Anglo American

Fact Book 2006/7

Anglo American is a global leader in mining

Our diversified products are essential parts of modern life.

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

Front cover:
Aerial view of the Namib Desert coast, the location of De Beers' Namdeb mine. This section of south-western Africa is home to the world's most spectacular known gem quality alluvial diamond placer deposit.

CONTENTS

ANGLO AMERICAN AT A GLANCE

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

The Group has a range of high quality, core mining businesses covering platinum, diamonds, coal, base and ferrous metals and industrial minerals.

OUR BUSINESSES

Platinum

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

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

Diamonds

Business profile
- De Beers accounts for about 40% 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, drilling and other applications

Base Metals

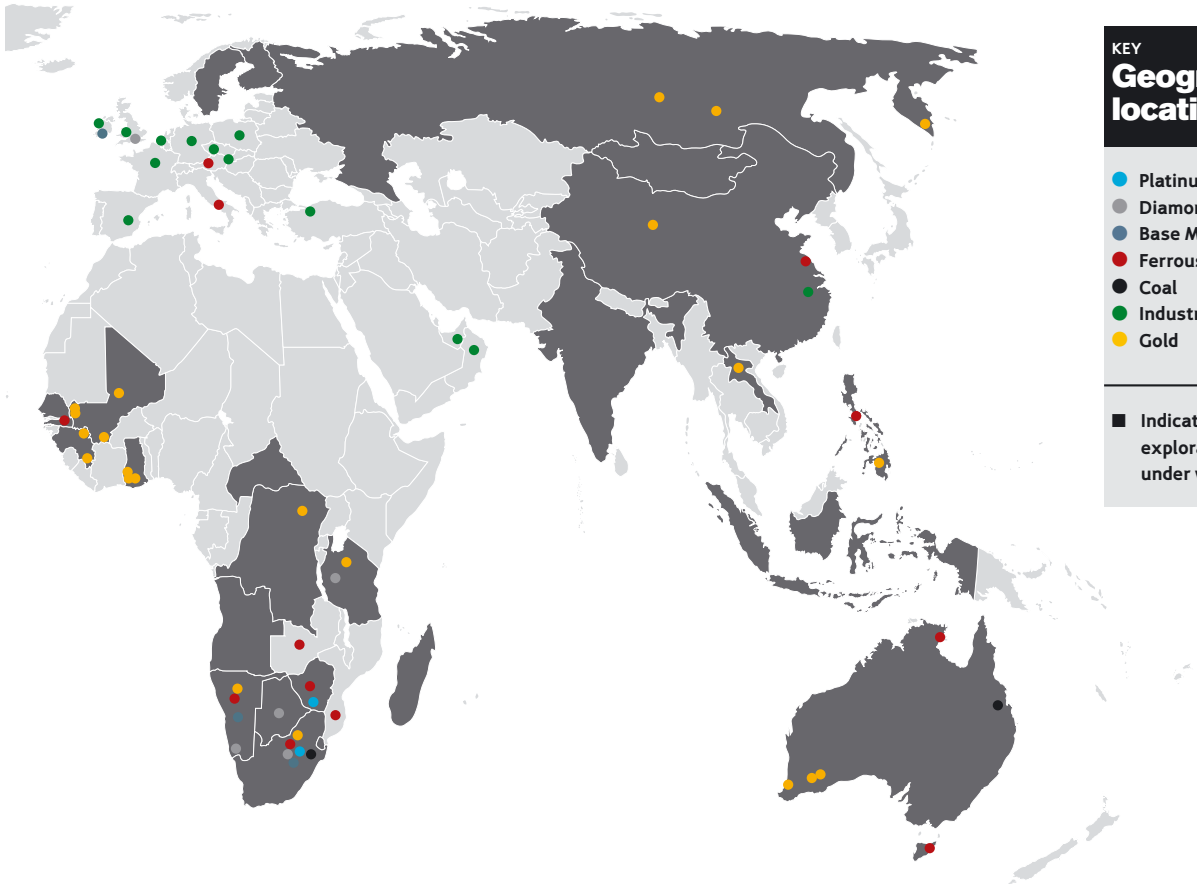
Business profile
- Comprises primarily copper, nickel, zinc and mineral sands operations
- Operates in South America, southern Africa and Ireland

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

Ferrous Metals

Business profile
- Operations are mainly in South Africa, South America, Canada and Australia
- Businesses produce iron ore, manganese and steel products for the mining sector

Products and uses
- Iron ore is the basic raw material used in steel production
- Manganese is a key component in steelmaking



KEY

Geographical locations

- Platinum
- Diamonds
- Base Metals
- Ferrous Metals
- Coal
- Industrial Minerals
- Gold

■ Indicates countries in which exploration is currently under way

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, Venezuela and Canada

Products and uses

- About 40% of all electricity generated globally is powered by coal
- Around 66% of the world's steel industry uses coal and it is an important fuel for other industries

Industrial Minerals

Business profile

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

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

EXPLORATION

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 the Russian far east. During 2006, over $250 million was spent on exploration – $53 million on base metals, $30 million on platinum, $24 million on coal, $9 million on ferrous metals and $140 million by De Beers.

OTHER BUSINESSES

Gold

Business profile

- AngloGold Ashanti is a major world gold producer
- It has 22 operations in ten countries

Products and uses

- Fabricated gold is used in jewellery, electronics, dentistry, decorations, medals and coins

COMPANY OWNERSHIP LEVELS – EFFECTIVE 21 FEBRUARY 2007

Platinum

Anglo Platinum 75.4%

South Africa

Rustenburg Section	100%
Union Section	85%
Amandelbult Section	100%
Potgietersrust Platinums	100%
Lebowa Platinum Mines	100%
Western Limb Tailings Retreatment	100%
Waterval Smelter (including converting process project)	100%
Polokwane Smelter	100%
Mortimer Smelter	100%
Rustenburg Base Metals Refinery	100%
Precious Metals Refinery	100%
Twickenham Mine	100%

(Joint ventures or sharing agreements)

Modikwa Platinum Joint Venture	50%
Kroondal Pooling and Sharing Agreement	50%
Bafokeng-Rasimone Joint Venture	50%
Marikana Pooling and Sharing Agreement	50%
Mototolo Joint Venture	50%
Masa Chrome Company	74%
Pandora Venture	42.5%
Northam Platinum Limited	22.5%

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] An 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)	17%
Quellaveco (Peru)	81%

Nickel

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

Zinc/Lead

Black Mountain (South Africa)	100%[2]
Lisheen (Ireland)	100%
Gamsberg (South Africa)	100%[2]
Skorpion (Namibia)	100%

Mineral Sands

Namakwa Sands (South Africa)	100%[2]
Niobium Catalão (Brazil)	100%

[2] In January 2007, Exxaro Resources Ltd exercised an option in terms of which, subject to the exercise of conditions precedent, it agreed to acquire 100% of Namakwa Sands and 26% of each of Black Mountain and Gamsberg.

Ferrous Metals and Industries

Anglo Ferrous Metals and Industries 100%

Ferrous Metals

Kumba Iron Ore (South Africa)	64%
Highveld Steel (South Africa and Austria)	29%[3]
Scaw Metals (worldwide)	100%
Samancor (South Africa and Australia)	40%
MMX Minas-Rio (Brazil)	49%

Industries

Tongaat-Hulett (southern Africa)	50%
Hulamin (South Africa)	45%
Vergelegen (South Africa)	100%

[3] Highveld Steel and Vanadium continues to be consolidated in the Group due to an additional 24.9% of the voting rights that Anglo American plc controls through shares held by Credit Suisse.

Coal

Anglo Coal	100%

South Africa	
Bank	100%
Goedehoop	100%
Greenside	100%
Isibonelo	100%
Kleinkopje	100%
Kriel	73%[4]
Landau	100%
New Denmark	100%
New Vaal	100%
Nooitgedacht	100%

South Africa – other	
Mafube	50%
Richards Bay Coal Terminal	27%

Australia	
Callide	100%
Dawson Complex	51%
Drayton	88%
German Creek (Capcoal)	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%

Canada	
Peace River Coal	60%

Colombia	
Cerrejón	33%

Venezuela	
Carbones del Guasare	25%

[4] Shareholdings are shown on the basis that the contemplated black economic empowerment share ownership is finalised.

Industrial Minerals

Anglo Industrial Minerals	100%

Aggregates and building materials	
Tarmac Group (UK)	100%
Tarmac France (France and Belgium)	100%
Tarmac Germany	100%
Tarmac Poland	100%
Tarmac Czech Republic	100%
Tarmac Iberia (Spain)	100%
Tarmac Turkey	100%
Tarmac International Holdings (Far East and Middle East)	100%
Tarmac Romania	60%

Phosphate products	
Copebrás (Brazil)	73%

Gold

AngloGold Ashanti	41.7%

South Africa (100% owned)
Great Noligwa
Kopanang
Moab Khotsong
Mponeng
Savuka
Tau Lekoa
TauTona

Rest of Africa	
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 and Victor (US)	67%[5]

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

Australia	
Sunrise Dam	100%
Boddington	33%

[5] 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.

GROUP OVERVIEW

Strategy

Our strategic focus is:

1. To further focus the Group on its core mining portfolio and in the process simplify our structure and enhance profitability

2. To deliver on our significant $6.9 billion project pipeline

3. To return any excess capital to our shareholders

In 2006, we made significant progress restructuring our portfolio. In April, we sold $1 billion worth of AngloGold Ashanti, reducing our shareholding from 51% to 42%. The decision to reduce and ultimately exit our gold holding relates to the higher relative valuations attributable to pure-play gold companies, rather than as part of a diversified mining group. We will continue to explore all available options to exit AngloGold Ashanti in an orderly manner.

Regarding Mondi, plans for a full demerger are progressing. Approval in principle has been received from the regulatory authorities in South Africa for a Dual Listed Company Structure with primary listings in Johannesburg and London. Arrangements are being finalised to enable a smooth and efficient transition to a fully independent company. The senior management team is in place and a new board of directors is being established. The listing of Mondi is targeted for mid-2007.

Good progress was made in restructuring our Ferrous Metals and Industries business. In May 2007, it was announced that the sale of Anglo American's 79% shareholding in Highveld to Evraz, an international steel producer based in Russia, and Credit Suisse, for total consideration of US$678 million, had been completed. The sale was undertaken in two tranches. In July 2006, Anglo American disposed of 49.8% of Highveld to Evraz and Credit Suisse for $412 million and granted Evraz an option to acquire Anglo American's remaining 29.2% shareholding, subject to the granting of regulatory approvals. On 7 May 2007 Anglo American announced that Evraz had advised that the requisite regulatory approvals had been obtained and had exercised its option. Since July 2006, Anglo American has achieved proceeds of $678 million, including the initial payment of $412 million, dividends of $28 million and the final payment of $238 million.

In November 2006, we completed the restructuring of Kumba Resources with the listings on the Johannesburg Stock Exchange of Kumba Iron Ore as a pure-play iron ore company in which Anglo American holds 64%, and Exxaro, which became South Africa's largest black economic empowered (BEE) natural resources company.

The unbundling of Tongaat-Hulett's aluminium business to shareholders and simultaneous introduction of broad based BEE into both Tongaat Hulett and Hulett Aluminium will occur during the second quarter of 2007. This will reduce Anglo American's interest in Tongaat Hulett to 38% and in Hulett Aluminium to 39%.

Tarmac's strategic review, completed in early 2006, clearly defines the scope of its business as aggregates, together with three routes to market (asphalt, concrete and concrete products) and integration of cement where appropriate. The disposals announced in February 2006 have been largely completed and good progress is being made on delivering structural operational improvements.

Projects

Currently Anglo American has major projects under development amounting to $6.9 billion, on an attributable basis, stretching across all business units and geographies. Details of approved projects can be found in the preceding Business Unit sections. The Group is considering further major projects with an estimated potential cost between $10 billion and $15 billion. Selected major unapproved projects are highlighted below:

Selected major future unapproved projects

Sector	Project	Country	Estimated full production	Estimated capex[1] $m	Production volume[2]
Coal	Zondagsfontein implementation	South Africa	2009	335	6.6 Mtpa
	Elders Opencast	South Africa	2011	335	6.5 Mtpa
	Elders Underground	South Africa	2013	180	4.0 Mtpa
	Heidelberg Underground	South Africa	2013	120	3.0 Mtpa
	Waterberg	South Africa	2014	355	23.9 mmcf
	New Largo	South Africa	2017	530	13.7 Mtpa
	MACWest	South Africa	2009	90	2.7 Mtpa
Base Metals	Los Bronces expansion	Chile	2011	1,200	170,000 tpa copper
	Collahuasi debottleneck	Chile	2010	300-500	60,000-120,000 tpa copper
	Quellaveco	Peru	2012	1,200	200,000 tpa copper
Ferrous Metals	Sishen South	South Africa	2011	420	9 Mtpa iron ore
	Sishen Pellet	South Africa	2013	145	1.5 Mtpa iron ore
	Sishen Expansion 2	South Africa	2013	560	10 Mtpa iron ore

[1] Shown on 100% basis, approximate amounts.

[2] Production represents 100% of incremental or replacement production from the project.

Anglo Platinum also has a number of unapproved projects under evaluation: Amandelbult 4 shaft, Booysendal JV, Der Brochen, Ga-Phasha, Pandora JV, Styldrift and Twickenham.

Sustainable development

Sustainable development – at a glance

- **Our safety efforts will be redoubled**
- **We achieved a big improvement in participation in voluntary counselling and testing for HIV/AIDS**
- **We are launching a more advanced version of our Socio-Economic Assessment Toolbox**
- **Clean coal energy alliance formed with Shell**

Anglo American's sustainable development efforts are focussed across four areas:

1. Safety – our leading priority
2. HIV/AIDS – a big increase in voluntary counselling and testing
3. Engaging with local communities
4. Tackling the climate change challenge

1. Safety

Rigorous safety reviews, which will inform the next phase of our safety programme, are being undertaken across the Group. This next phase will have a particular focus on five consistent themes: a more rigorous approach to risk management and the management of change; greater attention to the selection, training and management of contractors; more rigour in determining the root causes of incidents through better incident investigation; training and competence issues to be more effectively addressed; and a more single minded approach to enforcing existing rules and standards.

2. HIV/AIDS

Deaths from HIV/AIDS continue to exact a heavy toll in many parts of southern Africa. In 2002, we initiated our strategy of encouraging voluntary counselling and testing (VCT) and the provision of anti-retrovirals at the correct stage of infection. Since then the South African public health service has initiated an increasingly effective programme with which we seek to partner.

At the end of 2006, over 4,500 employees (including AngloGold Ashanti) were in receipt of anti-retroviral therapy – up over 40% on 2005. Moreover, increasing numbers were willing to be tested and to confront their status. At our South African operations, the level of participation in VCT increased from 30% to 58% during 2006. At Anglo Coal in South Africa, participation in VCT is now in excess of 80% with indications that the treatment programme is becoming self-financing through reduced loss of skills, less absenteeism and fewer new infections.

3. Engaging with local communities

The Socio-Economic Assessment Toolbox (SEAT) has now been implemented at more than 50 Anglo American sites in 16 countries, with more than 250 managers having been trained to implement the process. SEAT consists of assessment tools and a series of rigorous stakeholder identification and engagement tools to identify priorities, needs and concerns. In 2006, we undertook a significant revision of the SEAT manual and during 2007, we plan to roll out the revised process which includes additional tools on topics like conflict prevention, grievance procedures, community health, working with international donors and water and energy projects.

4. Tackling the climate change challenge

We are an intensive user of energy and one of the world's major coal producers. Coal has an important and inescapable role in meeting the energy needs of many countries, especially in the developing world. We recognise that we must play our part in addressing climate change through improving our energy efficiency and working with others to develop and implement clean coal technologies.

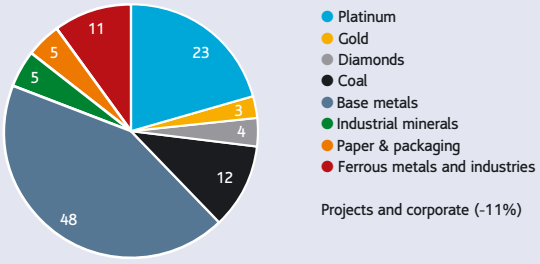
In 2006 we formed the Synergy Alliance with Shell to work on potential clean coal projects, including the Monash project in Australia. If implemented, Monash would involve the gasification of our coal reserves in Victoria's Latrobe Valley into clean transport fuels and the capture and storage of up to 13 million tonnes of CO_2 equivalent annually. We have also joined the FutureGen public-private industrial alliance which is seeking to develop a near zero emissions coal-fuelled power generation plant in the US.

We have also been making good progress towards achieving our target of 15% energy savings by 2014 (against a 2004 baseline) through site level projects and intensive programmes to share experience and best practice.

FINANCIAL HIGHLIGHTS

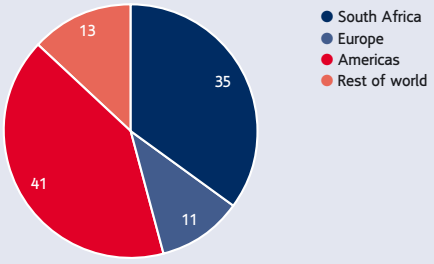
2006 underlying earnings by business unit

%



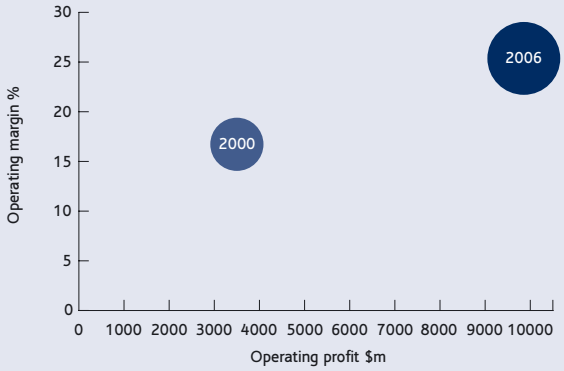
Geographic underlying earnings mix

%



Scale and profitability growth

bubble size represents turnover

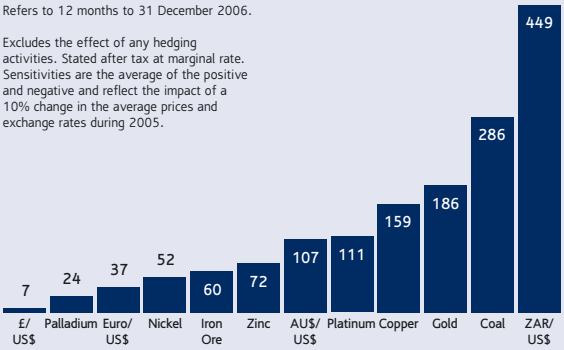


Underlying earnings sensitivities

10% movement in price/exchange rate

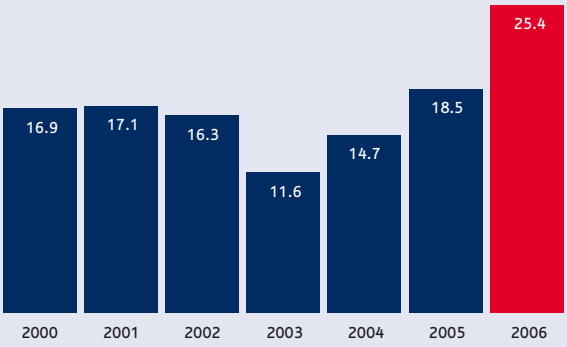
Refers to 12 months to 31 December 2006.

