in the same region. However, coal price and freight cost differentials do vary with time and will under certain circumstances permit Med-Atlantic region producers to sell into the Indo-Pacific market (and vice versa). This contributes to maintaining a close link between regional markets.

Anglo Coal exports thermal coal from South Africa, South America and Australia to customers throughout the Med-Atlantic and Indo-Pacific markets.

Domestic markets
The balance of Anglo Coal's production is sold domestically in Australia and South Africa. In South Africa a large portion of domestic sales is made to the domestic power utility, Eskom, on long term (i.e. life of mine), cost-plus contracts. Sales also take place to domestic industrial sector consumers.

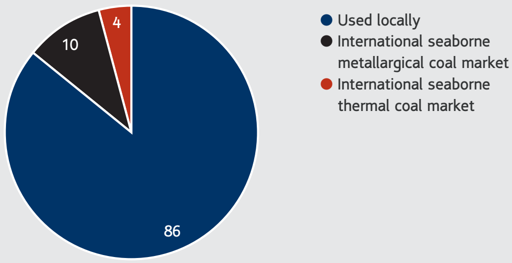
In Australia, domestic sales are predominantly to power utilities under long and shorter term contractual arrangements. ■

World coal production
tonnes millions



Source: BP Statistical Review of World Energy (2005)

Structure of the world hard coal market 2004
%



Source: WCI

Left: Cargo of 201,000 tons being loaded on to the Lauderdale at Richards Bay Coal Terminal, South Africa.

Right: The floating loading facility on Lake Maracaibo. Barges from the port of Santa Cruz bring the coal to the loading facility. Coal from the Paso Diablo mine in Venezuela is loaded here.

In 1996, two years short of a centenary of operations confined to South Africa, Anglo Coal embarked on a globalisation strategy. This was aimed at securing a mix of low cost production in a diverse range of countries and a wider product range, to supply both domestic and international markets. During the years that followed, substantial progress has been made in implementing this strategy. The timing of these initiatives has coincided with the significant rationalisation and restructuring that has been taking place in the global coal industry.

Anglo Coal's strategic initiatives have been expanded to include strategic alliances, such as that concluded with Mitsui in relation to certain aspects of the Australian operations and the examination of development opportunities in emerging regions such as China.

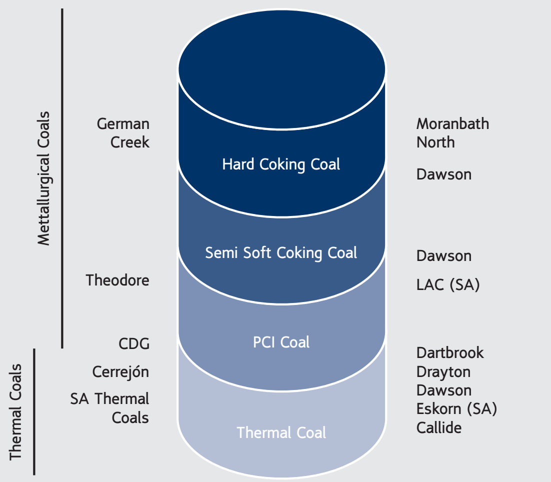
In December 2004, Anglo American and Mitsui announced the approval of the Dawson Complex, which will include the recapitalisation of the existing operation at Moura in central Queensland, Australia, and the establishment of two additional operations on adjacent tenures. In October 2004, Anglo American and Kumba signed Heads of Agreement that could lead to the development of a major coking coal mine in central Queensland. In South Africa, Anglo American approved the establishment of the US$132m (Anglo Share) Mafube Mine, subject to regulatory clearances. The Mafube mine will be a 50:50 Joint Venture with Eyesizwe Coal and will supply coal to Eskom, the local power utility, and to the export market. It is anticipated that the mine will increase thermal coal production by 2.5 Mt in 2008.

Anglo Coal and BHP Billiton are jointly investigating the proposed expansion of coal reserves in the western extremity part of the Witbank Coalfields area in South Africa.

In Colombia, the approved expansion at Cerrejón from 22-28 Mtpa is on schedule and should be achieved by 2007. A further expansion to 32 Mtpa by 2008 was also approved in 2005.

Anglo Coal is a member of the World Coal Institute and in this capacity contributes to promoting the interests and addressing the concerns of the wider coal industry. ■

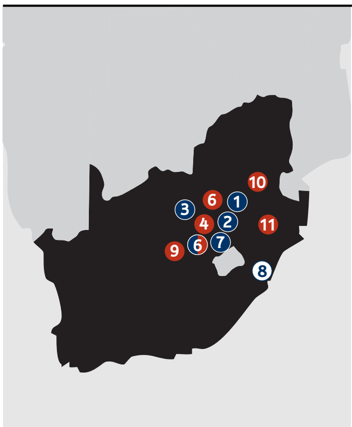
Generic coal types and Anglo Coal products



Around the world

Anglo Coal has strategic presence in areas with significant resources: Australia, South America and South Africa.

Key
Underground
Open Cut
Other



South Africa

		Export/Industrial
1	100%	Bank
2	100%	Goedehoop
3	100%	Greenside
4	100%	Kleinkopje
5	100%	Landau
8	27%	Richards Bay Coal Terminal
		Eskom
6	100%	Kriel
7	100%	New Denmark
9	100%	New Vaal
10	50%	Mafube
11	100%	Isibonelo

Anglo Coal operates five mines in the Witbank Coalfield which supply metallurgical and thermal coals to export and local industrial markets. Five additional mines supply thermal coal domestically of which four mines supply coal to Eskom, the local power utility on a long term cost-plus basis with the exception of Mafube, which is on a fixed price contract. Isibonelo mine supplies coal to Sasol Synfuels, a local synthetic fuels producer on a fixed price contract basis. Anglo Coal has a 27.5% share in the Richards Bay Coal Terminal and an 11% interest in Eyesizwe Coal, a significant Black Economic Empowerment venture undertaken jointly with BHP Billiton.

Export customers are predominantly in the Med-Atlantic markets.

Australia

		Thermal
1	100%	Callide
2	78%	Dartbrook
3	88%	Drayton
4	51%	Dawson Complex
		Metallurgical
5	70%	German Creek
6	23%	Jellinbah East
7	88%	Moranbah North

Anglo Coal Australia operates five mines in Queensland and two in New South Wales. In Queensland, the German Creek, Moranbah North, Dawson and Jellinbah East operations supply hard and semi-soft coking coals and thermal coal (Moura) to export markets. The Callide mine, also in Queensland, supplies coal primarily to local utility customers. In New South Wales, the Dartbrook mine supplies export markets and the Drayton mine, both export and local markets. Anglo Coal Australia's export customers are predominantly located in the Indo-Pacific region.

South America

1	33%	**Cerrejón** (Colombia)
2	25%	**Carbones del Guasare** (Venezuela)

Anglo Coal has a 33% shareholding in the Cerrejón operations in northern Colombia. These form one of the world's largest export thermal coal mining operations and include mine facilities, a railway, port facilities and supporting infrastructure.

In Venezuela, Anglo Coal has a 25% stake in Carbones del Guasare which owns and operates the Paso Diablo mine, across the border from the Cerrejón operations.

Production from Anglo Coal's South American operations is sold predominantly to Med-Atlantic region customers.

Through history

1887

The Vereeniging Estates was formed.

1897

The company was incorporated as Vereeniging Estates Limited (VEL). From this point, it supplied significant volumes of coal to the South African power generation sector and the emergent gold industry.

1940s

1940: Anglo American Corporation of South Africa Limited (AAC) purchased the controlling interest in VEL.
1949: Anglo American acquired a controlling interest in the South African Coal Estates and Springbok mine.

1975

The various Anglo American Group coal interests were merged into VEL and the merged business was then renamed Anglo American Coal Corporation Limited (Amcoal).

1997

Anglo Coal acquired 50% of Carbones del Cerrejón (CdelC) in Colombia and subsequently held 33% of the merged entity comprising CdelC and Oreganal.

1998

Amcoal acquired Gold Fields Coal in South Africa; minority interests in Amcoal are purchased by Anglo American.

1999

Amcoal is delisted from the Johannesburg Stock Exchange, the business is renamed Anglo Coal and becomes a wholly owned division of Anglo American plc which is listed in London and Johannesburg.

2000

Anglo Coal acquired Shell's coal assets in Australia and their 25% share in Carbones del Guasare (CDG) in Venezuela.

2000

A further restructuring of the Colombian coal assets initially left Anglo Coal with 33% of an enlarged venture which subsequently acquired 50% of Cerrejón Zona Norte (CZN) from the Colombian Government.

2002

Anglo Coal acquired a one-third share of the remaining 50% of CZN in Colombia, previously owned by Exxon Mobil. The Moura mine was acquired in Australia, as part of a strategic alliance with Mitsui of Japan.

2004

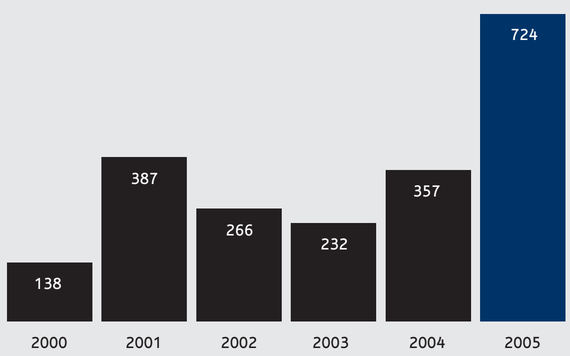
Anglo American and Mitsui announced the approval of the Dawson Complex in Australia.

2005

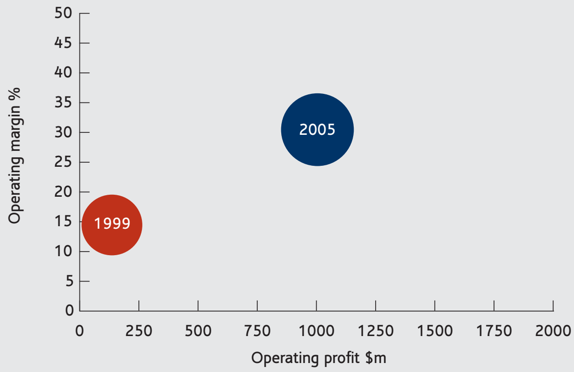
Announcement of Lake Lindsay project.

Financial highlights

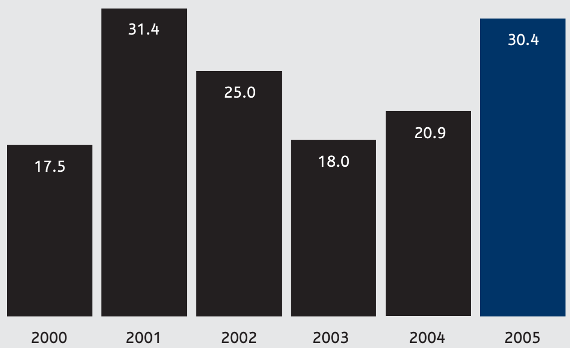
Six-year underlying earnings
$m



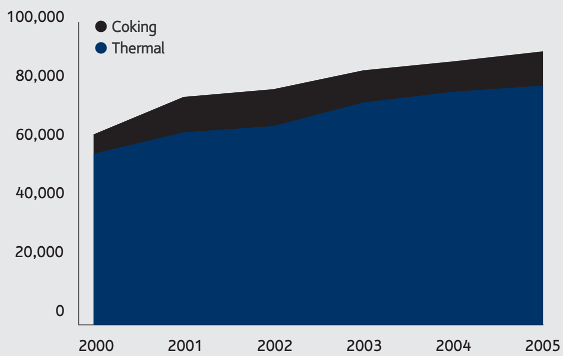
Scale and profitability growth
Bubble size represents production tonnes



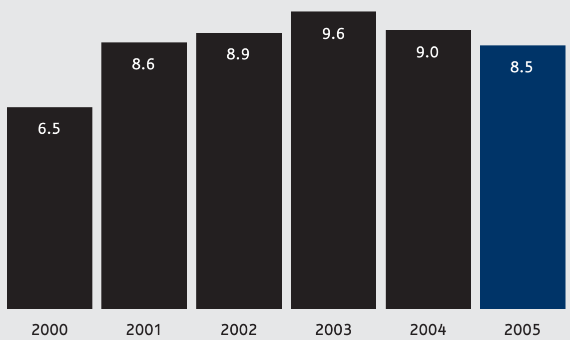
Operating margin
%



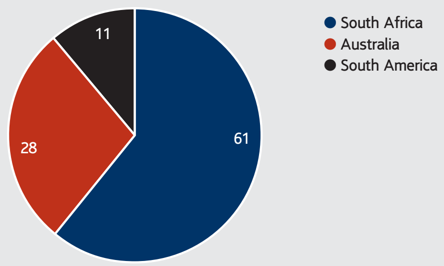
Production growth
tonnes



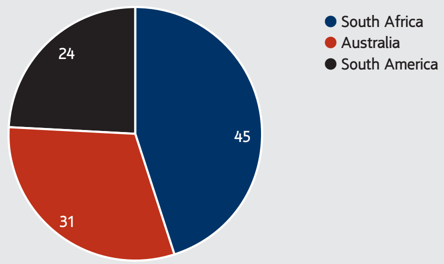
Production per employee
thousand ounces



Production tonnage by region
%



2005 operating profit split by region
%



Financial highlights continued

Financial data

Turnover	2005	2004	2003	2002	2001	2000
Subsidiaries	**2,766**	1,911	1,556	1,463	1,394	889
Joint Ventures	**–**	3	–	–	–	20
Associates	**583**	468	295	247	178	58
Total turnover	**3,349**	**2,382**	**1,851**	**1,710**	**1,572**	**967**
EBITDA	**1,243**	**687**	**505**	**571**	**627**	
Depreciation and amortisation	**224**	**190**	**129**	**111**	**116**	**65**
Operating profit before special items and remeasurements	**1,019**	**497**	**333**	**427**	**493**	**169**
Operating special items and remeasurements	**1**	**–**	**–**	**–**		**–**
Operating profit after special items and remeasurements	**1,020**	**497**	**333**	**427**	**493**	**169**
Net interest, tax and minority interests	**(295)**	**(140)**	**(109)**	**(168)**	**(114)**	**(64)**
Underlying earnings						
South Africa	**329**	163	79	133	228	–
Australia	**221**	78	94	98	123	–
South America	**174**	116	59	35	36	–
Total underlying earnings	**724**	**357**	**232**	**266**	**387**	**138**
Net segment assets	**2,244**	**2,303**	**2,152**	**1,658**	**1,373**	**1,580**
Capital expenditure	**331**	**218**	**207**	**142**	**93**	**45**

Production data
(attributable)

Production (tonnes)	2005	2004	2003	2002	2001	2000
South Africa						
Eskom	**34,327,900**	33,668,300	31,301,000	28,649,000	28,250,000	36,100,000
Trade Thermal	**20,281,100**	18,648,600	18,600,200	15,681,000	15,410,000	19,100,000
Trade Metallurgical	**2,268,800**	2,143,700	1,835,500	3,889,000	3,772,000	
South Africa Total	**56,877,800**	**54,460,600**	**51,736,700**	**48,219,000**	**47,432,000**	**55,200,000**
Australia						
Trade Thermal	**16,710,300**	17,378,800	17,025,400	16,341,000	15,982,000	
Trade Metallurgical	**9,390,300**	8,203,800	9,100,000	8,679,000	8,300,000	
Australia Total	**26,100,600**	**25,582,600**	**26,125,400**	**25,020,000**	**24,282,000**	**8,200,000**
South America						
Trade Thermal	**10,066,000**	9,589,600	8,728,400	6,937,000	5,829,000	1,400,000
Total	**93,044,400**	**89,632,800**	**86,590,500**	**80,176,000**	**77,543,000**	**64,800,000**

	2005	2004	2003
South Africa			
Bank	**3,202,200**	2,733,100	3,225,000
Greenside	**2,730,000**	2,754,800	2,712,400
Goedehoop	**6,298,600**	6,462,100	5,961,500
Isibonelo	**1,358,300**	–	–
Kriel	**12,030,900**	11,059,500	10,984,300
Kleinkopje	**4,483,500**	4,691,600	4,381,100
Landau	**3,682,900**	3,474,100	3,508,000
New Denmark	**4,139,400**	4,975,800	4,316,800
New Vaal	**17,100,000**	17,312,000	16,000,000
Nooitgedacht	**794,400**	676,600	647,600
Mafube	**1,057,600**	321,000	
South Africa Total	**56,877,800**	**54,460,600**	**51,736,700**
Australia			
Callide	**9,500,000**	9,355,300	8,520,600
Drayton	**4,099,000**	4,278,800	4,286,100
Dartbrook	**1,495,500**	2,268,100	2,432,500
German Creek	**3,560,000**	4,047,600	3,802,000
Jellinbah East	**851,100**	925,200	883,600
Moranbah	**3,432,800**	1,125,900	3,158,900
Dawson Complex	**3,162,200**	3,581,700	3,041,700
Australia Total	**26,100,600**	**25,582,600**	**26,125,400**
South America	**–**	**–**	**–**
Carbones Del Guasare	**1,409,700**	1,677,600	1,380,900
Carbones Del Cerrejón	**8,656,300**	7,912,000	7,347,500
South America Total	**10,066,000**	**9,589,600**	**8,728,400**

Reserves and resources data

The Coal Reserve and Coal Resource estimates were compiled in accordance with the Australasian Code for Reporting of Mineral Resources and Ore Reserves (The JORC Code, 2004) as a minimum standard. Where relevant, the estimates were also prepared in compliance with regional codes and requirements (e.g. The South African Code for Reporting of Mineral Resources and Mineral Reserves, The SAMREC Code, 2000). The Coal Resources are additional to those resources which have been modified to produce the Coal Reserves.

The Gas Reserve estimates are compiled in accordance with the Society of Petroleum Engineers and World Petroleum Council guidelines.

Anglo Coal – Coal Reserves[1]

	Reported[2]	Attributable[2]		Tonnes million[3]		Yield[4] %	Heat content[5] (kcal/kg) Gross as received	Tonnes million[3]	
	%	%	Classification	2005	2004	2005	2005	2005	2004
Export Metallurgical				**ROM[1]**	ROM[1]	**SALEABLE[1]**	**SALEABLE[1]**	**SALEABLE[1]**	SALEABLE[1]
Australia			Proved	**381**	285	**77**	**7,290**	**305**	232
			Probable	**252**	206	**70**	**7,110**	**185**	166
	100	67.4	**Total**	**633**	**491**	**74**	**7,220**	**490**	**398**
South Africa			Proved	**5**	3	**62**	**6,540**	**3**	2
			Probable	**3**	6	**64**	**6,450**	**2**	4
	100	100	**Total**	**8**	**9**	**63**	**6,510**	**5**	**6**
Export Thermal									
Australia			Proved	**152**	137	**87**	**6,410**	**134**	119
			Probable	**70**	62	**83**	**6,350**	**59**	51
	100	67.8	**Total**	**222**	**199**	**86**	**6,390**	**193**	**170**
Colombia			Proved	**239**	202	**99**	**6,130**	**241**	204
			Probable	**75**	64	**99**	**6,210**	**76**	64
	33.3	33.3	**Total**	**314**	**266**	**99**	**6,150**	**317**	**268**
South Africa			Proved	**204**	196	**59**	**6,230**	**122**	117
			Probable	**246**	347	**56**	**6,230**	**141**	204
	100	100	**Total**	**450**	**543**	**57**	**6,230**	**263**	**321**
Venezuela			Proved	**39**	37	**100**	**7,030**	**40**	38
			Probable	**–**	–			**–**	–
	24.9	24.9	**Total**	**39**	**37**	**100**	**7,030**	**40**	**38**
Total Export			Proved	**1,020**	859	**81**	**6,660**	**845**	712
			Probable	**646**	685	**70**	**6,580**	**463**	489
			Total	**1,666**	**1,544**	**76**	**6,630**	**1,308**	**1,201**
Domestic Power Generation									
Austria			Proved	**221**	226	**98**	**4,610**	**216**	214
			Probable	**32**	58	**98**	**4,530**	**31**	57
	100	100	**Total**	**253**	**284**	**98**	**4,600**	**247**	**271**
South Africa			Proved	**554**	574	**95**	**4,040**	**538**	533
			Probable	**270**	292	**100**	**5,010**	**270**	292
	99.7	99.7	**Total**	**824**	**866**	**96**	**4,360**	**808**	**825**
Domestic Synfuels									
South Africa			Proved	**106**	104	**100**	**4,820**	**106**	104
			Probable	**–**	7			**–**	7
	100	100	**Total**	**106**	**111**	**100**	**4,820**	**106**	**111**
Total Domestic			Proved	**882**	904	**96**	**4,280**	**860**	852
			Probable	**302**	357	**100**	**4,960**	**301**	355
			Total	**1,184**	**1,261**	**97**	**4,450**	**1,161**	**1,207**
Total Coal Reserves			Proved	**1,902**	1,763	**88**	**5,460**	**1,705**	1,564
			Probable	**948**	1,042	**79**	**5,950**	**764**	845
			Total	**2,850**	**2,805**	**85**	**5,610**	**2,469**	**2,409**

	Reported[2]	Attributable[2]		Energy PJ[6]	Volume Bcf[6]
	%	%	Classification	2005	2005
Coal Bed Methane Gas Reserves				**SALEABLE**	**SALEABLE**
Australia			Proved: 1P	**17**	**16**
			Probable: 2P–1P	**27**	**25**
	100	51.0	Total 2P	**44**	**41**

Rounding of figures may cause computational discrepancies.
Export Metallurgical refers to operations where the main product is coking coal and/or coal for pulverised coal injection (PCI), primarily for the export market.
The weighted average production of coking coal and PCI is 69% and 80% for the Australian and South African metallurgical operations respectively.
Export Thermal refers to operations that primarily produce thermal coal for the export market.
Domestic Power Generation refers to operations that produce coal for, and are typically tied to, power stations.
Domestic Synfuels refers to operations in South Africa that produce coal for supply to Sasol for the production of synthetic fuel and chemicals.
Footnote references are explained on page 78.

	Reported[2] %	Attributable[2] %	Classification	Tonnes[3] million 2005	Tonnes[3] million 2004	Heat content[5] (kcal/kg) Gross as received 2005	Heat content[5] (kcal/kg) Gross as received 2004
Export Metallurgical				MTIS[7]	MTIS[7]	MTIS[7]	MTIS[7]
Australia			Measured	**171**	123	**6,970**	6,870
			Indicated	**170**	144	**6,980**	6,740
	100	71.5	**Measured and Indicated**	**341**	**267**	**6,980**	**6,790**
			Inferred in Mine Plan[8]	**54**		**6,870**	
South Africa			Measured	**9**	9	**6,920**	6,960
			Indicated	**16**	16	**7,080**	7,080
	100	100	**Measured and Indicated**	**25**	**25**	**7,030**	**7,040**
			Inferred in Mine Plan[8]	**–**		**–**	
Export Thermal							
Australia			Measured	**47**	42	**6,420**	5,980
			Indicated	**22**	21	**6,140**	5,160
	100	77.0	**Measured and Indicated**	**69**	**63**	**6,330**	**5,760**
			Inferred in Mine Plan[8]	**6**		**6,540**	
Colombia			Measured	**68**	55	**6,600**	6,580
			Indicated	**280**	220	**6,350**	6,480
	33.3	33.3	**Measured and Indicated**	**348**	**275**	**6,400**	**6,500**
			Inferred in Mine Plan[8]	**1**		**7,420**	
South Africa			Measured	**303**	306	**5,900**	5,840
			Indicated	**191**	249	**6,100**	6,120
	100	100	**Measured and Indicated**	**494**	**555**	**5,970**	**5,960**
			Inferred in Mine Plan[8]	**85**		**5,850**	
Venezuela			Measured	**–**	4	**–**	7,260
			Indicated	**33**	6	**7,590**	7,580
	24.9	24.9	**Measured and Indicated**	**33**	**10**	**7,590**	**7,480**
			Inferred in Mine Plan[8]	**–**		**–**	
Total Export			Measured	**598**	539	**6,340**	6,190
			Indicated	**712**	656	**6,500**	6,380
			Measured and Indicated	**1,310**	**1,195**	**6,430**	**6,300**
			Inferred in Mine Plan[8]	**147**		**6,270**	
Domestic Power Generation							
Australia			Measured	**253**	340	**5,000**	5,010
			Indicated	**354**	300	**4,670**	4,540
	100	100	**Measured and Indicated**	**607**	**640**	**4,810**	**4,790**
			Inferred in Mine Plan[8]	**1**		**3,770**	
South Africa			Measured	**131**	53	**4,200**	5,240
			Indicated	**92**	38	**5,060**	5,090
	96.2	96.2	**Measured and Indicated**	**223**	**91**	**4,560**	**5,170**
			Inferred in Mine Plan[8]	**45**		**5,070**	
Domestic Synfuels							
South Africa			Measured	**–**	2	**–**	4,980
			Indicated	**26**	12	**5,330**	4,970
	100	100	**Measured and Indicated**	**26**	**14**	**5,330**	**4,970**
			Inferred in Mine Plan[8]	**–**		**–**	
Total Domestic							
			Measured	**384**	395	**4,730**	5,040
			Indicated	**472**	350	**4,780**	4,610
			Measured and Indicated	**856**	**745**	**4,760**	**4,840**
			Inferred in Mine Plan[8]	**46**		**5,040**	
Total Additional Coal Resources							
			Measured	**982**	934	**5,710**	5,700
			Indicated	**1,184**	1,006	**5,810**	5,770
			Measured and Indicated	**2,166**	**1,940**	**5,770**	**5,740**
			Inferred in Mine Plan[8]	**192**		**5,960**	

Rounding of figures may cause computational discrepancies.
Additional Coal Resources refers to areas included in the lease areas of Metallurgical, Thermal, Domestic Power Generation or Synfuels Collieries.
Footnote references are explained on page 78.

	Reported[2] %	Attributable[2] %	Classification	Tonnes[3] million 2005	2004	Heat content[5] (kcal/kg) Gross as received 2005	2004
Australia			Measured	**370**	395	**6,310**	6,380
			Indicated	**390**	435	**6,500**	6,510
	100	93.0	**Measured and Indicated**	**760**	**830**	**6,410**	**6,450**
South Africa			Measured	**210**	–	**5,080**	
			Indicated	**2,245**	3,280	**4,430**	4,690
	100	99.0	**Measured and Indicated**	**2,455**	**3,280**	**4,490**	**4,690**
Total Other Coal Resources			Measured	**580**	395	**5,860**	6,380
			Indicated	**2,635**	3,715	**4,740**	4,900
			Measured and Indicated	**3,215**	**4,110**	**4,940**	**5,050**

	Reported[2] %	Attributable[2] %	Classification	Tonnes[3] million 2005	2004	Heat content[5] (kcal/kg) Gross as received 2005	2004
Total Coal Resources			Measured	**1,562**	1,329	**5,770**	5,910
			Indicated	**3,819**	4,721	**5,070**	5,090
			Measured and Indicated	**5,381**	**6,050**	**5,280**	**5,270**
			Inferred in Mine Plan[8]	**192**		**5,970**	

Rounding of figures may cause computational discrepancies.
Other Coal Resources refers to coal resources in Project areas not included in the Additional Coal Resources of Metallurgical, Thermal, Power Generation or Synfuels Collieries.

(1) Coal Reserves are quoted on a Run of Mine (ROM) reserve tonnage basis, which represent the tonnes delivered to the plant, and on a saleable reserve tonnage basis, which represent the product tonnes produced.
(2) Reported (%) and Attributable (%) refers to 2005 only. For the 2004 Reported and Attributable figures, please refer to the previous Annual Report.
(3) Includes 100% of Coal Reserves and Coal Resources of consolidated entities and the Group's share of joint ventures and associates where applicable. Where the Group's share is more than 50%, then 100% of the reserves and resources are reported. The tonnage is quoted as metric tonnes and abbreviated as Mt for million tonnes.
(4) Yield (%) represents the ratio of saleable reserve tonnes to ROM reserve tonnes and is quoted on a constant moisture basis or on an air-dried-to-air-dried basis.
(5) The coal quality for the Coal Reserves is quoted as a weighted average of the heat content of all saleable coal products. The coal quality for the Coal Resources are reported on an in situ heat content basis. Coal quality parameters for the Coal Reserves for Metallurgical and Thermal Collieries meet the contractual specifications for coking coal, PCI, metallurgical coal, steam coal and domestic coal. Coal quality parameters for the Coal Reserves for Power Generation and Synfuels Collieries meet the specifications of the individual supply contracts.
(6) Gas Reserves are reported in terms of volume (Bcf or billions of cubic feet) and energy (Petajoules (PJ), or one thousand trillion Joules) on a saleable gas reserve basis.
(7) Coal Resources are quoted on a mineable tonnage in situ (MTIS) basis in addition to those resources which have been modified to produce the reported Coal Reserves. Coal quality is quoted on a MTIS basis.
(8) Inferred in the Mine Plan refers to Coal Resources that are included in the life of mine schedule of the respective Collieries but which are not reported as Coal Reserves. This represents a change in the reporting from 2004.