Excludes the effect of any hedging activities. Stated after tax at marginal rate. Sensitivities are the average of the positive and negative and reflect the impact of a 10% change in the average prices and exchange rates during 2005.



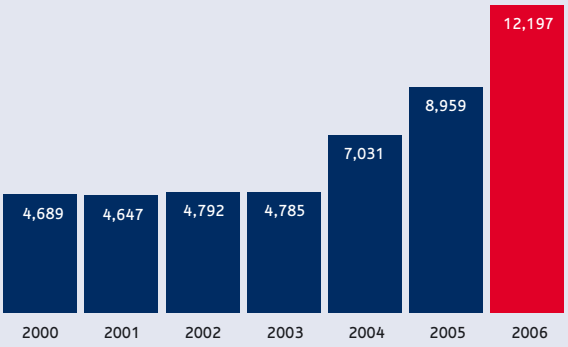
Operating margin

%



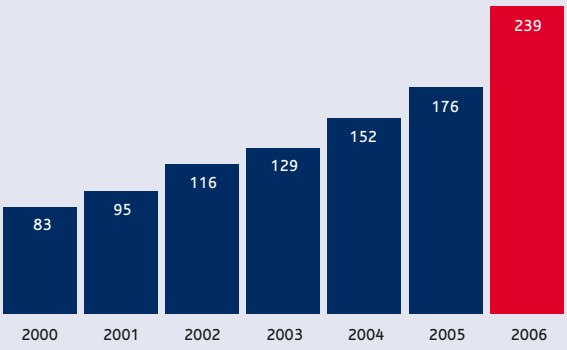
Seven-year EBITDA history

$m



Turnover per employee

$'000



Key financials

$m	2002	2003	2004	2005	2006
Turnover	20,497	24,909	31,938	34,472	**38,637**
EBITDA	4,792	4,785	7,031	8,959	**12,197**
Operating Profit	3,332	2,892	4,697	6,376	**9,832**
Underlying Earnings	1,759	1,694	2,684	3,736	**5,471**
Underlying EPS	1.25	1.20	1.87	2.58	**3.73**
Dividend per share	0.51	0.54	0.70	1.23	**1.75**

Years 2004–6 were prepared under IFRS. Years 2002–3 were prepared under UK GAAP

FINANCIAL DATA

US$ million (unless otherwise stated)	2006	2005	2004
Group revenue including associates	**38,637**	34,472	31,938
Less: share of associates' revenue	**(5,565)**	(5,038)	(5,670)
Group revenue	**33,072**	29,434	26,268
Operating profit including associates before special items and remeasurements	**9,832**	6,376	4,697
Special items and remeasurements (excluding financing special items and remeasurements)	**376**	(455)	933
Net finance costs (including remeasurements), taxation and minority interests of associates	**(481)**	(320)	(399)
Total profit from operations and associates	**9,727**	5,601	5,231
Net finance costs (including special itemsand remeasurements)	**(165)**	(393)	(367)
Profit before tax	**9,562**	5,208	4,864
Income tax expense	**(2,640)**	(1,275)	(923)
Profit for the financial year	**6,922**	3,933	3,941
Minority interests	**(736)**	(412)	(440)
Profit attributable to equity shareholders of the Company	**6,186**	3,521	3,501
Underlying earnings[1]	**5,471**	3,736	2,684
Earnings per share ($)	**4.21**	2.43	2.44
Underlying earnings per share ($)	**3.73**	2.58	1.87
Ordinary dividend per share (US cents)	**108.0**	90.0	70.0
Special dividend per share (US cents)	**67.0**	33.0	–
Weighted average number of shares outstanding (million)	**1,468**	1,447	1,434
EBITDA[2]	**12,197**	8,959	7,031
EBITDA interest cover[3]	**45.5**	20.0	18.5
Operating margin (before special items and remeasurements)	**25.4%**	18.5%	14.7%
Ordinary dividend cover (based on underlying earnings per share)	**3.5**	2.9	2.7
Balance sheet			
Intangible and tangible assets	**25,632**	33,368	35,816
Other non-current assets and investments	**7,819**	5,375	5,375
Working capital	**3,246**	3,719	3,715
Other net current liabilities	**(1,177)**	(1,492)	(611)
Other non-current liabilities and obligations	**(5,790)**	(8,399)	(8,339)
Net debt	**(3,324)**	(4,993)	(8,243)
Net assets classified as held for sale	**721**	–	–
Net assets	**27,127**	27,578	27,713
Minority interests	**(2,856)**	(3,957)	(4,588)
Equity attributable to the equity shareholders of the Company	**24,271**	23,621	23,125
Total capital[4]	**30,451**	32,571	35,956
Cash inflows from operations	**10,057**	7,265	5,291
Dividends received from associates and financial asset investments	**288**	470	396
Return on capital employed[5]	**32.4%**	19.2%	14.6%
EBITDA/average total capital[4]	**38.7%**	26.0%	21.2%
Net debt to total capital[6]	**12.9%**	17.0%	25.4%

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

Years 2004, 2005 and 2006 are prepared under IFRS. Years 2002 and 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, operating remeasurements (2002 to 2003: exceptional items), depreciation and amortisation in subsidiaries and joint ventures and share of EBITDA of associates.

(3) EBITDA interest cover is EBITDA 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 (2002 to 2003: exceptional items), but including share of associates' net interest expense.

(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 of 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) 2002 and 2003 have been restated to reflect the adoption of UITF abstract 38 *Accounting for ESOP trusts*.

(8) 2002 has been restated for the adoption of FRS 19 *Deferred Tax*.

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 40% of global supply. All Anglo Platinum's current operations are located in South Africa.

OVERVIEW

2006 overview

- World's No.1 primary producer of platinum
- Highest ever operating profit in 2006
- One of the biggest capital expenditure programmes in world mining
- Long term outlook is favourable for platinum and other platinum group metals

EBITDA

2006 **$2,845m**

2005 **$1,282m**

Operating profit

2006 **$2,398m**

2005 **$854m**

Business overview

Anglo American's managed subsidiary, Anglo Platinum Limited, located in South Africa, is the world's leading primary producer of platinum accounting for about 40% of the world's newly mined production. Anglo Platinum mines, processes, refines and markets the entire range of platinum group metals (PGMs) (platinum, palladium, rhodium, ruthenium, iridium and osmium).

Anglo Platinum wholly owns four mining operations, three smelters, a base metals refinery and a precious metals refinery, all of which are 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 the Polokwane smelter.

The group's four wholly owned mining operations include Rustenburg Platinum Mines' Rustenburg and Amandelbult Sections, as well as Potgietersrust Platinums Limited (PPRust) and Lebowa Platinum Mines Limited.

The operations are situated in the world's richest reserve of PGMs known as the Bushveld Complex, with 2006 production exceeding 2.8 million ounces of refined platinum, primarily from the Merensky, UG2 and Platreef ores. Although PGMs are the primary products of Anglo Platinum's operations, base metals such as nickel, copper and cobalt sulphate are important secondary products and are significant contributors to the group's earnings.

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.

Industry overview

Platinum

Platinum has unique physical and chemical properties that enable its use in many varied applications. The applications for platinum are either derived or created. Industrial use of the metal is considered derived demand while jewellery is created demand, requiring constant development and support. Platinum's catalytic properties, inertness, durability, electrical conductivity and high melting point are suited to diverse industrial applications, while its rarity, purity, strength and beauty make it the superior metal of choice for jewellery.

Demand for platinum increased by 5% to 7,02 million ounces in 2006 with growth in purchases in the autocatalyst sector more than offsetting weakness in the jewellery market. Supply rose 5% to 7,0 million ounces, resulting in a small deficit in the market of 20 000 ounces.

77.6% of global platinum supply in 2006 came from South Africa and Anglo Platinum's production accounts for more than half of that (51.9%). The other major platinum producing countries are Russia and North America, with 12.8% and 5.2% of global supply respectively.

Autocatalysts:

- growth in autocatalyst demand is driven by tightening exhaust emissions legislation and over 91% of new vehicles sold in the world now have autocatalysts fitted;
- increasing popularity of diesel powered vehicles in Europe has intensified demand for platinum, as diesel powered cars can only use autocatalysts that are predominantly platinum based;
- gross demand for platinum in the autocatalyst sector rose by almost 15% (560,000 ounces) to 4.38 million ounces in 2006. Demand increased in Europe, North America and the rest of the world but fell slightly for vehicles manufactured in Japan.

Jewellery:

- Anglo Platinum is the major supporter of the Platinum Guild International, which since its inception in 1975 has played a key role in encouraging demand for platinum jewellery and establishing new platinum jewellery markets;
- currently the three largest platinum jewellery markets are China, Japan and North America.

Previous page:
Close up view of Platinum. Anglo Platinum is the world's leading platinum producer, accounting for some 40% of supply in 2006.

Industrial:
- the increase in demand for computer hard disks is driving demand for platinum in the electronics sector;
- process catalysts in the silicone industry are the single-largest consumer of platinum in the chemical sector;
- platinum is essential in the precise, highly automated process that produces glass substrates with exceptionally clean, smooth, flat surfaces and inherent dimensional stability, qualities essential in the successful manufacture of liquid crystal display screens;
- industrial demand for platinum expanded in 2006 to 1.76 million ounces, largely due to increased consumption from the electronics, chemical and petroleum industries.

Palladium
Palladium's principal application is in autocatalysts. It is also used in electronic components and more recently for jewellery, particularly in China:
- 60% of palladium demand arises from its use in autocatalysts;
- palladium is used in electronic components such as multi-layer ceramic capacitators and also in dental alloys;
- palladium's use in jewellery grew from under 5% of demand in 2003 to over 16% in 2006.

Demand for palladium declined 6% to 6,85 million ounces largely due to a decline in jewellery and investment demand. Supplies of palladium were 1% higher at 8.5 million ounces resulting in a surplus of 1.6 million ounces, the sixth consecutive year of surplus.

The largest palladium producer in the world is Russia, which supplied 51.5% of the global total in 2006. South Africa is the second largest palladium producer with 33.7% of world supply, of which Anglo Platinum accounts for just over half (53.9%).

Rhodium
Demand for rhodium arises primarily from its use in autocatalysts. The metal also has a number of industrial applications including glass manufacture:
- nearly 85% of rhodium demand arises from its use in catalytic converters for the auto industry;
- moulds used to produce glass for flat screen televisions now account for almost 6% of rhodium demand;
- demand for rhodium increased by 2% in 2006 to 844,000 ounces while supply rose 6% to 801,000 ounces, resulting in a deficit for the third consecutive year. The supply of rhodium rose due to increased production in South Africa. With more UG2 ore being mined, rhodium production has increased disproportionately to platinum.

Strategy and business development
Anglo Platinum's strategy is to develop the market for PGMs, expand production into that growth opportunity and conduct its business safely, cost-effectively and competitively.

Growing demand is achieved by substantial investment in research and development into new uses for PGMs, through customers including 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.

In order to meet the increased demand, Anglo Platinum is targeting expanding operations at an average compound growth target of 5% per annum. Much of this expansion will come from the development of Anglo Platinum's extensive resources.

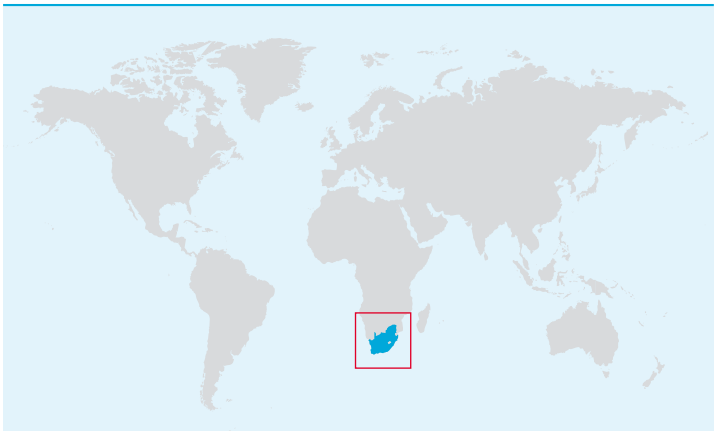
Anglo Platinum expects to meet its long term growth profile of 5% per annum by exploiting its own reserves through direct investment in projects as well as with joint venture partners. This growth profile requires projects that will create additional new production as well as maintain existing production levels owing to reserve depletion from current mining activities.

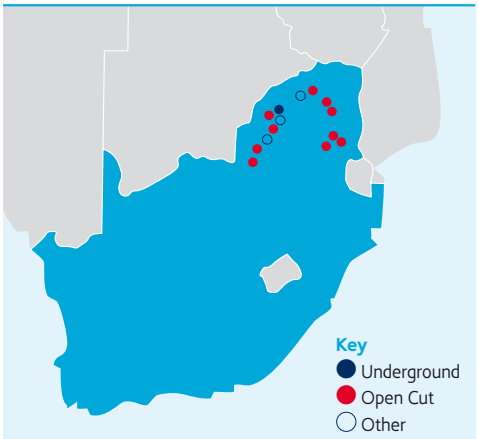
Overall mining production (as measured in equivalent refined platinum production) and purchase of concentrate increased in 2006 by 5.4%, or 135,000 equivalent refined platinum ounces, in line with Anglo Platinum's strategy.

AROUND THE WORLD

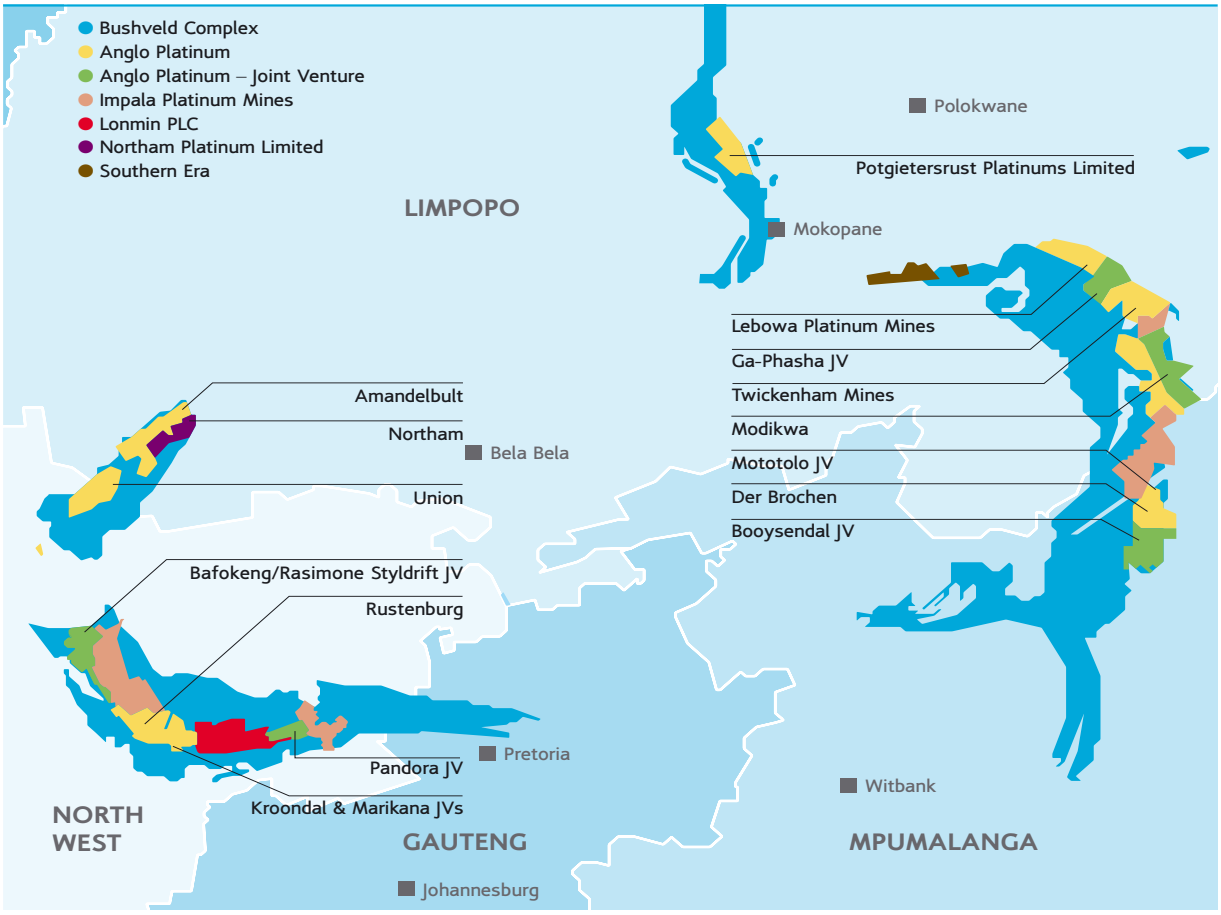
The focus of Anglo Platinum's operations is the Rustenburg area of South Africa's North West province where the company conducts underground mining at Rustenburg, Union and Amandelbult Sections, and at the Bafokeng-Rasimone, Kroondal and Marikana joint ventures. Of increasing importance are the operations 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 72% 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 at Modikwa Platinum (50%) and Pandora (42.5%) and in two joint ventures with Aquarius Platinum and one with Xstrata.





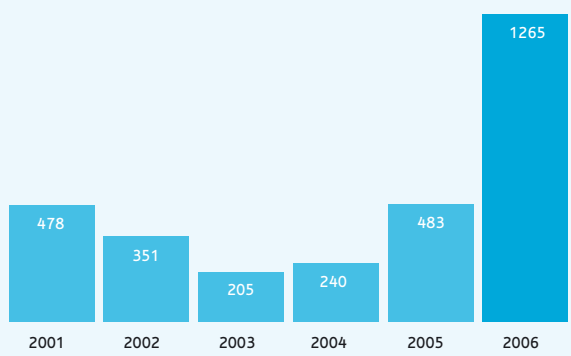
Project	Ownership
Bafokeng-Rasimone JV	50%
Lebowa Mine	100%
Modikwa JV	50%
Pandora JV	42.5%
Polokwane Smelter	100%
Potgietersrust Platinum Mine	100%
Precious Metal Refinery	100%
Rustenburg Base Metals Refinery	100%
Rustenburg Platinum Mines (RPM)	100%
RPM Amandelbult Section	100%
RPM Union Section	85%
Twickenham Mine	100%
Mototolo JV	50%
Kroondal and Marikana JV	50%



FINANCIAL HIGHLIGHTS

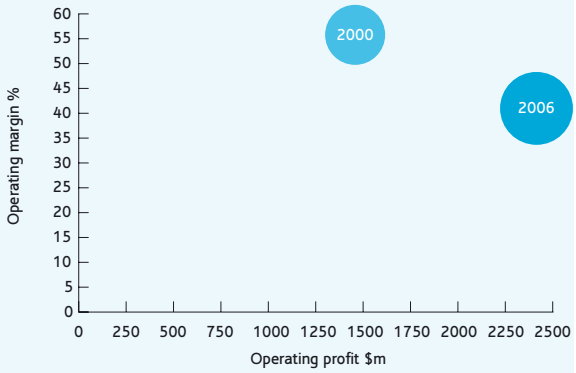
Six-year underlying earnings

$m



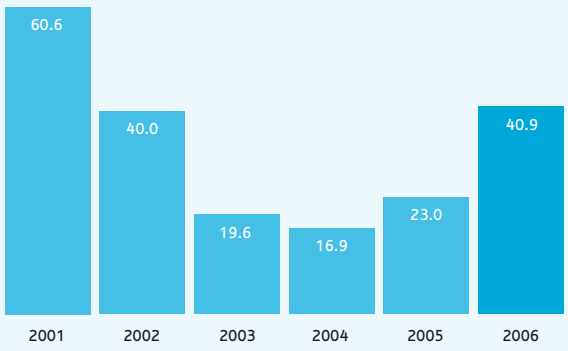
Scale and profitability growth

bubble size represents platinum production in ounces



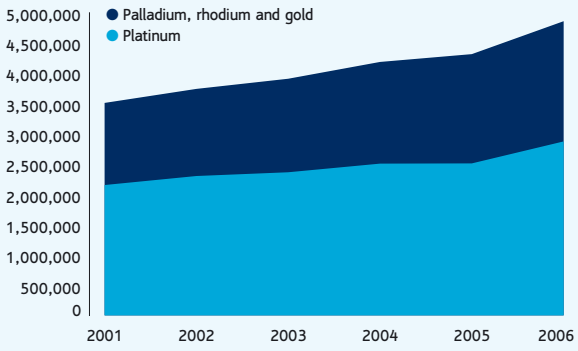
Operating margin

%

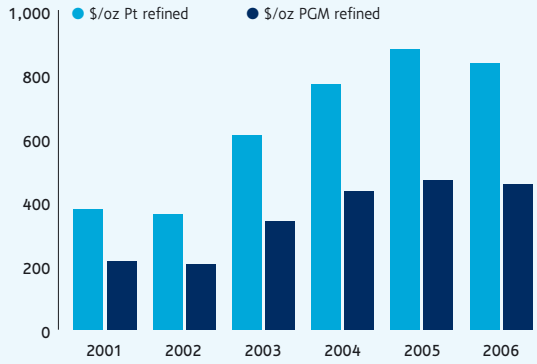


Production

ounces



Cash operating costs



FINANCIAL DATA

Production (includes production from Northam)	2006	2005	2004	2003	2002	2001
Platinum (troy ounces)	2,863,900	2,502,000	2,498,200	2,356,100	2,294,300	2,145,900
Palladium (troy ounces)	1,563,000	1,376,700	1,331,800	1,213,700	1,136,500	1,075,900
Rhodium (troy ounces)	331,700	333,500	258,600	237,400	215,900	204,100
Nickel (tonnes)	21,700	20,900	22,700	22,500	19,700	19,500

Turnover (US$ million)	2006	2005	2004	2003	2002	2001
Subsidiaries	5,766	3,646	3,065	2,232	1,964	2,180
Joint ventures	–	–	–	–	–	–
Associates	95	68	55	46	40	38
Total turnover	5,861	**3,714**	**3,120**	**2,278**	**2,004**	**2,218**
EBITDA	2,845	**1,282**	**853**	**673**	**926**	**1,442**
Depreciation and amortisation	444	**428**	**317**	**226**	**124**	**93**
Operating profit before special items and remeasurements	2,398	**854**	**536**	**447**	**802**	**1,345**
Operating special items and remeasurements	–	–	–	**(14)**	–	–
Operating profit after special items and remeasurements	2,398	**854**	**536**	**433**	**802**	**1,345**
Net interest, tax and minority interests	(1,133)	**(371)**	**(296)**	**(259)**	**(468)**	**(883)**
Total underlying earnings	1,265	**483**	**240**	**205**	**351**	**478**
Net segment assets	7,078	**7,018**	**7,560**	**6,119**	**3,580**	**1,847**
Capital expenditure	923	**616**	**633**	**1,004**	**586**	**391**

PRODUCTION DATA

Total refined production (excludes production from Northam)

	unit	2006	2005	2004	2003	2002	2001
Refined production							
Platinum	000 oz	**2,816.5**	2,453.2	2,453.5	2,307.8	2,251.1	2,109.2
Palladium	000 oz	**1,539.4**	1,353.2	1,310.7	1,190.9	1,115.3	1,049.0
Rhodium	000 oz	**326.0**	328.1	253.3	232.5	211.7	200.4
Gold	000 oz	**113.6**	117.5	109.9	116.1	107.1	102.2
PGMs	000 oz	**5,238.2**	4,651.0	4,426.4	4,161.5	3,947.6	3,673.6
Nickel	000 tonnes	**21.3**	20.5	22.3	22.1	19.4	19.5
Copper	000 tonnes	**11.1**	11.3	12.9	12.9	10.5	10.9

Rustenburg Section

100% owned

	unit	2006	2005	2004*	2003	2002	2001
Refined production							
Platinum	000 oz	**942.0**	822.1	864.1	557.3	655.5	719.1
Palladium	000 oz	**465.6**	401.5	409.7	230.0	272.7	307.7
Rhodium	000 oz	**108.5**	114.4	82.0	38.5	43.1	54.0
Gold	000 oz	**37.1**	40.6	38.3	37.2	39.0	41.8
PGMs	000 oz	**1,705.6**	1525.9	1,495.4	927.9	1,077.7	1,175.6
Nickel	000 tonnes	**6.3**	6.3	7.4	6.0	6.8	7.8
Copper	000 tonnes	**3.2**	3.5	4.5	3.7	3.9	4.5
Cash operating costs	US$/oz Pt refined	**850**	937	838	579	365	424
Cash operating costs	US$/oz PGM refined	**471**	505	484	348	222	259

*UG2 ramp-up included from 2004.

Amandelbult Section

100% owned

	unit	2006	2005	2004	2003	2002	2001
Refined production							
Platinum	000 oz	**647.8**	548.9	605.6	634.6	711.0	679.3
Palladium	000 oz	**298.1**	255.4	272.0	277.1	314.7	299.4
Rhodium	000 oz	**71.9**	74.1	64.8	66.1	71.9	73.0
Gold	000 oz	**19.4**	20.7	19.8	24.0	23.6	23.0
PGMs	000 oz	**1,139.8**	992.9	1,048.4	1,102.0	1,228.6	1,172.4
Nickel	000 tonnes	**3.7**	3.6	4.0	3.9	4.2	4.2
Copper	000 tonnes	**1.7**	1.9	2.3	2.3	2.1	2.3
Cash operating costs	US$/oz Pt refined	**638**	663	566	426	242	268
Cash operating costs	US$/oz PGM refined	**363**	366	327	245	140	155

Union Section

85% owned from 1 December 2006 (100% statistics shown)

	unit	2006	2005	2004	2003	2002	2001
Refined production							
Platinum	000 oz	**327.2**	310.1	319.6	313.2	284.7	280.4
Palladium	000 oz	**147.5**	139.0	139.8	132.6	125.8	122.2
Rhodium	000 oz	**50.6**	57.8	47.6	43.6	40.2	42.3
Gold	000 oz	**5.4**	5.8	5.4	5.8	5.2	4.8
PGMs	000 oz	**607.7**	595.0	581.6	572.0	514.7	505.2
Nickel	000 tonnes	**1.2**	1.1	1.1	1.1	1.0	1.1
Copper	000 tonnes	**0.4**	0.5	0.5	0.5	0.4	0.5
Cash operating costs	US$/oz Pt refined	**1,004**	988	871	663	405	439
Cash operating costs	US$/oz PGM refined	**541**	515	479	363	224	244

PPRust

100% owned

	unit	2006	2005	2004	2003	2002	2001
Refined production							
Platinum	000 oz	**185.5**	200.5	196.0	188.9	165.3	211.1
Palladium	000 oz	**208.3**	214.3	209.2	196.9	159.0	219.8
Rhodium	000 oz	**12.5**	13.8	13.1	12.5	12.1	16.4
Gold	000 oz	**21.5**	21.7	21.7	21.4	17.1	21.2
PGMs	000 oz	**420.1**	443.4	431.9	411.0	349.4	462.9
Nickel	000 tonnes	**4.5**	4.6	5.1	5.7	3.4	4.2
Copper	000 tonnes	**2.8**	2.7	2.9	3.2	1.9	2.2
Cash operating costs	US$/oz Pt refined	**1,028**	1,014	911	790	506	428
Cash operating costs	US$/oz PGM refined	**454**	458	413	363	239	195

PRODUCTION DATA (CONTINUED)

Leplats
100% owned

	unit	2006	2005	2004	2003	2002	2001
Refined production							
Platinum	000 oz	**109.2**	110.0	113.6	105.1	102.0	89.1
Palladium	000 oz	**75.4**	76.4	78.0	68.9	65.4	55.6
Rhodium	000 oz	**11.8**	11.7	11.6	10.5	9.5	7.2
Gold	000 oz	**6.1**	5.9	6.2	6.1	5.9	5.3
PGMs	000 oz	**216.6**	217.7	222.1	201.7	192.6	161.9
Nickel	000 tonnes	**1.6**	1.4	1.5	1.4	1.4	1.2
Copper	000 tonnes	**1.0**	0.8	0.9	0.8	0.8	0.7
Cash operating costs	US$/oz Pt refined	**1,185**	1,031	916	729	480	527
Cash operating costs	US$/oz PGM refined	**597**	521	468	380	254	290

BRPM
50:50 JV with Royal Bafokeng Resources

	unit	2006	2005	2004	2003	2002	2001
Refined production							
Platinum	000 oz	**240.6**	188.4	183.5	177.6	162.1	130.2
Palladium	000 oz	**99.8**	77.7	74.1	69.1	68.2	44.3
Rhodium	000 oz	**14.2**	15.2	11.5	11.2	10.5	7.5
Gold	000 oz	**14.0**	12.8	10.1	10.8	9.4	6.1
PGMs	000 oz	**381.4**	306.9	289.6	280.9	261.5	195.6
Nickel	000 tonnes	**2.7**	2.2	2.2	2.0	1.7	1.0
Copper	000 tonnes	**1.4**	1.2	1.3	1.3	1.0	0.6
Cash operating costs	US$/oz Pt refined	**791**	924	770	692	481	538
Cash operating costs	US$/oz PGM refined	**499**	567	475	437	298	358

Modikwa Platinum Mine
50:50 JV with ARM Platinum

	unit	2006	2005	2004	2003	2002
Refined production						
Platinum	000 oz	**145.6**	128.2	114.0	86.2	25.1
Palladium	000 oz	**142.9**	127.7	109.9	80.6	24.4
Rhodium	000 oz	**27.1**	29.6	20.9	14.6	3.3
Gold	000 oz	**3.9**	4.0	3.2	2.5	0.7
PGMs	000 oz	**360.1**	328.3	276.6	204.9	53.7
Nickel	000 tonnes	**0.7**	0.7	0.6	0.4	0.1
Copper	000 tonnes	**0.3**	0.4	0.3	0.3	–
Cash operating costs	US$/oz Pt refined	**1,270**	1,335	1,323	1,228	752
Cash operating costs	US$/oz PGM refined	**514**	521	545	517	352

Western Limb Tailings Retreatment

	unit	2006	2005	2004
Refined production				
Platinum	000 oz	**49.0**	55.0	57.1
Palladium	000 oz	**18.9**	18.6	18.0
Rhodium	000 oz	**3.4**	4.0	1.8
Gold	000 oz	**4.7**	5.0	5.2
PGMs	000 oz	**81.9**	91.2	80.8
Nickel	000 tonnes	**0.4**	0.5	0.4
Copper	000 tonnes	**0.2**	0.2	0.2
Cash operating costs	US$/oz Pt refined	**791**	722	582
Cash operating costs	US$/oz PGM refined	**473**	435	411

Kroondal Joint Venture

50:50 JV with Aquarius Platinum, South Africa

	unit	2006	2005
Refined production			
Platinum	000 oz	**148.3**	90.0
Palladium	000 oz	**71.8**	42.6
Rhodium	000 oz	**24.8**	7.5
Gold	000 oz	**1.3**	1.0
PGMs	000 oz	**289.3**	149.7
Nickel	000 tonnes	**0.2**	0.1
Copper	000 tonnes	**0.1**	0.1
Cash operating costs	US$/oz Pt refined	**685**	775
Cash operating costs	US$/oz PGM refined	**351**	465

Marikana Joint Venture

50:50 JV with Aquarius Platinum, South Africa

	unit	2006
Refined production		
Platinum	000 oz	**12.8**
Palladium	000 oz	**6.0**
Rhodium	000 oz	**1.2**
Gold	000 oz	**0.1**
PGMs	000 oz	**22.0**
Nickel	000 tonnes	**–**
Copper	000 tonnes	**–**
Cash operating costs	US$/oz Pt refined	**1,395**
Cash operating costs	US$/oz PGM refined	**807**

Mototolo Platinum Mine

50:50 JV with Xstrata South Africa

	unit	2006
Refined production		
Platinum	000 oz	**8.5**
Palladium	000 oz	**5.1**
Rhodium	000 oz	**–**
Gold	000 oz	**0.1**
PGMs	000 oz	**13.7**
Nickel	000 tonnes	**–**
Copper	000 tonnes	**–**
Cash operating costs	US$/oz Pt refined	**1,453**
Cash operating costs	US$/oz PGM refined	**907**

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 (eg The South African Code for Reporting of Mineral Resources and Mineral Reserves, The SAMREC Code, 2000). Rounding of figures may cause computational discrepancies. The Mineral Resources are additional to the Ore Reserves. Mineral Resources are reported over an economic and mineable resource cut appropriate to specific ore deposits which form the basis of the consolidated reef figures. The figures reported represent 100% of the Mineral Resources and Ore Reserves attributable to Anglo Platinum Limited unless otherwise noted. Anglo American plc's interest in Anglo Platinum is 75.4%.

Anglo Platinum – Ore Reserves

		Tonnes[1] million		Grade[2] g/t		Contained metal tonnes		Contained metal million troy ounces	
	Classification	2006	2005	2006	2005	2006	2005	2006	2005
Merensky Reef[4]				4E PGE	4E PGE			Moz	Moz
	Proved	95.5	98.6	5.54	5.42	529.1	534.4	17.0	17.2
	Probable	105.9	118.7	5.78	5.70	612.4	676.8	19.7	21.8
	Total	201.4	**217.3**	5.67	**5.57**	1,141.5	**1,211.2**	36.7	**38.9**
UG2 Reef[5]				4E PGE	4E PGE			Moz	Moz
	Proved	347.2	279.5	4.57	4.03	1,585.1	1,127.4	51.0	36.2
	Probable	403.5	420.8	4.37	4.12	1,761.6	1,735.6	56.6	55.8
	Total	750.7	**700.3**	4.46	**4.09**	3,346.7	**2,863.0**	107.6	**92.0**
Platreef[6]				4E PGE	4E PGE			Moz	Moz
	Proved	319.6	276.9	3.27	3.21	1,045.5	889.8	33.6	28.6
	Proved (stockpiles)[7]	16.4	12.4	2.66	2.76	43.7	34.1	1.4	1.1
	Probable	110.8	59.1	3.67	3.29	406.9	194.1	13.1	6.2
	Total	446.9	**348.3**	3.35	**3.21**	1,496.0	**1,118.0**	48.1	**35.9**
All Reefs				4E PGE	4E PGE			Moz	Moz
	Proved	778.7	667.4	4.11	3.87	3,203.3	2,585.7	103.0	83.1
	Probable	620.3	598.6	4.48	4.35	2,781.0	2,606.5	89.4	83.8
	Total	1,399.0	**1,265.9**	4.28	**4.10**	5,984.2	**5,192.2**	192.4	**166.9**
	Total (alternative units)[3]	1,542.1Mton	**1,395.5Mton**	0.125oz/t	**0.120oz/t**				
Tailings[8]				4E PGE	4E PGE			Moz	Moz
	Proved	–	–	–	–	–	–	–	–
	Probable	43.6	48.2	1.00	0.98	43.7	47.2	1.4	1.5
	Total	43.6	**48.2**	1.00	**0.98**	43.7	**47.2**	1.4	**1.5**
	Total (alternative units)[3]	48.1Mton	**53.2Mton**	0.029oz/t	**0.029oz/t**				

A Joint Venture (JV) agreement has been finalised with the Bakgatla-Ba-Kgafela tribe affecting the Merensky and UG2 Ore Reserves of Union Section.

[1] **Tonnage:** quoted as metric tonnes.

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

[3] **Alternative units:** tonnage in million short tons (Mton) and grade in troy ounces per short ton (oz/t).

[4] **Merensky Reef:** The 2006 exploration programme at Amandelbult Section lead to an increase in the estimate of the geological losses and a decrease in the stope width which accounts for the decrease in Probable Ore Reserves.

[5] **UG2 Reef:** Increases are mainly due to the conversion of Mineral Resources to Ore Reserves at Twickenham Platinum Mine Project (pre-feasibility study completed) and additional drilling at both Amandelbult Section and Lebowa Platinum Mine.

[6] **Platreef:** Geo-technical constraints imposed in 2005 at PPRust North were reviewed and revised by an independent consultant. As a result the pit was re-designed, accounting for the increase in the Ore Reserves and a subsequent decrease in Measured Mineral Resources.

[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 during 2006 by an external third party consulting firm: Ga-Phasha PGM Project, Der Brochen Project, Booysendal Project, BRPM JV (Styldrift).

Anglo Platinum – Mineral Resources

Classification	Tonnes[1] million 2006	Tonnes[1] million 2005	Grade[2] g/t 2006	Grade[2] g/t 2005	Contained metal tonnes 2006	Contained metal tonnes 2005	Contained metal million troy ounces 2006	Contained metal million troy ounces 2005
Merensky Reef[4]			4E PGE	4E PGE			Moz	Moz
Measured	96.4	68.4	5.42	5.62	523.0	384.7	16.8	12.4
Indicated	248.3	250.0	5.39	5.30	1,337.8	1,326.2	43.0	42.6
Measured and Indicated	**344.7**	**318.4**	**5.40**	**5.37**	**1,860.7**	**1,710.9**	**59.8**	**55.0**
Inferred	1,095.9	1,057.8	5.48	5.54	6,010.9	5,863.5	193.3	188.5
Total	**1,440.6**	**1,376.2**	**5.46**	**5.50**	**7,871.6**	**7,574.4**	**253.1**	**243.5**
UG2 Reef[5]			4E PGE	4E PGE			Moz	Moz
Measured	312.3	262.7	5.52	5.48	1,725.3	1,438.1	55.5	46.2
Indicated	634.3	660.7	5.37	5.45	3,404.9	3,601.6	109.5	115.8
Measured and Indicated	**946.6**	**923.4**	**5.42**	**5.46**	**5,130.3**	**5,039.6**	**164.9**	**162.0**
Inferred	1,321.4	1,394.3	5.54	5.41	7,325.5	7,550.2	235.5	242.7
Total	**2,268.0**	**2,317.7**	**5.49**	**5.43**	**12,455.7**	**12,589.8**	**400.5**	**404.8**
Platreef[6]			4E PGE	4E PGE			Moz	Moz
Measured	158.8	206.1	1.91	2.58	303.2	531.2	9.7	17.1
Indicated	791.2	715.0	2.22	2.46	1,757.7	1,757.1	56.5	56.5
Measured and Indicated	**950.0**	**921.2**	**2.17**	**2.48**	**2,061.0**	**2,288.3**	**66.3**	**73.6**
Inferred	1,449.4	1,472.5	1.82	1.79	2,643.9	2,629.2	85.0	84.5
Total	**2,399.4**	**2,393.7**	**1.96**	**2.05**	**4,704.9**	**4,917.5**	**151.3**	**158.1**
All Reefs			4E PGE	4E PGE			Moz	Moz
Measured	567.6	537.2	4.50	4.38	2,551.5	2,354.0	82.0	75.7
Indicated	1,673.8	1,625.8	3.88	4.11	6,500.5	6,684.9	209.0	214.9
Measured and Indicated	**2,241.4**	**2,163.0**	**4.04**	**4.18**	**9,052.0**	**9,038.9**	**291.0**	**290.6**
Inferred	3,866.7	3,924.6	4.13	4.09	15,980.3	16,042.9	513.8	515.8
Total	**6,108.1**	**6,087.6**	**4.10**	**4.12**	**25,032.3**	**25,081.8**	**804.8**	**806.4**
Total (alternative units)[3]	**6,732.9Mton**	**6,710.4Mton**	**0.120oz/t**	**0.120oz/t**				
Tailings[7]			4E PGE	4E PGE			Moz	Moz
Measured	–	–	–	–	–	–	–	–
Indicated	152.3	161.9	1.06	1.05	160.9	170.2	5.2	5.5
Measured and Indicated	**152.3**	**161.9**	**1.06**	**1.05**	**160.9**	**170.2**	**5.2**	**5.5**
Inferred	–	–	–	–	–	–	–	–
Total	**152.3**	**161.9**	**1.06**	**1.05**	**160.9**	**170.2**	**5.2**	**5.5**
Total (alternative units)[3]	**167.9Mton**	**178.5Mton**	**0.031oz/t**	**0.031oz/t**				

A new Joint Venture (JV) agreement has been finalised with the Bakgatla-Ba-Kgafela tribe affecting the Merensky and UG2 Mineral Resources of Union Section, Rooderand 46 JQ – Portion 2 and Magazynskraal 3 JQ.