Material changes to Run of Mine (ROM) Coal Reserves from 2004 to 2005:

Export Metallurgical – **Australia:** The increase in reserves from 491 Mt to 633 Mt is attributed mainly to the inclusion of additional resources into German Creek Colliery (+60 Mt) and the approval of the Lake Lindsay Project (+98 Mt).

Export Thermal – **Australia:** The increase in reserves from 199 Mt to 222 Mt is due mainly to an increase in reserves at Drayton Colliery (+32 Mt) following the optimisation of the mine layout.

Export Thermal – **Colombia:** The increase in reserves from 266 Mt to 314 Mt is mainly as a result of the approval to expand production and the commensurate change in the mine plan (+38 Mt).

Export Thermal – **South Africa:** The decrease in reserves from 543 Mt to 450 Mt is attributed mainly to the downgrading of certain reserves to inferred resources in the mine plan as a result of insufficient borehole washability coal quality data at Greenside Colliery (-56 Mt) and depletion by mining in 2005 (-30 Mt).

Domestic Power Generation – **South Africa:** The decrease in reserves from 866 Mt to 824 Mt is primarily due to depletion by mining in 2005 (-36 Mt) and due to a transfer of probable reserves to inferred resources within the mine plan at New Denmark Colliery (-34 Mt) that is offset by an increase of reserves at Kriel Colliery (+38 Mt) brought about by a transfer of additional resources to reserves.

Material changes to Additional Coal Resources from 2004 to 2005:

Inferred Coal Resources included in mine plans are defined and reported separately in 2005 as Additional Coal Resources for all operations, and not included in the reserve tabulations, have resulted in a gain of additional resources (+192 Mt).

Export Metallurgical – **Australia:** The increase in resources from 267 Mt to 395 Mt is attributed mainly to the transfer of resources within the mine plan to Additional Coal Resources (+68 Mt) and the inclusion of inferred resources within the mine plan (+7 Mt) at German Creek Colliery. An increase of 17 Mt at Dawson Central and North Collieries is due mainly to the inclusion of inferred resources in the mine plan (+40 Mt) offset by losses (-21 Mt) as a result of igneous sills and seam washouts identified by exploration drilling. Lake Lindsay Other Coal Resources are transferred to Additional Coal Resources (+30 Mt).

Export Thermal – **Colombia:** The increase in additional resources from 275 Mt to 349 Mt is as a result of a change brought about by the revised mine plan associated with the approved production increase.

Export Thermal – **South Africa:** The increase from 555 Mt to 579 Mt is brought about by the transfer of reserves to inferred resources in the mine plan at Greenside Colliery (+85 Mt) offset by a decrease at Goedehoop Colliery (-64 Mt) resulting from the redefinition of selective mining horizons in the Elders Project area.

Export Thermal – **Venezuela:** The increase in attributable additional resources from 10 Mt to 33 Mt is as a result of the discovery of additional resources during exploration drilling.

Domestic Power Generation – **Australia:** The decrease in resources from 640 Mt to 608 Mt is due mainly to the change in economic assumptions at Callide Colliery (-57 Mt).

Domestic Power Generation – **South Africa:** The increase in resources from 91 Mt to 268 Mt is due primarily to the inclusion of inferred resources in the mine plan at New Denmark Colliery (+46 Mt) and the inclusion of Maccauvlei West Project into additional resources at New Vaal Colliery due to additional exploration drilling (+107 Mt).

Material changes to Other Coal Resources from 2004 to 2005:

Australia: The decrease in Other Coal Resources from 830 Mt to 760 Mt is due to the transfer of Lake Lindsay Project other coal resources to reserves and additional resources (-121 Mt), offset by the transfer of inferred resources to measured resources at Saddlers Creek (+57 Mt).

South Africa: The decrease in Other Coal Resources from 3,280 Mt to 2,455 Mt is attributed to:

Elders: +177 Mt due to a change in economic assumptions.

Arnot North / Mafube Macro Project: -212 Mt made up of -93 Mt sold, -86 Mt transferred to inferred resources and relinquishing -35 Mt due to the MPRDA.

Zondagsfontein: -278 Mt due to transfer to inferred resources as a result of an improved definition of resources following a feasibility study.

Coalbrook: a reduction in Other Coal Resources due to relinquishment of the coal resources (-520 Mt) in response to the limitations of the 8 year time frame for development imposed by the MPRDA.

New Largo: the sale of coal to Ingwe (-51 Mt) offset by a change in economic assumptions (+38 Mt).

Other Resources

Monash Energy is investigating the production of liquid fuels from brown coal in the Latrobe Valley, Victoria, Australia. The coal resource and reserve statement will be finalised on completion of a feasibility study. Brown coal resources are estimated at approximately 6,000 Mt at 62% moisture content.

Impact of the Minerals and Petroleum Resources Development Act (MPRDA) on the reporting of Coal Resources and Coal Reserves in South Africa

In preparing the 2005 Coal Reserve and Coal Resource statement, Anglo Coal has adopted the following policy in respect of mineral rights:

Mining Rights: Where applications for Mining Rights have been submitted and these are still being processed, these have been included in the statement. Where applications for Mining Rights have not yet been submitted these have also been included in the statement. The deadline for submission is April 2009.

Prospecting Rights: Where applications for new Prospecting Rights have been initially refused and are still the subject of ongoing review and discussions with the relevant authorities, but Anglo Coal has a reasonable expectation that the rights will be granted in due course, the relevant resources have been included in the statement. These relevant resources exclude coal resources associated with certain Prospecting Rights that Anglo Coal intends to transfer to Black Economic Empowerment Junior Miner companies as part of Anglo Coal South Africa's continued strategy of empowerment. As at 31 December 2005, 1,675 Mt of the reported Other Coal Resources and 91 Mt of reported Additional Coal Resources were subject to applications for new Prospecting Rights, of which applications in respect of 1,463 Mt have initially been refused and are the subject of ongoing review and discussions with the relevant authorities. Consistent with the principles adopted in the reporting of mineral resources in South Africa previously described in the introduction, Anglo Coal currently expects that the outcome of such review and discussions will be favourable.

Audits were carried out in 2005 on the following operations and project areas:

South Africa: New Vaal – Mac West Project and Mafube expansion Project.

Australia: Lake Lindsay Project, Moranbah North, Dartbrook and Drayton.

Project pipeline

Cerrejón – Colombia

Date announced:	2005
Ownership:	33% Anglo Coal
Incremental production (attributable):	1.0 Mtpa
Production commences:	2007
Full production by:	2008
Full project capex:	$43m (Anglo Coal share)

The Cerrejón operation is to be expanded from 28 Mtpa to 32 Mtpa. A feasibility study is underway to investigate a possible expansion beyond 32 Mtpa.

Grasstree (part of the German Creek complex) – Australia

Date announced:	2001
Ownership:	70% Anglo Coal
Incremental production (attributable) :	5.5 Mtpa
Production commences:	2006
Full production by:	2006
Full project capex:	$106m

The Grasstree project is a new high capacity underground mine at German Creek, designed to replace both Central and Southern mines as they are depleted over the next two to three years. The first longwall coal is due to be produced in the third quarter of 2006.

Dawson – Australia

Date announced:	2004
Ownership:	51% Anglo Coal
Incremental production:	2.9 Mtpa
Production commences:	2007
Full production by:	2007
Full project capex:	$426m (Anglo Coal share of JV)

The Dawson project will include the recapitalisation of the existing coal operation at Moura in central Queensland, Australia and the establishment of two additional operations on adjacent tenures. This will increase production of coal by 5.7 Mtpa, over Moura's existing saleable production of 7 Mtpa.

Mafube – South Africa

Date announced	2006
Ownership	50% Anglo Coal
Incremental production (attributable) :	2.2-3.2 Mt
Production commences	2007
Full production by	2008
Full project capex	US$132m (Anglo Coal Share)

Current operations on the already established mini pit mine are carried out by contractors producing 1.2 Mtpa to Eskom. However, the long term optimal mining plan for the Mafube reserves involves a multi product opencast operation producing export thermal coal of 3.0 million tons and a middling coal product to Eskom of 1.2-3.4 Mtpa. The project has a life of 20 years from the date of first production.

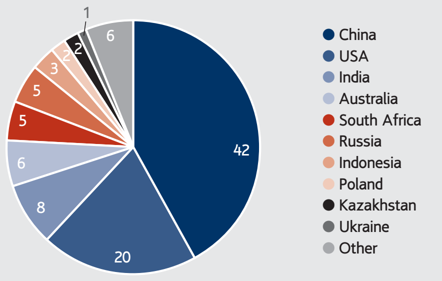
Lake Lindsay (part of the German Creek complex) – Australia

Date announced:	2005
Ownership:	70% Anglo Coal
Incremental production (attributable) :	4.0 Mtpa
Production commences:	2007
Full production by:	2009
Full project capex:	$361m (Anglo Coal share of JV)

The Lake Lindsay project is an open cut operation that will reduce production variability and enhance Anglo Coals' flexibility to respond to market requirements. Lake Lindsay will utilise some of the existing infrastructure and a number of potential 'blue sky' opportunities have been identified. ■

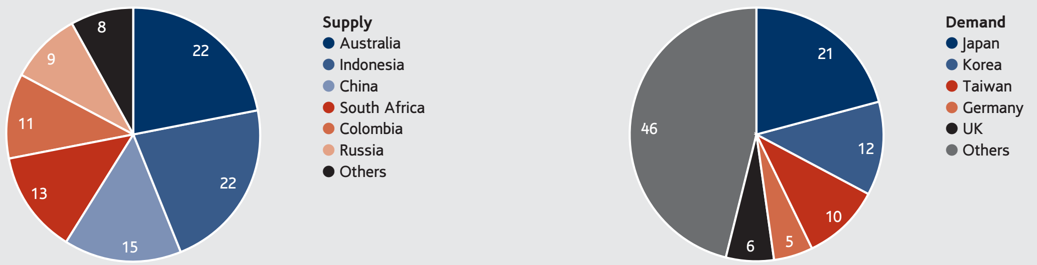
Market information

World hard coal production – 2004
%



Source: WCI

International seaborne thermal coal – 2004
%

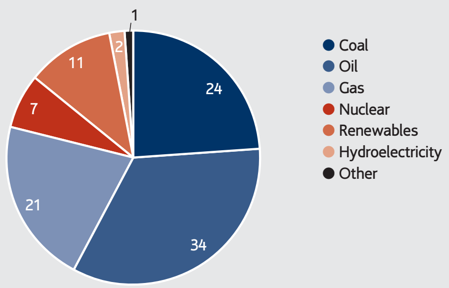


Source: McCloskey

International seaborne metallurgical coal 2004
%

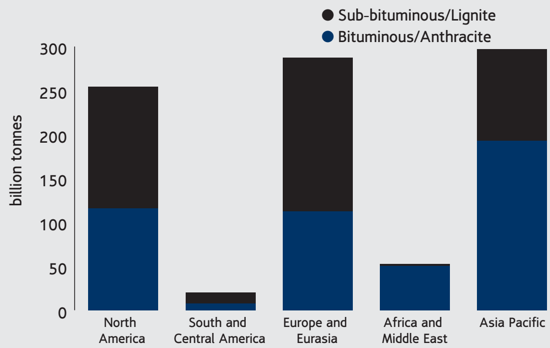
Source: Barlow Janker

World energy consumption by fuel 2004
%



Source: WCI

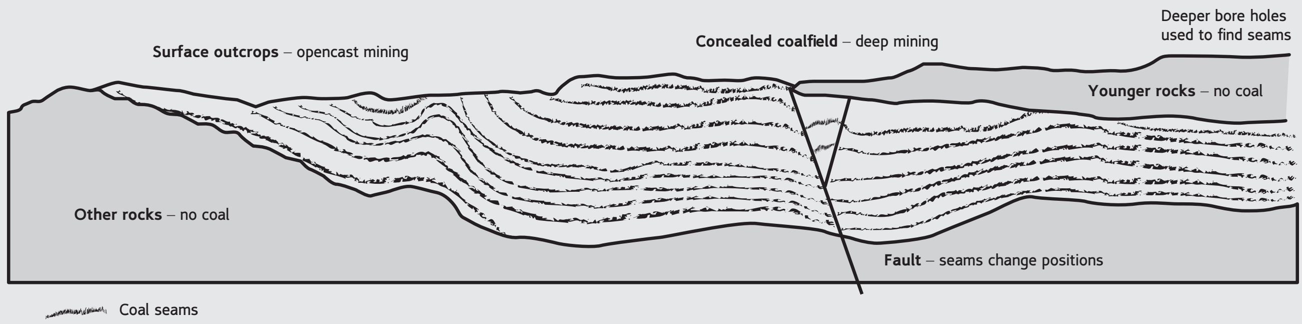
2004 proven coal reserves by type and region



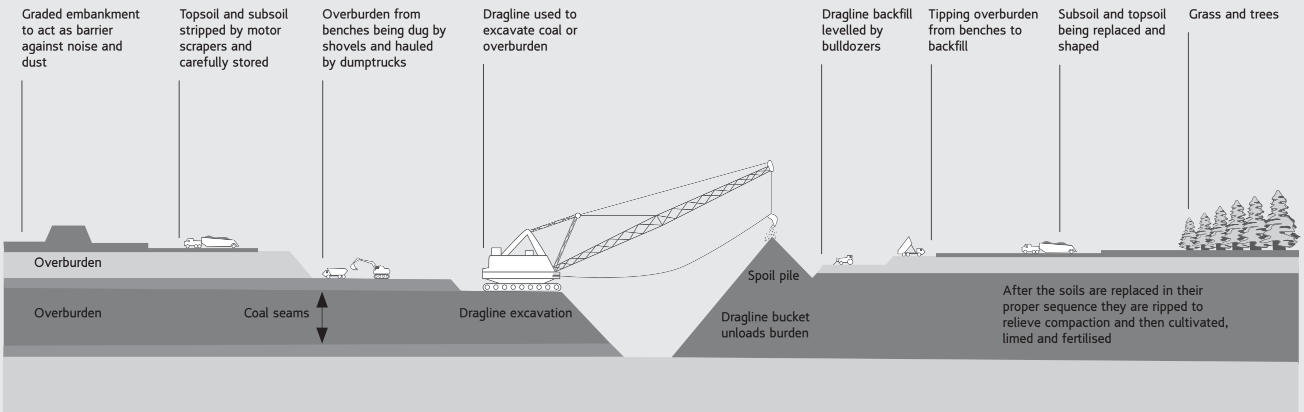
Source: BP Statistical Review of World Energy

Operations diagram

Section across a typical coalfield from outcrop to deep burial



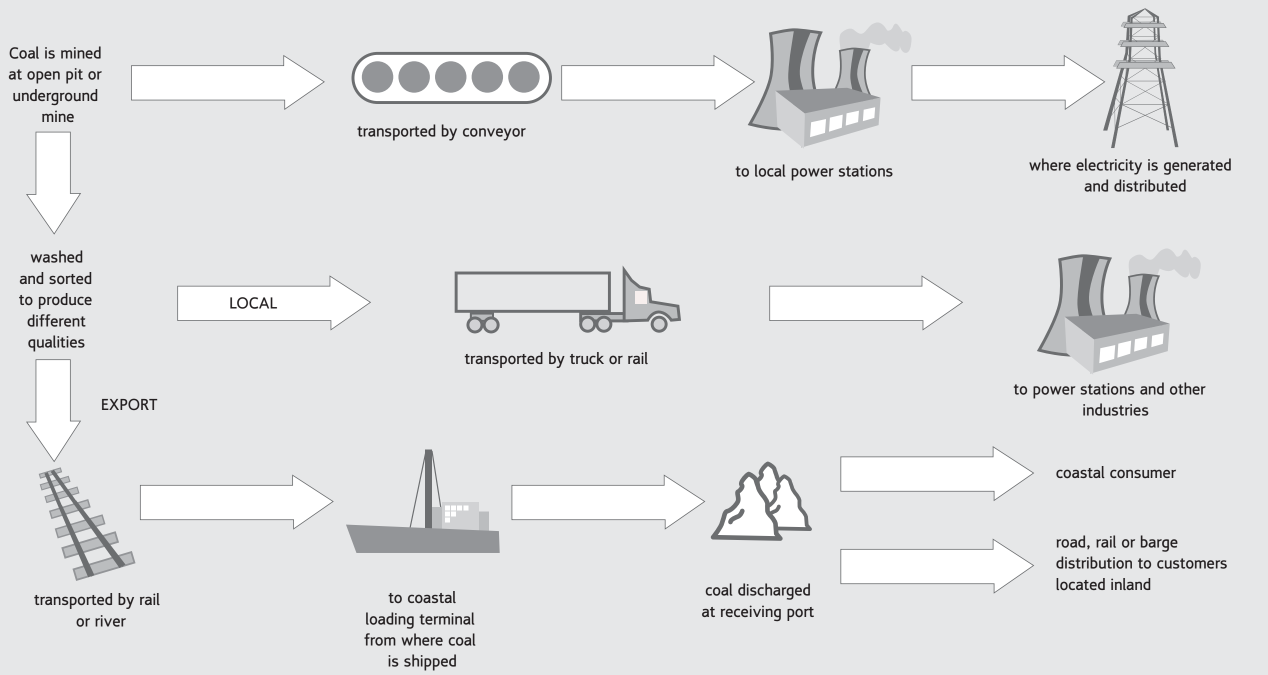
Typical open pit coal mine



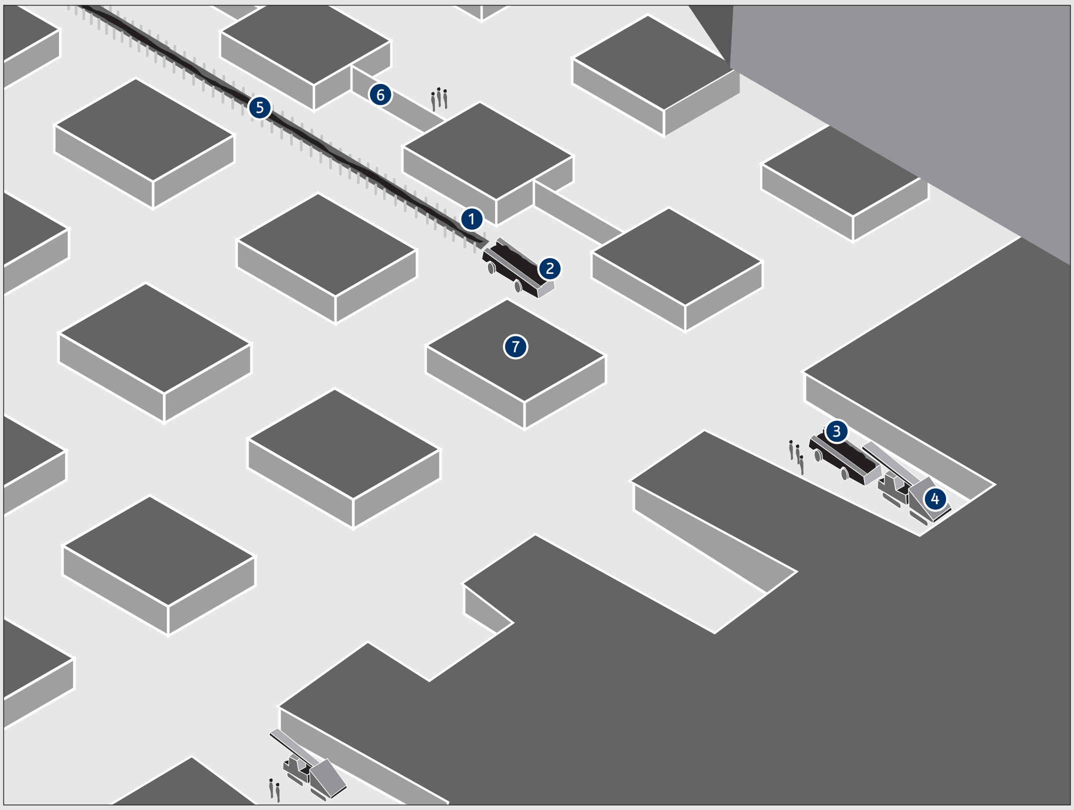
Underground mining is only undertaken where geological conditions dictate that the coal is too deep, making open pit extraction impossible. Anglo Coal's underground mines utilise both continuous miners in bord and pillar operations and longwall mining methods.

Source: World Coal Institute

The coal supply chain

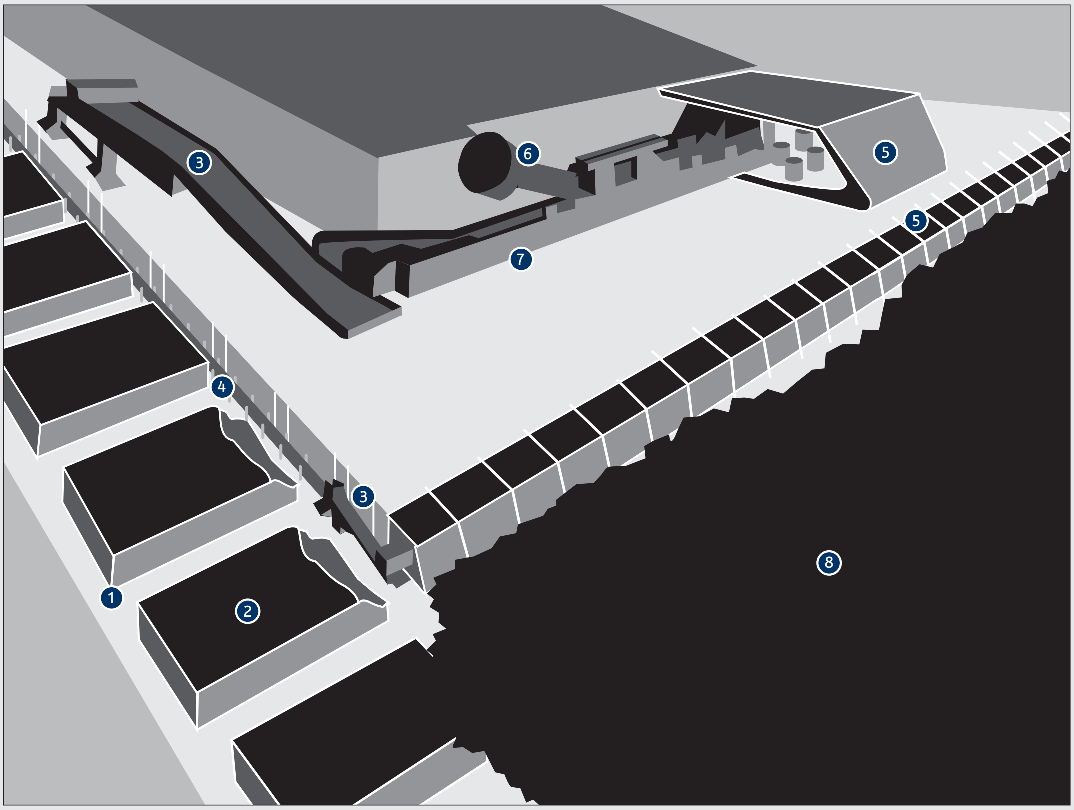


Underground bord and pillar mining



Key
1 Tip
2 Shuttlecar tipping
3 Shuttlecar loading
4 Continuous miner
5 Conveyor belt
6 Ventilation walls
7 Coal pillar

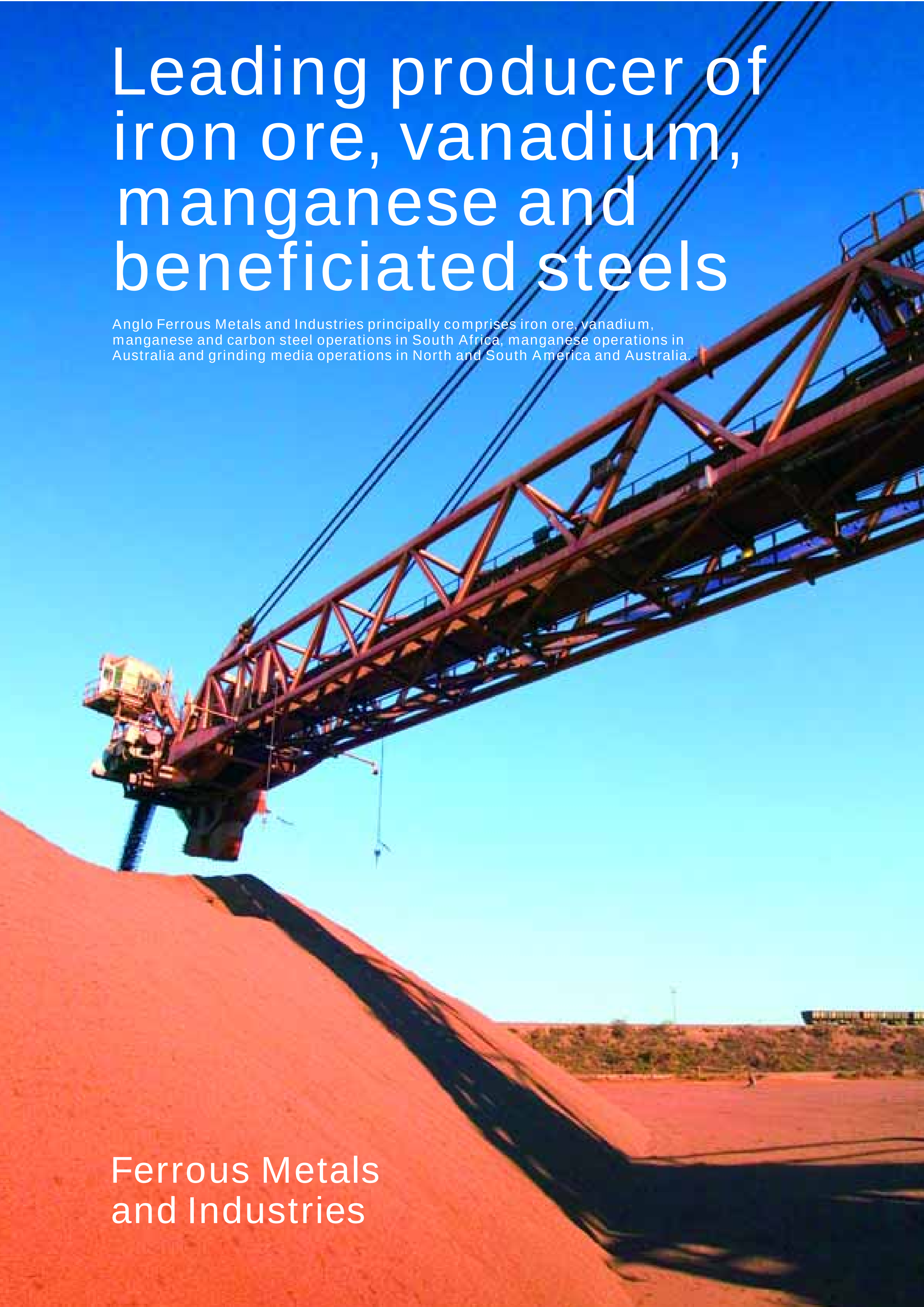
Underground Longwall mining



Key
1 Chain road
2 Pillar
3 Stage loader
4 Conveyor belt
5 Roof supports
6 Coal shearer
7 Armoured Face Conveyor
8 Goaf

Leading producer of iron ore, vanadium, manganese and beneficiated steels

Anglo Ferrous Metals and Industries principally comprises iron ore, vanadium, manganese and carbon steel operations in South Africa, manganese operations in Australia and grinding media operations in North and South America and Australia.



Ferrous Metals and Industries

Leading asset base

Operating profit
2004:
$887m

2005:
$1,456m

The business's future is secured by substantial mineable reserves which include 733 Mt of iron ore and 60 Mt of manganese.

Broad diversity
- EBIT of $1.5 billion
- Employees >35,000
- Operations on 6 continents and in 26 countries
- Positive market outlooks
- Attractive growth opportunities

Long life, high quality ore resources
- Iron ore
- Manganese
- Vanadium

Leading market positions
- Iron ore
- Manganese
- Vanadium
- Beneficiated steels

Products and applications

Steel
The most widely used of all metals, steel is used in construction of buildings and bridges, in vehicles and many household appliances.