[1] **Tonnage:** quoted as metric tonnes.

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

[3] **Alternative units:** tonnage in million short tons (Mton) and grade in troy ounces per short ton (oz/t).

[4] **Merensky Reef:** Measured Resource tonnes increase as a result of additional drilling and higher geo-scientific confidence in the estimates at BRPM JV (Styldrift) and Modikwa JV.

[5] **UG2 Reef:** The increase in the UG2 Measured Resource is mainly due to increased confidence in the estimates obtained through an extensive drilling programme and updated resource evaluation modelling at Rustenburg Section, Amandelbult Section, Lebowa Platinum Mine, BRPM JV and Modikwa JV.

[6] **Platreef:** Measured Mineral Resources decrease is due to conversion to Ore Reserves at PPRust North (new pit design). Additional drilling information at Zwartfontein North identified structural complexities resulting in a reallocation to Indicated Resources. These decreases are offset by an increased planned pit-depth at Zwartfontein South.

[7] **Tailings:** These are reported separately as Mineral Resources but are not aggregated in the total Mineral Resource figures.

Where applications for new order Prospecting Rights have been initially refused by the relevant authorities and are still the subject of ongoing judicial review and Anglo Platinum has a reasonable expectation that the Prospecting Rights will be granted in due course, the relevant resources have been included in the statement. Approximately 66Moz of Mineral Resources are affected.

RESERVES AND RESOURCES DATA (CONTINUED)

Anglo Platinum – Ore Reserves

Other Projects

		Tonnes[1] million		Grade[2] g/t		Contained metal tonnes		Contained metal million troy ounces	
	Classification	2006	2005	2006	2005	2006	2005	2006	2005
Zimbabwe				4E PGE	4E PGE			Moz	Moz
Unki – Great Dyke	Proved	5.2	5.2	3.60	3.81	18.8	19.9	0.6	0.6
	Probable	43.2	43.2	3.81	3.81	164.5	164.5	5.3	5.3
	Total	**48.4**	**48.4**	**3.78**	**3.81**	**183.3**	**184.4**	**5.9**	**5.9**
	Total (alternative units)[3]	**53.4Mton**	**53.4Mton**	**0.110oz/t**	**0.111oz/t**				

Anglo Platinum –Mineral Resources

Other Projects

		Tonnes[1] million		Grade[2] g/t		Contained metal tonnes		Contained metal million troy ounces	
	Classification	2006	2005	2006	2005	2006	2005	2006	2005
Zimbabwe				4E PGE	4E PGE			Moz	Moz
Unki – Great Dyke	Measured	7.9	7.9	4.08	4.08	32.1	32.1	1.0	1.0
	Indicated	11.7	11.7	4.28	4.28	49.9	49.9	1.6	1.6
	Measured and Indicated	**19.5**	**19.5**	**4.20**	**4.20**	**82.1**	**82.1**	**2.6**	**2.6**
	Inferred	98.7	98.7	4.29	4.29	423.5	423.5	13.6	13.6
	Total	**118.2**	**118.2**	**4.28**	**4.28**	**505.6**	**505.6**	**16.3**	**16.3**
	Total (alternative units)[3]	**130.3Mton**	**130.3Mton**	**0.125oz/t**	**0.125oz/t**				
South Africa				3E PGE	3E PGE			Moz	Moz
Anooraq – Anglo Platinum JV[4]									
Platreef	Measured	–	–	–	–	–	–	–	–
	Indicated	88.3	88.3	1.35	1.35	119.3	119.2	3.8	3.8
	Measured and Indicated	**88.3**	**88.3**	**1.35**	**1.35**	**119.3**	**119.2**	**3.8**	**3.8**
	Inferred	52.0	52.0	1.23	1.23	64.0	64.0	2.1	2.1
	Total	**140.4**	**140.4**	**1.31**	**1.31**	**183.3**	**183.3**	**5.9**	**5.9**
	Total (alternative units)[3]	**154.7Mton**	**154.7Mton**	**0.038oz/t**	**0.038oz/t**				
Sheba's Ridge[5]				3E PGE	3E PGE			Moz	Moz
	Measured	143.1	143.1	0.74	0.74	106.3	106.3	3.4	3.4
	Indicated	109.6	109.6	0.80	0.80	88.1	88.1	2.8	2.8
	Measured and Indicated	**252.7**	**252.7**	**0.77**	**0.77**	**194.4**	**194.4**	**6.3**	**6.3**
	Inferred	18.7	18.7	0.71	0.71	13.3	13.3	0.4	0.4
	Total	**271.4**	**271.4**	**0.77**	**0.77**	**207.7**	**207.7**	**6.7**	**6.7**
	Total (alternative units)[3]	**299.1Mton**	**299.1Mton**	**0.022oz/t**	**0.022oz/t**				
Canada				3E PGE	3E PGE			Moz	Moz
River Valley[6]	Measured	4.3	4.3	1.79	1.79	7.6	7.6	0.2	0.2
	Indicated	11.0	11.0	1.20	1.20	13.3	13.3	0.4	0.4
	Measured and Indicated	**15.3**	**15.3**	**1.37**	**1.37**	**20.9**	**20.9**	**0.7**	**0.7**
	Inferred	1.2	1.2	1.24	1.24	1.5	1.5	0.0	0.0
	Total	**16.5**	**16.5**	**1.36**	**1.36**	**22.4**	**22.4**	**0.7**	**0.7**
	Total (alternative units)[3]	**18.2Mton**	**18.2Mton**	**0.040oz/t**	**0.040oz/t**				
Brazil				3E PGE	3E PGE			Moz	Moz
Pedra Branca[7]	Measured	–	–	–	–	–	–	–	–
	Indicated	–	–	–	–	–	–	–	–
	Measured and Indicated	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
	Inferred	6.6	6.5	2.27	2.27	15.0	14.7	0.5	0.5
	Total	**6.6**	**6.5**	**2.27**	**2.27**	**15.0**	**14.7**	**0.5**	**0.5**
	Total (alternative units)[3]	**7.3Mton**	**7.2Mton**	**0.066oz/t**	**0.066oz/t**				

[1] **Tonnage:** quoted as metric tonnes.

[2] **Grade:** **4E PGE** is the sum of platinum, palladium, rhodium and gold grades in grammes per tonne (g/t).
3E PGE is the sum of platinum, palladium and gold grades in grammes per tonne (g/t).

[3] **Alternative units:** tonnage in million short tons (Mton) and grade in troy ounces per short ton (oz/t).

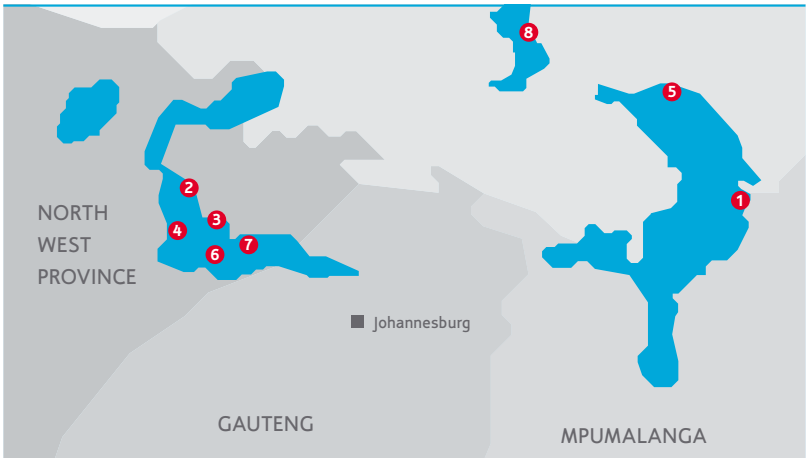
[4] **Anooraq-Anglo Platinum JV:** Anglo Platinum holds an attributable interest of 50%. A cut-off of US$20 gross metal value per tonne was applied.

[5] **Sheba's Ridge:** Anglo Platinum holds an attributable interest of 35%. A cut-off of US$10.5 per tonne total revenue contribution from the constituent metals was applied.

[6] **River Valley:** Anglo Platinum holds an attributable interest of 50%. A cut-off of 0.7 g/t (platinum + palladium) was applied.

[7] **Pedra Branca:** Anglo Platinum holds an attributable right of 51%. A cut-off of 0.7 g/t (3E) was applied.

PROJECT PIPELINE



1. Mototolo Joint Venture

Ownership	**50% Anglo Platinum**
Incremental production	**130,000 oz per annum**
Full project capex	**$200 m**
Full production	**2007**

The Mototolo project is a 50:50 joint venture between Anglo Platinum and Xstrata and is located close to Steelport, adjacent to Anglo Platinum's Der Brochen property.
By agreement, Xstrata is developing and operating the mine and Anglo Platinum is designing, constructing and operating the concentrator.
This UG2 mine comprises two decline shaft systems which are being sunk on reef, using a mechanised bord-and-pillar mining method. Mining of the on-reef decline clusters has progressed reasonably well. Abnormally high rainfall during the first quarter of 2006, in conjunction with poor ground conditions, caused temporary setbacks to the initial phase of mine development. Capital expenditure, however, remains within budget. The mine is expected to be in full production during the fourth quarter of 2007. Construction of the 200,000 tons per month concentrator has been completed on schedule and well within budget, with the first concentrate produced in the last quarter of 2006 as planned. All concentrate produced by the JV will be processed through Anglo Platinum's smelters and refineries.

2. Townlands Ore Replacement

Ownership	**100% Anglo Platinum**
Replacement production	**70,000 oz per annum**
Full project capex	**$139 m**
Full production	**2014**

The Townlands project aims to replace diminishing Merensky reef output at Townlands shaft by extending the existing decline shaft. The mining of UG2 in the decline shaft is also being incorporated to ensure maximum use of shaft-hoisting capacity. The project includes the establishment of three separate downcast ventilation shafts intersecting the extension of the existing decline shaft. The project was approved in February 2007 and has commenced.

3. Amandelbult East Upper UG2

Ownership	**100% Anglo Platinum**
Incremental production	**106,000 oz per annum**
Full project capex	**$224 m**
Full production	**2012**

The Amandelbult East Upper UG2 Project, which was approved in 2006, will conventionally mine the UG2 reef, using existing mining infrastructure previously employed to extract Merensky reef, at the vertical number 2 shaft and at three decline shafts. The 75 000 ton per month UG2 concentrator will be expanded to 210 000 tons per month and by 2012 the project will contribute an additional 100 000 ounces of refined platinum per annum.

4. Paardekraal 2 shaft

Ownership	**100% Anglo Platinum**
Replacement production	**120,000 oz per annum**
Full project capex	**$316 m**
Full production	**2015**

The project is designed to restore the Merensky reef output at Paardekraal shaft, in line with the recently approved Rustenburg mining strategy. The Paardekraal 2 (PK2) shaft is the first of two or three intermediate vertical shafts which will be used to maintain the Rustenburg production profile between 2014 and 2020. The first blast of the shaft took place on 4 September 2006 and all other activities are progressing to schedule.

5. Lebowa Brakfontein Merensky Shaft

Ownership	**100% Anglo Platinum**
Replacement production	**108,000 oz per annum**
Full project capex	**$179 m**
Full production	**2010**

The implementation of the Brakfontein Merensky project (120,000 tons per month) is progressing well with the decline development slightly ahead of schedule. At steady-state, the mine will provide sufficient feedstock for the upgraded Merensky concentrator until 2021.

6. Kroondal

Ownership	**50% Anglo Platinum**
Incremental production	**280,000 oz per annum**
Full project capex	**$138 m**
Full production	**2010**

The Kroondal Pooling-and-Sharing agreement (PSA) with Aquarius Platinum is one of two components of the revised PSA project (the second is the Marikana PSA project). The reconstituted Kroondal PSA project encompasses four production shaft systems and two concentrators. The total Kroondal PSA is currently delivering 550,000 tons per month as planned. K5 decline is planned to contribute 200,000 tons per month run of mine to this total at steady-state by quarter one of 2009.

Marikana PSA
The new Marikana PSA comprises the Marikana concentrators, the Marikana open pit operations, Marikana No 1 shaft and No 4 shaft from the initial Kroondal PSA. It is on track to deliver an expected 230,000 tons per month by early 2008.

7. BRPM joint venture

Ownership	**50% Anglo Platinum**
Incremental production	**NA**
Full project capex	**$265 m**
Full production	**2007**

The joint venture between Anglo Platinum and Royal Bafokeng Resources (Pty) Limited is currently executing phase 2 of the project, which covers extending the existing South and North infrastructure by an additional five levels, and remains on schedule with a phased transition up to 2011. This will ensure the continued production of Merensky at 110,000 tons per month per shaft system for a further seven years. Construction is on target and production from the first replacement levels started from the first quarter of 2006, as planned.

8. PPRust North expansion

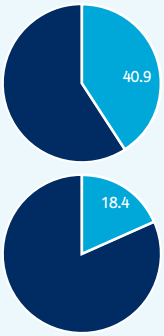
Ownership	**100% Anglo Platinum**
Incremental production	**230,000 oz per annum**
Full project capex	**$692 m**
Full production	**2009**

This expansion was approved by the board in 2006. It will expand milling capacity by 600,000 tons per month, in addition to the 385,000 tons per month milled by the existing PPL. The expansion will produce an additional 230,000 platinum ounces per annum to bring total platinum production at PPRust to 430,000 ounces per annum. The PPRust North concentrator, infrastructural development and early mining initiative is progressing well with hot commissioning due to start early in 2008.

MARKET INFORMATION

2006 share of world production

%



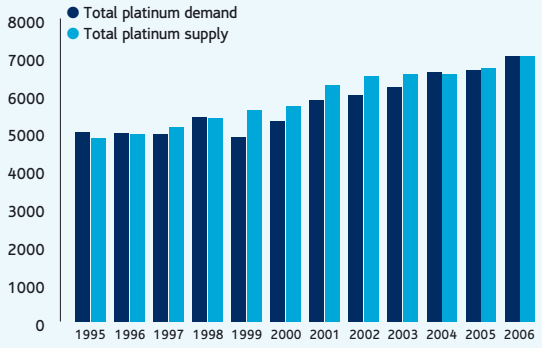
2006 platinum supply
World:
7,000,000
Anglo Platinum:
2,863,900
(includes share of Northam Platinum)

2006 palladium supply
World:
8,480,000
Anglo Platinum:
1,563,000

Source: Johnson Matthey

Platinum supply and demand

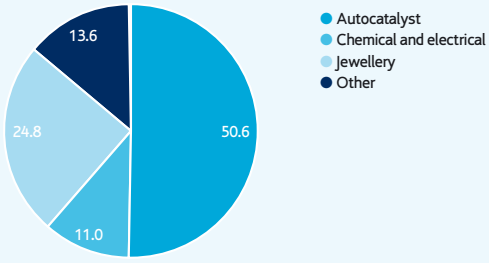
000oz



Source: Johnson Matthey

2006 platinum end use

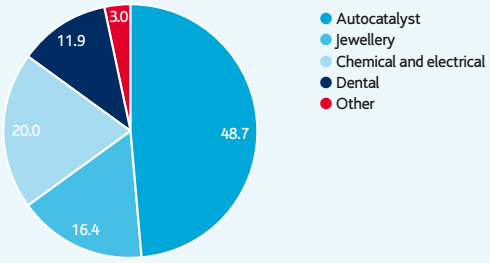
%



Source: Johnson Matthey

2006 palladium end use

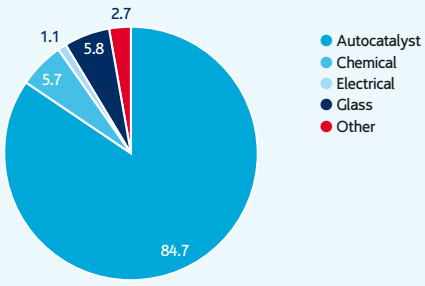
%



Source: Johnson Matthey

2006 rhodium end use

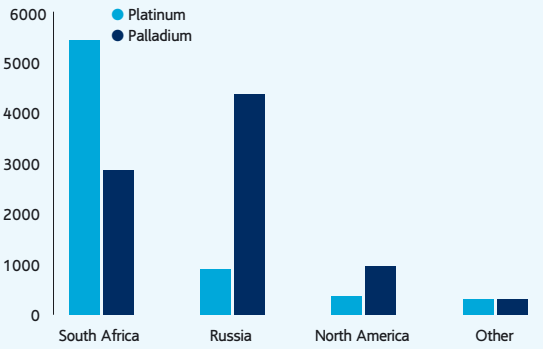
%



Source: Johnson Matthey

Geographical PGM supply

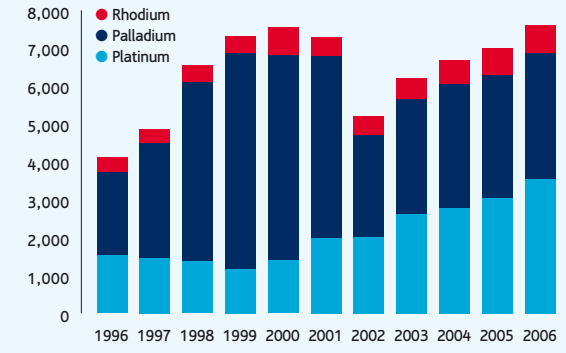
000oz



Source: Johnson Matthey

Autocatalyst demand

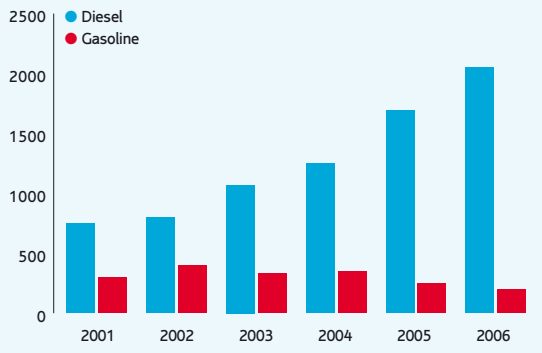
000oz



Source: Johnson Matthey

European demand for autocatalyst

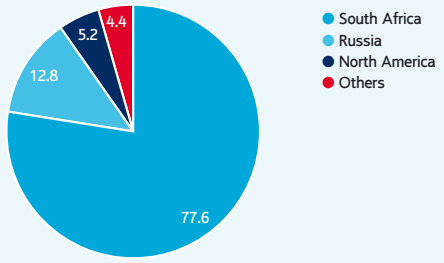
000oz



Source: Johnson Matthey

2006 platinum supply by region

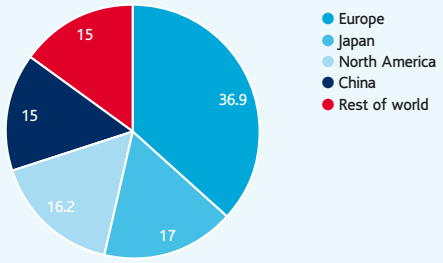
%



Source: Johnson Matthey

2006 platinum demand by region

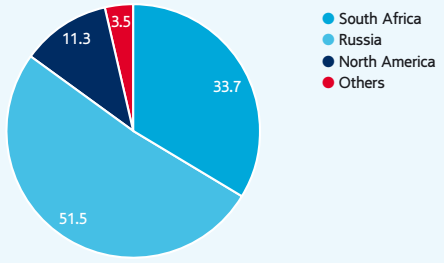
%



Source: Johnson Matthey

2006 palladium supply by region

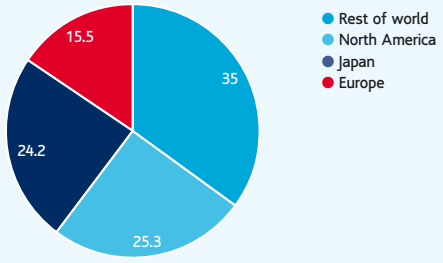
%



Source: Johnson Matthey

2006 palladium demand by region

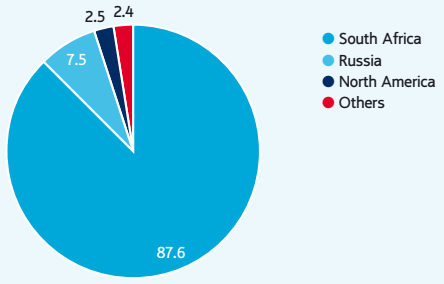
%



Source: Johnson Matthey

2006 rhodium supply by region

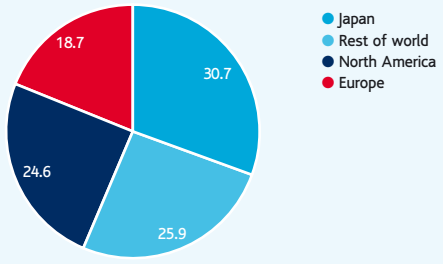
%



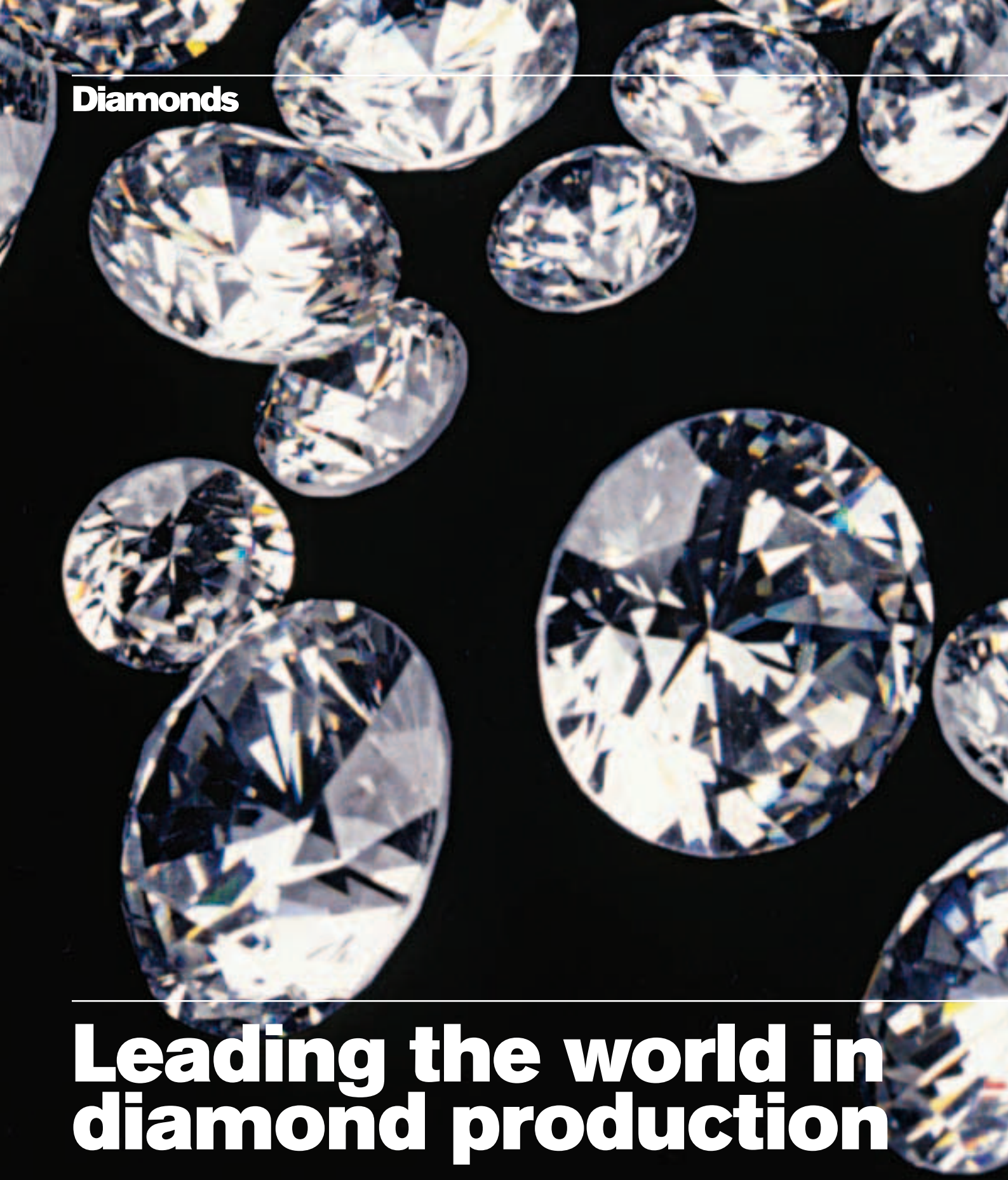
Source: Johnson Matthey

2006 rhodium demand by region

%



Source: Johnson Matthey



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.

OVERVIEW

2006 overview

- De Beers is a global leader in the world diamond industry
- Global retail sales continue to rise
- De Beers group diamond production surpasses 50 million carats
- Upcoming projects will add 3.3 million carats to De Beers' annual production capacity

EBITDA

2006 **$541m**

2005 **$655m**

Operating profit

2006 **$463m**

2005 **$583m**

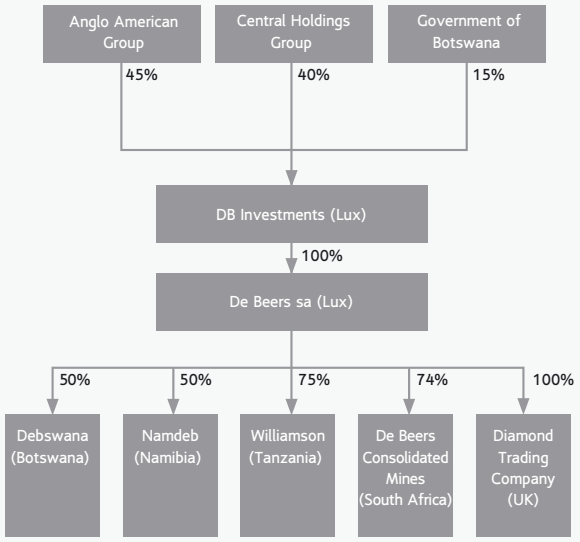
Business overview

De Beers is the world's leading diamond exploration, mining and marketing company. Its expertise extends to all aspects of the diamond pipeline, including prospecting, mining and recovery and, through its marketing arm, the London based Diamond Trading Company (DTC), the sorting, valuing and sale of rough gem diamonds. De Beers produces around 40% by value of total annual global diamond production from its mines in South Africa and through its partnerships with the governments of Botswana, Namibia and Tanzania. Through the DTC, De Beers markets around 45% of the world's diamonds and has conducted a renowned diamond advertising campaign based on its famous advertising promise, A diamond is forever, for over half a century. De Beers and Moët Hennessy Louis Vuitton have established a high-end retail jewellery joint venture, through De Beers Diamond Jewellers, with stores in the leading malls around the world.

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%). DBI is the 100% owner of De Beers sa.

De Beers sa has 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; a 75% interest in Williamson Diamonds (Tanzania), a 74% interest in De Beers Consolidated Mines Limited (Ponahalo Investments acquired a 26% indirect interest in De Beers Consolidated Mines in April 2006) and owns 100% of the non-South African elements of the DTC.

Ownership structure



Previous page:
Close up of diamonds. In 2006, the De Beers group achieved its highest ever production of 51 million carats.

Industry overview and demand drivers

The diamond industry can broadly be separated into two markets; one dealing in gem quality rough diamonds, by far the more important of the two, and the other dealing with industrial quality diamonds. Gem grade diamonds are sold for use in jewellery and valued for their size, shape, colour and clarity. Some natural stones are used for industrial purposes such as cutting, drilling and other applications. 95% of diamond material used in industrial applications is synthetic.

Roughly 65% of the world's diamonds by value originate from southern and central Africa, although significant sources of the mineral have been discovered in Canada, Russia and Australia. Approximately 130 million carats of diamonds are mined each year and while the vast majority of natural diamond production by value is gem quality, approximately 70% of mined diamonds by weight are unsuitable for use in jewellery and are destined for industrial use.

Strategy

De Beers aims to be the partner of choice in the diamond industry.

Upstream:

- development of two new mines in Canada: Snap Lake and Victor, to enter production in late 2007 and at the end of 2008 respectively;
- reopening of its long-dormant Voorspoed mine in South Africa;
- increasing its marine mining operations off South Africa's Atlantic coast.

Downstream:

- the DTC continues to successfully address the challenges of driving consumer demand through its sales and marketing strategy; Supplier of Choice;
- global retail sales are estimated to have exceeded $68 billion in 2006 and were bolstered by an increase in advertising programmes by DTC's clients and its downstream trade partners as well as the DTC's own marketing initiatives;
- the DTC has a global spend of more than $8 million each year on research to develop further its consumer understanding on a market-by-market basis.

Exploration

De Beers is conducting focused exploration in areas of highest potential in order to add value to the De Beers Family of Companies and shareholders by delivering new profitable carat production.

North America

De Beers is conducting exploration activities in Canada within the Northwest Territories, Nanavut, Saskatchewan, Manitoba, Ontario and Quebec.

Southern Africa

Exploration continues in South Africa, Botswana and, in conjunction with Namdeb, in Namibia. Botswana continues to yield interesting results, particularly in the area surrounding the Orapa mine.

Central Africa

Early stage exploration is taking place in highly prospective parts of Angola and the Democratic Republic of Congo.

Eastern Europe

De Beers is steadily increasing its exploration activities and technical collaboration within Russia and Ukraine and has signed a Memorandum of Understanding with Alrosa, Russia's leading diamond producer.

Asia

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

As a result of the refocus exercise, active exploration operations have recently ceased in Brazil, Central African Republic, Gabon, Zimbabwe and Guinea.

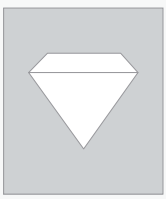
The four Cs

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.

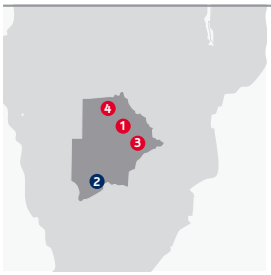
Colour
The majority of diamonds range from those with barely perceptible yellow and brownish tints up to the very rare pinks, blue and greens which are known as 'fancies'. The best 'colour' for a diamond is however 'colourless'.



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.

AROUND THE WORLD

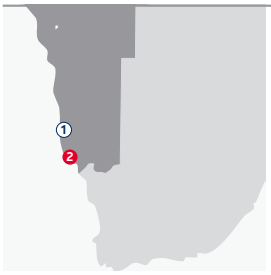
Key
- Underground
- Open Cut
- Other



Botswana

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

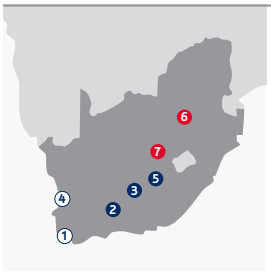
In 2006, De Beers, with its principal partners Debswana and Namdeb, produced 51 million carats of rough diamonds. The main component of this output was Debswana, which operates two of the world's great diamond mines, Jwaneng and Orapa. In 2006 Debswana produced a record 34.3 million carats, an increase of 7.5% over 2005.



Namibia

1	70%	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 2.1 million carats coming from marine mining, at depths of down to 200 metres, in the Atlantic Ocean off Namibia. In 2006 Namdeb's production of 2.1 million carats included marine production of 1.07 million carats.



South Africa

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

De Beers' South African mines produced a total of 14.6 million carats in 2006, a drop of 0.6 million carats on 2005. The drop was due mainly to the closure of Koffiefontein as well as a reduced budget production of Cullinan mine.

United Kingdom/Ireland

1	–	Element Six (Ireland)
2	–	De Beers Diamond Jewellers
3	100%	DTC (UK)

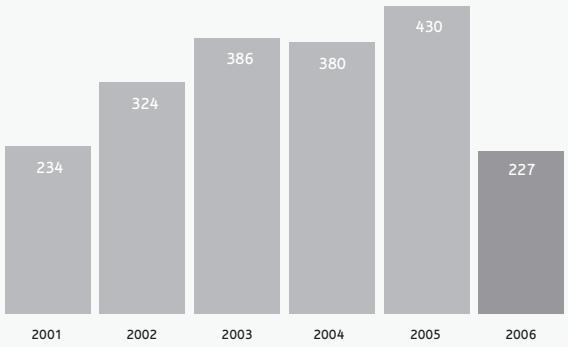
During 2006 our independently managed retail joint venture with Louis Vuitton Moet Hennessy (LVMH), De Beers Diamond Jewellers (DBDJ), formerly known as De Beers LV, achieved record sales in excess of US$100 million. DBDJ opened five stores in 2006: Kobe, London (Harrods), Kyoto, Dubai, Taipei and, on 8 January 2007, DBDJ opened a further outlet in Las Vegas bringing the total to 15 stores globally. Sales are becoming increasingly balanced across the global DBDJ stable with the United Kingdom totalling 23.1%, Japan 23.7% and the United States 23.8%.

Element Six, the independently managed diamond group, recorded a strong year in 2006, with sales increasing 16% and a greatly improved contribution to De Beers earnings.

FINANCIAL HIGHLIGHTS

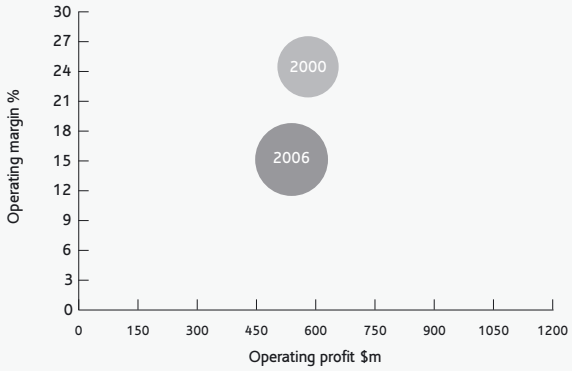
Six-year underlying earnings

$m



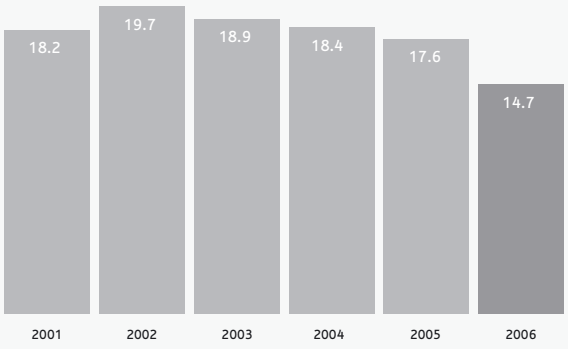
Scale and profitability growth

bubble size represents production carats



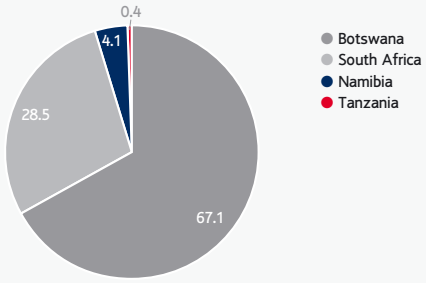
Operating margin

%



2006 De Beers mine production by region

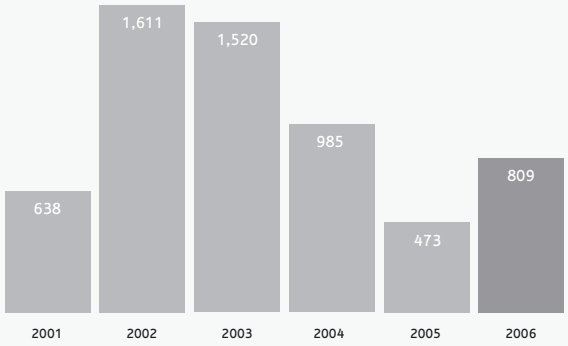
%



Total: 51.1m carats

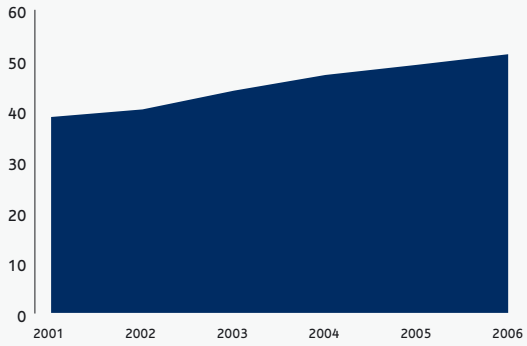
Cash generation from operating activities

from 2001 – 2006 on a 100% basis

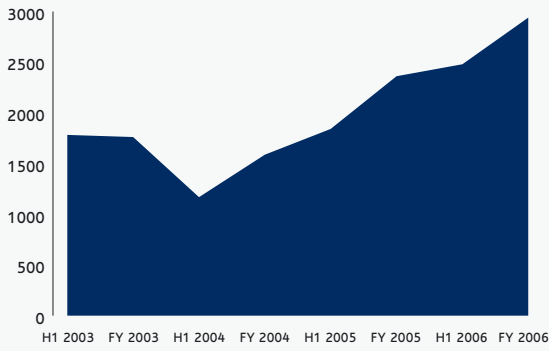


De Beers mine production

total carats DBCM, Debswana, Namdeb and Williamson



Net interest bearing debt



FINANCIAL DATA

Turnover (US$ million)	2006	2005	2004	2003	2002	2001
Subsidiaries	–	–	–	–	–	–
Joint Ventures	–	–	–	–	–	–
Associates	3,148	3,316	3,177	2,967	2,746	2,055
Total turnover	**3,148**	**3,316**	**3,177**	**2,967**	**2,746**	**2,055**
EBITDA	**541**	**655**	**655**	**638**	**594**	**428**
Depreciation and amortisation	**78**	**72**	**82**	**76**	**53**	**55**
Operating profit before special items and remeasurements	**463**	**583**	**573**	**562**	**541**	**373**
Operating special items and remeasurements	**(17)**	**(152)**	**–**	**–**	**–**	**–**
Operating profit after special items and remeasurements	**446**	**431**	**573**	**562**	**541**	**373**
Net interest, tax and minority interests	**(236)**	**(153)**	**(193)**	**(208)**	**(246)**	**(173)**
Total underlying earnings	**227**	**430**	**380**	**386**	**324**	**234**
Group's share of net assets	**2,062**	**2,056**	**2,199**	**2,886**	**–**	**–**
Capital expenditure	**–**	**–**	**–**	**–**	**–**	**–**