World crude steel production, according to the International Iron and Steel Institute, increased by 5.9% in 2005 to 1,129 Mt.

China accounted for most of the increase, with its crude steel production in 2005 rising by 69 Mt (24.6%) to 349.4 Mt. China's share of the world market rose from 26.3% in 2004 to 30.9% in 2005.

Prospects for continued real growth in global steel demand remain positive for 2006, with the strongest growth again expected to come from China. Increasing raw material and energy costs will, however, present major challenges to steel producers.

Iron ore
Global demand in 2005 increased by 3.5% to 1,330 Mt.

The seaborne iron ore industry is attractive and expected to remain so for the foreseeable future. The industry is highly concentrated with the three largest suppliers controlling approximately 70% of the total market.

Steady growth in demand is forecast until at least 2020 (50% growth from today's levels) – demand (particularly seaborne) is growing mainly due to Chinese demand and reduced steel scrap availability.

Historically, there have always being attractive margins with prices well above cash costs (brownfield incentive pricing). Substantial price increases (+71.5%) were negotiated by major producers in 2005 and prices are forecast to rise marginally further in the second quarter of 2006.

Manganese
Approximately 80% of the world's known economically mineable high grade manganese ore reserves occur in the Northern Cape Province of South Africa. Manganese ore is smelted to produce manganese ferroalloys (such as ferromanganese and silicomanganese). Manganese is not recycled and, therefore, future steel scrap supplies are not a threat. Manganese demand remains strong, driven primarily by Chinese requirement for the production of crude steel.

Substantial price increases were negotiated by major ore producers in early 2005. Manganese ore prices softened in the second half of 2005 in response to weakening demand as manganese alloy margins came under pressure. Early indications in 2006 show that the manganese alloy markets have started to strengthen again.

Vanadium
The great majority of vanadium produced worldwide is consumed in alloy form in the production of carbon and alloyed steel. Other uses for vanadium are as an alloying agent in titanium-aluminium alloys, principally used in the aerospace industry, and as a chemical for catalysts and pigments. Demand for vanadium depends largely on world steel production. Important vanadium suppliers include South Africa, China and Russia.

Demand for vanadium weakened in the second half of 2005. Ferrovanadium prices, although off their mid-2005 record highs, are still averaging over $40/kg V. The outlook for vanadium remains positive but the price levels seen in 2005 are not expected to be repeated in 2006. ■

Below: View of Saldanha Port located in Richard's Bay, used by Ferrous Metals and Industries.

Kumba (66%)

Kumba manages a portfolio of world class assets in iron ore, heavy minerals, base metals, coal and industrial minerals across Africa, Australia and Asia. Kumba has two iron ore mines, namely Sishen and Thabazimbi, both in South Africa. Production of iron ore was 31 Mtpa, of which 71% was exported.

In March 2005, Kumba announced the approval of a major expansion project at its Sishen iron ore mine in South Africa. This will increase production from the present 31 Mtpa to 41 Mtpa by 2009. Construction started in mid-2005, with production ramp-up to commence by mid-2007.

In July, Hancock Prospecting exercised its option to acquire Kumba's interest in the Hope Downs iron ore project in Australia, resulting in a $176 million, pre-tax settlement.

Kumba announced a major restructuring of its operations in October 2005. As part of this black economic empowerment transaction, Kumba's iron ore assets are to be partially unbundled to Kumba shareholders and two separate listed entities – Kumba Iron Ore and Exxaro Resources – will be established. Following the transaction, Anglo American will own 66% of Kumba Iron Ore and 17% of Exxaro Resources, of which 10% will be a long term holding.

Highveld (79%)

Anglo American has a 79% interest in Highveld, which produces vanadium products, steel, ferroalloys, and carbonaceous products. Highveld is the largest vanadium producer in the world. Ore for the steelworks and Vanchem is obtained from Highveld's Mapochs mine near Roossenekal in Mpumalanga. Hochvanadium is a wholly owned subsidiary in Austria which processes and sells vanadium products. Transalloys and Rand Carbide operates as a division of Highveld, producing manganese alloys. Rand Carbide operates as a division of Highveld, producing ferrosilicon and carbonaceous products.

In October 2005, Anglo American announced its decision to seek to dispose of its shareholding in Highveld.

Scaw Metals (100%)

Scaw Metals is one of Africa's largest diversified iron, steel and engineering works. Its principal operations comprise steel making, rolling mills and foundry facilities near Johannesburg. The foundry division produces a large range of castings for the power generation, cement, railroad, automotive, general engineering and mining industries, and forged, cast steel and media for the gold and platinum mining industries. The rolling mills division manufactures reinforcing steels, a wide range of engineering quality steels, profile sections, flats, coiled bar and wire rod. The Haggie division, entailing wire, rope and strand products, has its main plants in South Africa, with some manufacturing facilities in the Netherlands, Zambia and Zimbabwe, and distribution operations in major mining areas. Moly-Cop produces 400,000 tonnes per annum of forged grinding media used in the mining industry for crushing material to small particle sizes. Located in the large and growing mining markets of Chile and Peru, where newly installed capacity will cater for significant growth, it also has operations in Mexico, the Philippines, Australia, Canada and Italy.

In January 2006 Scaw concluded the acquisition of Altasteel in Canada for $89m.

Samancor (40%)

Samancor is the world's largest integrated producer by sales of manganese alloys. Anglo American has a 40% shareholding in Samancor, with BHP Billiton holding the remaining 60% and having management control. Samancor's business encompasses the production of manganese ores and alloys. Samancor supplies its worldwide customer base with commodities produced by its various mines and plants, which are situated in South Africa and Australia. Samancor has a 51% interest in Manganese Metal Company, the world's largest producer of high quality electrolytic manganese, which is used in the aluminium, steel, welding, chemical and electronics industries. Samancor owns Australian manganese operations consisting of Groote Eylandt Mining Company Proprietary Limited (GEMCO) and Tasmanian Electro Metallurgical Company Proprietary Limited (TEMCO).

Above: Kumba Iron Ore: a rear dump truck in use at Sishen.

Tongaat-Hulett (52%)

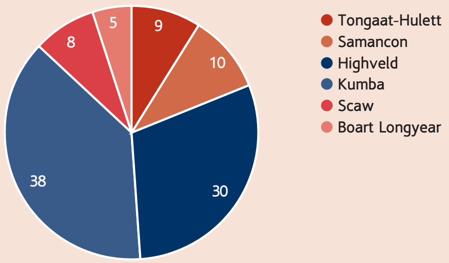
Tongaat-Hulett is a diversified conglomerate with operations in sugar, aluminium, starch, glucose and property. The sugar division is the second largest cane sugar producer and sugar miller in South Africa and also has operations in Zimbabwe, Mozambique and Swaziland. Hulett Aluminium (Hulamin) is an independent supplier of high quality aluminium products to the global market. The African Products division is Africa's largest starch and glucose producer. Moreland is one of South Africa's premier private sector land developers on the prime coastal strip north of Durban, South Africa. Tongaat-Hulett announced in February 2006 that it is embarking on a process of unbundling its 50% interest in Hulamin to Tongaat-Hulett shareholders.

Hippo Valley (50%)

Hippo Valley is Zimbabwe's second largest grower and miller of sugar cane.

EBIT contribution 2005

%



Ferrous Metals and Industries continues to reshape its portfolio around core businesses.

Above: A primcrusher machine at work at Ferrous Metal's Sishen operation.

Significant progress in restructuring the division was made during 2005, with further non-core asset disposals for a total attributable enterprise value for Anglo American of $1,029 million.

In January and May, Highveld sold its stainless steel investments in Acerinox and Columbus for an enterprise value of $173 million.

The sales of Boart Longyear's subsidiary, Wendt, and the remaining Boart Longyear group were concluded in March and July respectively for a combined enterprise value of $635 million.

Anglo American and BHP Billiton sold their respective 40% and 60% shareholdings in Samancor Chrome in June for a combined enterprise value of $469 million. Samancor also disposed of half its shareholding in Acerinox, as well as other interests, for a combined enterprise value of $149 million.

The sale of ferrochrome producer Zimbabwe Alloys for an enterprise value of $10 million was completed in September.

Kumba announced a major restructuring of its operations in October. As part of this black economic empowerment transaction, Kumba's iron ore assets are to be partially unbundled to Kumba shareholders and two separate listed entities – Kumba Iron Ore and Exxaro Resources – will be established. Following the transaction, Anglo American will own 66% of Kumba Iron Ore and 17% of Exxaro Resources, of which 10% will be a long term holding.

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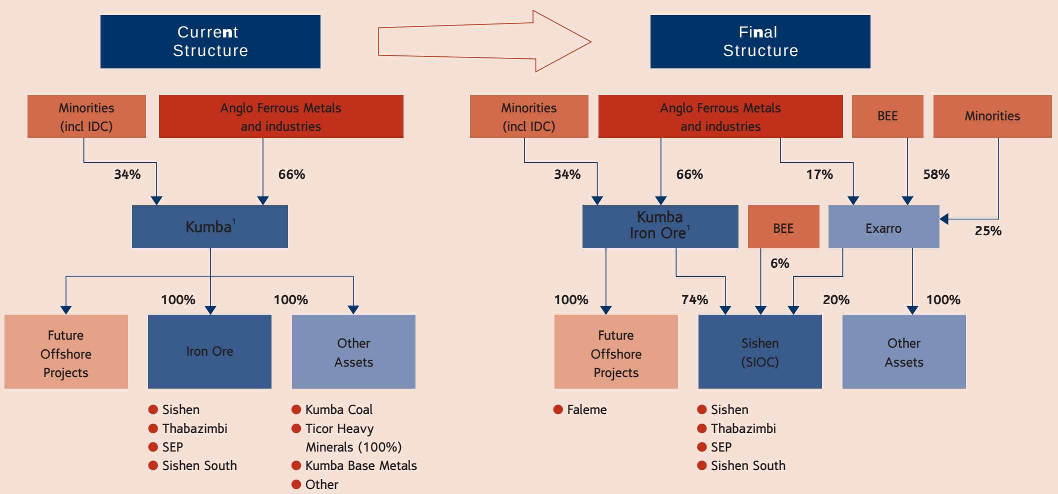
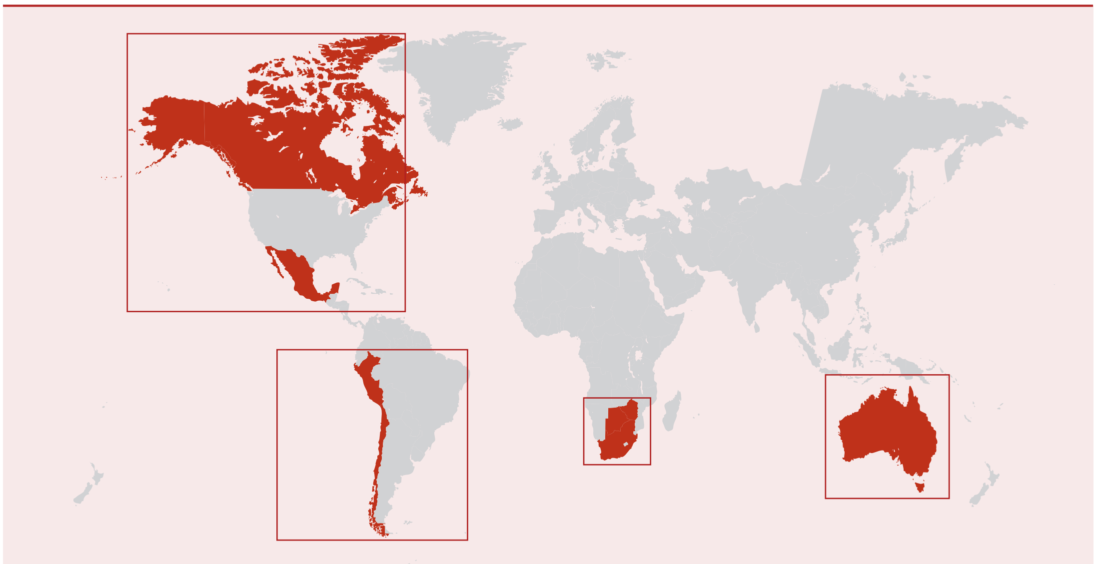
Tongaat-Hulett has announced in February 2006 that it is embarking on a process of unbundling its 50% interest in Hulamin to Tongaat-Hulett shareholders. This encompasses the listing of Hulamin and the simultaneous introduction of Black Economic Empowerment equity participation in Tongaat-Hulett and Hulamin.

Kumba restructuring



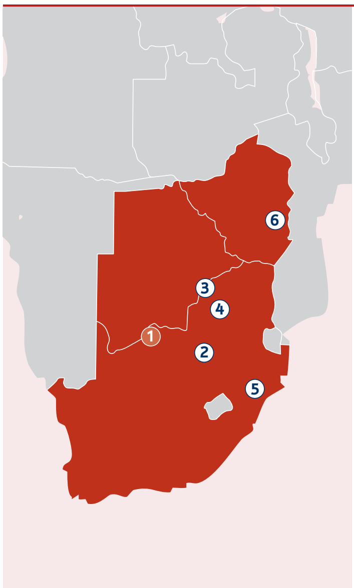
(1) Listed on the JSE

Around the world



Anglo Ferrous Metals and Industries is working with Kumba to further develop its iron ore interests.

Key
- Underground
- Open Cut
- Other



Southern Africa

1	67%	Kumba (Sishen Iron Ore Mine)
2	100%	Scaw Metals
3	40%	Samancor
4	79%	Highveld
5	52%	Tongaat-Hulett
6	50%	Hippo Valley Estates

Kumba is the world's fifth largest iron ore producer.

Scaw Metals, based in Germiston, is South Africa's largest privately owned iron, steel and engineering undertaking.

Samancor, the world's largest integrated producer by sales of manganese ore and alloys, is headquartered in South Africa. Highveld Steel and Vanadium Corporation, located near Witbank, produces vanadium products, steel, ferroalloys and carbonaceous products.

Zimbabwe Alloys, located in Gweru, produces a variety of ferrochrome alloys.

Tongaat-Hulett, based in various locations in Southern Africa, producing a variety of sugar, starch, glucose and aluminium products, together with a property development portfolio.

Hippo Valley, located near Chiredzi, grows and mills sugar cane.

Australia

1	40%	GEMCO
2	40%	TEMCO
3	100%	Moly-Cop – Perth – Townsville – Newcastle
4	67%	Kumba

The Australian Manganese operations consist of Groote Eylandt Mining Company (GEMCO), situated off the east coast of the Northern Territory of Australia, and Tasmanian Electro Metallurgical Company (TEMCO), which is based at Bell Bay, approximately 55km from Launceston, Tasmania.

The Kumba operation relates to Ticor Heavy Minerals.

North America

1	100%	Moly-Cop – Kamloop (Canada) – Guadalajara (Mexico)
2	Altasteel	

Moly-Cop, wholly owned by Scaw Metals, has operations in Mexico, the Philippines, Australia, Canada and Italy.

South America

1	100%	Moly-Cop – Lima and Arequipa (Peru) – Concepción (Chile)

Through history

1963

Anglo American Industrial Corporation (Amic) incorporated, initially with an investment in Scaw Metals.

1990s

1998: Anglo American acquired 40% of Australian Manganese.
1999: With the formation of Anglo American plc, the assets from subsidiary Amic, Anglo American Corporation (AAC) and Minorco were incorporated in the newly created, wholly owned Anglo Ferrous Metals Division.

2000s

Anglo American sells non-core interests in Li & Fung ($605m), SAB ($247m), Johnnic ($117m), LTA ($130m), AECI ($112m) and Other ($226m).

2002

Scaw acquired 100% of Moly-Cop for $105m.

2003

Anglo American disposed of entire stake in Avmin for $231m.

Anglo American realised its strategic objective of securing a meaningful interest in the iron ore sector by acquiring control of Kumba. For a total consideration of $1,052m.

2004

Anglo American disposed of an entire stake in Terra for $255m.

2005

In January and May, Highveld sold its stainless steel investments in Acerinox and Columbus for an enterprise value of $173 million.

The sales of Boart Longyear's subsidiary, Wendt, and the remaining Boart Longyear group were concluded in March and July respectively for a combined enterprise value of $635 million.

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2006

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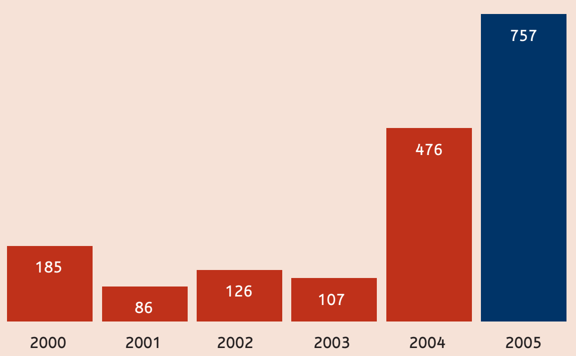
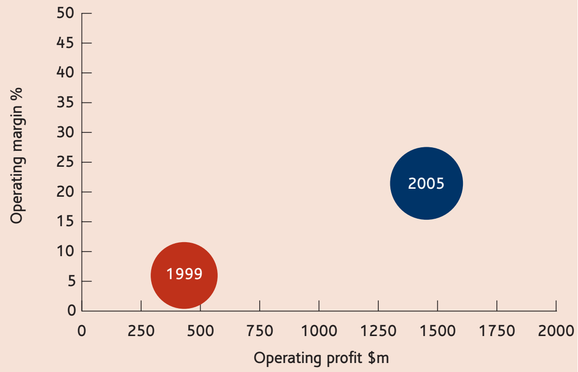
Financial highlights

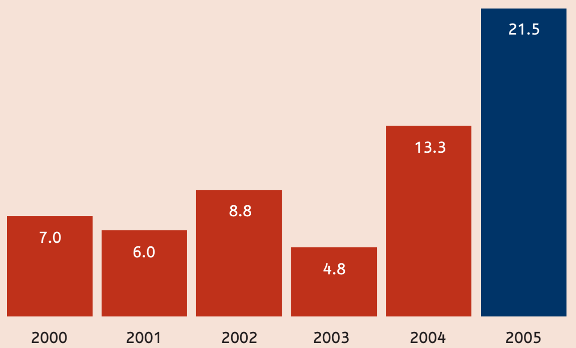
Six-year underlying earnings
$m



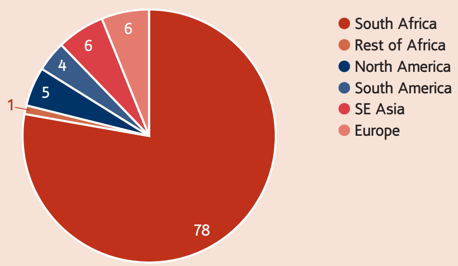
Scale and profitability growth
Bubble size represents turnover



Operating margin
%



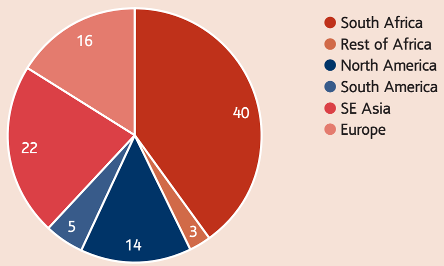
Turnover by origin 2005
%



includes JV and associates

Turnover per employee
’000

Turnover by destination 2005
%



includes JV and associates

Financial highlights continued

Financial data

Turnover	2005	2004	2003	2002	2001	2000
Subsidiaries	6,030	5,137	2,863	2,021	2,082	3,681
Joint Ventures	–	–	28	13	148	205
Associates	743	1,526	1,476	973	953	1,819
Total turnover	**6,773**	**6,663**	**4,367**	**3,007**	**3,183**	**5,705**
EBITDA	**1,779**	**1,231**	**441**	**415**	**351**	**–**
Depreciation and amortisation	**323**	**344**	**110**	**67**	**73**	**128**
Operating profit before special items and remeasurements	**1,456**	**887**	**208**	**264**	**191**	**399**
Operating special items and remeasurements	**5**	**155**	**–**	**–**	**–**	**(167)**
Operating profit after special items and remeasurements	**1,461**	**1,042**	**208**	**264**	**191**	**232**
Net interest, tax and minority interests	**(699)**	**(411)**	**(114)**	**(146)**	**(107)**	**(191)**
Underlying earnings						
Ferrous						
Highveld Steel	232	93	5	20	–	
Scaw Metals	85	59	55	41	25	
Samancor Group	103	157	10	19	5	
Kumba	261	80	18		–	–
Tongaat-Hulett	49	25	(10)	24	31	–
Boart Longyear	35	37	21	26	29	–
Terra	–	29	7	(18)	(31)	–
Other	(8)	(4)	1	14	27	–
Total underlying earnings	**757**	**476**	**107**	**126**	**86**	**–**
Net operating assets	**4,439**	**5,302**	**4,629**	**1,696**	**1,104**	**1,707**
Capital expenditure	**373**	**284**	**195**	**85**	**93**	**195**

Production data

Production (tonnes)	2005	2004	2003	2002
Kumba Resources Ltd				
Iron ore production				
Lump	**18,747,000**	18,248,000	18,172,100	
Fines	**12,240,000**	11,864,400	11,421,000	
Total iron ore	**30,987,000**	**30,112,000**	**29,593,000**	
Coal				
Power Station coal	**14,573,000**	14,017,000	13,869,000	
Coking coal	**2,273,000**	2,409,000	2,162,000	
Steam coal	**2,993,000**	3,018,000	2,933,000	
Total coal	**19,839,000**	19,444,000	18,964,000	
Zinc metal	**119,000**	**116,000**	**112,000**	**–**
Heavy minerals				
Ilmenite	**356,000**	498,000	393,000	
Scaw Metals				
Rolled products	**386,500**	458,000	352,000	356,446
Cast products	**133,900**	110,000	115,000	114,701
Grinding media	**461,400**	429,000	389,000	224,483
Highveld Steel				
Rolled products	**684,000**	674,013	578,035	701,087
Continuous cast blocks	**874,900**	922,477	877,405	951,921
Vanadium slag	**66,800**	67,587	69,814	68,100
Samancor				
Manganese ore (mtu m)	**88**	106	76	62
Manganese alloys	**309,000**	321,100	288,200	306,100
Tongaat-Hulett				
Sugar	**861,000**	756,000	843,000	811,800
Aluminium	**192,000**	162,000	147,000	120,600
Starch and glucose	**595,000**	576,000	610,000	616,400
Hippo Valley				
Sugar	**194,000**	200,000	224,000	284,000

Reserves and resources data

The Ore Reserve and Mineral Resource estimates were compiled in accordance with the Australasian Code for Reporting of Mineral Resources and Ore Reserves (The JORC Code, 2004) as a minimum standard. Where relevant, the estimates were also prepared in compliance with regional codes and requirements (e.g. The South African Code for Reporting of Mineral Resources and Mineral Reserves, The SAMREC Code, 2000). The Mineral Resources are additional to the Ore Reserves.

The figures reported represent 100% of the Ore Reserves and Mineral Resources, the percentage attributable to Anglo American plc is stated separately.

Ore Reserves

	Attributable %	Classification	Tonnes million 2005	Tonnes million 2004	Grade 2005	Grade 2004	% Yield 2005	% Yield 2004
Hotazel Manganese Mines (OP)[1]	40				%Mn	%Mn		
Mamatwan		Proved	22.4	31.5	37.9	37.7		
		Probable	15.0	19.1	37.7	37.2		
		Total	37.4	**50.6**	37.8	**37.5**		
Wessels		Proved	1.9	2.2	48.0	48.0		
		Probable	9.3	10.3	48.0	48.0		
		Total	11.2	**12.5**	48.0	**48.0**		
GEMCO (OP)[2]	40				%Mn	%Mn		
		Proved	61.7	59.3	48.5	46.3	51.3	49.0
		Probable	39.6	33.6	47.2	47.2	47.0	46.2
		Total	101.2	**92.9**	48.0	**46.6**	49.1	**48.0**
Highveld (OP)[3]	80				$\%V_2O_5$	$\%V_2O_5$		
		Proved	21.9	23.1	1.68	1.69		
		Probable	3.1	3.5	1.70	1.70		
		Total	24.9	**26.6**	1.69	**1.69**		

Mineral Resources

	Attributable %	Classification	Tonnes million 2005	Tonnes million 2004	Grade 2005	Grade 2004	% Yield 2005	% Yield 2004
Hotazel Manganese Mines (OP)[4]	40				%Mn	%Mn		
Mamatwan		Measured	29.5	34.3	37.9	37.7		
		Indicated	21.0	20.5	37.7	37.2		
		Measured and Indicated	50.5	**54.8**	37.7	**37.5**		
Wessels		Measured	3.6	4.2	48.1	48.0		
		Indicated	20.4	20.4	47.9	48.0		
		Measured and Indicated	24.0	**24.6**	47.9	**48.0**		
GEMCO (OP)[5]	40				%Mn	%Mn		
		Measured	63.8	67.5	48.3	48.5	42.0	46.6
		Indicated	50.2	42.3	46.9	47.0	38.0	46.1
		Measured and Indicated	113.9	**109.7**	47.0	**47.9**	38.9	**46.4**
Highveld (OP)[6]	80				$\%V_2O_5$	$\%V_2O_5$		
		Measured	–	49.8		1.70		
		Indicated	244.0	252.5	1.70	1.69		
		Measured and Indicated	244.0	**302.3**	1.70	**1.69**		

Rounding of figures may cause computational discrepancies.
Mining method: OP = Open Pit.

(1) The decrease in Mamatwan Ore Reserves is due to the introduction of a boundary pillar as a result of a change in the mining plan. Mamatwan tonnages stated as Wet Metric Tonnes, while Wessels is Dry Metric Tonnes. In the 2004 Annual Report, only the attributable tonnage was stated.
(2) The Ore Reserves reported are stated with total tonnage but report the grade values only above the nominated cut-off of 40% Mn product grade. The grade is reported using beneficiated grades, as beneficiated grades are used in mine scheduling, quality control and blending (rather than in situ grades).
(3) The Ore Reserve grades and tonnages are reported after crushing, washing and screening.
(4) Hotazel Manganese Mines report Measured and Indicated Mineral Resources as 'inclusive of those Mineral Resources modified to produce the Ore Reserve' (JORC). Mamatwan tonnages stated as Wet Metric Tonnes, while Wessels is Dry Metric Tonnes.
(5) GEMCO report Measured and Indicated Mineral Resources as 'inclusive of those Mineral Resources modified to produce the Ore Reserve' (JORC).
(6) During 2005, 49.8 Mt of Measured Resources and 8.65 Mt of Indicated Resources, which are in addition to the Mineral Resources that were converted to Ore Reserves, were relinquished. These resources were not considered strategic to the mine plan, and as such the old order unused mining rights were allowed to expire.

The figures reported represent 100% of the Ore Reserves and Mineral Resources, the percentage attributable to Anglo American plc is stated separately. Mineral Resource estimates for Kumba are inclusive of those resources which have been modified to produce the Ore Reserve estimates. For the multi-product deposits the tonnage figures apply to each product.