DIAMONDS RECOVERED

South Africa

Carat	2006	2005	2004	2003	2002	2001
Cullinan	1,150,108	1,304,653	1,304,416	1,273,022	1,471,754	1,636,921
Finsch Mine	2,275,494	2,215,643	2,108,481	1,942,235	2,378,243	2,464,849
Kimberley	1,944,899	1,896,893	2,050,907	1,054,181	473,975	549,724
Koffiefontein	234	123,505	113,481	113,715	112,265	145,061
Namaqualand	978,415	1,014,132	909,706	829,686	773,768	808,318
The Oaks	102,805	85,766	68,943	100,123	115,234	123,548
Venetia	8,116,906	8,515,045	7,187,300	6,600,721	5,077,042	4,976,546
Total	14,568,861	**15,155,637**	**13,743,234**	**11,913,683**	**10,402,281**	**10,704,967**

Botswana

Carat	2006	2005	2004	2003	2002	2001
Debswana (50% owned by De Beers)						
Orapa	17,338,240	14,890,436	16,070,076	16,294,258	14,329,642	13,056,403
Letlhakane	1,089,180	1,097,231	1,033,162	1,061,068	1,025,690	1,020,698
Jwaneng	15,637,666	15,599,427	13,682,502	12,764,649	13,034,510	12,339,430
Damtshaa	227,890	302,677	338,909	292,180	7,084	–
Total	34,292,976	**31,889,771**	**31,124,649**	**30,412,155**	**28,396,926**	**26,416,531**

Namibia

Carat	2006	2005	2004	2003	2002	2001
Namdeb (50% owned by De Beers)						
Diamond Area 1	1,000,743	797,518	992,872	796,694	696,914	742,732
Marine Mining	1,084,136	976,891	865,511	658,062	578,985	641,972
Total	2,084,879	**1,774,409**	**1,858,383**	**1,454,756**	**1,275,899**	**1,384,704**

Tanzania

Carat	2006	2005	2004	2003	2002	2001
Williamson	189,396	190,384	285,778	166,263	152,234	190,634
Total	189,396	**190,384**	**285,778**	**166,263**	**152,234**	**190,634**
Grand total	51,136,112	**49,010,201**	**47,012,045**	**43,946,857**	**40,227,340**	**38,696,836**

DIAMONDS GRADE

South Africa

Carat/100 metric tons	2006	2005	2004	2003	2002	2001
Cullinan	39.1	28.3	29.3	37.5	45.4	52.8
Finsch Mine	39.3	37.3	36.5	36.8	46.6	51.7
Kimberley	17.5	19.6	22.6	17.7	13.0	14.6
Koffiefontein	0.7	6.8	5.8	5.6	5.2	6.3
Namaqualand	15.3	15.7	14.2	13.2	14.7	13.3
The Oaks	39.3	34.4	23.8	32.1	35.7	60.9
Venetia	134.2	143.5	122.4	121.9	107.8	108.1
Total (weighted average)	44.7	**43.7**	**40.6**	**41.5**	**42.5**	**43.1**

Botswana

Carat/100 metric tons	2006	2005	2004	2003	2002	2001
Debswana (50% owned by De Beers)						
Orapa	94	90.2	95.2	99.2	87.4	82.7
Letlhakane	29.3	31.7	30.4	29.6	28.0	28.2
Jwaneng	154.7	155.9	156.3	143.1	139.8	138.3
Damtshaa	15.6	23.5	25.6	23.6	5.7	–
Total (weighted average)	101.7	**102.0**	**102.5**	**100.8**	**96.2**	**93.3**

Namibia

Carat/100 metric tons	2006	2005	2004	2003	2002	2001
Namdeb (50% owned by De Beers)						
Diamond Area[(1)]	3.9	3.0	3.2	3.1	2.5	3.4
Marine Mining	0.2	0.2	n/a	n/a	n/a	–
Total (weighted average)	n/a	**n/a**	**5.9**	**5.6**	**4.5**	**6.3**

Tanzania

Carat/100 metric tons	2006	2005	2004	2003	2002	2001
Williamson	6.4	5.6	8.4	3.7	4.6	6.7
Total (weighted average)	6.4	**5.6**	**8.4**	**3.7**	**4.6**	**6.7**
Grand Total (weighted average)	52.9	**50.2**	**46.7**	**49.3**	**47.1**	**49.7**

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

PROJECT PIPELINE

1. Snap Lake
Canada

Ownership	**100% De Beers**
Incremental production	**29 m carats over life of project**
Full project capex	**$878m**
Full production	**2008**

The Snap Lake project, in the Northwest Territories, is on target to start production in October 2007.

2. Victor
Canada

Ownership	**100% De Beers**
Incremental production	**7 m carats over life of project**
Full project capex	**$833m**
Full production	**2009**

The Victor mine in Ontario is scheduled to come on stream in the last quarter of 2008.

3. De Beers Marine
South African Sea Areas

Ownership	**100% De Beers Consolidated Mines**
Incremental production	**4.6 m carats over life of project**
Full project capex	**$145m**
Full production	**2008**

This project will establish a full scale mining operational in the ML3 concession area off the South African west coast. Unconsolidated diamondiferous gravels will be recovered from the seabed at depths between 100m and 140m and processed onboard a mining vessel. The latter is currently undergoing commission and will commence operations in the third quarter of 2007.

4. Voorspoed
South Africa

Ownership	**100% De Beers Consolidated Mines**
Incremental production	**8.3 m carats over life of project**
Full project capex	**$170m**
Full production	**2009**

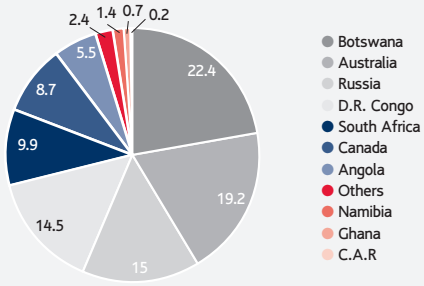
This project will establish a Greenfield open pit diamond mining operation in the Orange Free State for De Beers Consolidated Mines Limited with an expected life-of-mine of 13 years. The operation will extract and process the Kimberlite ore at a rate of 4 Mtpa on a continuous operations basis using conventional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

MARKET INFORMATION

2006 world mine production

carats

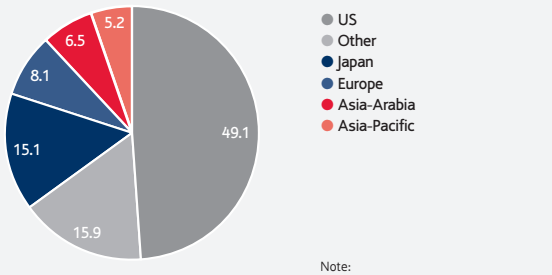
%



Source: De Beers

2006 global demand for retail diamond jewellery

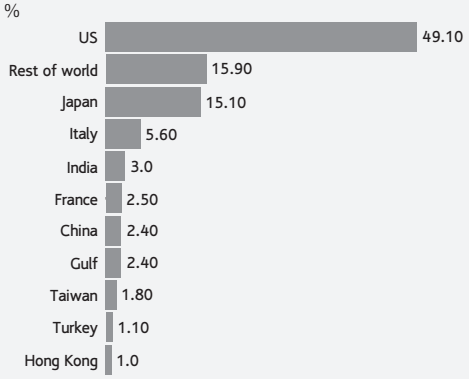
%



Source: De Beers

2006 split of diamond jewellery retail market by sales

%



Source: De Beers

Focusing on quality assets

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

OVERVIEW

2006 overview

- One of the world's leading copper producers, with important nickel and zinc assets
- $1.2 billion Barro Alto nickel project gets go-ahead
- Significant expansion potential in copper

EBITDA

2006 **$4,214m**

2005 **$1,990m**

Operating profit

2006 **$3,876m**

2005 **$1,678m**

Business overview

Anglo Base Metals has interests in 13 operations in six countries:

- six copper operations in Chile – the wholly owned Los Bronces, El Soldado, Mantos Blancos and Mantoverde mines, Chagres smelter and a 44% interest in the Collahuasi mine, producing copper and associated by-products such as molybdenum and silver;
- the Codemin nickel and Catalão niobium mines in Brazil and the Loma de Níquel mine in Venezuela;
- the Namakwa mineral sands mine and plants in South Africa produce titanium dioxide, zircon and rutile, together with associated by-products;
- the Lisheen (in Ireland), Black Mountain and Skorpion (both in southern Africa) zinc mines, producing zinc and associated by-products such as lead, copper and silver.

The $1.2 billion 36,000 tonnes per annum (tpa) Barro Alto nickel project in Brazil was approved in December 2006 and will enter production in 2010.

Mineral sands sale

In January 2007 it was announced that black economic empowerment company Exxaro Resources Limited had exercised an option in terms of which it had, subject to satisfaction of conditions precedent and contractual price adjustments, agreed to acquire 100% of Namakwa Sands for $0.3 billion (R2.0 billion) and 26% of each of Black Mountain and Gamsberg for a combined $26 million (R180 million). Black Mountain and Gamsberg will remain subsidiaries of and continue to be managed and operated by Anglo Base Metals.

Industry overview and demand drivers

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, base metals industry ownership is relatively fragmented. The global market shares of the four largest copper, nickel and zinc metal producers are approximately 21%, 50% and 25% 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 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, most recently and notably in the present uptrend which began in 2004. 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 a result of industrialisation and urbanisation in China and other developing countries. China now comprises an estimated 22%, 18% and 28% of global demand for copper, nickel and zinc respectively and these markets have all benefited materially, with several of these commodities reaching their highest price levels for many years in 2006. The inflow of fund money from both speculative and longer term portfolio investors has served to further exaggerate the upward movement in metal prices.

Previous page:
Compressed copper pipes. Copper production accounted for 59% of Anglo Base Metals' production in 2006.

The primary applications of copper, nickel and zinc are as follows:

Copper
- copper's primary application is in the wire and cable markets (60-65%), followed by brass;
- end use of copper is driven by its electrical conductivity, corrosion resistance and thermal conductivity;
- applications making use of copper's electrical conductivity, such as wires, cables and electrical connectors, account for over 50% of total demand;
- applications making use of copper's corrosion resistance, such as plumbing pipe and roof sheeting in the construction industry, account for around 20% of demand;
- copper's thermal conductivity also makes it suitable for use in heat transfer applications such as air conditioning and refrigeration. These applications account for around 10% of total demand;
- remaining applications include structural and aesthetic uses.

Nickel
Around 60% of all refined nickel goes into stainless steel. Other uses include:
- high corrosion-resistant alloys for use in chemical plants;
- superalloys that can withstand elevated temperatures and which are predominantly used in aviation;
- high tech electronic uses;
- as a substitute for 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 accounts for around 60% of total refined demand;
- zinc based allots in die casting, ranging from automotive components to toys and models, account for around 14% of refined demand;
- copper-based zinc alloys (brass) account for around 9% of demand;
- zinc semis are used in roofing projects and in dry cell batteries;
- chemical and other applications make up the remainder of refined demand, approximately 10%. Zinc is used in a diverse range of products and applications, including tyres, paints, pharmaceuticals and chemical processing.

Strategy and business development

Anglo Base Metals' strategy is to find or acquire, develop and operate long life, low cost mines in a socially and environmentally responsible manner, with a strong focus on efficient resource allocation, continuous improvement and capital and operating excellence.

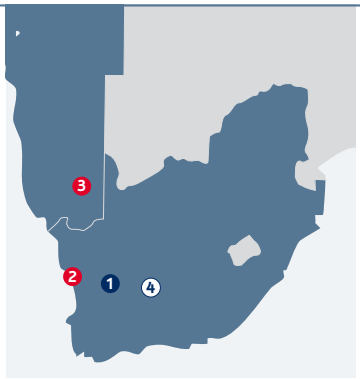
Options for growth are constantly being developed and evaluated from a combination of sources, including greenfield and brownfield projects, acquisitions, exploration and technology development. The ability to grow through acquisitions in a value additive manner at this point in the cycle is challenging. However, a combination of exploration success, which has seen the division's exploration and research and development budgets materially increased, and a strong project pipeline provide material scope for organic growth, including but not limited to:
- the recently approved $1.2 billion Barro Alto nickel project which will enter production in 2010 and increase existing nickel production by 36,000 tpa by 2011;
- the Los Bronces expansion project feasibility study, which envisages increasing copper production by 170,000 tpa at a capital cost of approximately $1.2 billion, will be completed during 2007;
- Collahuasi has the potential to increase sulphide mill throughput from 130,000 tonnes per day (tpd) to 160,000 to 180,000 tpd through a debottlenecking programme, the conceptual study of which will be completed in 2007;
- the revised feasibility study on the Quellaveco project in Peru, which contemplates an operation producing approximately 200,000 tpa of copper in concentrate at a capital cost of approximately $1.2 billion, will be completed in 2008.

In 2006, Anglo Base Metals spent $53 million on exploration and has increased its exploration around its Chilean copper mines, adding significant resources at Los Bronces. Exploration to the south of Los Bronces continues to report significant intervals of copper mineralisation. In Brazil, further drilling at the Jacaré nickel discovery has indicated the potential for a major new nickel asset for the company, while work continues in the Philippines to complete a pre-feasibility study at Boyongan by the end of 2007. At Gamsberg, South Africa, initial drilling of several key zinc targets has provided encouraging results. Copper exploration is being undertaken in Brazil, Chile, Indonesia, Mexico, Peru and the US. Nickel sulphide mineralisation is being sought in Arctic Canada, Russia and Scandinavia (through alliances) and zinc programmes continue in Australia, South Africa and Namibia.

AROUND THE WORLD

Key
- Underground
- Open Cut
- Other

The 100% owned Skorpion zinc mine in Namibia commenced commercial production in May 2004, 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 has agreed, subject to the satisfaction of certain conditions precedent, that it will sell 100% of Namakwa and 26% of each of Black Mountain and Gamsberg to Exxaro, the black empowerment company.



Southern Africa
- 1 100% Black Mountain (South Africa)
- 2 100% Namakwa Sands (South Africa)
- 3 100% Skorpion (Namibia)
- 4 100% Gamsberg (South Africa)

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, Catalao, and in Venezuela, the 91.4% owned Loma de Niquel ferronickel operation.

In addition, Anglo American has an 80.5% interest in the Quellaveco copper project in Peru and 100% of the Barro Alto nickel project in Brazil.

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 80.5% Quellaveco Project (Peru)
- 9 91.4% Loma de Niquel (Venezuela)

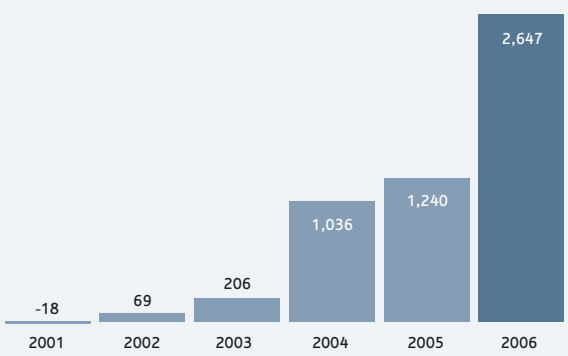
The wholly owned Lisheen zinc/lead mine in central Ireland, produced over 170,000 tonnes of zinc in concentrate in 2006.

Ireland
- 1 100% Lisheen

FINANCIAL HIGHLIGHTS

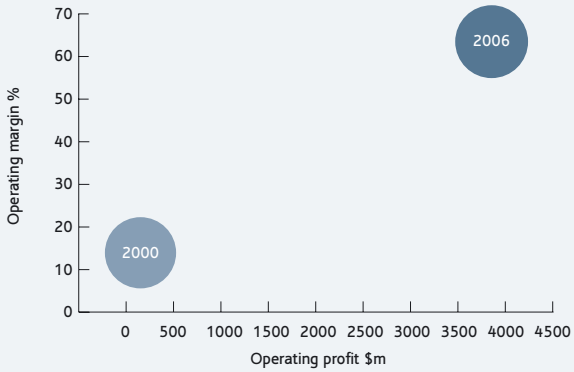
Six-year underlying earnings

$m



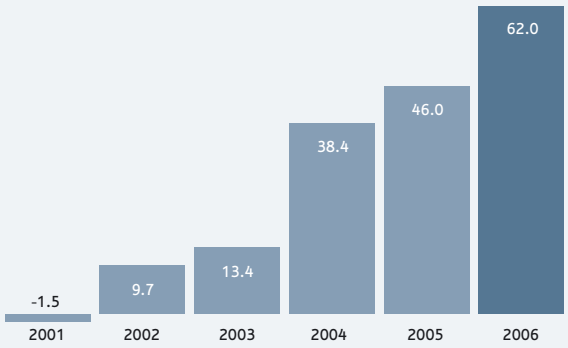
Scale and profitability growth

bubble size represents combined Cu, Ni, Zn production tonnage

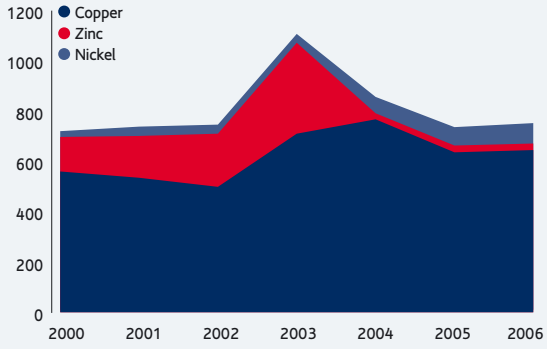


Operating margin

%

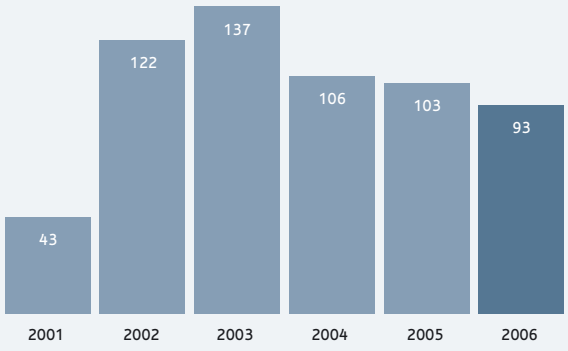


Production



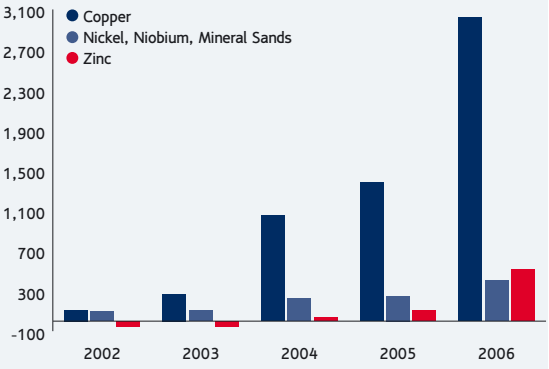
Production per employee

tonnes metal



Operating profit by commodity

$m



FINANCIAL DATA

Turnover (US$ million)	2006	2005	2004	2003	2002	2001
Subsidiaries	6,252	3,647	2,612	1,720	907	1,077
Joint Ventures	–	–	620	346	413	388
Associates	–	–	88	60	58	65
Total turnover	6,252	**3,647**	**3,320**	**2,126**	**1,378**	**1,530**
Of which:						
Copper:	4,537	**2,597**	**2,247**	**1,247**		
Collauhasi	1,442	712	650	323		
Minera Sur Andes	2,219	1,306	1,034	587		
Mantos Blancos	876	579	475	277		
Other	–	–	88	60		
Nickel, Niobium, Mineral Sands	799	**609**	**528**	**372**		
Catalao	66	49	44	39		
Codemin	219	136	89	56		
Loma de Niquel	334	249	247	136		
Namakwa Sands and Other	180	175	148	141		
Zinc	916	**441**	**741**	**506**		
Black Mountain	148	80	74	62		
Lisheen	396	147	189	150		
Skorpion	372	214	73	–		
Hudson Bay	–	–	405	294		
Other	–	**–**	**1**	**1**		
EBITDA	4,214	**1,990**	**1,626**	**569**	**330**	**183**
Of which:						
Copper:	3,238	**1,590**	**1,252**	**447**		
Collauhasi	1,037	468	412	162		
Minera Sur Andes	1,640	824	608	216		
Mantos Blancos	563	299	225	65		
Other	(2)	(1)	7	4		
Nickel, Niobium, Mineral Sands	451	**296**	**273**	**151**		
Catalao	26	20	29	23		
Codemin	144	75	48	26		
Loma de Niquel	229	153	158	73		
Namakwa Sands and Other	52	48	38	29		
Zinc	588	**157**	**131**	**(1)**		
Black Mountain	42	12	2	(5)		
Lisheen	280	62	29	13		
Skorpion	266	83	22	–		
Hudson Bay	–	–	78	(9)		
Other	(63)	**(53)**	**(30)**	**(28)**		
Depreciation and amortisation	338	**312**	**349**	**221**	**125**	**131**
Operating profit before special items and remeasurements	3,876	**1,678**	**1,275**	**286**	**133**	**(23)**
Operating special items and remeasurements	8	**(11)**	**(237)**	**(208)**	**(51)**	**(488)**
Operating profit after special items and remeasurements	3,884	**1,667**	**1,038**	**78**	**82**	**(510)**
Net interest, tax and minority interests	(1,229)	**(438)**	**(240)**	**(81)**	**(65)**	**3**
Underlying earnings	2,647	**1,240**	**1,042**	**206**	**69**	**(18)**
Of which:						
Copper:	1,908	**983**	**871**	**216**	**80**	**25**
Collauhasi	586	257	279	78		
Minera Sur Andes	996	529	430	111		
Mantos Blancos	328	195	163	28		
Other	(2)	2	(1)	(1)		
Nickel, Niobium, Mineral Sands	270	**202**	**172**	**76**	**54**	**54**
Catalao	15	17	27	18		
Codemin	96	68	30	16		
Loma de Niquel	134	92	103	41		
Namakwa Sands and Other	25	25	12	1		
Zinc	525	**100**	**31**	**(65)**	**(66)**	**(77)**
Black Mountain	38	10	(2)	(6)		
Lisheen	287	54	16	4		
Skorpion	200	36	(14)	–		
Hudson Bay	–	–	31	(63)		
Other	(56)	**(45)**	**(32)**	**(21)**	**1**	**(20)**
Net segment assets	4,268	**4,785**	**4,952**	**4,087**	**3,617**	**1,977**
Capital expenditure	298	**271**	**367**	**352**	**346**	**446**

PRODUCTION DATA

Production (tonnes)	2006	2005	2004	2003	2002	2001
Copper						
Collahuasi	**193,600**	187,900	211,600	173,700	190,700	199,200
Minera Sur Andes – Los Bronces mine	**226,000**	227,300	231,600	207,800	29,000	–
Minera Sur Andes – El Soldado mine	**68,700**	66,500	68,800	70,500	10,000	–
Total production for Minera Sur Andes group	**294,700**	293,800	300,400	278,300	39,000	–
Minera Sur Andes – Chagres Smelter						
Copper blister/anodes	**173,400**	138,100	165,000	160,100	21,900	–
Acid	**499,200**	371,900	440,500	436,700	66,400	–
Mantos Blancos – Mantos Blancos mine	**91,700**	87,700	94,900	86,900	96,200	101,200
Mantos Blancos – Mantoverde mine	**60,300**	62,000	60,100	60,200	57,300	55,600
Total production for Mantos Blancos group	**152,000**	149,700	155,000	147,100	153,500	156,800
Black Mountain – copper in concentrate	**3,400**	3,200	5,200	4,700	5,400	5,400
Hudson Bay	**–**	–	74,300	83,100	83,400	79,600
Other	**–**	–	19,400	21,900	25,600	229,900
Total Anglo Base Metals Copper production	**643,700**	**634,600**	**765,900**	**708,800**	**497,600**	**670,900**
Nickel						
Codemin	**9,800**	9,600	6,500	6,400	6,000	5,800
Loma de Niquel	**16,600**	16,900	17,400	17,200	15,500	9,700
Other			100	1,300	4,100	
Total Anglo Base Metals Nickel production	**26,400**	**26,500**	**24,000**	**24,900**	**25,600**	**15,500**
Niobium						
Catalao	**4,700**	4,000	3,500	3,300	3,300	3,400
Mineral Sands						
Namakwa Sands						
Slag tapped	**133,900**	164,400	169,300	165,800	162,700	150,000
Iron tapped	**88,900**	105,400	105,900	105,900	103,000	93,000
Zircon	**128,400**	128,600	119,100	93,300	112,400	114,100
Rutile	**28,200**	29,100	23,700	20,400	26,000	27,100
Ilmenite	**272,200**	316,100	320,600	314,600	315,900	–
Zinc and Lead						
Black Mountain						
Zinc in concentrate	**34,100**	32,100	28,200	25,900	27,600	24,300
Lead in concentrate	**48,300**	42,200	37,500	39,600	45,300	45,800
Hudson Bay						
Zinc	**–**	–	107,000	117,900	108,100	88,400
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 (100% basis)						
Zinc in concentrate	**170,700**	159,300	156,300	169,300	151,500	105,800
Lead in concentrate	**23,100**	20,800	17,200	20,800	22,000	16,900
Skorpion						
Zinc	**129,900**	132,800	119,200	47,400	–	–
Total Zinc	**334,700**	**324,200**	**410,700**	**360,500**	**287,200**	**218,500**
Total Lead	**71,400**	**63,000**	**54,700**	**60,400**	**67,300**	**62,700**

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. Rounding of figures may cause computational discrepancies. 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	2006	2005	2006	2005	2006	2005
Los Bronces (OP)	100							
Sulphide (TCu)		Proved	**581.3**	588.1	**0.92**	0.93	**5,348**	5,469
Flotation		Probable	**190.3**	194.8	**0.74**	0.75	**1,408**	1,461
		Total	**771.6**	**782.9**	**0.88**	**0.89**	**6,756**	**6,930**
Sulphide (TCu)		Proved	**583.6**	569.9	**0.42**	0.42	**2,393**	2,394
Dump Leach		Probable	**553.8**	567.0	**0.34**	0.34	**1,883**	1,928
		Total	**1,137.4**	**1,136.9**	**0.38**	**0.38**	**4,276**	**4,321**
El Soldado (OP and UG)[1]	100							
Sulphide (TCu)		Proved	**76.1**	77.1	**1.05**	1.04	**796**	802
Flotation		Probable	**49.9**	62.2	**0.83**	0.86	**415**	535
		Total	**126.0**	**139.3**	**0.96**	**0.96**	**1,211**	**1,337**
Mantos Blancos (OP)	100							
Sulphide (ICu)[2]		Proved	**8.0**	3.1	**1.13**	1.47	**90**	46
Flotation		Probable	**24.8**	17.4	**0.88**	0.94	**217**	164
		Total	**32.8**	**20.5**	**0.94**	**1.02**	**307**	**209**
Oxide (ASCu)[3]		Proved	**1.1**	0.9	**0.85**	0.98	**10**	9
Vat Leach		Probable	**28.7**	17.1	**0.56**	0.77	**160**	132
		Total	**29.8**	**18.0**	**0.57**	**0.78**	**170**	**140**
Oxide (ASCu)		Proved	**0.5**	0.3	**0.26**	0.30	**1**	1
Dump Leach		Probable	**8.2**	7.3	**0.29**	0.32	**24**	23
		Total	**8.7**	**7.6**	**0.29**	**0.32**	**25**	**24**
Mantoverde (OP)	100							
Oxide (ASCu)		Proved	**56.5**	56.2	**0.64**	0.63	**360**	354
Heap Leach		Probable	**10.7**	9.9	**0.59**	0.55	**63**	54
		Total	**67.2**	**66.1**	**0.63**	**0.62**	**423**	**409**
Oxide (ASCu)		Proved	**32.3**	35.2	**0.37**	0.37	**120**	130
Dump Leach		Probable	**11.6**	11.9	**0.39**	0.38	**45**	45
		Total	**43.9**	**47.1**	**0.38**	**0.37**	**165**	**175**
Collahuasi (OP)	44.0							
Oxide and Mixed (TCu)[4]		Proved	**14.3**	16.0	**0.99**	1.06	**142**	170
Heap Leach		Probable	**16.9**	19.2	**0.97**	1.01	**164**	194
		Total	**31.2**	**35.2**	**0.98**	**1.03**	**306**	**364**
Sulphide (TCu)		Proved	**193.5**	229.3	**1.09**	1.10	**2,108**	2,525
Flotation – direct feed		Probable	**1,145.8**	1,154.3	**0.97**	0.97	**11,164**	11,248
		Total	**1,339.3**	**1,383.6**	**0.99**	**1.00**	**13,272**	**13,773**
Low Grade Sulphide (TCu)		Proved	**–**	–	**–**	–	**–**	–
Flotation – stockpile		Probable	**380.5**	385.3	**0.53**	0.53	**2,003**	2,027
		Total	**380.5**	**385.3**	**0.53**	**0.53**	**2,003**	**2,027**

Mining method: UG = Underground, OP = Open Pit.
TCu = total copper, ICu = insoluble copper (total copper less acid soluble copper), ASCu = acid soluble copper.

Copper Division – Mineral Resources

	Attributable %	Classification	Tonnes million 2006	Tonnes million 2005	Grade %Cu 2006	Grade %Cu 2005	Contained metal thousand tonnes 2006	Contained metal thousand tonnes 2005
Los Bronces (OP)	100							
Sulphide (TCu)		Measured	**118.1**	54.0	**0.50**	0.57	**584**	308
Flotation		Indicated	**958.9**	542.1	**0.46**	0.50	**4,411**	2,711
		Measured and Indicated	**1,077.0**	**596.1**	**0.46**	**0.51**	**4,995**	**3,018**
		Inferred in Mine Plan	**17.9**	21.6	**0.67**	0.64	**120**	138
Sulphide (TCu)		Measured	–	–	–	–	–	–
Dump Leach		Indicated	–	–	–	–	–	–
		Measured and Indicated	–	–	–	–	–	–
		Inferred in Mine Plan	**66.3**	112.3	**0.33**	0.31	**218**	347
El Soldado (OP and UG)	100							
Sulphide (TCu)		Measured	**42.9**	54.8	**0.67**	0.82	**287**	449
Flotation		Indicated	**48.8**	37.8	**0.74**	0.75	**363**	284
		Measured and Indicated	**91.7**	**92.6**	**0.71**	**0.79**	**650**	**733**
		Inferred in Mine Plan	**14.2**	39.9	**0.71**	0.72	**101**	287
Mantos Blancos (OP)	100							
Sulphide (ICu)		Measured	**12.6**	18.6	**0.83**	0.85	**105**	158
Flotation		Indicated	**71.7**	92.7	**0.83**	0.77	**595**	714
		Measured and Indicated	**84.3**	**111.3**	**0.83**	**0.78**	**700**	**872**
		Inferred in Mine Plan	**2.8**	1.3	**1.02**	1.12	**29**	15
Oxide (ASCu)		Measured	**1.0**	1.0	**0.66**	0.62	**6**	6
Vat Leach		Indicated	**12.6**	10.3	**0.57**	0.61	**72**	63
		Measured and Indicated	**13.6**	**11.3**	**0.58**	**0.61**	**78**	**69**
		Inferred in Mine Plan	**1.7**	0.8	**0.67**	0.65	**11**	5
Oxide (ASCu)		Measured	–	–	–	–	–	–
Dump Leach		Indicated	–	–	–	–	–	–
		Measured and Indicated	–	–	–	–	–	–
		Inferred in Mine Plan	**0.8**	0.7	**0.27**	0.29	**2**	2
Mantoverde (OP)	100							
Oxide (ASCu)[5]		Measured	**50.6**	47.8	**0.39**	0.42	**197**	201
Heap Leach		Indicated	**56.8**	48.2	**0.37**	0.38	**210**	183
		Measured and Indicated	**107.4**	**96.0**	**0.38**	**0.40**	**407**	**384**
		Inferred in Mine Plan	**0.3**	–	**0.60**	–	**2**	–
Oxide (ASCu)		Measured	**1.2**	1.2	**0.32**	0.32	**4**	4
Dump Leach		Indicated	**1.7**	1.5	**0.31**	0.30	**5**	5
		Measured and Indicated	**2.9**	**2.7**	**0.31**	**0.31**	**9**	**8**
		Inferred in Mine Plan	**0.4**	–	**0.34**	–	**2**	–
Collahuasi (OP)	44.0							
Oxide and Mixed (TCu)		Measured	**0.1**	0.1	**0.97**	0.97	**1**	1
Heap Leach		Indicated	**1.8**	1.8	**1.09**	1.09	**20**	20
		Measured and Indicated	**1.9**	**1.9**	**1.09**	**1.09**	**21**	**20**
		Inferred in Mine Plan	**0.5**	0.5	**0.74**	0.74	**4**	4
Sulphide (TCu)		Measured	**12.3**	12.3	**0.86**	0.86	**105**	106
Flotation – direct feed		Indicated	**189.1**	189.1	**0.89**	0.89	**1,680**	1,680
		Measured and Indicated	**201.4**	**201.5**	**0.89**	**0.89**	**1,785**	**1,785**
		Inferred in Mine Plan	**202.2**	202.2	**0.93**	0.93	**1,878**	1,878
Low Grade Sulphide (TCu)		Measured	**35.0**	36.3	**0.45**	0.45	**157**	162
Flotation – stockpile		Indicated	**238.3**	238.8	**0.46**	0.46	**1,108**	1,110
		Measured and Indicated	**273.3**	**275.0**	**0.46**	**0.46**	**1,265**	**1,272**
		Inferred in Mine Plan	**106.9**	106.9	**0.48**	0.48	**510**	510

Mining method: UG = Underground, OP = Open Pit.
TCu = total copper, ICu = insoluble copper (total copper less acid soluble copper), ASCu = acid soluble copper.

(1) **El Soldado:** Decreases are attributable to depletion, additional drilling information, changes in economic assumptions and appropriately modified pit design.

(2) **Mantos Blancos Sulphide (ICu) Flotation:** Increases are attributable to a lower cut-off grade, positively affecting the resource definition and consequently the Ore Reserves.

(3) **Mantos Blancos Oxide (ASCu) Vat Leach:** Additional exploration, a lower cut-off and a new pit design account for the additional Ore Reserves.

(4) **Collahuasi Oxide and Mixed (TCu):** Decreases are due to depletion.

(5) **Mantoverde Oxide (ASCu) Heap Leach:** Gains are due to a decrease in the cut-off grade and successful exploration.

The Ore Reserves and Mineral Resources of the following operations were audited during 2006 by third party, independent auditors: Los Bronces, El Soldado, Mantoverde.

RESERVES AND RESOURCES DATA (CONTINUED)

Zinc Division – Ore Reserves

	Attributable %	Classification	Tonnes million 2006	Tonnes million 2005	Grade 2006	Grade 2005	Contained metal thousand tonnes 2006	Contained metal thousand tonnes 2005
Black Mountain (UG)	100							
Deeps[1]								
Zinc					%Zn	%Zn		
		Proved	0.2	–	2.34	–	6	–
		Probable	11.5	12.8	3.88	3.79	446	483
		Total	11.7	**12.8**	3.84	**3.79**	452	**483**
Copper					%Cu	%Cu		
		Proved			0.25	–	1	–
		Probable			0.76	0.73	88	93
		Total			0.75	**0.73**	89	**93**
Lead					%Pb	%Pb		
		Proved			3.27	–	8	–
		Probable			3.92	3.90	451	497
		Total			3.91	**3.90**	459	**497**
Lisheen (UG)[2]	100							
Zinc					%Zn	%Zn		
		Proved	7.5	6.8	11.61	13.20	869	902
		Probable	3.8	3.7	12.69	15.58	487	583
		Total	11.3	**10.6**	11.97	**14.04**	1,356	**1,485**
Lead					%Pb	%Pb		
		Proved			2.07	2.30	155	157
		Probable			1.43	1.92	55	72
		Total			1.85	**2.16**	210	**229**
Skorpion (OP)[3]	100							
Zinc					%Zn	%Zn		
		Proved	7.7	8.4	12.72	12.73	982	1,070
		Probable	5.2	6.1	9.68	9.35	506	570
		Total	13.0	**14.5**	11.49	**11.31**	1,488	**1,640**

Mining method: UG = Underground, OP = Open Pit.
For the polymetallic deposits, the tonnage figures apply to each metal.

[1] **Black Mountain (Deeps):** Decrease is due to depletions. Reserves include 11,748 kt of silver ore at 56.21 g/t as a by product.

[2] **Lisheen:** Decrease is due to depletions partially offset by a gain due to conversion of resources to reserves.

[3] **Skorpion:** The decrease is primarily due to mining depletions partially offset by a gain due to new grade control information.