Kumba Resources Limited – Ore Reserves

Iron Ore

	Attributable %	Classification	Tonnes million 2005	Tonnes million 2004	Grade 2005	Grade 2004	Saleable product million tonnes 2005	Saleable product million tonnes 2004
Sishen Iron Ore Mine (OP)[1]	51.6				%Fe	%Fe		
DMS and jig plant		Proved	727	510	59.3	63.6		436 @66.3%Fe
		Probable	294	208	58.1	63.7		178 @66.1%Fe
		Total	1,021	**717**	59.0	**63.6**	843 @65.2%Fe	**614 @66.3%Fe**
Thabazimbi Iron Ore Mine (OP)[2]	65.7				%Fe	%Fe		
Within current pit layouts		Proved	10	15	61.2	60.9	9 @64.1%Fe	13 @63.5%Fe
		Probable	4	1	60.2	61.5	3 @63.6%Fe	1 @64.1%Fe
		Total	14	**16**	60.9	**60.9**	13 @63.9%Fe	**14 @63.5%Fe**
Sishen South Iron Ore Project (OP)[3]	65.7				%Fe	%Fe		
9 Mt per annum design		Proved	101		64.8			
		Probable	66		63.3			
		Total	167		64.2			

Coal

	Attributable %	Classification	Tonnes million 2005	Tonnes million 2004	Grade 2005	Grade 2004	Saleable product million tonnes 2005	Saleable product million tonnes 2004
Grootegeluk Coal Mine (OP)[4]	65.7							
Coking Coal		Proved	673	706			42	35
		Probable	67	67			6	5
		Total	740	**773**			48	**40**
Thermal Coal		Proved					245	264
		Probable					25	26
		Total					270	**290**
Metallurgical Coal		Proved					38	40
		Probable					1	1
		Total					39	**41**
Total Saleable Product							357	**371**
Leeuwpan Coal Mine (OP)[5]	65.7							
Thermal and Metallurgical Coal		Proved	95	111			46	57
		Probable	48	48			27	23
		Total	143	**159**			73	**80**
Tshikondeni Coal Mine (OP)[6]	65.7							
Coking Coal		Proved	6.9	7.1			3.6	4.1
		Probable	–	–			–	–
		Total	6.9	**7.1**			3.6	**4.1**
Inyanda Coal – Advanced Project (OP)[7]	32.8							
A-grade Export Steam Coal		Proved	14.6	14.6			10.1	10.1
		Probable	–	–			–	–
		Total	14.6	**14.6**			10.1	**10.1**

Base Metals

	Attributable %	Classification	Tonnes million 2005	Tonnes million 2004	Grade 2005	Grade 2004	Metal saleable thousand tonnes 2005	Metal saleable thousand tonnes 2004
Rosh Pinah (UG)[8]	58.8							
Zinc					% Zn	% Zn		
		Proved	2.7	1.0	11.1	9.5	300	91
		Probable	1.9	2.7	7.7	10.9	148	299
		Total	4.6	**3.7**	9.7	**10.6**	448	**390**
Lead					% Pb	% Pb		
		Proved			2.4	2.7	65	26
		Probable			2.3	2.6	44	72
		Total			2.4	**2.7**	110	**98**

Rounding of figures may cause computational discrepancies.
Mining method: UG = Underground, OP = Open Pit.
Footnote references are explained on page 98.

Kumba Resources Limited – Ore Reserves

Industrial Minerals

	Attributable %	Classification	Tonnes million 2005	Tonnes million 2004	Saleable product million tonnes 2005	Saleable product million tonnes 2004
Glen Douglas Dolomite Mine (OP)[9]	65.7					
Metallurgical Dolomite		Proved	**40.3**	33.8	**38.3**	
		Probable	**–**	–	**–**	
		Total	**40.3**	**33.8**	**38.3**	
Aggregate		Proved	**13.0**	12.2	**12.3**	
		Probable	**–**	–	**–**	
		Total	**13.0**	**12.2**	**12.3**	
Bridgetown Dolomite Mine (OP)[10]	32.8					
Metallurgical Dolomite		Proved	**7.3**	7.7	**4.0**	4.6
		Probable	**–**	–	**–**	–
		Total	**7.3**	**7.7**	**4.0**	**4.6**
Aggregate		Proved			**3.3**	3.1
		Probable			**–**	–
		Total			**3.3**	**3.1**

Mineral Sands

	Attributable %	Classification	Tonnes million 2005	Tonnes million 2004	Saleable product Grade 2005	Saleable product Grade 2004
Hillendale Mine, excl. Braeburn (OP)[11]	65.7				% Heavy Minerals	
% Heavy Minerals					**%THM**	%THM
		Proved	**30**	41	**6.9**	6.6
		Probable	**–**	–	**–**	–
		Total	**30**	**41**	**6.9**	**6.6**
% Ilmenite in THM					**%Ilm**	%Ilm
		Proved			**60**	58
		Probable			**–**	–
		Total			**60**	**58**
% Rutile in THM					**%Rut**	%Rut
		Proved			**3.5**	–
		Probable			**–**	3.2
		Total			**3.5**	**3.2**
% Zircon in THM					**%Zir**	%Zir
		Proved			**8**	–
		Probable			**–**	7
		Total			**8**	**7**
% Leucoxene in THM					**%Leu**	%Leu
		Proved			**1.6**	–
		Probable			**–**	0.9
		Total			**1.6**	**0.9**
Fairbreeze A+B+C+C Ext. (OP)[12]	65.7				% Heavy Minerals	
% Heavy Minerals					**%THM**	%THM
		Proved	**137**	138	**6.1**	6.1
		Probable	**44**	20	**7.2**	4.2
		Total	**182**	**158**	**6.4**	**5.9**
% Ilmenite in THM					**%Ilm**	%Ilm
		Proved			**60**	60
		Probable			**61**	49
		Total			**60**	**59**
% Rutile in THM					**%Rut**	%Rut
		Proved			**3.1**	–
		Probable			**3.4**	3.3
		Total			**3.3**	**3.3**
% Zircon in THM					**%Zir**	%Zir
		Proved			**8**	–
		Probable			**8**	8
		Total			**8**	**8**
% Leucoxene in THM					**%Leu**	%Leu
		Proved			**1.4**	–
		Probable			**1.8**	1.6
		Total			**1.7**	**1.6**

Rounding of figures may cause computational discrepancies.
Mining method: OP = Open Pit.
Footnote references are explained on page 98.

Kumba Resources Limited – Ore Reserves

Mineral Sands continued

	Attributable %	Classification	Tonnes million 2005	Tonnes million 2004	Saleable product Grade 2005	Saleable product Grade 2004
Gravelotte sand (OP)	65.7					% Heavy Minerals
					%Ilm	%Ilm
		Proved	**52**	52	**11**	11
		Probable	**–**	–	**–**	–
		Total	**52**	**52**	**11**	**11**
Cooljarloo Mine, Tiwest (OP)	32.8					% Heavy Minerals
% Heavy Minerals					**%THM**	%THM
		Proved	**25**	43	**3.7**	2.9
		Probable	**149**	131	**2.7**	2.5
		Total	**174**	**174**	**2.8**	**2.6**
% Ilmenite in THM					**%Ilm**	%Ilm
		Proved			**60**	60
		Probable			**61**	61
		Total			**61**	**61**
% Rutile in THM					**%Rut**	%Rut
		Proved			**4.8**	4.5
		Probable			**4.5**	4.1
		Total			**4.6**	**4.2**
% Zircon in THM					**%Zir**	%Zir
		Proved			**10**	10
		Probable			**10**	10
		Total			**10**	**10**
% Leucoxene in THM					**%Leu**	%Leu
		Proved			**2.7**	3.0
		Probable			**3.1**	3.4
		Total			**3.0**	**3.3**
Jurien, Tiwest – Project (OP)(13)	32.8					% Heavy Minerals
% Heavy Minerals					**%THM**	%THM
		Proved	**–**	13.9	**–**	6.3
		Probable	**15.7**	1.9	**7.9**	6.6
		Total	**15.7**	**15.8**	**7.9**	**6.3**
% Ilmenite in THM					**%Ilm**	%Ilm
		Proved			**–**	55
		Probable			**54**	54
		Total			**54**	**55**
% Rutile in THM					**%Rut**	%Rut
		Proved			**–**	8.4
		Probable			**6.8**	6.1
		Total			**6.8**	**8.1**
% Zircon in THM					**%Zir**	%Zir
		Proved			**–**	11
		Probable			**10**	7
		Total			**10**	**11**
% Leucoxene in THM					**%Leu**	%Leu
		Proved			**–**	2.1
		Probable			**2.3**	1.6
		Total			**2.3**	**2.1**

Rounding of figures may cause computational discrepancies.
Mining method: OP = Open Pit.
Footnote references are explained on page 98.

Kumba Resources Limited – Ore Reserves

Mineral Sands continued

	Attributable %	Classification	Tonnes million 2005	Tonnes million 2004	Saleable product Grade 2005	Saleable product Grade 2004
Dongara, Ticor Limited – Project (OP)[14]	65.7				% Heavy Minerals	
% Heavy Minerals					%THM	%THM
		Proved	–	–	–	–
		Probable	20.2	22.1	10.2	10.0
		Total	**20.2**	**22.1**	**10.2**	**10.0**
% Ilmenite in THM					%Ilm	%Ilm
		Proved			–	–
		Probable			50	48
		Total			**50**	**48**
% Rutile in THM					%Rut	%Rut
		Proved			–	–
		Probable			6.7	7.0
		Total			**6.7**	**7.0**
% Zircon in THM					%Zir	%Zir
		Proved			–	–
		Probable			9	10
		Total			**9**	**10**
% Leucoxene in THM					%Leu	%Leu
		Proved			–	–
		Probable			1.3	2.0
		Total			**1.3**	**2.0**

Rounding of figures may cause computational discrepancies.
Mining method: OP = Open Pit.
The tonnage is quoted as metric tonnes and abbreviated as Mt for million tonnes.

(1) Sishen Iron Ore Mine: Ore Reserve tonnage increased significantly due to the inclusion of the jig plant ore. An estimated 500 Mt of the total Mineral Resource is banded iron formation (BIF) material of which around 55% can be blended into the jig plant feed, the remainder will be stockpiled. All stockpiled BIF at the end of the mine's life is excluded from the reported Ore Reserves. The 2005 Total Saleable Product tonnes comprise the following: 600 Mt at 65.7%Fe from the DMS plant and 243 Mt at 64%Fe from the jig plant.

(2) Thabazimbi Iron Ore Mine: Mining depletion of 3 Mt accounts for most of the decrease in Ore Reserves. 2.95 Mt Inferred Mineral Resources are included in the pit shells, these are not included in the Ore Reserve figures reported.

(3) Sishen South Iron Ore Project: Not reported in 2004. Estimates are for a 9 Mtpa open pit operation.

(4) Grootegeluk Coal Mine: Reconfiguration of the beneficiation capabilities to create a higher value product resulted in an increase in the Saleable Coking Coal of 8 Mt and a decrease in the Saleable Thermal Coal of 20 Mt.

(5) Leeuwpan Coal Mine: The Reserve estimate includes 53.4 Mt Proved and 16.2 Mt Probable Coal Reserves that occur in an area where Prospecting Rights are under appeal. These Coal Reserves are quoted pending the outcome of the appeal (SAMREC 5.5.1).
The decrease in the Coal Resource (see footnote 18) resulted in a concomitant decrease in Coal Reserve.

(6) Tshikondeni Coal Mine: Coal Reserves formerly reported for an area not included in the Mine Lease Area have been excluded (0.2 Mt) from the 2005 estimate.

(7) Inyanda Coal (Advanced Project): In 2004 reported the attributable %.

(8) Rosh Pinah: Mining depletion (0.6 Mt) and the addition of Ore Reserves from the conversion of Mineral Resources delineated during the intensive exploration programme in 2005 explain the increase in Ore Reserves.

(9) Glen Douglas Dolomite Mine: The deepening and subsequent redesign of the pit resulted in the increases of 7.7 Mt (metallurgical) and 1.2 Mt (aggregate) dolomite.

(10) Bridgetown Dolomite Mine: The Ore Reserve was depleted by mining activities (0.3 Mt), however, changes in saleable tonnes are due to an increase in fines production at the plant. In 2004 reported the attributable %.

(11) Hillendale Mine: The decrease in Ore Reserves is due to mining depletion (8.3 Mt) and a change to the mining boundary in relation to the mining fence (2.2 Mt). Leucoxene was not reported in 2004.

(12) Fairbreeze: C Ext. is included as an Ore Reserve in 2005 pending the approval of the Mining Right. As the Mining Right for Fairbreeze C Ext. has not yet been granted the Measured Mineral Resources have been converted to Probable Ore Reserves (SAMREC 5.1.1). Note that Fairbreeze C Ext. Ore Reserves were estimated using a cut-off of 3%Ilm, not 1.5%Ilm (used for Fairbreeze C). All valuable heavy minerals for Fairbreeze C and C Ext. and ilmenite for Fairbreeze A and B can be estimated with the highest confidence (Proved). Fairbreeze A and B zircon, rutile and leucoxene are estimated with lower confidence (Probable). Therefore, the Proved and Probable grades for zircon, rutile and leucoxene relate to 17 Mt and 164 Mt respectively. Leucoxene was not reported in 2004.

(13) Jurien: Proved Ore Reserves have been downgraded to Probable Ore Reserves with the updating of geological models and Mineral Resources estimates.

(14) Dongara: Reported as Magnetic Minerals, Ticor in 2004. Proved Ore Reserves have been downgraded to Probable Ore Reserves with the updating of the geological models and Mineral Resource estimates.

Kumba Resources Limited – Mineral Resources

Iron Ore

	Attributable %	Classification	Tonnes million 2005	Tonnes million 2004	Grade 2005	Grade 2004
Sishen Iron Ore Mine (OP)[15]	51.6				%Fe	%Fe
DMS + jig plant		Measured	1,477	754	57.4	65.2
		Indicated	480	636	56.5	64.8
		Measured and Indicated	**1,957**	**1,390**	**57.2**	**65.0**
Additional resources (underground)		Measured	94		64.9	
		Indicated	223		64.7	
		Measured and Indicated	**316**		**64.8**	
Thabazimbi Iron Ore Mine (OP)[16]	65.7				%Fe	%Fe
Within current pit layouts		Measured	11	51	62.1	63.1
		Indicated	4	21	61.6	62.4
		Measured and Indicated	**15**	**72**	**62.0**	**62.9**
Additional resources		Measured	12		62.1	
		Indicated	14		61.3	
		Measured and Indicated	**27**		**61.7**	
Sishen South (OP)[17]	65.7				%Fe	%Fe
Advanced project		Measured	140	146	65.4	65.4
		Indicated	108	147	64.4	64.6
		Measured and Indicated	**248**	**293**	**65.0**	**65.0**
Zandrivierspoort (OP)	32.8				%Fe	%Fe
Project		Measured				
		Indicated	447	447	34.9	34.9
		Measured and Indicated	**447**	**447**	**34.9**	**34.9**

Coal

	Attributable %	Classification	Tonnes million 2005	Tonnes million 2004
Grootegeluk Coal Mine (OP)	65.7			
Raw Coal		Measured	1,428	1,463
		Indicated	2,075	2,075
		Measured and Indicated	**3,503**	**3,539**
Leeuwpan Coal Mine (OP)[18]	65.7			
Raw Coal		Measured	169	187
		Indicated	10	10
		Measured and Indicated	**179**	**197**
Tshikondeni Coal Mine (OP)[19]	65.7			
Raw Coal		Measured	25.7	27.2
		Indicated	10.1	10.1
		Measured and Indicated	**35.8**	**37.3**
Moranbah South, Australia (OP)	65.7			
Project, Raw Coal		Measured		
		Indicated	586	586
		Measured and Indicated	**586**	**586**
Inyanda Coal (OP)	32.8			
Advanced Project, Raw Coal		Measured	15.3	15.3
		Indicated		
		Measured and Indicated	**15.3**	**15.3**
Strehla (OP)[20]	65.7			
Project, Raw Coal		Measured		
		Indicated	22.5	22.5
		Measured and Indicated	**22.5**	**22.5**

Rounding of figures may cause computational discrepancies.
Mining method: OP = Open Pit.
Footnote references are explained on page 101.

Kumba Resources Limited – Mineral Resources

Base Metals

	Attributable %	Classification	Tonnes million 2005	Tonnes million 2004	Grade 2005	Grade 2004
Rosh Pinah (UG)	58.8					
Zinc					%Zn	%Zn
		Measured	3.5	2.3	10.1	8.2
		Indicated	2.3	3.5	8.1	11.0
		Measured and Indicated	**5.8**	**5.9**	**9.3**	**9.9**
Lead					%Pb	%Pb
		Measured			2.3	2.2
		Indicated			2.6	3.0
		Measured and Indicated			**2.4**	**2.7**

Industrial Minerals

	Attributable %	Classification	Tonnes million 2005	Tonnes million 2004	Grade 2005	Grade 2004
Glen Douglas Dolomite Mine (OP)[21]	65.7				$\%SiO_2$	$\%SiO_2$
Metallurgical Dolomite		Measured	142	186	<2.5	<2.5
		Indicated				
		Measured and Indicated	**142**	**186**	**<2.5**	**<2.5**
Aggregate		Measured	40.1	12.2	>2.5	
		Indicated				
		Measured and Indicated	**40.1**	**12.2**	**>2.5**	
Bridgetown Dolomite Mine (OP)[22]	32.8				$\%SiO_2$	$\%SiO_2$
Metallurgical Dolomite + Aggregate		Measured	7.3	8.0	<2.5	<2.5
		Indicated				
		Measured and Indicated	**7.3**	**8.0**	**<2.5**	**<2.5**

Rounding of figures may cause computational discrepancies.
Mining method: UG = Underground, OP = Open Pit.
Footnote references are explained on page 101.

Kumba Resources Limited – Mineral Resources

Heavy Metals

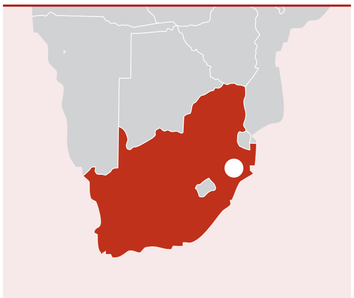
	Attributable %	Classification	Tonnes million 2005	Tonnes million 2004	Grade 2005	Grade 2004
Hillendale Mine, incl. Braeburn (OP)[23]	65.7				% Ilmenite	% Ilmenite
		Measured	48.7	56.0	3.8	3.7
		Indicated				
		Measured and Indicated	**48.7**	**56.0**	**3.8**	**3.7**
Fairbreeze, incl. A+B+C+C Ext. (OP)[24]	65.7					
		Measured	202	196	3.7	3.7
		Indicated	27	27	2.5	2.5
		Measured and Indicated	**229**	**223**	**3.6**	**3.5**
Gravelotte sand (OP)	65.7					
		Measured	75	75	9.1	9.1
		Indicated				
		Measured and Indicated	**75**	**75**	**9.1**	**9.1**
KwaZulu-Natal (OP)[25]	65.7					
Block P		Measured				
		Indicated	40.6	40.6	3.1	3.1
		Measured and Indicated	**40.6**	**40.6**	**3.1**	**3.1**
Fairbreeze D		Measured				
		Indicated	9.2	9.2	2.5	2.5
		Measured and Indicated	**9.2**	**9.2**	**2.5**	**2.5**
Eastern Cape (OP)	65.7					
Nombanjana, Ngcizele and Sandy Point		Measured	233	233	4.5	4.5
		Indicated				
		Measured and Indicated	**233**	**233**	**4.5**	**4.5**
Limpopo sand (OP)	65.7					
Letsitele sand and Gravelotte pebbles		Measured	12.5	12.5	10.5	10.5
		Indicated				
		Measured and Indicated	**12.5**	**12.5**	**10.5**	**10.5**
Limpopo rock (OP)	65.7					
Letsitele rock and Gravelotte rock		Measured				
		Indicated	53.6	53.6	25.9	25.9
		Measured and Indicated	**53.6**	**53.6**	**25.9**	**25.9**
Ranobé, Madagascar (OP)[26]	65.7					
Upper Sand Unit		Measured				
		Indicated	553		4.6	
		Measured and Indicated	**553**		**4.6**	
Cooljarloo Mine, Tiwest (OP)	32.8				% Heavy Minerals	
		Measured	157	137	2.7	3.2
		Indicated	302	322	2.4	2.4
		Measured and Indicated	**459**	**459**	**2.5**	**2.6**
Jurien, Tiwest (OP)[27]	32.8					
		Measured		44.0		4.6
		Indicated	25.6	9.1	6.0	5.5
		Measured and Indicated	**25.6**	**53.1**	**6.0**	**4.8**
Dongara, Ticor Limited (OP)[28]	65.7					
		Measured	1.3	1.3	6.9	6.9
		Indicated	75.4	75.4	6.6	6.6
		Measured and Indicated	**76.7**	**76.7**	**6.6**	**6.6**

Rounding of figures may cause computational discrepancies.
Mining method: OP = Open Pit.
Note that all operations and projects were audited in 2005 as part of the Kumba/NewCo Due Diligence process.

(15) Sishen Iron Ore Mine: The significant increase is due to the inclusion of jig plant ore whereby lower Fe-grade rocks can be beneficiated to a saleable product using jig technology. Additional resources with a grade >60%Fe that have underground mining potential outside the optimised pit, are reported separately in 2005.
(16) Thabazimbi Iron Ore Mine: Allocation of 37.6 Mt from 2004 Mineral Resources to mineral inventory partly explains the decrease in 2005.
(17) Sishen South: 133 Mt were allocated to mineral inventory. Remaining Inferred Resources are material to the Project and are 42 Mt at 62%Fe.
(18) Leeuwpan Coal Mine: Additional drilling led to an updated geological model and resulted in a decrease of Coal Resources (18 Mt). See note 5 for comment on Prospecting Right.
(19) Tshikondeni Coal Mine: The Coal Resources formerly reported in an area not included in Mine Lease Area, have been excluded in the 2005 estimate (0.3 Mt).
(20) Strehla: The Mineral Resources occur in an area for which the Prospecting Rights are under appeal. These resources are quoted pending the outcome of the appeal (SAMREC 5.5.1).
(21) Glen Douglas Dolomite Mine: Part of the Measured Resource was reclassified as Inferred. Model updates and pit redesign resulted in increases in the metallurgical and aggregate dolomite resources in 2005.
(22) Bridgetown Dolomite Mine: Bridgetown's Mineral Resources have been decreased because of exploration and subsequent geology and model updates (0.4 Mt) and mining depletion (0.3 Mt).
(23) Hillendale Mine, incl. Braeburn: Mineral Resources decreased by 6.3 Mt as a result of additional drilling and subsequent deposit boundary revision.
(24) Fairbreeze, incl. A+B+C+C Ext.: Fairbreeze C and C Ext were updated with new data (0.2 Mt, Fairbreeze C). The 2005 Fairbreeze C Ext Mineral Resource includes a 100m boundary zone, which was excluded in 2004 (5.8 Mt). See Footnote 12 for comment on the pending Mining Licence.
(25) KwaZulu-Natal: Fairbreeze D and Block P were combined in the 2004 report.
(26) Ranobé, Madagascar: Mineral Resources were not reported in 2004.
(27) Jurien: Resources are based on a pit boundary where revenues are 150% of current values. Deep deposits (27.5 Mt) have been allocated to mineral inventory. Certain Resources were downgraded to 'Indicated' because drilling is too widely spaced in places.
(28) Dongara: The Dongara geological models were updated with new mineralogical information. These resources were reported as Magnetic Minerals, Ticor in 2004.

Project pipeline

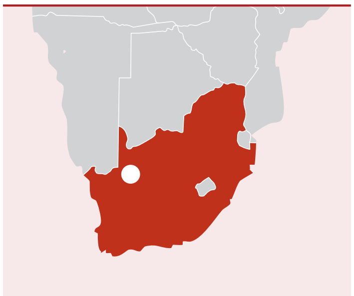
Ticor Mineral Sands Project – South Africa



Effective ownership:	53% via Kumba
Incremental production:	140,000 tpa
Full production by:	end 2006
Full project capex:	$188m

The Ticor SA heavy minerals project near Empangeni in KwaZulu-Natal province uses innovative techniques and a new mining method in this highly specialised industry. The smelter complex at Empangeni, comprising two furnaces, is currently being commissioned and at full production will produce 250 Ktpa of titanium dioxide slag and 140 Ktpa of low manganese pig iron.

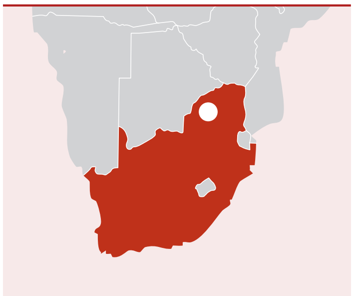
Sishen Expansion – South Africa



Effective ownership:	66% via Kumba
Incremental production:	10 Mtpa
Full production by:	2009
Full project capex:	$559m

The Sishen Expansion Project (SEP) will increase Sishen's production from the current 31 Mtpa to 41 Mtpa by 2009. Construction started in mid-2005, with production ramp-up to commence by mid-2007. The additional 10 Mtpa in sales production will be exported via the 860km Sishen-Saldanha railway line at the port of Saldanha on the country's west coast.

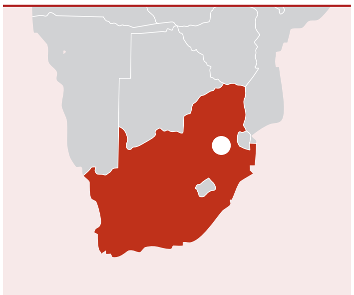
Grootegeluk – South Africa



Effective ownership:	67% via Kumba
Incremental production:	750,000 Ktpa
Full production by:	2006
Full project capex:	$55m

In August 2004, Kumba's board approved the development of a new plant module at the GG2 plant at Grootegeluk mine to treat and beneficiate coal previously sent untreated to the adjacent Matimba power station. The new plant, GG6/1, will extract a fraction of semi-soft coking coal from the run-of-mine material and supply 530 Ktpa to the coking plants being refurbished by Mittal at its Newcastle facility. GG6/1 is now under construction and due for commissioning in July 2006.

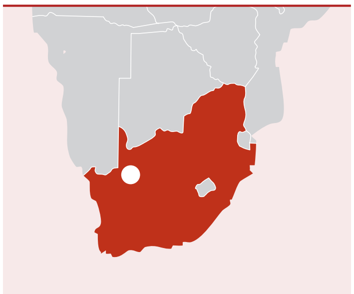
Inyanda (50% JV) – South Africa



Effective ownership:	67% via Kumba
Incremental production:	1 Mtpa
Full production by:	2006
Full project capex:	$30m

Inyanda Coal is a joint venture between Kumba Coal and Eyesizwe Coal. Inyanda Coal is currently preparing to construct a new 1 Mtpa export thermal coal mine near Witbank. The project has been approved by both the Kumba and Eyesizwe Coal boards, subject to the Richards Bay Phase V expansion. Commissioning of the mine will take place 18 months after final approvals have been obtained.

Sishen South – South Africa



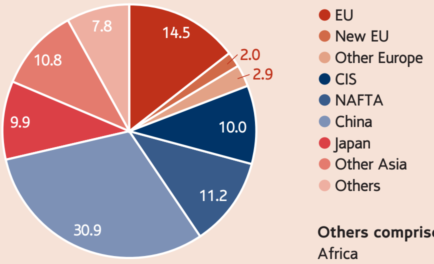
Effective ownership:	66% via Kumba
Incremental production:	9 Mtpa
Full production by:	2011
Full project capex:	$228m

Sishen South project is a project in the Northern Cape producing 9 Mtpa of iron ore by 2011. Scoped in two phases, phase 1 will start producing in 2007 and 3 Mtpa. Board approvals are expected in Q2 2006. ■

Market information

Steel production and use: geographical distribution 2005
%

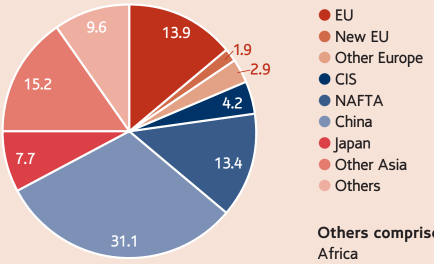
Production



Others comprise:

Africa	1.6%
Middle East	1.4%
Central and South America	4.1%
Australia and New Zealand	0.8%

Use (crude steel equivalent)

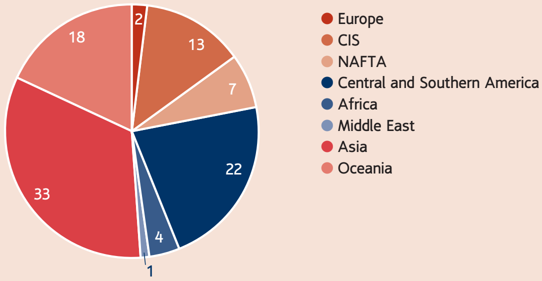


Others comprise:

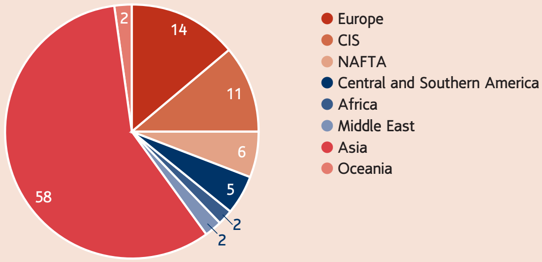
Africa	2.2%
Middle East	3.4%
Central and South America	3.2%
Australia and New Zealand	0.8%

2004 world iron ore production and consumption
%

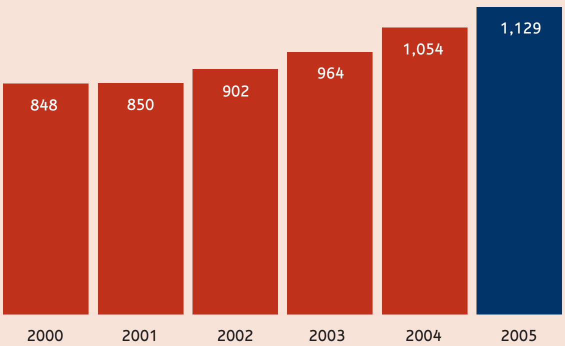
Production



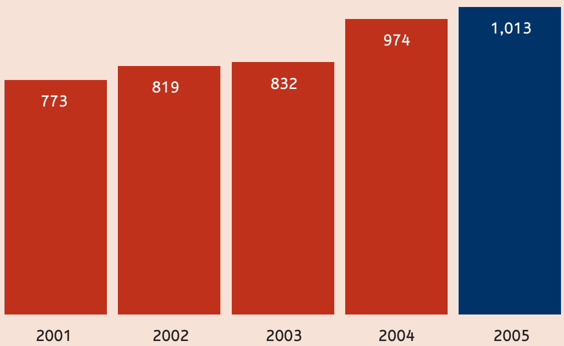
Consumption



World crude steel production
million tonnes

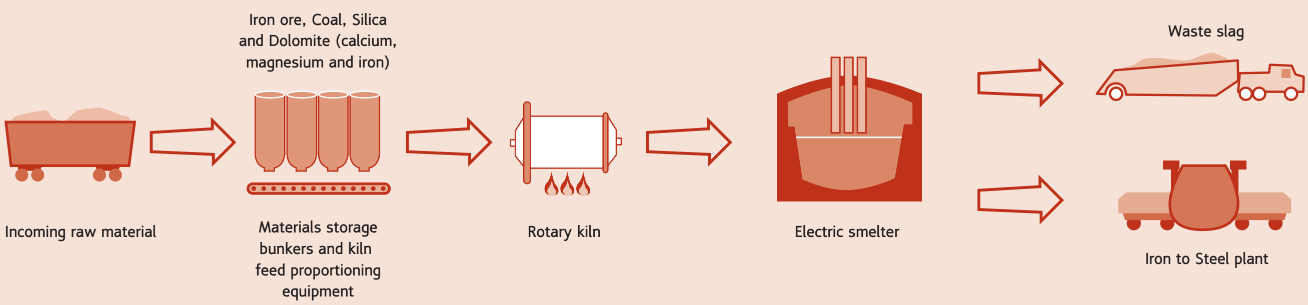


Global steel consumption
million tonnes

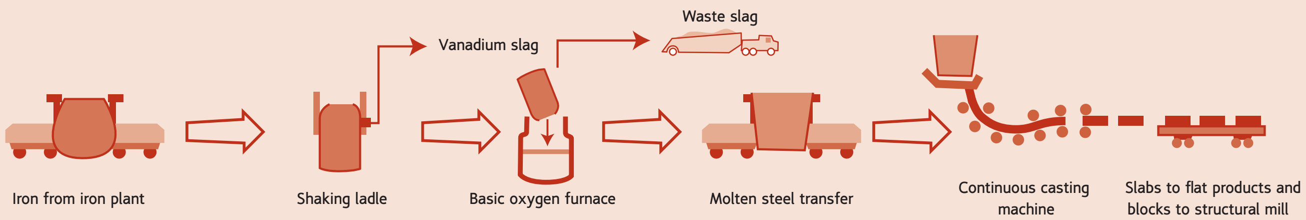


Operations diagram

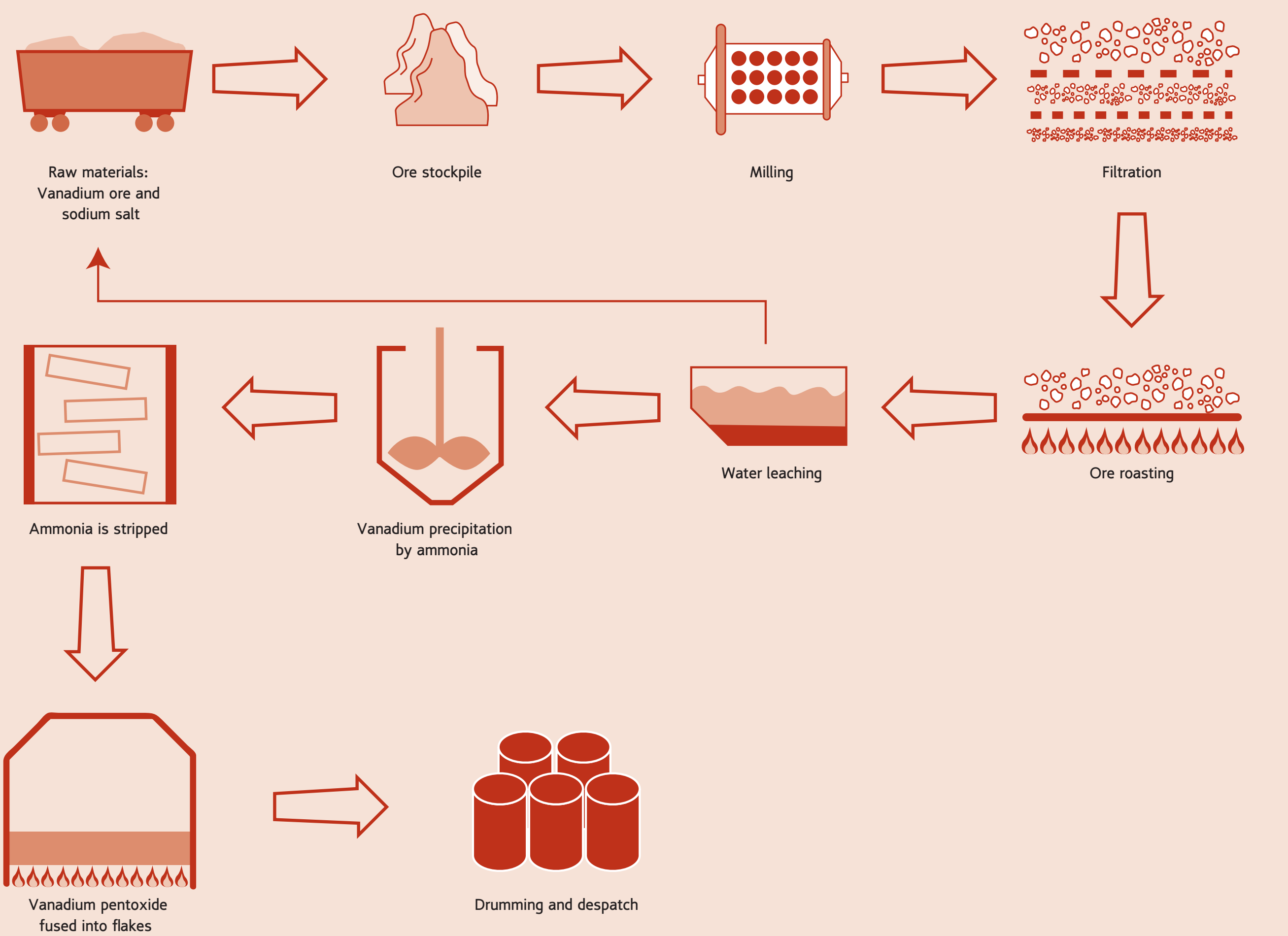
A typical iron production process



Highveld's steel production process



Highveld's vanadium pentoxide production



Leader in UK aggregates

Anglo Industrial Minerals (AIM) has two subsidiaries: Tarmac and Copebrás. Tarmac is a leader in the construction materials business in the UK, continental Europe, the Middle East and Far East. It is principally involved in the production of crushed rock, sand and gravel, asphalt, concrete and mortar, concrete products, lime and cement. Copebrás is a leading Brazilian producer of phosphate fertilisers, phosphoric acid and sodium tripolyphosphate (STPP).

Industrial Minerals

Business overview

Operating profit

2004:
$421m

2005:
$370m

Tarmac accounts for around 90% of AIM's business and is well positioned with a long life asset and reserve base. It is the UK market leader in aggregates, asphalt, concrete blocks and mortar and is the second largest in ready-mixed concrete.

Tarmac is a leading producer of hard rock, sand and gravel and concrete products in Central Europe, and of ready-mixed concrete in the Madrid and Alicante areas of Spain. In France and Poland, it has important and growing shares of the concrete products markets. Tarmac has recently entered Romania. Copebrás is a leading Brazilian producer of phosphate fertilisers, and has recently expanded its Goiás operations in order to meet increased demand. ■

Below: Tarmac's sand and gravel operations at Elbekies.

Products

Sand and gravel
Used mostly in the production of ready-mixed concrete, sand and gravel is also used for fills and drainage. Extracted from pits and dredged from coastal waters, materials are washed and graded prior to use.

Ready-mixed concrete
Manufactured at production units located close to its market, ready-mixed concrete consists of sand, gravel, crushed rock, water, cement, cement replacements and other components dependent upon the performance required from the resultant mix. Ready-mixed concrete is transported to site in specialist truck mixers designed to thoroughly mix the material during transit.

Mortar and screeds
Mortars and screeds consist of sand, cement and various admixtures dependent on application and performance requirements. Mortars are predominantly used for masonry applications such as bricklaying and will often contain lime to improve working properties. Levelling screeds and self-smoothing flowing screeds are generally used to prepare floors to receive final surfaces.

Crushed rock
Crushed rock is predominantly used for road construction (where it is used both as a foundation and, when heated and mixed with bitumen, as a surfacing material), other foundations, drainage, railway ballast and concrete products. Extraction is generally by open pit drilling and blasting followed by various crushing and screening processes to achieve specifications appropriate to the ultimate end use. Crushed rock may also be used in ready-mixed concrete.

Asphalt
Manufactured by coating graded, crushed rock with bitumen, asphalt is the main product used for surfacing roads. Applied hot or cold to road foundations, asphalt is either supplied to site or collected by contractors from strategically located asphalt plants.

Concrete products
Utilising extracted materials, the concrete products sector provides the construction industry with a variety of prefabricated products including blocks for walling, pre-stressed structural flooring, bespoke engineered pre-cast elements and paving.

Lime and cement
Using similar production processes, lime and cement are added value materials used widely within construction. Lime is also an important product in the agricultural, environmental and industrial sectors.

Phosphates
Copebrás' principal products are phosphoric acid, a range of phosphate-based fertilisers and sodium tripolyphosphate (STPP). Phosphoric acid is the raw material for the manufacture of phosphate fertilisers and STPP. Phosphate fertilisers are used to supplement natural soil nutrients to achieve high agricultural yields. STPP is used in water treatment and the manufacture of detergents, paints and ceramics. ■

Entry into new markets

Tarmac is currently developing its first quarry in China. Yang Quarry is located 140km from Shanghai and is the closest reserve to the city of top quality aggregates suitable for use in asphalt. Tarmac has for some time operated in the asphalt market in Shanghai, China's commercial capital and a city of extraordinary growth, and this quarry will be the first major test of whether Tarmac can develop its business significantly to benefit from China's undoubted growth prospects. Tarmac has recently entered Romania through acquisition of Albet, a subsidiary of the CMG Group. ■

Market structure

Left: Buxton Cement's new rail-linked distribution centre in Willesden, north London, on the West Coast Main Line.

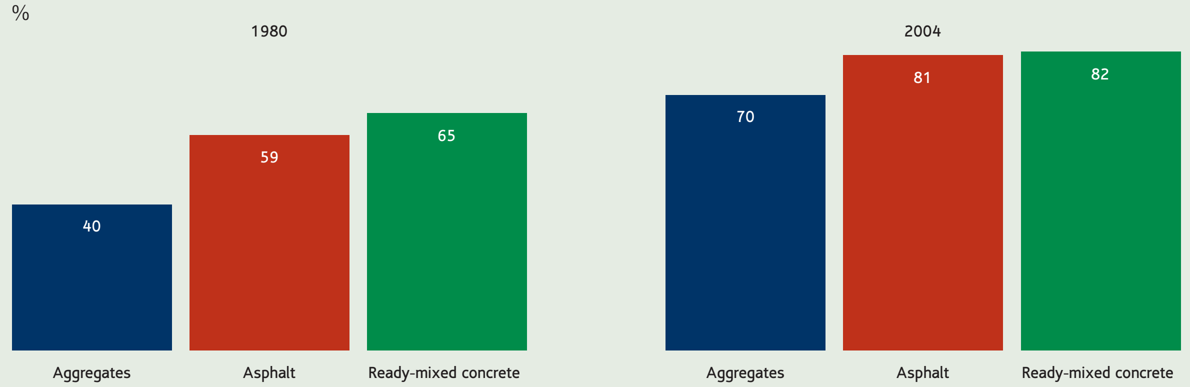
The aggregates, asphalt and ready-mix markets in which the Tarmac Group participates in the UK are relatively consolidated, with the top five players controlling over 70% of each market.

The cement market is highly consolidated with the top five players accounting for nearly 90% of the market.

The main aggregates players also compete, to a greater or lesser extent, in the concrete products market, which is more fragmented.

Historically, construction growth in the UK has generally tracked GDP growth. In addition, tighter planning regimes will inevitably lead to current holdings of consented mineral reserves becoming more valuable over time.

UK Consolidation – top five market shares



Strategy

Left: Sage Building and Gateshead Millennium Bridge. Tarmac Northern supplied high strength concrete to the project.

Tarmac's strategy is to maximise shareholder value by exploiting its core competitive advantage of consented reserves in established territories and accelerating its incremental acquisitive growth and organic growth in selected territories. It will continue downstream integration where appropriate.

- Customers are at the heart of everything that Tarmac does. It is vital that Tarmac continues to organise its resources to meet the needs of its customers. Consequently, Tarmac has changed its organisation in the UK. Tarmac's UK business has two business units: Aggregate Products and Building Products and an enhanced shared service centre:
- Aggregate Products – comprises aggregates, asphalt, contracting, recycling and ready-mixed concrete. The organisation is based on seven geographical areas, enabling greater local customer focus.
- Building Products comprises those businesses that have essentially national markets. These include cement, lime, mortar, and concrete products. This new structure will enable the business to deliver further efficiencies and improve its productivity.

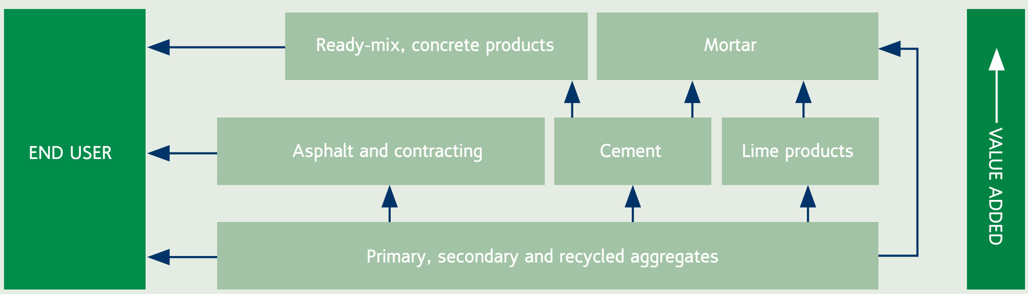
In addition, an International Business Director has been appointed, underlining Tarmac's commitment to growing its business outside the UK. Bolt-on acquisitions, which extend Tarmac's geographical presence and product offering as well as offering the potential for cost reduction, will continue to be sought. In addition, acquisitions offer the potential to provide additional secured downstream outlets for Tarmac aggregates.

In the UK, the cement business is a core business and one in which Tarmac remains open to opportunities to add further value to this business. Specific strategies are:

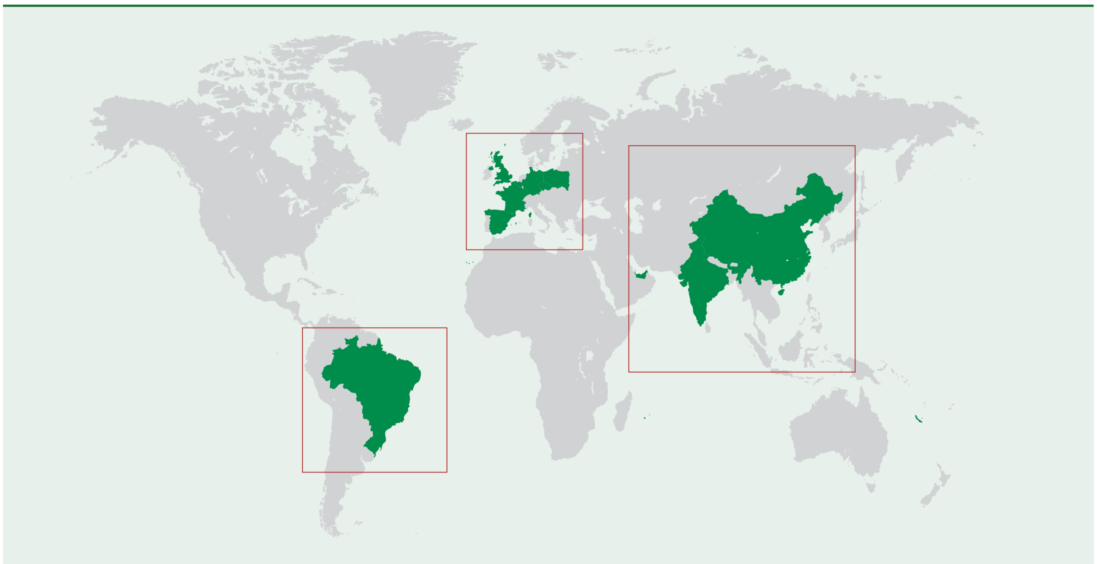
- To become supplier of first choice across Tarmac's full product range and through its various routes to market.
- Continue to develop innovative product and service solutions to differentiate it from competitors.
- Strategic sourcing – a project which is targeted to produce annual savings through economies of scale in groupwide procurement.
- Capital expenditure – to reduce cost and improve productivity. ■

The value chain

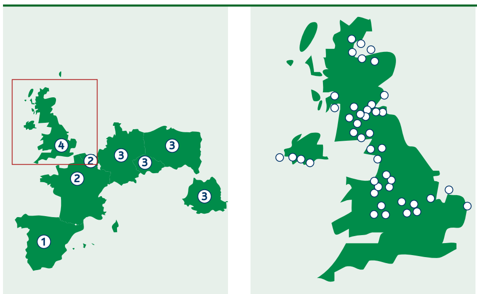
Tarmac operates both in aggregates and downstream value added products and services:



Around the world



Anglo Industrial Minerals is a market leader in the UK and has a growing presence in Continental Europe.



Europe

1	100%	**Tarmac Iberia** (Spain)
2	100%	**Tarmac France** (France and Belgium)
3	100%	**Tarmac Central Europe** (Germany, Poland, Czech Republic and Romania)
4	100%	**Tarmac UK**

The Tarmac Group has strong regional market positions in its markets in Germany, Poland, the Czech Republic, Romania, Spain and France. Growth in Continental Europe offers the opportunity of increasing returns through economies of scale, consolidation, benchmarking, and the transfer of best practices within the group. Ultimately there is also the potential to build upon Tarmac's strong brand name.

Brazil

1	73%	**Copebrás Cubatão** (Brazil)
2	73%	**Copebrás Catalão** (Brazil)

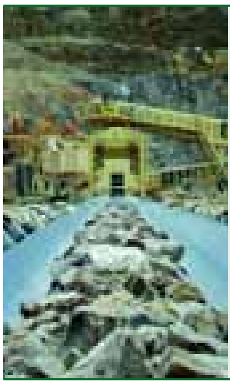
AIM's fertiliser and phosphate interests are located in Brazil and centred in Catalão and Cubatão. AIM has a 73% shareholding in Copebrás which is a leading Brazilian producer of phosphate fertilisers, phosphoric acid and STPP.

Rest of the world

1	100%	**Tarmac Hong Kong and China**
2	100%	**Tarmac Middle East**

The Tarmac Group has modestly scaled operations but with good local market positions in the Middle East and Far East. Tarmac's operations in the Middle East principally comprise a 49% owned joint venture in the UAE, which operates an integrated asphalt and aggregates business. The lack of vertical integration and the fragmented nature of the market suggest that this business can be developed using the UK blueprint of a core aggregates business supported by downstream operations. In China, Tarmac has asphalt businesses in Shanghai and Hong Kong and is currently developing a quarry to supply the former. ■

Through history



1900s

1901: The road surfacing qualities and potential of tarmacadam discovered by chance near Derby, UK.

1903: Tar Macadam Syndicate Limited formed by Edgar Hooley.

1913

Tarmac Limited becomes a public company.

1929

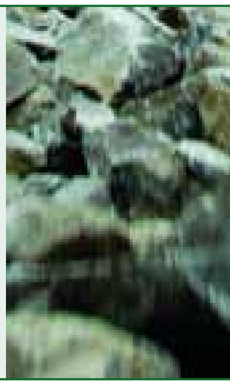
Buxton Lime Industries was formed.

1939-1945

The Second World War brought a big upswing in construction of airfields and roads.

1959

Tarmac acquires Crowe Catchpole which strengthens the company's position in London and south east England.

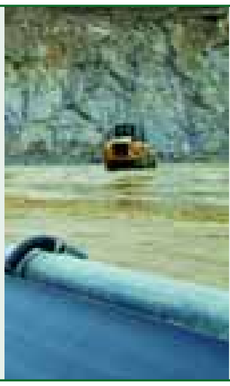


1970

Tilcon was formed from a number of structural materials companies.

1984

Anglo American acquired control of Copebrás.



1990s

1991: Minorco bought Buxton Lime Industries, Nash Rocks, Elbekies and Lausitzer Grauwacke.

1995: Tarmac entered into a deal with Wimpey that saw Tarmac's private housing business swapped for Wimpey's worldwide contracting and quarrying operations.

Minorco acquired Tilcon.

2000s

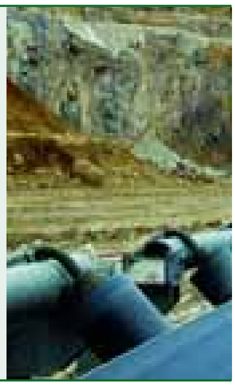
2000: Tarmac acquired by Anglo American plc.

2002: Anglo American spends $190m on acquisitions including Durox and the aggregates and ready-mixed concrete assets of Mavike.

2003: Tarmac celebrates its centenary.

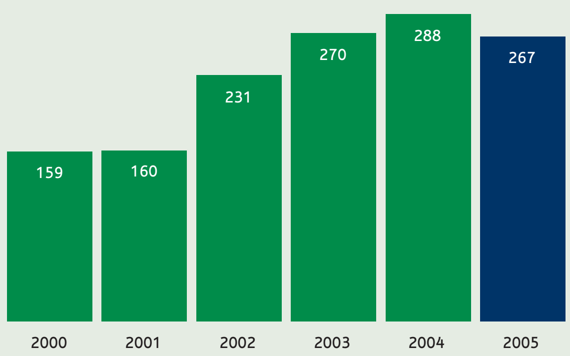
2004: Tarmac's new 800 Ktpa cement plant at Burton commences production having been completed at a cost of £110 million, £5 million below budget.

2005: Tarmac restructured and reconfigured its commercial and operational activities in the UK to more effectively meet the needs of its customers.

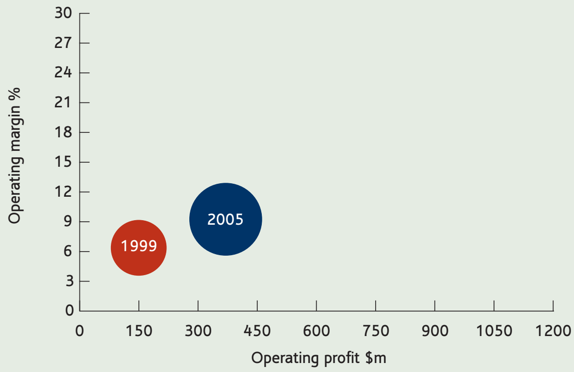


Financial highlights

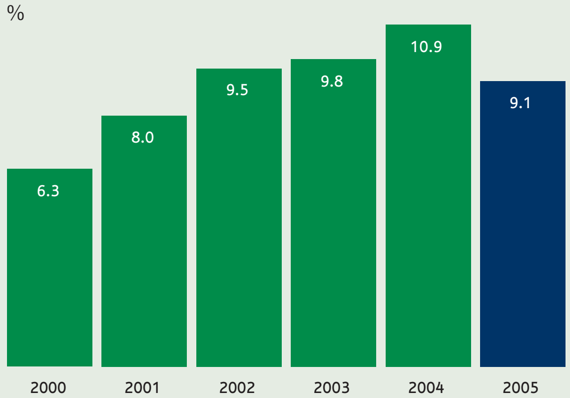
Six-year underlying earnings
$m



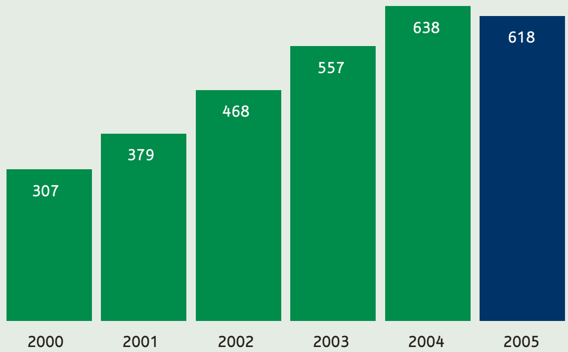
Scale and profitability growth
Bubble size represents turnover



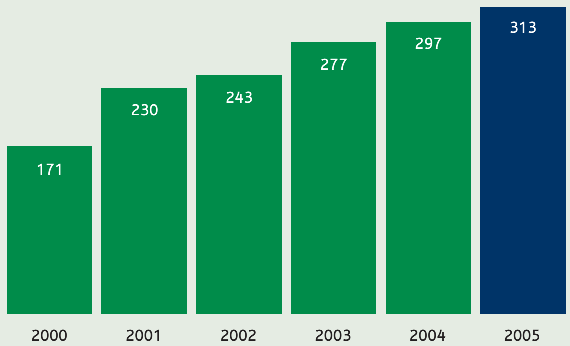
Operating margin
%



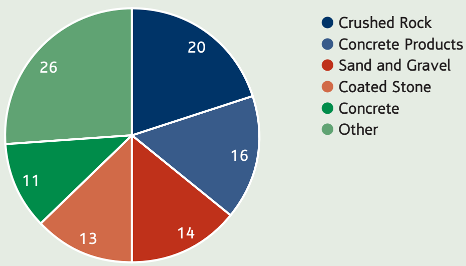
EBITDA



Turnover per employee
$000



Approximate total operating profit by product 2004
%



Financial highlights continued

Financial data

Turnover (US$m)	2005	2004	2003	2002	2001	2000
Subsidiaries	**4,043**	3,833	3,196	2,811	2,432	2,310
Joint Ventures	**–**	–	100	76	70	65
Associates	**30**	25	22	25	25	19
Total turnover	**4,073**	**3,858**	**3,318**	**2,912**	**2,527**	**2,394**
EBITDA	**618**	**638**	**557**	**468**	**379**	
Depreciation and amortisation	**248**	**217**	**229**	**188**	**178**	**157**
Operating profit before special items and remeasurements	**370**	**421**	**325**	**277**	**201**	**150**
Operating special items and remeasurements	**(16)**	**(9)**	**–**	**–**	**–**	**–**
Operating profit after special items and remeasurements	**354**	**412**	**325**	**277**	**201**	**150**
Net interest, tax and minority interests	**(103)**	**(133)**	**(108)**	**(92)**	**(83)**	**(30)**
Underlying earnings						
Tarmac	**256**	259	256	214	147	–
Copebrás	**11**	29	14	17	13	–
Total underlying earnings	**267**	**288**	**270**	**231**	**160**	**159**
Net segment assets	**3,982**	**4,480**	**4,304**	**3,848**	**3,246**	**3,196**
Capital expenditure	**274**	**304**	**316**	**363**	**205**	**186**

Production and reserve data

Production data

	2005	2004	2003	2002	2001	2000
Production (tonnes)						
Aggregates	**85,887,000**	77,579,000	67,158,100	63,928,400	64,112,000	67,815,000
Lime products	**1,428,100**	1,185,700	893,800	871,000	926,000	928,000
Concrete (m^3)	**8,353,200**	8,310,800	7,874,600	6,955,700	6,627,400	6,329,000
Sodium tripolyphosphate	**106,000**	115,700	88,800	88,200	91,500	86,000
Phosphates	**1,036,200**	1,169,300	1,040,300	734,600	820,500	775,000

Reserve data

The Ore Reserve and Mineral Resource estimates were compiled in accordance with the Australasian Code for Reporting of Mineral Resources and Ore Reserves (The JORC Code, 2004) as a minimum standard. Where relevant, the estimates were also prepared in compliance with regional codes and requirements (e.g. The South African Code for Reporting of Mineral Resources and Mineral Reserves, The SAMREC Code, 2000). The Mineral Resources are additional to the Ore Reserves.

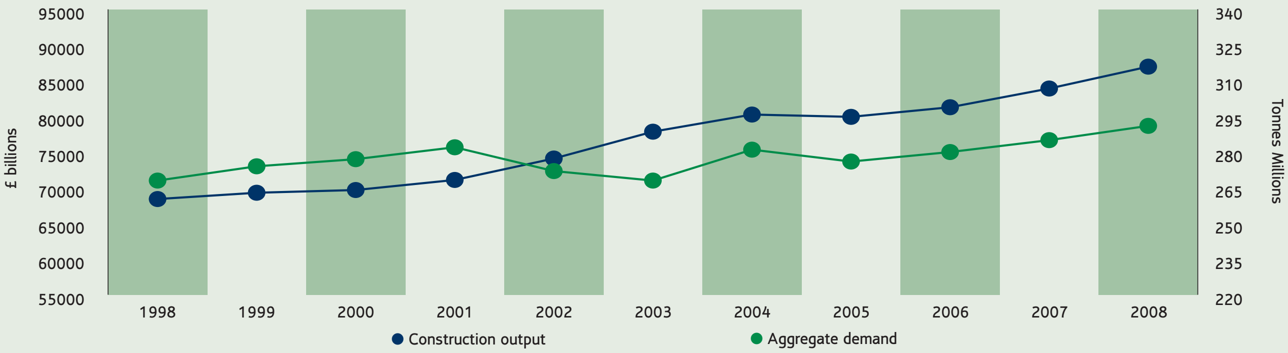
The figures reported represent 100% of the Ore Reserves and Mineral Resources, the percentage attributable to Anglo American plc is stated separately.

	Attributable		**Tonnes million**		**Grade** $\%P_2O_5$	
	%	**Classification**	**2005**	**2004**	**2005**	**2004**
Copebrás – Ore Reserves	73					
		Proved	**48.0**	52.6	**12.9**	12.9
		Probable	**69.7**	70.0	**13.6**	13.6
		Total	**117.7**	**122.6**	**13.3**	**13.3**
Copebrás – Mineral Resources	73					
		Measured	**4.4**	4.6	**12.9**	12.9
		Indicated	**27.8**	27.8	**13.6**	13.6
		Measured and Indicated	**32.2**	**32.4**	**13.5**	**13.5**

Rounding of figures may cause computational discrepancies.

Market information

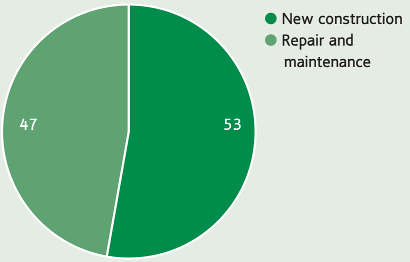
Demand drivers – construction output and aggregate volume



Source: Department of Trade & Industry, ODPM, Tarmac estimates

2005 estimated UK value of construction market

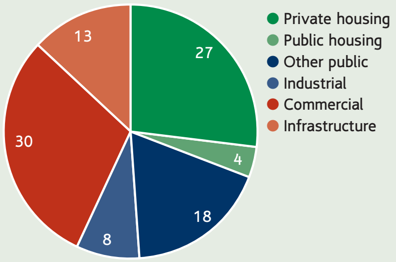
%



Source: Department of Trade & Industry

New construction market structure by value

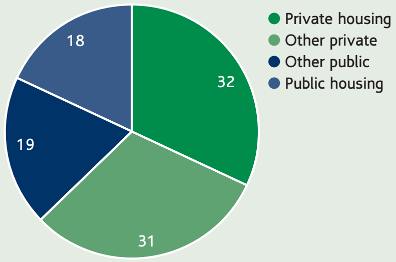
%



Source: Department of Trade & Industry

Repair and Maintenance market structure by value

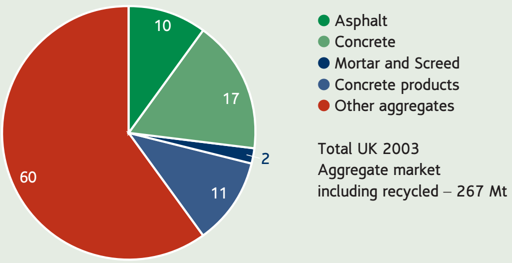
%



Source: Department of Trade & Industry

UK market by product volume

%

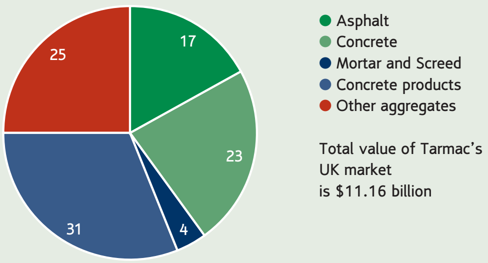


Total UK 2003
Aggregate market
including recycled – 267 Mt

Source: Tarmac estimates

UK market by product value

%

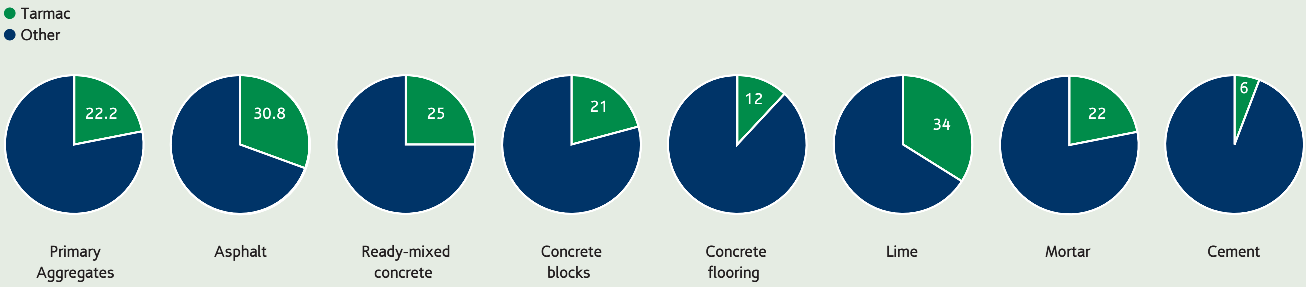


Total value of Tarmac's
UK market
is $11.16 billion

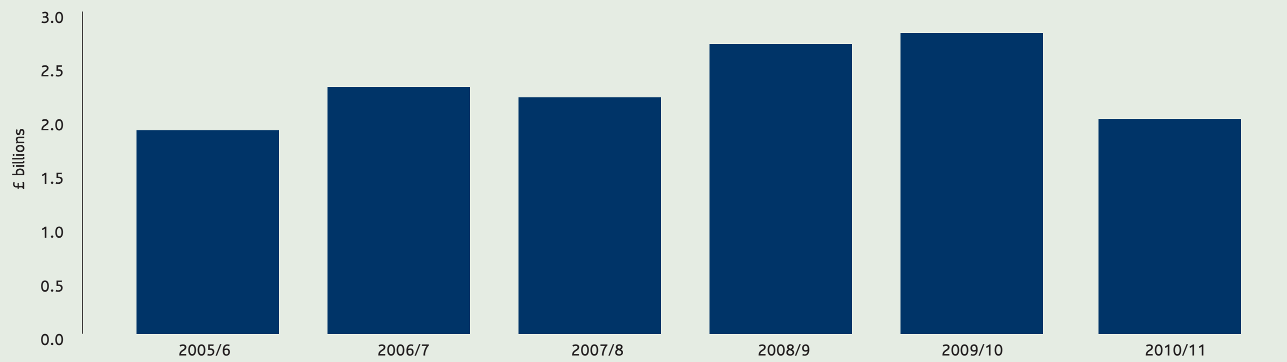
Source: Tarmac estimates

Tarmac share of UK heavy side building materials

%

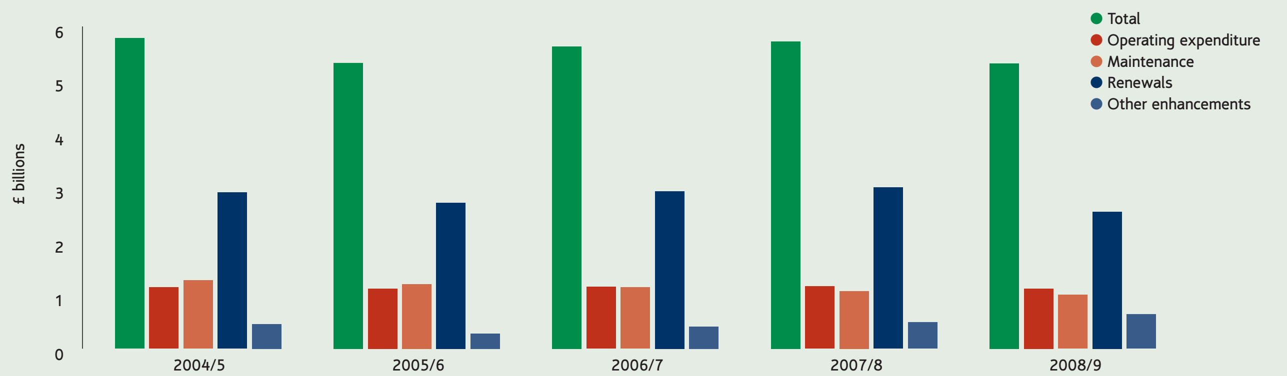


Strategic road expenditure in UK



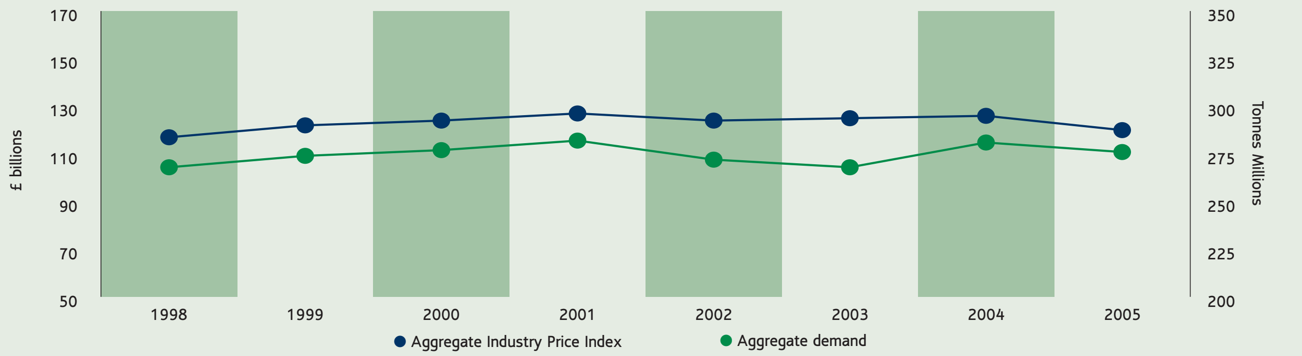
Source: Highways Agency Business Plan. Dept. of Transport 10 Year Plan

Strategic rail plan



Source: Network Rail 2006 Business Plan

Aggregate price and volume trends

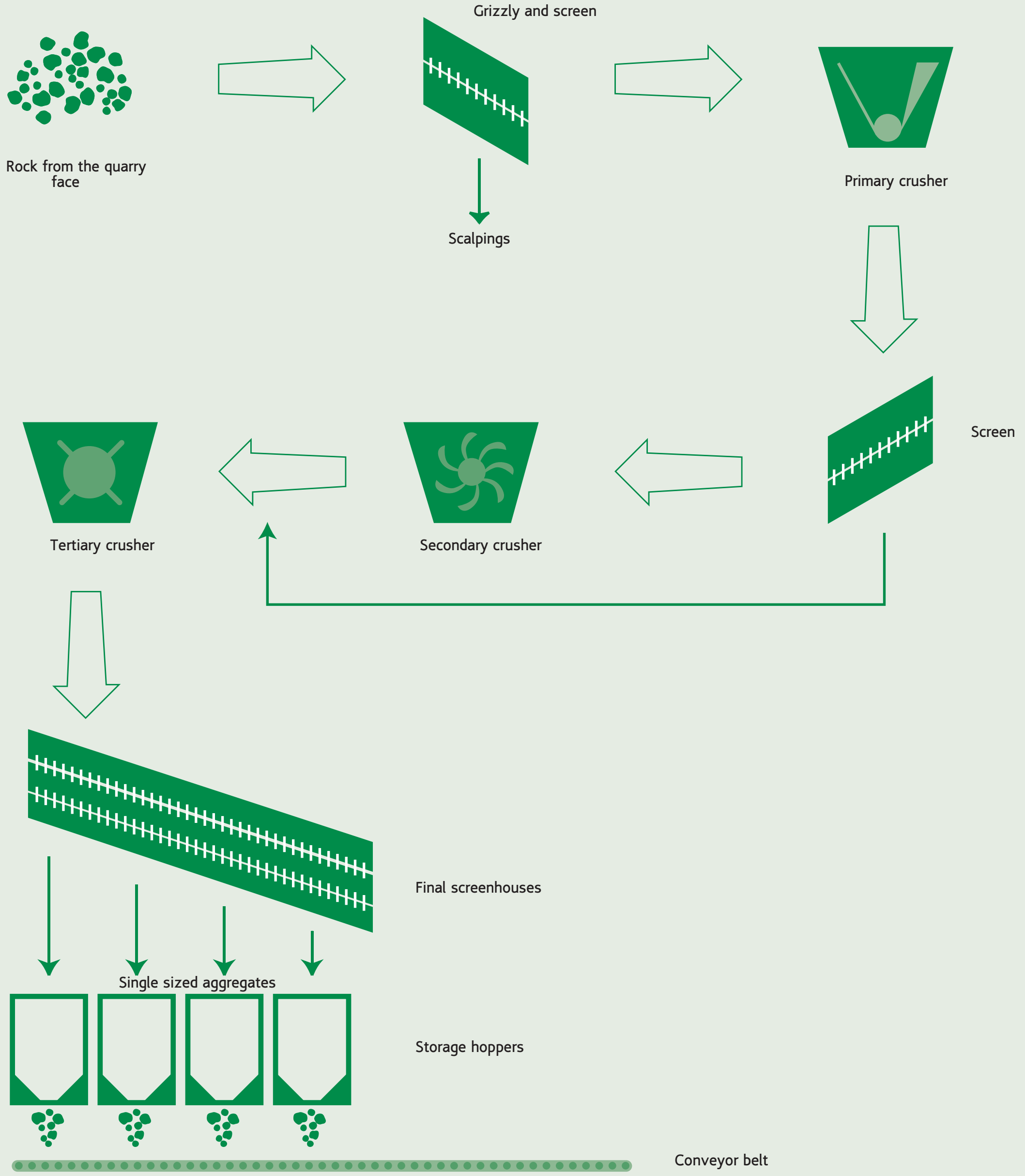


Source: OPDM, Department of Trade & Industry, ODPM, Tarmac estimates

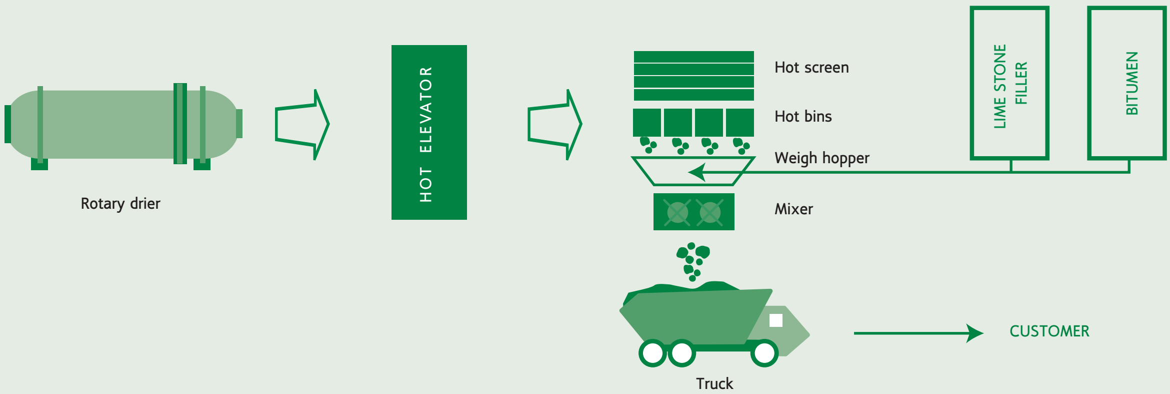
Index based on: Price adjustment formula for construction contracts, Civil Engineering Formula – '1990 Series' June 1990 = 100

Operations diagram

Aggregate production process



Asphalt production process



A leading gold producer

Anglo American's gold interests are represented by its 41.8% interest in AngloGold Ashanti, one of the world's leading gold producers, with operations in Africa, North and South America and Australia.

Gold

Business overview

Operating profit
2004:
$296m
2005:
$332m

Above: Sunrise Dam gold mine, Western Australia – a hydraulic excavator in the Cleo Pit.

AngloGold Ashanti is one of the world's largest gold producers with production of 6.2 million ounces of gold in 2005 and extensive reserves and resources. AngloGold Ashanti draws its production from four continents. Its operations comprise open-pit and underground mines and surface reclamation plants in Argentina, Australia, Brazil, Ghana, Guinea, Mali, Namibia, South Africa, Tanzania and the United States of America. AngloGold Ashanti employs approximately 64,000 people around the globe.

AngloGold Ashanti continues to enhance the value of the company through organic growth. The company currently has several major capital projects in development that will be coming into production over the next few years and currently has an extensive exploration programme in 17 countries.

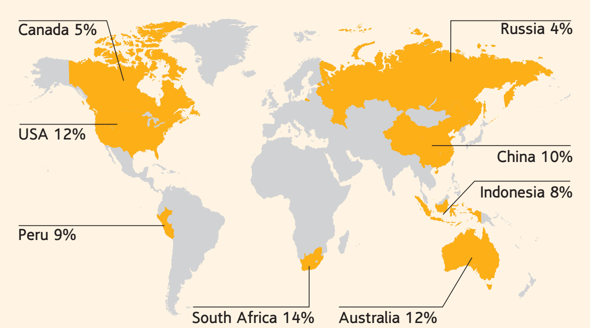
AngloGold Ashanti has seven underground operations in South Africa, nine operations in East and West Africa, an open pit operation in North America, three South American operations (one open pit, two underground) and one open pit operation in Australia. The Boddington Expansion Project was approved by the Board in January 2006. Production is scheduled to commence during the third quarter of 2008.

The company has also established a 'new business' team that seeks out partnerships with junior exploration and mining companies in regions outside the world's mainstream mining areas. In these partnerships, AngloGold Ashanti, when possible, seeks to retain the right to convert its minority stakes into majority holdings if and when a project reveals the potential to become a large deposit. Over the past year the company has diversified in this way into regions such as Laos, Mongolia, China and the Philippines.

AngloGold Ashanti also focuses on developing the market for its product. Through its international gold marketing initiatives on its own, and in collaboration with organisations such as the World Gold Council, AngloGold Ashanti is able to take advantage of downstream opportunities for potential value capture and help to ensure a healthy customer base.

Industry overview

Top gold producing countries



Gold is used primarily for fabrication and bullion investment and is traded on a worldwide basis. Fabricated gold has a variety of uses, including jewellery, electronics, dentistry, decorations, medals and official coins. Central banks, financial institutions and private individuals buy, sell and hold gold bullion as an investment and as a store of value.

Apart from gold's status as the 'ultimate store of value' (estimates are that the world's central banks hold approximately 33,000 tonnes) the overwhelming use for gold is in jewellery. Over the past decade, demand for gold from the jewellery industry has consistently outstripped newly mined supply.

AngloGold Ashanti and Mintek, South Africa's national metallurgical research organisation, launched Project AuTEK in 2000 to research and develop industrial applications for gold.

Gold production process

Below: Sunrise Dam gold mine, Western Australia. A drill rig takes core samples in the Cleo Pit.

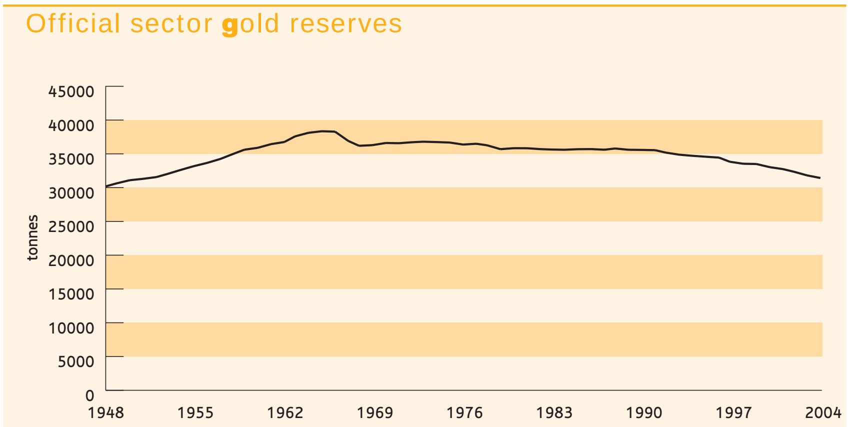
AngloGold Ashanti's production is processed into doré bars at facilities at each of the mine sites. These bars are then transported to a refinery for refining the bars to a 'good delivery status'.

This refers to a bar that is accepted to contain the quantity and purity of gold as stamped on the bar. Only certain refineries internationally are accredited to provide good delivery status gold bars. AngloGold Ashanti only delivers its doré bars to refineries that are accredited. In South Africa, AngloGold Ashanti's doré bars are refined at the Rand Refinery Limited, one of the largest producers and refiners of new, good delivery gold bars in the world. AngloGold Ashanti has a 53% interest in the Rand Refinery, AngloGold Ashanti sells almost all of its production to international banks active in bullion markets and also participates in the gold derivatives market. ■

Exploration

AngloGold Ashanti's global exploration strategy seeks to extend the life of existing operations and to find new, cost-effective ounces through in-house exploration, exploration joint ventures and the acquisition of late-stage exploration projects.

The objective of AngloGold Ashanti's global exploration strategy is to find, cost effectively, new production ounces that meet AngloGold Ashanti's financial criteria. This is achieved through focused exploration in geological terrains most likely to host significant gold deposits. The more isolated the prospect is from existing operations, the less existing infrastructure development or the higher the country and other risks associated with the project, the more significant the deposit must be to meet AngloGold Ashanti's investment criteria. ■



Source: WGC calculations based on IMF data and national sources

AngloGold Ashanti's strategic objectives are to drive down costs, lower mining and geopolitical risk by diversification and invest directly in, or partner in, downstream retail operations.

AngloGold Ashanti's value-adding growth strategy remains a core focus going forward and the company will continue to look for additional opportunities to grow its business organically through focused exploration and a disciplined approach to opportunistic asset acquisitions and mergers and acquisitions.

In addition to current growth projects that will maintain AngloGold Ashanti's production profile of some 6.5 million ounces a year through to around 2012, exploration and acquisition will grow the reserve and resource base further, not least in new regions such as Russia, Laos, the Philippines, China, Mongolia and countries in South America such as Colombia.

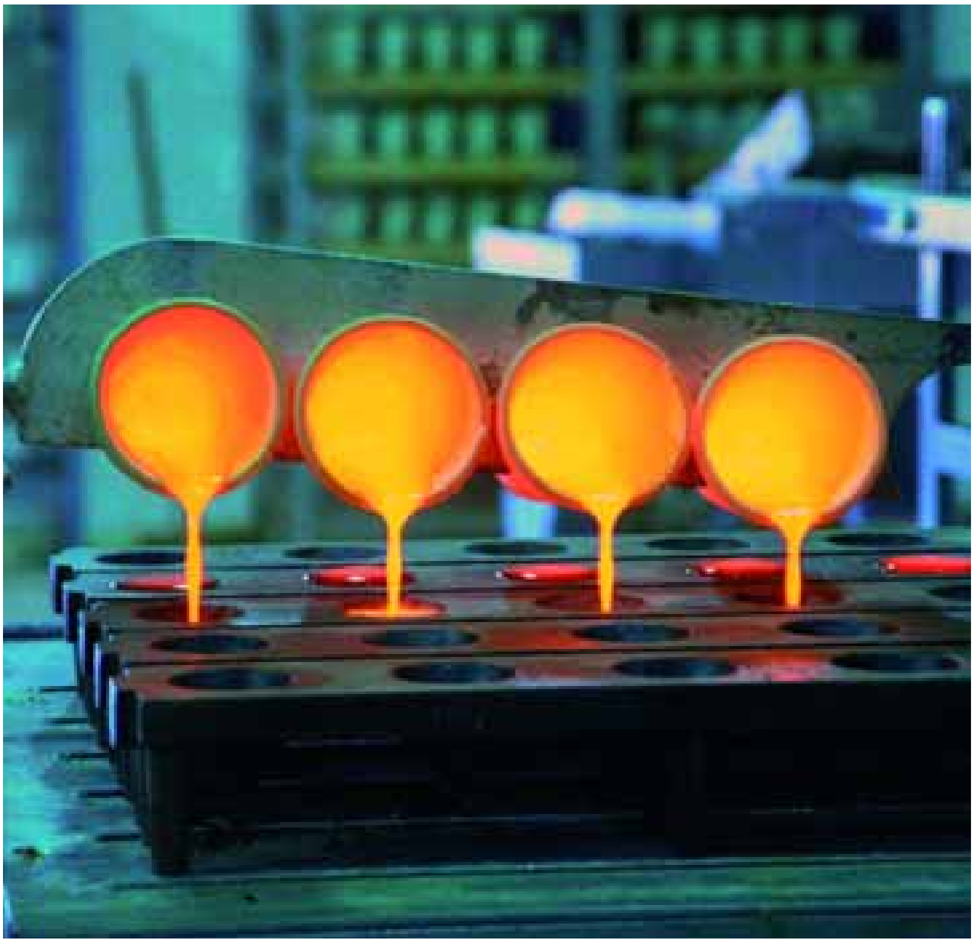
AngloGold Ashanti is changing from being solely a gold-mining company to one that is able to add value at several stages of a supply chain that starts in the geologist's search for a deposit through to the consumer.

AngloGold Ashanti is committed to developing the market for gold. The group's marketing programme aims to increase the desirability of its product, to sustain and grow demand, and to support the deregulation of the market in key economies.

During 2005, AngloGold Ashanti spent some $13 million on gold marketing initiatives, of which 66% was spent through the World Gold Council(WGC). Gold marketing expenditure by AngloGold Ashanti in 2004 and 2003 amounted to $15 million and $19 million, respectively.

Independently of its support for the WGC, AngloGold Ashanti is active in a number of other marketing projects that support gold. It remains the only gold group in the world to have committed this level of resources to the marketing of the metal it produces.

Downstream initiatives have included GoldAvenue, an internet venture selling gold jewellery, established between AngloGold Ashanti, JP Morgan Chase and Pamp MKS of Geneva in 2000. This venture continued to sell gold jewellery by catalogue and website until early 2004, after which it was wound up.



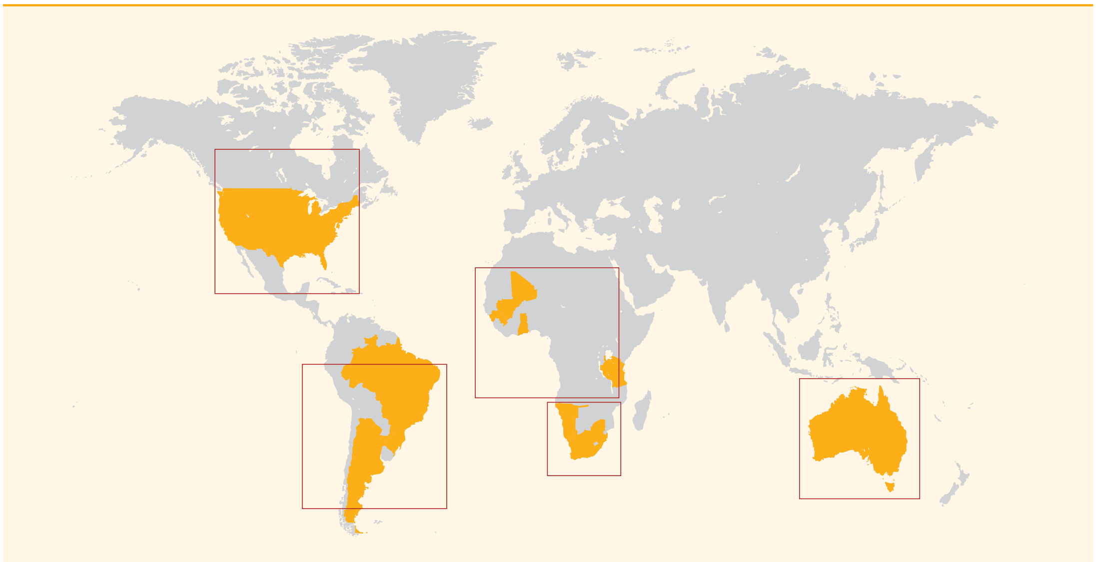
Above: Gold samples being poured at AngloGold Ashanti's Morila gold mine in Mali.

AngloGold Ashanti holds a 25% stake in OroAfrica, the largest manufacturer of gold jewellery in South Africa, as an investment in the downstream beneficiation of gold in South Africa. AngloGold Ashanti and OroAfrica have co-operated in a number of projects, including OroAfrica's development and launch of an African gold jewellery brand. An important strategic step has been the establishment of a Jewellery Design Centre at OroAfrica at a cost of $250,000. The purpose of the Centre is to generate new gold jewellery designs, and to improve product standards through technology, design and innovation. The Centre has been used during the past year to develop a new range of gold jewellery with an African theme. The Design Centre was commissioned by the South African Parliament in 2003 to manage the fabrication of the new Parliamentary mace to celebrate the tenth year of democracy in South Africa. The mace was successfully completed and presented to Parliament in 2003.

A biennial gold jewellery design competition in Brazil, the Designers Forum, was launched by the group in 2002. It was the first such competition in that country. The competition generated unprecedented interest in 2004, with a high quality of design and craftsmanship and some 650 projects involved. From these, 33 pieces were selected for the collection.

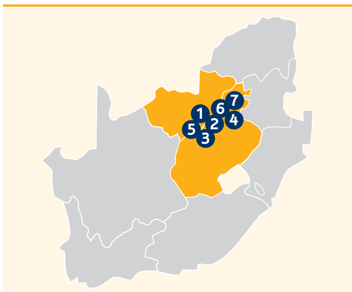
AngloGold Ashanti and Mintek, South Africa's national metallurgical research organisation, launched Project AuTEK in 2002 to research and develop industrial applications for gold. Project AuTEK has developed a gold-based catalyst for the oxidation of carbon monoxide at ambient temperatures. Mintek has carried out pilot-scale catalyst production tests. Negotiations for the commercial production of the catalyst have commenced.

Around the world



AngloGold Ashanti is striving to become the world's most profitable gold company.

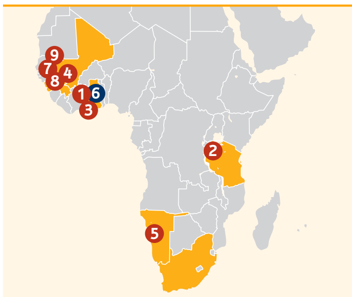
Key
- Underground
- Open Cut
- Other



South Africa

1	100%	Great Noligwa
2	100%	Kopanang
3	100%	Moab Khotsong
4	100%	Mponeng
5	100%	Tau Lekoa
6	100%	TauTona
7	100%	Savuka

AngloGold Ashanti wholly owns its South African mining operations, comprising six underground operations: the Great Noligwa, Kopanang, Tau Lekoa and Moab Khotsong mines are located in the Vaal River area, while the Mponeng, Savuka and TauTona mines are close to Carletonville.



East and West Africa

1	100%	Bibiani (Ghana)
2	100%	Geita (Tanzania)
3	85%	Iduapriem (Ghana)
4	40%	Morila (Mali)
5	100%	Navachab (Namibia)
6	100%	Obuasi (Ghana) (underground)
7	38%	Sadiola Hill (Mali)
8	85%	Siguiri (Guinea)
9	40%	Yatela (Mali)

The East and West Africa region comprises nine operations, located in five countries. These are the Obuasi, Bibiani and Iduapriem in Ghana, the Yatela, Sadiola and Morila mines in Mali, the Geita mine in Tanzania, the Siguiri mine in Guinea and the Navachab mine in Namibia.

Australia

1	100%	Sunrise Dam
2	33.33%	Boddington

AngloGold Ashanti wholly owns and manages the Sunrise Dam operation in Western Australia. AngloGold Ashanti also owns 33.33% of the Boddington project, located some 120km south-east of Perth in Western Australia.

South America

1	100%	AngloGold Ashanti Mineração
2	92.5%	Cerro Vanguardia (Argentina)
3	50%	Serra Grande

The South America region comprises three operations, AngloGold Ashanti Mineração and Serra Grande in Brazil and Cerro Vanguardia in Argentina.

North America

1 Cripple Creek and Victor

In North America, AngloGold Ashanti has a 67% interest (with a 100% interest in gold produced) in, and manages, the Cripple Creek and Victor Gold Mining Company in Colorado, USA.

Through history

1880s

Gold mining and Anglo American’s history are intertwined following the establishment of the first mines on the reef.

1940s

This connection can be traced through to the development of the Vaal Reefs and the Free State goldfields after the Second World War.

1950s

Anglo American’s gold mining history continues following the establishment of the Western Deep Levels.

1970s

The Elandsrand and Ergo mines are developed.

1990s

Since 1998, AngloGold Ashanti has actively pursued adding value to the gold it mines. The company initiated and sponsors the Riches of Africa competition, which highlights the creativity and excellence of South African designs.

2000s

The merger of AngloGold and Ashanti Goldfields was completed in April 2004.

Today

AngloGold Ashanti is a global player with operations in Africa, North America, South America and Australia.

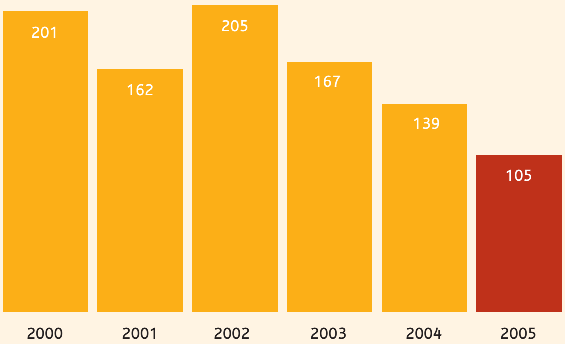
Through the sale of its South African operations in the Free State and West Wits areas, the company has made significant

contributions to black empowerment, and remains committed to skills and career path development for its employees.

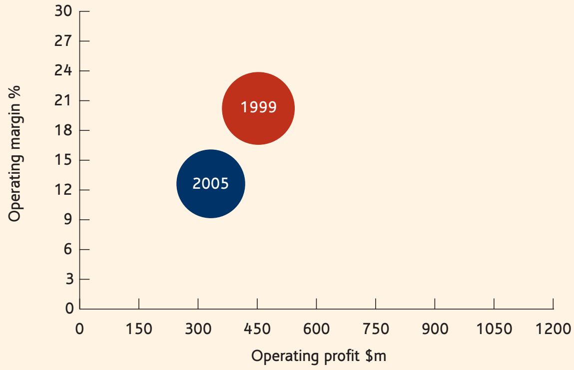
AngloGold Ashanti was the first major SA gold mine to receive approval for the conversion of ‘old order’ to ‘new order’ mining rights in terms of the South African Mining Charter.

Financial highlights

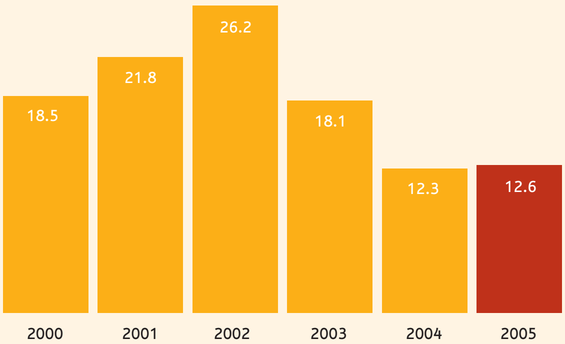
Six-year underlying earnings
$m



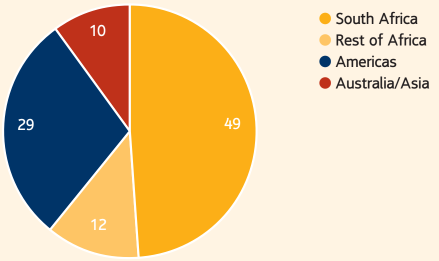
Scale and profitability growth
Bubble size represents platinum production in ounces.



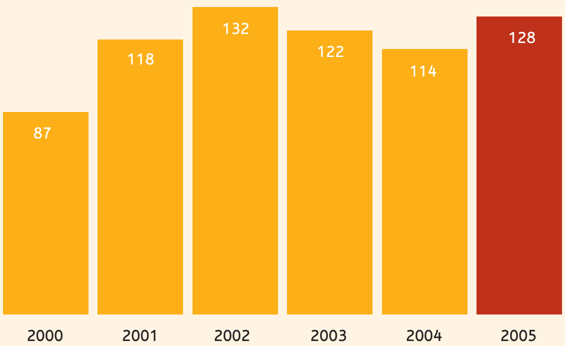
Operating margin
%



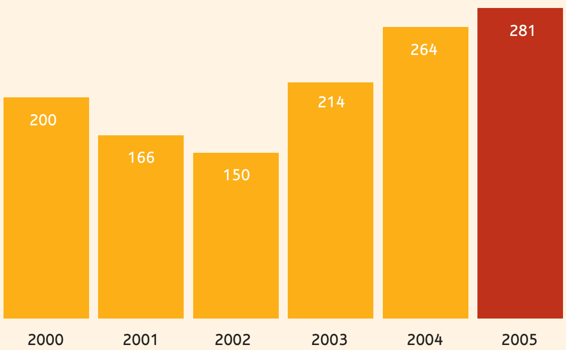
2005 underlying earnings by region
%



Production per employee
oz/employee



Cash cost
$/oz



Financial highlights continued

Financial data

Production (troy ounces)	2005	2004	2003	2002	2001	2000
South Africa	2,676,000	2,857,000	3,281,000	3,412,000	4,669,700	5,418,000
North and South America	887,000	874,000	922,000	940,000	937,000	935,000
Australia and Asia	455,000	410,000	432,000	502,000	508,600	524,000
Rest of the world	2,148,000	1,688,000	981,000	1,085,000	867,800	366,000
Total	**6,166,000**	**5,829,000**	**5,616,000**	**5,939,000**	**6,983,100**	**7,243,000**

Turnover	2005	2004	2003	2002	2001	2000
Subsidiaries	2,629	2,396	1,718	1,450	1,768	2,082
Joint Ventures	–	–	312	312	260	129
Associates	15	13	11	7	–	–
Total turnover	**2,644**	**2,409**	**2,041**	**1,769**	**2,028**	**2,211**
EBITDA	**871**	**694**	**642**	**747**	**699**	**–**
Depreciation and amortisation	**539**	**398**	**212**	**213**	**187**	**213**
Operating profit before special items and remeasurements	**332**	**296**	**369**	**463**	**443**	**410**
Operating special items and remeasurements	**(384)**	**(1)**	**(43)**	**–**	**–**	**(29)**
Operating profit after special items and remeasurements	**(52)**	**295**	**326**	**463**	**443**	**381**
Net interest, tax and minority interests	**(227)**	**(157)**	**(243)**	**(297)**	**(311)**	**(221)**
Total underlying earnings	**105**	**139**	**167**	**205**	**162**	**201**
Net segment assets	**6,982**	**7,124**	**3,302**	**2,511**	**2,086**	**2,667**
Capital expenditure	**722**	**585**	**339**	**246**	**243**	**240**

Production data

Great Noligwa – South Africa

	unit	2005	2004	2003	2002	2001	2000
Attributable gold production	000oz	**693**	795	812	880	1,004	971
Total cash costs	$/oz	**264**	231	193	124	122	144

Kopanang – South Africa

	unit	2005	2004	2003	2002	2001	2000
Attributable gold production	000oz	**482**	486	497	511	494	481
Total cash costs	$/oz	**277**	281	223	165	178	215

Tau Lekoa – South Africa

	unit	2005	2004	2003	2002	2001	2000
Attributable gold production	000oz	**265**	293	322	311	286	315
Total cash costs	$/oz	**410**	370	263	192	203	216

Surface Operations – South Africa

	unit	2005	2004	2003	2002	2001	2000
Attributable gold production	000oz	**95**	119				
Total cash costs	$/oz	**287**	250				

Mponeng – South Africa

	unit	2005	2004	2003	2002	2001	2000
Attributable gold production	000oz	**512**	438	499	466	366	402
Total cash costs	$/oz	**279**	322	221	178	223	238

Savuka – South Africa

	unit	2005	2004	2003	2002	2001	2000
Attributable gold production	000oz	**126**	158	187	236	240	272
Total cash costs	$/oz	**430**	455	411	245	248	247

TauTona – South Africa

	unit	2005	2004	2003	2002	2001	2000
Attributable gold production	000oz	**502**	568	646	643	622	599
Total cash costs	$/oz	**256**	245	171	132	154	172

Cerro Vanguardia (92.5%) – Argentina

	unit	2005	2004	2003	2002	2001	2000
Attributable gold production	000oz	**211**	211	209	179	136	132
Total cash costs	$/oz	**171**	156	143	104	133	146

Sunrise Dam – Australia

	unit	2005	2004	2003	2002	2001	2000
Attributable gold production	000oz	**455**	410	358	382	295	225
Total cash costs	$/oz	**269**	260	228	177	153	172

Union Reefs – Australia

	unit	2005	2004	2003	2002	2001	2000
Attributable gold production	000oz	**–**	–	74	118	114	127
Total cash costs	$/oz	**–**	–	272	224	230	274

AngloGold Ashanti Brazil Mineração

	unit	2005	2004	2003	2002	2001	2000
Attributable gold production	000oz	**250**	240	228	205	209	211
Total cash costs	$/oz	**169**	133	141	131	127	134

Serra Grande (50%) – Brazil

	unit	2005	2004	2003	2002	2001	2000
Attributable gold production	000oz	**96**	94	95	94	96	96
Total cash costs	$/oz	**158**	134	109	100	107	112

Production data continued

Bibiani – Ghana

	unit	2005	2004
Attributable gold production	000oz	**115**	105
Total cash costs	$/oz	**305**	251

Iduapriem (85%) – Ghana

	unit	2005	2004
Attributable gold production	000oz	**174**	125
Total cash costs	$/oz	**348**	303

Obuasi – Ghana

	unit	2005	2004
Attributable gold production	000oz	**391**	255
Total cash costs	$/oz	**345**	305

Siguiri – Guinea

	unit	2005	2004
Attributable gold production	000oz	**246**	83
Total cash costs	$/oz	**301**	443

Morila (40%) – Mali

	unit	2005	2004	2003	2002	2001	2000
Attributable gold production	000oz	**262**	204	318	421	252	57
Total cash costs	$/oz	**191**	184	108	74	103	88

Sadiola (38%) – Mali

	unit	2005	2004	2003	2002	2001	2000
Attributable gold production	000oz	**168**	174	172	182	204	232
Total cash costs	$/oz	**265**	242	210	163	131	114

Yatela (40%) – Mali

	unit	2005	2004	2003	2002	2001
Attributable gold production	000oz	**98**	97	87	107	52
Total cash costs	$/oz	**263**	255	235	175	149

Navachab – Namibia

	unit	2005	2004	2003	2002	2001	2000
Attributable gold production	000oz	**81**	67	73	85	87	77
Total cash costs	$/oz	**321**	348	274	147	164	189

Geita (50%) – Tanzania

	unit	2005	2004	2003	2002	2001
Attributable gold production	000oz	**613**	570	331	290	273
Total cash costs	$/oz	**298**	250	183	175	147

Cripple Creek and Victor Joint Venture – USA

	unit	2005	2004	2003	2002	2001	2000
Attributable gold production	000oz	**330**	329	283	225	214	248
Total cash costs	$/oz	**230**	220	199	187	187	190

Freda–Rebecca – Zimbabwe

	unit	2005	2004
Attributable gold production	000oz	**–**	9
Total cash costs	$/oz	**–**	417

AngloGold Ashanti

Ore reserves

	Classification	Tonnes[1] million 2005	Tonnes[1] million 2004	Grade[1] g/t 2005	Grade[1] g/t 2004	Contained AU tonnes 2005	Contained AU tonnes 2004	Contained metal ounces million[1] 2005	Contained metal ounces million[1] 2004
				g/t	g/t				
South Africa[2]	Proved	14.5	30.9	7.54	5.21	109.8	160.8	3.5	5.2
	Probable	188.7	256.8	3.84	4.11	725.0	1,056.7	23.3	34.0
	Total	203.2	**287.7**	4.10	**4.23**	834.0	**1,217.5**	26.8	**39.1**
Argentina	Proved	1.6	0.6	7.99	9.99	12.6	6.0	0.4	0.2
	Probable	4.5	6.2	6.53	6.87	29.2	42.9	0.9	1.4
	Total	6.0	**6.9**	6.91	**7.15**	41.8	**49.0**	1.3	**1.6**
Australia	Proved	47.7	45.8	1.16	1.21	55.2	55.6	1.8	1.8
	Probable	102.5	102.6	1.17	1.33	120.2	135.9	3.9	4.4
	Total	150.2	**148.4**	1.17	**1.29**	175.3	**191.5**	5.6	**6.2**
Brazil	Proved	2.7	3.3	6.01	6.58	16.2	21.4	0.5	0.7
	Probable	9.8	8.6	7.45	7.59	73.2	65.5	2.4	2.1
	Total	12.5	**11.9**	7.14	**7.31**	89.4	**86.9**	2.9	**2.8**
Ghana	Proved	39.5	45.0	1.94	2.09	76.7	94.3	2.5	3.0
	Probable	46.7	43.8	5.44	6.23	254.0	273.1	8.2	8.8
	Total	86.1	**88.9**	3.84	**4.13**	330.7	**367.3**	10.6	**11.8**
Guinea	Proved	23.6	21.6	0.62	0.77	14.5	16.6	0.5	0.5
	Probable	36.7	32.7	1.00	1.10	36.6	35.9	1.2	1.2
	Total	60.3	**54.3**	0.85	**0.97**	51.1	**52.5**	1.6	**1.7**
Mali	Proved	9.7	8.1	2.75	2.74	26.5	22.1	0.9	0.7
	Probable	9.3	15.0	3.95	3.31	36.5	49.7	1.2	1.6
	Total	18.9	**23.1**	3.34	**3.11**	63.1	**71.8**	2.0	**2.3**
Namibia	Proved	1.2	0.9	1.85	1.09	2.2	1.0	0.1	0.0
	Probable	8.9	6.9	1.65	2.06	14.7	14.2	0.5	0.5
	Total	10.1	**7.9**	1.67	**1.94**	16.9	**15.3**	0.5	**0.5**
Tanzania[3]	Proved	22.1	24.4	3.40	3.01	75.1	73.7	2.4	2.4
	Probable	40.4	46.2	4.69	4.49	189.2	207.4	6.1	6.7
	Total	62.4	**70.6**	4.23	**3.98**	264.3	**281.1**	8.5	**9.0**
USA	Proved	87.4	47.9	0.86	1.07	75.4	51.2	2.4	1.6
	Probable	31.8	73.9	0.86	0.94	27.4	69.4	0.9	2.2
	Total	119.1	**121.8**	0.86	**0.99**	102.7	**120.6**	3.3	**3.9**
Total	Proved	249.8	228.6	1.86	2.20	463.4	502.7	14.9	16.2
	Probable	479.2	592.8	3.14	3.29	1,506.0	1,950.8	48.4	62.7
	Total metric	729.0	**821.4**	2.70	**2.99**	1,969.4	**4,453.6**		
	Total imperial[4]	803.6Mton	**905.4Mton**	0.079oz/t	**0.087oz/t**			63.3Moz	**78.9Moz**

Footnote references are explained on page 128.

Reserves and resources data continued

AngloGold Ashanti

Mineral reserves

	Classification	Tonnes[1] million 2005	2004	Grade[1] g/t 2005	2004	Contained AU tonnes 2005	2004	Contained metal ounces million[1] 2005	2004
				g/t	g/t				
South Africa[2]	Measured	31.4	90.3	13.66	5.13	429.4	463.1	13.8	14.9
	Indicated	435.3	423.9	4.76	6.51	2,073.9	2,758.5	66.7	88.7
	Inferred	29.7	135.3	6.68	3.08	198.3	417.1	6.4	13.4
	Total	496.4	**649.5**	5.44	**5.60**	2,701.6	**3,638.7**	86.9	**117.0**
Argentina	Measured	10.8	7.9	2.35	2.06	25.2	16.3	0.8	0.5
	Indicated	15.3	19.4	3.54	3.77	54.2	73.3	1.7	2.4
	Inferred	6.5	3.5	3.49	5.40	22.7	18.7	0.7	0.6
	Total	32.6	**30.8**	3.14	**3.52**	102.2	**108.3**	3.3	**3.5**
Australia	Measured	62.4	59.7	1.15	1.26	71.9	75.2	2.3	2.4
	Indicated	164.5	146.0	1.04	1.26	171.5	184.4	5.5	5.9
	Inferred	143.0	84.7	1.01	1.20	144.7	101.7	4.7	3.3
	Total	369.9	**290.3**	1.05	**1.24**	388.1	**361.3**	12.5	**11.6**
Brazil	Measured	8.2	8.1	6.60	6.73	54.0	54.6	1.7	1.8
	Indicated	16.2	15.2	7.71	7.80	125.0	118.4	4.0	3.8
	Inferred	28.5	23.0	7.04	7.22	200.7	165.9	6.5	5.3
	Total	52.9	**46.3**	7.18	**7.32**	379.8	**338.9**	12.2	**10.9**
Ghana	Measured	101.2	91.6	3.33	3.90	336.6	357.0	10.8	11.5
	Indicated	64.9	74.0	4.83	5.10	313.7	377.4	10.1	12.1
	Inferred	41.9	36.6	5.82	9.04	244.0	331.2	7.8	10.6
	Total	208.0	**202.2**	4.30	**5.27**	894.4	**1,065.7**	28.8	**34.3**
Guinea	Measured	23.6	32.6	0.62	0.78	14.7	25.4	0.5	0.8
	Indicated	58.7	74.4	1.03	1.00	60.3	74.6	1.9	2.4
	Inferred	90.4	25.7	0.63	1.18	57.2	30.4	1.8	1.0
	Total	172.7	**132.7**	0.77	**0.98**	132.3	**130.4**	4.3	**4.2**
Mali	Measured	17.3	16.5	2.02	2.10	35.1	34.6	1.1	1.1
	Indicated	32.5	23.9	2.58	2.74	83.7	65.4	2.7	2.1
	Inferred	36.0	36.6	1.93	2.12	69.6	77.4	2.2	2.5
	Total	85.8	**76.9**	2.19	**2.31**	188.3	**177.4**	6.1	**5.7**
Namibia	Measured	10.3	9.2	0.88	0.73	9.1	6.7	0.3	0.2
	Indicated	27.9	63.0	1.42	1.30	39.5	81.7	1.3	2.6
	Inferred	6.0	65.6	1.20	1.13	7.1	74.4	0.2	2.4
	Total	44.2	**137.7**	1.26	**1.18**	55.8	**162.8**	1.8	**5.2**
Tanzania[3]	Measured	25.8	39.4	3.40	2.72	87.7	107.2	2.8	3.4
	Indicated	63.0	103.3	4.56	3.66	287.1	377.7	9.2	12.1
	Inferred	7.5	27.1	5.23	2.91	39.1	79.0	1.3	2.5
	Total	96.2	**169.8**	4.30	**3.32**	413.9	**563.9**	13.3	**18.1**
USA	Measured	146.0	80.6	0.95	1.00	138.2	80.6	4.4	2.6
	Indicated	72.9	122.8	0.91	0.96	66.1	117.3	2.1	3.8
	Inferred	8.2	45.3	0.73	0.91	6.0	41.1	0.2	1.3
	Total	227.2	**248.7**	0.93	**0.96**	210.3	**239.0**	6.8	**7.7**
Total	Measured	437.1	435.9	2.75	2.80	1,202.0	1,220.7	38.6	39.2
	Indicated	951.1	1,065.8	3.44	3.97	3,275.1	4,228.7	105.3	136.0
	Inferred	397.8	483.2	2.49	2.77	989.5	1,336.9	31.8	43.0
	Total metric	1,786.0	**1,984.9**	3.06	**3.42**	5,466.6	**6,786.4**	175.8	**218.2**
	Total imperial[4]	1,968.7Mton	**2,188.0Mton**	0.089oz/t	**0.100oz/t**			175.8Moz	**218.2Moz**

Rounding of figures may cause computational discrepancies.

(1) AngloGold Ashanti reports Mineral Resources 'as inclusive of those Mineral Resources modified to produce the Ore Reserve' figures (JORC).

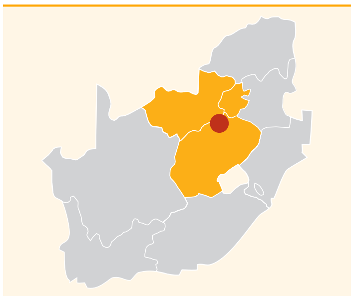
(2) The large variance between the 2004 and 2003 figures is a result of economic scoping studies at WUDL, resulting in sub-economic areas being removed from the Mineral Resources.

(3) The large variance between the 2004 and 2003 figures is due to the fact that AngloGold and Ashanti Goldfields each owned 50% of Geita Mine prior to the merger.

(4) Total imperial units: tonnage is reported in million short tons (Mton), grade in troy ounces per short ton (oz/t) and contained metal in million troy ounces (Moz). The 2004 Ore Reserves and Mineral Resources of the following operations were audited by third party independent auditors: Sadiola, Yatela, Kopanang, TauTona, Obuasi, Iduapriem and Cerro Vanguardia.

Project pipeline

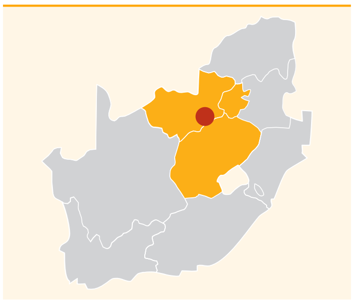
Mponeng – South Africa



Date announced:	2001
Ownership:	100% AngloGold Ashanti
Incremental production:	4.8 Moz (over life of project)
Production commences:	2007
Full production by:	2007
Full project capex	$210m (revised figure)

Mponeng shaft deepening project: This project involves the deepening of the sub-shaft system and the development of access tunnels to the VCR horizon on 113, 116 and 120 levels (from 3,172 metres to 3,372 metres below surface). The project is expected to produce 4.8 Moz of gold over a period of 13 years to 2016. Total capital expenditure is estimated at $210 million (at closing 2005 exchange rate), with some $4.2 million (at closing 2005 exchange rate) remaining. The average project cash cost over the life of mine is expected to be approximately $231 per ounce in 2005 real terms. Stoping operations commenced in May 2004 and good progress continued to be made with the project in 2005.

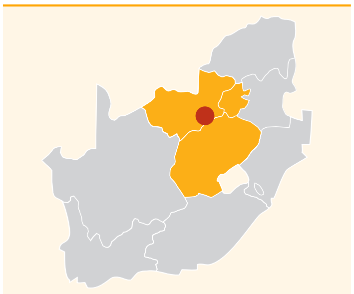
TauTona (CLR below 120L) – South Africa



Date announced:	2003
Ownership:	100% AGA
Incremental production:	2.2 Moz
Production commences:	2009
Full production:	tbc
Full project capex:	$154m

The CLR reserve block below 120 level, known as the TauTona CLR below 120 level Project, is being accessed via a twin decline system into its geographical centre, down to 125 level. The project, from which production will commence in 2009, is expected to produce 2 Moz of gold over a period of nine years (2009 to 2017), at a capital cost of $154 million. Of this, $44 million has been spent to date.

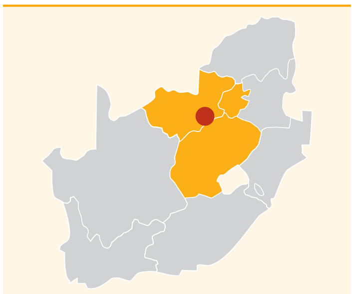
TauTona (VCR pillar) – South Africa



Date announced:	2003
Ownership:	100% AGA
Incremental production:	162 Koz
Production commences:	2005
Full production:	tbc
Full project capex:	$19m

The VCR pillar project aims to access the VCR pillar area situated outside the zone of influence (top and eastern block). The project, from which production commenced in 2005, is expected to produce 162,000 ounces of gold over a period of eight years (2005 to 2012), at a capital cost of $19 million (at the 2005 closing exchange rate). Of this, $7 million has been spent to date. The expected average project cash cost is $129 per ounce.

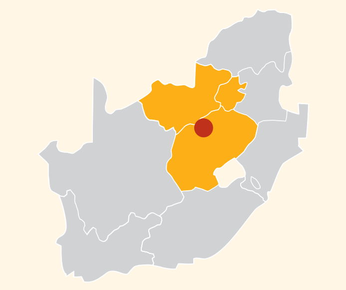
TauTona (CLR shaft pillar) – South Africa



Date announced:	2003
Ownership:	100% AGA
Incremental production:	545 Koz
Production commences:	2004
Full production:	tbc
Full project capex:	$45m

The CLR shaft pillar extraction project allows for stoping operations up to the infrastructural zone of influence. The project, from which production commenced in 2004, is expected to produce 545,000 ounces of gold over a period of six years (2004 to 2009), at a capital cost of $45 million (converted at the 2005 closing exchange rate). Of this, $38 million has been spent to date. The expected average project cash cost is $112 per ounce.

Moab Khotsong – South Africa



Date announced:	2000
Ownership:	100% AngloGold Ashanti
Incremental production:	3.6 Moz
Production commences:	2006
Full production by:	2012
Full project capex:	$659m

Moab Khotsong is the largest of the South Africa region's current projects. Located in the Vaal River area, the project involves sinking, constructing and equipping the shaft systems to a depth of 3,130 metres below surface, providing access tunnels to the reef horizon on 85, 95 and 101 levels, and developing the necessary ore reserves. The project is expected to produce 3.6 Moz of gold from 10 million tonnes of milled ore over 15 years. The project capital cost is estimated at $659 million (at 2005 closing exchange rate), of which $629 million has been spent to date.

The shaft was commissioned in March 2003 and stoping operations began in November 2003. Moab Khotsong is forecast to reach commercial production of 50,000 ounces in 2006 and full production, at an average of 495,000 ounces per annum, is expected by 2012. The average cash cost (2006 real terms) is expected to be $252 per ounce over the life of mine.

Cuiabá – Brazil

Date announced:	2005
Ownership:	100% AngloGold Ashanti
Incremental production:	1.9 Koz
Production commences:	2007
Full production by:	2007
Full project capex:	$125 – 126.5m

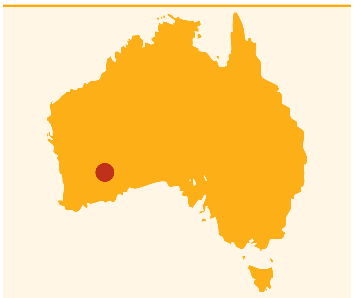
The Cuiabá expansion project will involve the deepening of the mine from 11 level to 21 level and an increase in production from 190,000 ounces to 250,000 ounces per year from the beginning of 2007. The project is currently in progress and on schedule. Construction and commissioning are scheduled for 2006 and production ramp-up is scheduled for the beginning of 2007. By December 2005, committed capital expenditure amounted to about $100 million.

Boddington – Australia

Date announced:	2006
Ownership:	33.33% AGA
Incremental production:	4.4 Moz
Production commences:	Q3 2008
Full production:	2009
Full project capex:	$420m

The Boddington Gold Mine (BGM) is located 130km (80 miles) southeast of Perth in Western Australia. BGM has had a presence in the region for more than 23 years. The original oxide gold mine at BGM ceased operations on 1 December 2001 and the mine moved into a period of closure and decommissioning and shortly after into care and maintenance. The BGM Expansion Project relates to the mining and processing of basement rock from underneath the existing BGM oxide pits. The Expansion Project includes open cut mining from two large open pits. It requires the construction of a new processing plant that will include a three-stage crushing circuit and single stage grinding.

Sunrise Dam – Australia

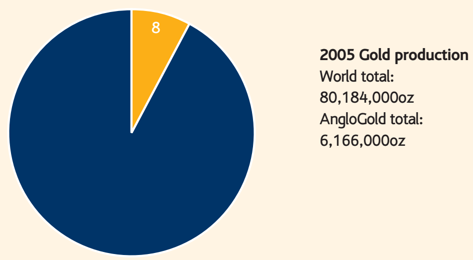


Date announced:	2004
Ownership:	100% AGA
Incremental production:	950 Koz
Production commences:	2007/8
Full production:	tbc
Full project capex:	$90m

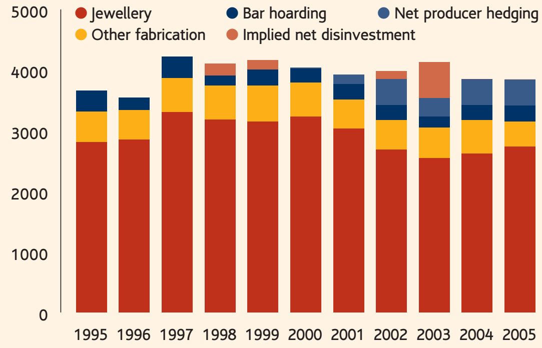
The three-year underground project involves the development of two declines and 125,000 metres of drilling from surface and underground. Declines have been developed in the vicinity of defined underground reserves, which are now being mined. Deep drilling to date has confirmed that the sub-vertical, high grade zones that have been a feature of open-pit mining at Sunrise Dam continue at depth. Mining will ramp up during the coming year with almost 30% of Sunrise Dam production coming from this source in 2006. A decision on whether to proceed to larger scale underground mining will be made early in 2007.

Market information

2005 share of world production
%

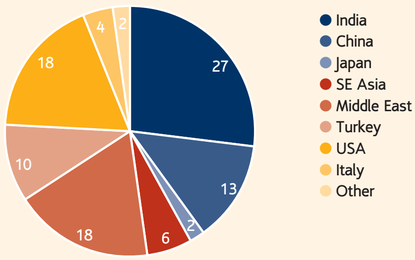


1995-2005 world gold demand
000 tonnes



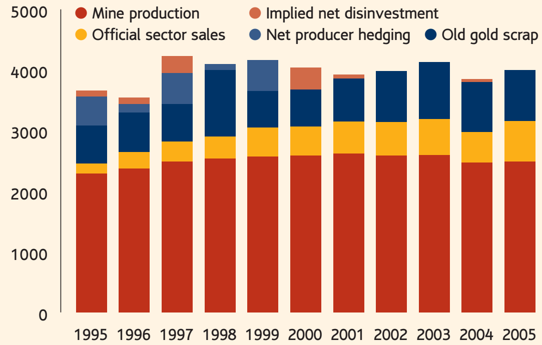
Source: GFMS data

2005 consumer jewellery demand
%



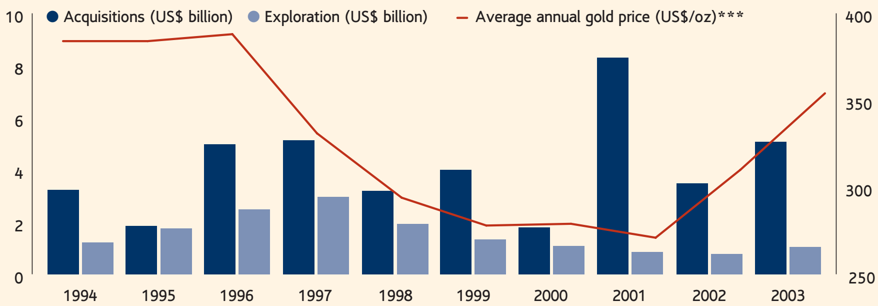
Source: GFMS data (provisional)

1995-2005 world gold supply
000 tonnes



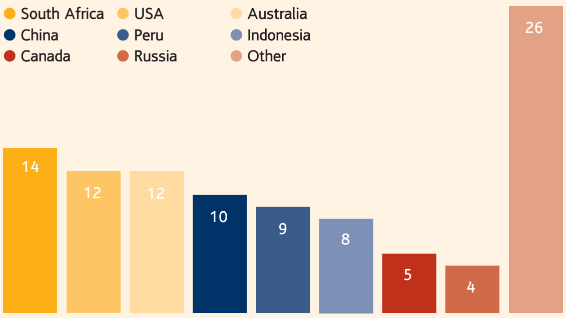
Source: GFMS data

Gold exploration and acquisitions activity*
compared with gold prices**

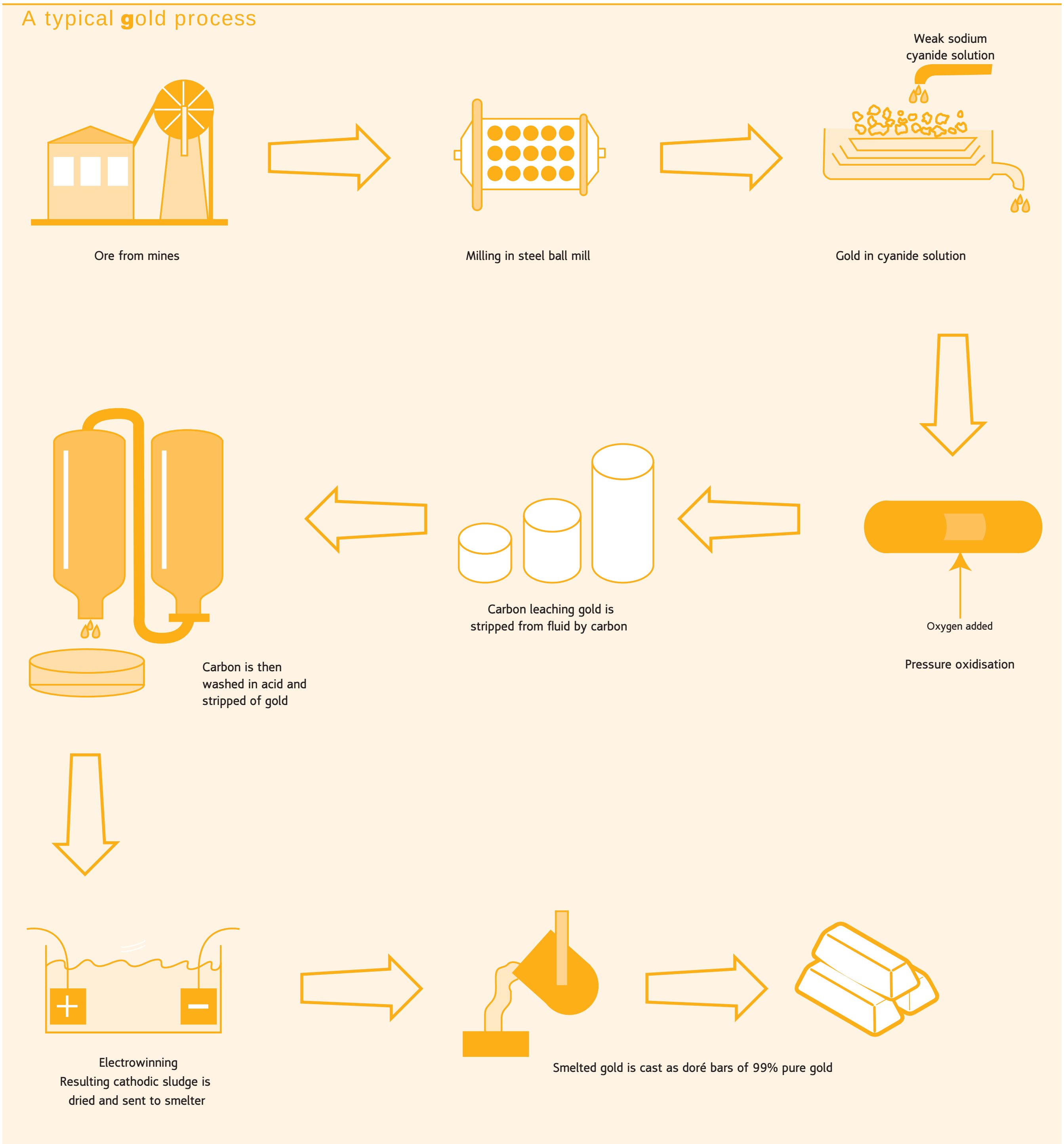


* MEG is using a cut-off of $25m for gold acquisitions.
** Average annual gold prices, except for 2003 – an average of first nine months.
*** 2003 acquisitions are based on an estimate of nine months MEG is using a cut-off of $25m for gold acquisitions.

2005 world mine production by country
%



Operations diagram



Integrated paper and packaging group

Paper and Packaging

Anglo Paper and Packaging, operating under the Mondi name, is an integrated paper and packaging group with operations and interests in South Africa, Europe, Asia and North America. The group is principally involved in the manufacture of business paper, packaging papers, converted packaging and newsprint .

Industry overview

Due to the stated intention to list Mondi in 2006/7 as announced at the Anglo American plc results presentation on 22 February 2006, we have not included any information on Mondi in this fact book other than that already disclosed in the 2006 Anglo American plc Annual Report.

Operating profit

2004:
$569m

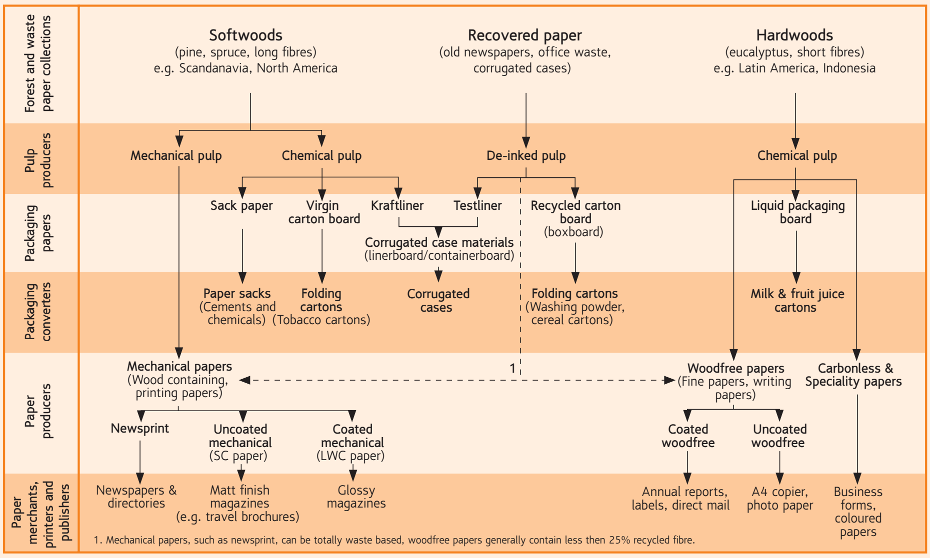
2005:
$495m

The paper and packaging industry incorporates the manufacture of pulp, paper, paperboard, packaging products, solid wood products and wood chips.

Wood pulp is the principal raw material used for the manufacture of paper and paperboard. The suitability of specific types of wood pulp for the required end use depends both on the type of wood used to make the pulp and on the wood-pulping process. Hardwood trees, such as eucalyptus, aspen, birch and acacia, are used to produce hardwood pulp which has short fibres and is generally better suited to manufacturing coated packaging boards, coated and uncoated printing and writing paper and tissues. Softwood trees, such as pine and fir, are used to produce softwood pulp that has long fibres and is generally used for strengthening purposes. Paper manufacture includes the production of graphic papers (newsprint, other mechanical and woodfree papers) and packaging papers (corrugated case materials, corrugated board, sack paper and cartonboard). In addition to the paper-based products, Mondi also produces plastic-based packaging. ■

Above: Wood chips storage.

Paper value chain



Production processes

Left: Aerial view of Kematen, Austria.

The production processes for the various products manufactured by the group are as follows:

Hardwood and softwood kraft pulp
Pulpwood, either hardwood or softwood, is chipped into small pieces and cooked in an aqueous solution of various chemicals to release the wood fibres. The fibres are then drained and dried to produce unbleached pulp, or whitened by bleaching processes prior to drying to form bleached pulp, which has a higher brightness characteristic.

Paper, board and packaging
Paper is produced using various grades of pulp and recycled fibre, together with various chemicals, water and energy, and is dried and pressed through a series of rollers to produce paper or paperboard. Printing and writing papers, speciality papers and tissues are manufactured mainly from bleached pulp, while packaging papers are manufactured mainly from unbleached pulp. Packaging papers are converted through a process of printing, cutting and gluing to make paper sacks and folding boxes. Corrugated board is made by pressing a particular grade of corrugating material, fluting, through rollers to give it a wave like form. This is then used as a spacer, glued between two liners to form corrugated board that is then cut, folded and glued or stitched to make corrugated containers. Flexible packaging includes the extrusion of polymer resins into films, which are then printed, laminated and slit and sometimes further converted, e.g. into pouches.

Solid wood
Solid wood is obtained by debarking logs and then sawing them to produce boards, which are then kiln- or air-dried.

Through history

1967
Mondi is incorporated.

1971
Began newsprint production at Merebank mill in Durban.

1984
The Richards Bay pulp mill is commissioned to produce pulp for Mondi's mills and export. The mill also produces kraftliner for local and overseas packaging markets.

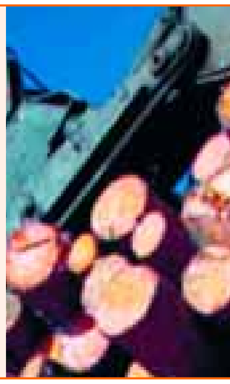
1990
Mondi expanded into the international market with the formation of Mondi Europe, which acquired a 49% interest in Neusiedler AG, a large Austrian manufacturer of photocopy and business forms papers for the European market.

1992
Acquired joint control of Frantschach, a leading producer of industrial packaging.

1993
Mondi Europe entered into an agreement with SCA group of Sweden to construct a £250 million recovered paper newsprint mill at Aylesford near London.

1996
Acquired a majority shareholding in Swiecie Paper and Pulp mill in Poland.

1999
Mondi Europe acquired the corrugated packaging interests of Amcor Fibre Packaging Europe as a key step in establishing Mondi as a European corrugated packaging producer.



2000
Mondi Europe increased its interest in Frantschach Packaging to 70% and its interest in Neusiedler to 100%. Additionally, a 50% interest in Ruzomberok was acquired as well as 100% of Assi Sacks.

2002
Neusiedler increases stake in Syktyvkar by 78%. Acquisition of La Rochette's corrugated packing assets in the UK and France.

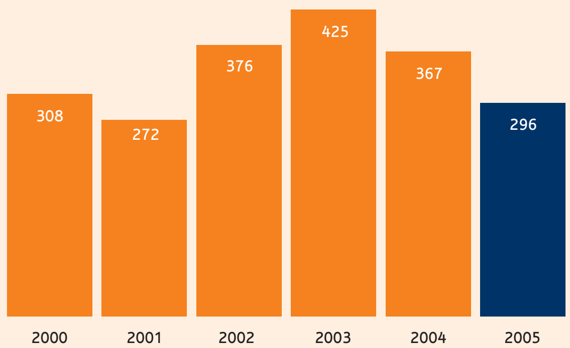
2003
Acquisition of Mexican sack producer from Copamex group. Acquisition of Bauernfeind's Corrugated paper and packaging business.

2004
Mondi Europe increased its interest in Frantschach Packaging to 100%. Mondi group rebranded under the Mondi name.

Financial highlights

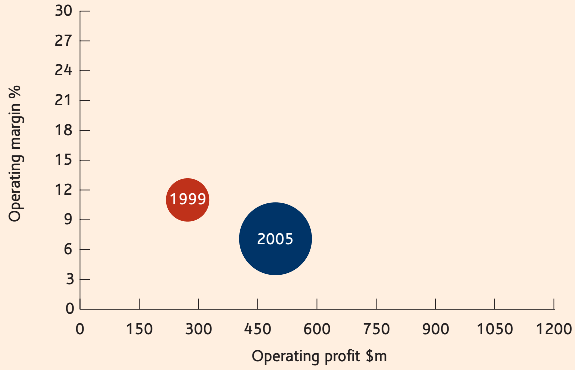
Six-year underlying earnings

$m



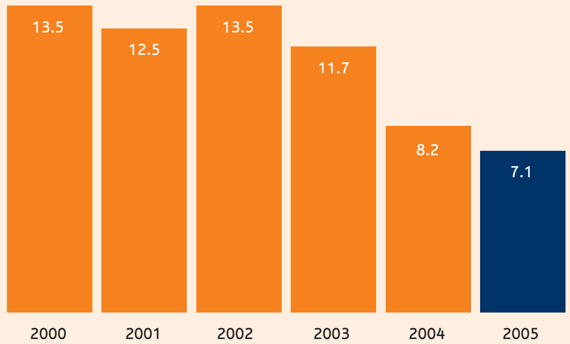
Scale and profitability growth

Bubble size represents turnover

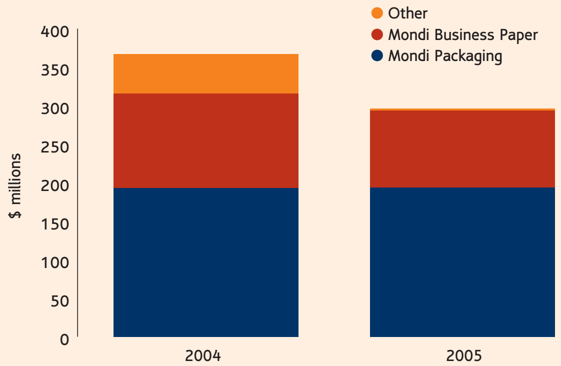


Operating margin

%



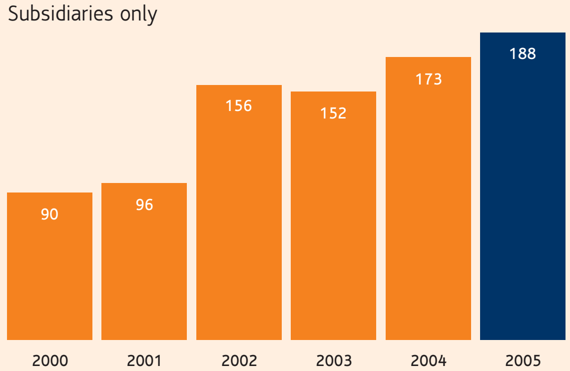
Underlying earnings



Turnover per employee

'000 $

Subsidiaries only



Financial data

Turnover	2005	2004	2003	2002	2001	2000
Subsidiaries	6,673	6,691	5,352	4,529	3,853	2,529
Joint Ventures	–		274	252	243	773
Associates	283	228	2	24	73	86
Total turnover	**6,956**	**6,919**	**5,628**	**4,805**	**4,169**	**3,388**
EBITDA	**916**	**978**	**976**	**909**	**752**	**–**
Depreciation and amortisation	**421**	**409**	**303**	**243**	**206**	**130**
Operating profit before special items and remeasurements	**495**	**569**	**656**	**649**	**520**	**458**
Operating special items and remeasurements	**(83)**	**–**	**–**	**–**	**–**	**–**
Operating profit after special items and remeasurements	**412**	**569**	**656**	**649**	**520**	**458**
Net interest, tax and minority interests	**(199)**	**(202)**	**(249)**	**(288)**	**(261)**	**(123)**
Underlying earnings						
Mondi Packaging	194	193	162	–	–	–
Mondi Business Paper	100	123	207	–	–	–
Other	2	51	56	–	–	–
Total underlying earnings	**296**	**367**	**425**	**–**	**–**	**–**
Net segment assets	**6,365**	**6,596**	**4,820**	**3,897**	**2,732**	**3,054**
Capital expenditure	**746**	**818**	**601**	**365**	**283**	**126**

Production data

Mondi Packaging

		2005	2004	2003
Packaging papers	tonnes	**2,705,691**	2,600,291	2,010,423
Corrugated board and boxes	m m^2	**2,081**	2,013	1,386
Paper sacks	m units	**3,282**	3,251	2,723
Coating and release liners	m m^2	**1,614**	1,597	1,584
Pulp – external	tonnes	**174,700**	153,045	143,855

Mondi Business Paper

		2005	2004	2003
Uncoated woodfree paper	tonnes	**1,890,079**	1,881,851	1,583,496
Pulp – external	tonnes	**127,745**	53,142	109,811
Newsprint	tonnes	**186,924**	182,351	
Wood chips	green metric tonnes	**1,747,290**	2,125,858	2,122,470

Mondi Packaging South Africa

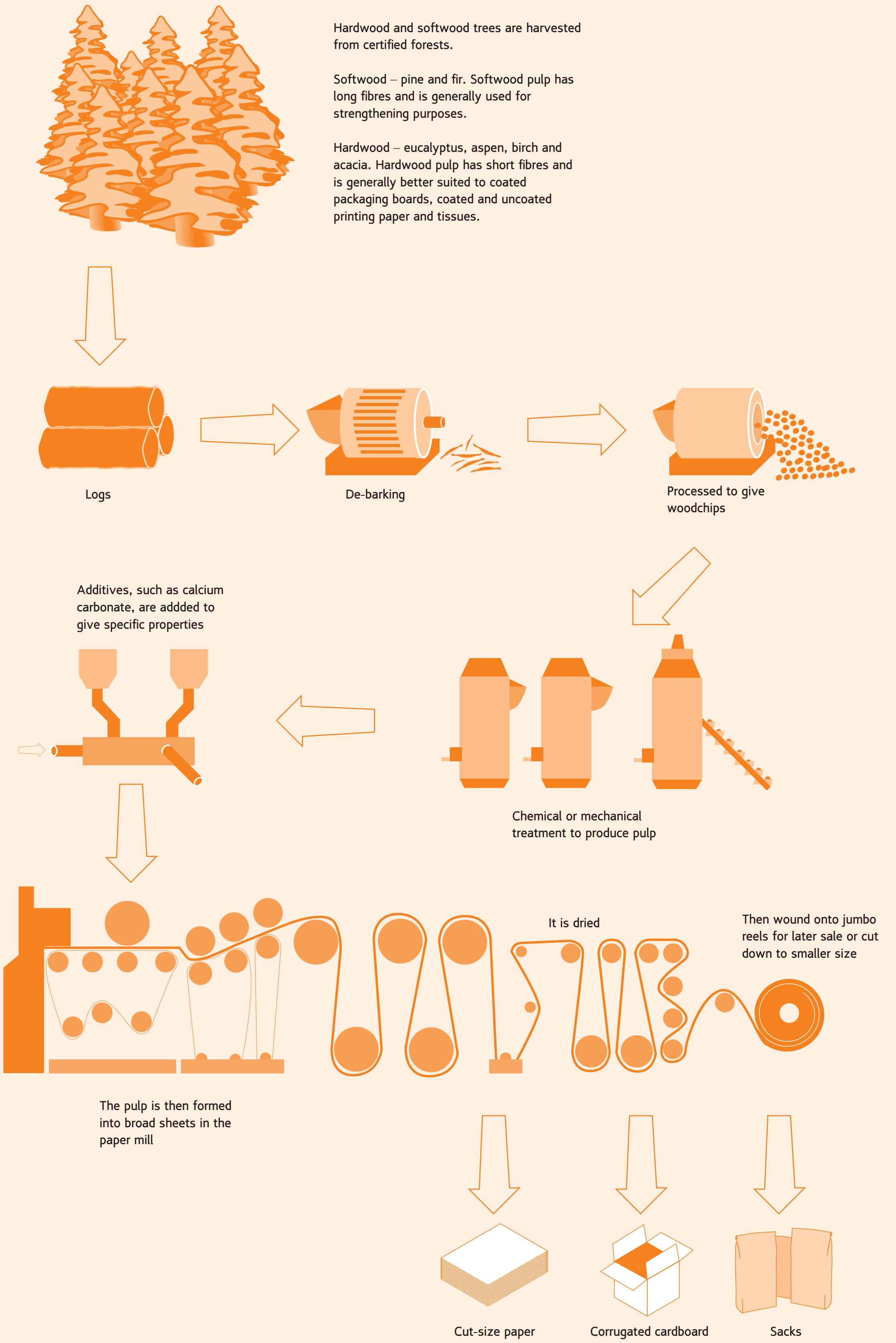
		2005	2004	2003
Packaging papers	tonnes	**372,992**	365,557	370,917
Corrugated board and boxes	m m^2	**330**	335	297

Newsprint and other

		2005	2004	2003
Newsprint (attributable share)	tonnes	**316,459**	368,635	572,054
Mining timber	000 tonnes		154,727	158,640

Operations diagram

A typical paper process



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