Zinc Division – Mineral Resources

	Attributable %	Classification	Tonnes million 2006	Tonnes million 2005	Grade 2006	Grade 2005	Contained metal thousand tonnes 2006	Contained metal thousand tonnes 2005
Black Mountain (UG)	100							
Deeps[4]								
Zinc					%Zn	%Zn		
		Measured	**1.8**	1.7	**2.00**	2.93	**35**	50
		Indicated	**6.1**	4.3	**3.59**	4.36	**218**	185
		Measured and Indicated	**7.8**	**6.0**	**3.23**	**3.95**	**253**	**235**
		Inferred in Mine Plan	**–**	–	**–**	–	**–**	–
Copper					%Cu	%Cu		
		Measured			**0.43**	0.54	**8**	9
		Indicated			**0.74**	0.85	**45**	36
		Measured and Indicated			**0.67**	**0.76**	**52**	**45**
		Inferred in Mine Plan			**–**	–	**–**	–
Lead					%Pb	%Pb		
		Measured			**2.22**	3.80	**39**	65
		Indicated			**3.74**	4.30	**227**	183
		Measured and Indicated			**3.40**	**4.16**	**266**	**248**
		Inferred in Mine Plan			**–**	–	**–**	–
Swartberg[5]								
Zinc					%Zn	%Zn		
		Measured	**–**	–	**–**	–	**–**	–
		Indicated	**17.3**	17.2	**0.63**	0.62	**109**	107
		Measured and Indicated	**17.3**	**17.2**	**0.63**	**0.62**	**109**	**107**
		Inferred in Mine Plan	**–**	–	**–**	–	**–**	–
Copper					%Cu	%Cu		
		Measured			**–**	–	**–**	–
		Indicated			**0.70**	0.70	**121**	121
		Measured and Indicated			**0.70**	**0.70**	**121**	**121**
		Inferred in Mine Plan			**–**	–	**–**	–
Lead					%Pb	%Pb		
		Measured			**–**	–	**–**	–
		Indicated			**2.87**	2.85	**497**	491
		Measured and Indicated			**2.87**	**2.85**	**497**	**491**
		Inferred in Mine Plan			**–**	–	**–**	–
Lisheen (UG) [6]	100							
Zinc					%Zn	%Zn		
		Measured	**1.0**	1.4	**12.84**	13.80	**132**	194
		Indicated	**0.6**	1.0	**12.68**	12.11	**74**	122
		Measured and Indicated	**1.6**	**2.4**	**12.78**	**13.09**	**206**	**317**
		Inferred in Mine Plan	**0.5**	0.9	**17.16**	16.56	**81**	150
Lead					%Pb	%Pb		
		Measured			**2.38**	2.39	**24**	34
		Indicated			**1.55**	1.54	**9**	16
		Measured and Indicated			**2.08**	**2.04**	**34**	**49**
		Inferred in Mine Plan			**2.84**	2.80	**13**	25
Skorpion (OP) [7]	100							
Zinc					%Zn	%Zn		
		Measured	**0.0**	–	**6.99**	–	**2**	–
		Indicated	**0.2**	–	**6.94**	–	**15**	–
		Measured and Indicated	**0.2**	**–**	**6.95**	**–**	**17**	**–**
		Inferred in Mine Plan	**0.8**	0.3	**9.18**	9.19	**72**	31

Mining method: UG = Underground, OP = Open Pit.
For the polymetallic deposits, the tonnage figures apply to each metal.

[4] **Black Mountain (Deeps):** Resource gain is due to new information from exploration drilling. Mineral Resources contain 7,833 kt of silver ore at 45.95 g/t as a by product.

[5] **Black Mountain (Swartberg):** The Swartberg mine has been placed on care and maintenance from January 2007. As a result the ore reserves have accordingly been removed from the mine plan and converted to mineral resources. Mineral Resources contain 17,323 kt of silver ore at 35.00 g/t as a by product.

[6] **Lisheen:** Mineral Resources decrease due to conversion to Ore Reserves, reclassification and sterilisation of final support pillars.

[7] **Skorpion:** Increase due to inclusion of Measured and Indicated Resources located outside the current pit limit and changes to the method of classification of Inferred Resources.

The Ore Reserves and Mineral Resources of the following operations were audited during 2006 by third party, independent auditors: Lisheen and Skorpion.

RESERVES AND RESOURCES DATA (CONTINUED)

Nickel Division – Ore Reserves

	Attributable %	Classification	Tonnes million 2006	Tonnes million 2005	Grade 2006	Grade 2005	Contained metal thousand tonnes 2006	Contained metal thousand tonnes 2005
Loma de Níquel (OP)	91.4							
Laterite					%Ni	%Ni		
		Proved	**11.9**	12.7	**1.51**	1.52	**180**	193
		Probable	**22.6**	23.3	**1.46**	1.46	**329**	340
		Total	**34.5**	**36.0**	**1.48**	**1.48**	**509**	**533**
Codemin (OP)	100							
Laterite					%Ni	%Ni		
		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 Reserves

	Attributable %	Classification	Tonnes million 2006	Tonnes million 2005	Grade 2006	Grade 2005	Contained metal thousand tonnes 2006	Contained metal thousand tonnes 2005
Loma de Níquel (OP)[1]	91.4							
Laterite					%Ni	%Ni		
		Measured	**1.0**	0.8	**1.41**	1.40	**15**	11
		Indicated	**4.6**	4.8	**1.44**	1.45	**67**	70
		Measured and Indicated	**5.7**	**5.6**	**1.44**	**1.44**	**81**	**81**
		Inferred in Mine Plan	**1.6**	–	**1.38**	–	**22**	–
Codemin (OP)	100							
Laterite					%Ni	%Ni		
		Measured	**3.3**	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	**–**	–	**–**	–	**–**	–

Niobium – Ore Reserves

	Attributable %	Classification	Tonnes million 2006	Tonnes million 2005	Grade 2006	Grade 2005	Contained metal thousand tonnes 2006	Contained metal thousand tonnes 2005
Catalão (OP)	100							
Niobium					$\%Nb_2O_5$	$\%Nb_2O_5$		
Carbonatite		Proved	**7.0**	7.0	**1.15**	1.15	**80**	80
		Probable	**6.8**	7.6	**1.44**	1.45	**98**	110
		Total	**13.8**	**14.6**	**1.29**	**1.30**	**178**	**189**

Mining method: OP = Open Pit.

[1] **Loma de Níquel:** Inferred in Mine Plan not reported in 2005.

Heavy Minerals – Ore Reserves

	Attributable %	Classification	Tonnes million 2006	Tonnes million 2005	Grade 2006	Grade 2005	Contained metal million tonnes 2006	Contained metal million tonnes 2005
Namakwa Sands (OP)[1]	100							
Ilmenite					%Ilm	%Ilm		
		Proved	**79.9**	168.3	**5.0**	4.2	**4.0**	7.1
		Probable	**268.9**	168.9	**3.7**	3.4	**9.9**	5.8
		Total	**348.8**	**337.2**	**4.0**	**3.8**	**13.9**	**12.9**
Zircon					%Zir	%Zir		
		Proved			**1.2**	1.1	**1.0**	1.8
		Probable			**0.9**	0.8	**2.5**	1.4
		Total			**1.0**	**0.9**	**3.5**	**3.2**
Rutile					%Rut	%Rut		
		Proved			**0.2**	0.2	**0.2**	0.4
		Probable			**0.2**	0.2	**0.5**	0.3
		Total			**0.2**	**0.2**	**0.7**	**0.7**

Heavy Minerals – Mineral Resources

	Attributable %	Classification	Tonnes million 2006	Tonnes million 2005	Grade 2006	Grade 2005	Contained metal million tonnes 2006	Contained metal million tonnes 2005
Namakwa Sands (OP)[2]	100							
Ilmenite					%Ilm	%Ilm		
		Measured	**116.5**	177.8	**3.5**	3.4	**4.1**	6.0
		Indicated	**143.6**	106.1	**3.4**	2.9	**4.9**	3.0
		Measured and Indicated	**260.1**	**283.9**	**3.5**	**3.2**	**9.0**	**9.0**
		Inferred in mine plan	**175.7**	181.1	**2.7**	2.2	**4.7**	4.0
Zircon					%Zir	%Zir		
		Measured			**0.7**	0.8	**0.8**	1.3
		Indicated			**0.7**	0.8	**1.0**	0.8
		Measured and Indicated			**0.7**	**0.8**	**1.8**	**2.1**
		Inferred in mine plan			**0.6**	0.6	**1.1**	1.0
Rutile					%Rut	%Rut		
		Measured			**0.2**	0.1	**0.2**	0.2
		Indicated			**0.2**	0.2	**0.2**	0.2
		Measured and Indicated			**0.2**	**0.2**	**0.4**	**0.4**
		Inferred in mine plan			**0.1**	0.1	**0.2**	0.3

Mining method: OP = Open Pit.

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

[1] **Namakwa Sands:** Gains are due to the conversion of resources to reserves and an increase in resources resulting from reinterpretation of the geological model based on improved assay information.

[2] **Namakwa Sands:** Decrease due to conversion of resources to reserves and downgrading of resources to Inferred not in Mine Plan (which are not reported) partially offset by gains from reclassification based on new drilling and improved assay information.

RESERVES AND RESOURCES DATA (CONTINUED)

Projects – Ore Reserves

	Attributable		Tonnes million		Grade		Contained metal thousand tonnes	
	%	Classification	2006	2005	2006	2005	2006	2005
Quellaveco (OP)[1]	80.0							
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	**13.2**	22.6	**1.64**	1.85	**216**	418
		Probable	**27.2**	7.0	**1.81**	1.79	**492**	125
		Total	**40.4**	**29.6**	**1.75**	**1.83**	**708**	**542**
Gamsberg (OP)[3]	100							
Zinc					%Zn	%Zn		
		Proved	**34.4**	34.6	**7.55**	7.55	**2,597**	2,613
		Probable	**110.3**	110.3	**5.55**	5.55	**6,124**	6,124
		Total	**144.7**	**144.9**	**6.03**	**6.03**	**8,721**	**8,737**

Projects – Mineral Resources

	Attributable		Tonnes million		Grade		Contained metal thousand tonnes	
	%	Classification	2006	2005	2006	2005	2006	2005
Quellaveco (OP)	80.0							
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**
		Inferred in Mine Plan	**–**	–	**–**	–	**–**	–
Barro Alto (OP)[4]	100							
Nickel					%Ni	%Ni		
Laterite		Measured	**–**	0.8	**–**	1.63	**–**	13
		Indicated	**16.9**	21.2	**1.36**	1.36	**230**	288
		Measured and Indicated	**16.9**	**22.0**	**1.36**	**1.37**	**230**	**301**
		Inferred in Mine Plan	**37.5**	–	**1.56**	–	**585**	–

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 2006. Ore Reserve gains due to conversion of existing resources to reserves based on new drilling information. Small volumes of ore from Barro Alto are currently being processed at the Codemin plant.

(3) **Gamsberg:** Based on a feasibility study completed in 2000 and reviewed in 2006 to account for current economic and financial assumptions. The Mine Plan includes an additional 54,200 kt at 4.10 %Zn of Inferred Mineral Resources.

(4) **Barro Alto:** Resource gain based on new drilling information and inclusion of Inferred in Mine Plan, which was not reported in 2005.

PROJECT PIPELINE

1. El Soldado Chile

Ownership	**100%**
Incremental production	**maintain current production levels**
Full project capex	**$73m**
Full production	**2007**

This project was completed in December 2006 at a capital cost of $73m. The life of the extension is 20 years.

2. Collahuasi debottleneck (unapproved) Chile

Ownership	**44%**
Incremental production	**60,000-120,000 tonnes per annum of copper**
Full project capex	**$300-500m**
Full production	**2010**

Evaluation of the progressive debottlenecking project at Collahuasi will be undertaken this year. If approved, an incremental 60,000–120,000 tonnes per annum of copper is expected at a capital cost of $300-500 m.

3. Los Bronces expansion (unapproved) Chile

Ownership	**100%**
Incremental production	**170,000 tonnes per annum of copper**
Full project capex	**$1,200m**
Full production	**2011**

The Los Bronces feasibility study, which contemplates increasing copper production by 75% at a cost of approximately $1.2 billion, will be completed in mid-2007

4. Quellaveco (on hold) Peru

Ownership	**80.5%**
Incremental production	**200,000 tonnes per annum of copper**
Full project capex	**$1,200m**
Full production	**2012**

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 is expected in 2008.

5. Barro Alto Brazil

Ownership	**100%**
Incremental production	**36,00 tonnes per annum of nickel**
Full project capex	**$1,200m**
Full production	**2011**

The Barro Alto project received board approval in December 2006.

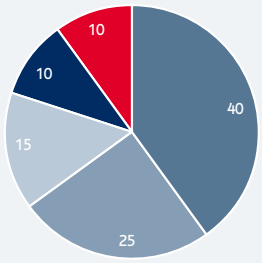
First production is scheduled for 2010, with full production of 36,000 tonnes per annum of nickel to be reached in 2011.

MARKET INFORMATION

Estimated end usage

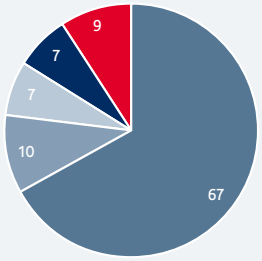
%

Copper



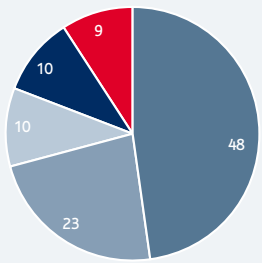
- Construction
- Electrical products
- Machinery/equipment
- Consumer durables
- Transport

Nickel



- Stainless steel
- Non-ferrous alloys
- Special uses
- Plating
- Low alloy steels and foundry

Zinc

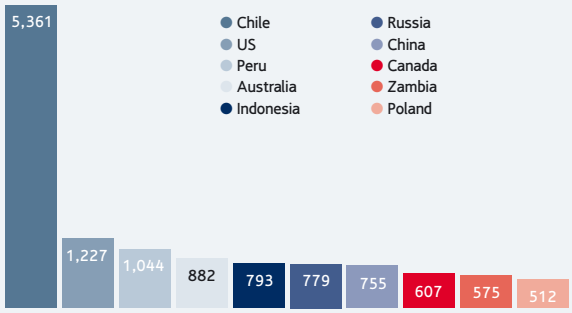


- Construction
- Electrical products
- Machinery/equipment
- Consumer durables
- Infrastructure

World mine production

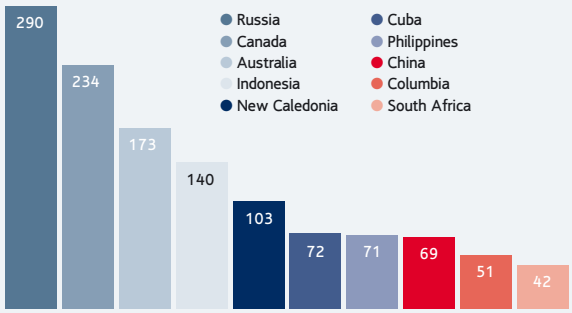
by 2006 mine production – '000 tonnes

Leading copper mining countries



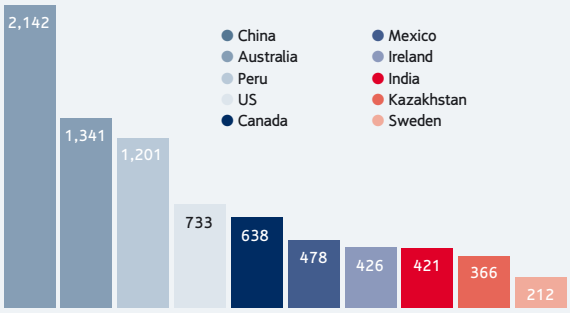
2006 world total: 15,191 kt

Leading nickel mining countries



2006 world total: 1,408 kt

Leading zinc mining countries



2006 world total: 9,513 kt

Source: WBMS

Ferrous Metals and Industries

Leading producer of iron ore and manganese

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

OVERVIEW

2006 overview

- Further progress in optimising the asset base: formation of Kumba Iron Ore as a pure-play iron ore company
- Kumba Iron Ore has a $754 million expansion programme to boost production by 40% by 2009
- Record iron ore production in 2006
- Scaw achieved record operating profit in 2006

EBITDA

2006	$1,560m
2005	$1,779m

Operating profit

2006	$1,360m
2005	$1,456m

Business overview

Kumba Iron Ore (64%)

Kumba Iron Ore was born from the unbundling of Kumba Resources, through which Exxaro, South Africa's largest empowered company, was also created. Kumba Iron Ore, which listed on the Johannesburg Stock Exchange on 20 November 2006, offers investors exposure to a pure-play iron ore company. Kumba Iron Ore is the world's fourth largest supplier of seaborne iron ore, and exported over 70% of its 31 million tonnes per annum (Mtpa) production in 2006. Kumba Iron Ore supplies approximately 30 global customers, mainly in Europe and Asia. The group, through its subsidiary Sishen Iron Ore Company (Pty) Ltd (SIOC), currently operates two mines in South Africa – Sishen in the Northern Cape, which achieved a record production of 29 Mtpa in 2006, and Thabazimbi, in Limpopo, which produced 2 Mtpa in 2006. Kumba Iron Ore consolidates 80% of SIOC and, as a result of its 64% shareholding in Kumba Iron Ore, Anglo American consolidates an effective 51% in SIOC.

Kumba's 2006 results, which included 11 months of earnings from the Kumba Resources Group and one month's earnings from Kumba Iron Ore, reflected an operating profit of $778 million (2005: $568 million). Global iron ore demand remained strong in 2006, fuelled by the continuing expansion of the steel industry in China. In addition to the 71.5% annual iron ore price increase achieved in April 2005, an annual increase of 19% was achieved with effect from April 2006. Export sales volumes for the period grew in line with production improvements. Kumba Iron Ore produced a record 31Mt of iron ore for the period, exporting 21Mt.

A $754 million, three year expansion programme is currently under way at the Sishen mine which will increase sales volumes by 40% to 45 million tonnes per annum. Ramp up will commence in 2007, with full production expected in early 2009. A pre-feasibility study on a further expansion at Sishen mine of between 10 and 20 Mtpa is currently underway and will be completed by mid-2007. This study evaluates the potential to increase utilisation of the lower grade resources at Sishen mine. Depending on the outcome of the pre-feasibility study, a commitment towards the execution of a detailed feasibility study is expected in 2007. The Sishen South Project involves the development of a new opencast operation near the town of Postmasburg, approximately 70 kilometres south of Sishen mine. The 9 Mtpa Sishen South Project will produce a range of products similar to the Sishen Expansion Project. An investment decision on this project is expected to be made during 2007.

Previous page:
Detail of die-cut steel. Anglo Ferrous Metals and Industries is the world's fourth largest iron ore producer.

MMX Minas-Rio (49%)

In May 2007, Anglo American and MMX Mineração e Metálicos S.A. ("MMX") announced that they, together with Centennial Asset Mining Fund LLC ("Centennial Asset"), a company controlled by Eike Batista, MMX's controlling shareholder, had entered into an agreement through which Anglo American acquired a 49% ownership interest in each of MMX Minas-Rio and LLX Minas-Rio for an economic value and effective price of US$1.15 billion.

MMX Minas-Rio is developing an integrated iron ore project consisting of (i) a number of iron ore deposits in the State of Minas Gerais, Brazil, (ii) one or more slurry pipelines and (iii) the ongoing development of an iron ore terminal in the state of Rio de Janeiro to handle cape-size vessels (collectively the "Minas-Rio Project").

Phase I of the Minas-Rio Project, for start-up in the fourth quarter of 2009, has a planned annual production capacity of 26.5 million tonnes of iron ore per annum. An expansion is planned to double the Minas-Rio Project capacity ("Phase II"), subject to certain conditions, including MMX Minas-Rio confirming sufficient reserves and obtaining the relevant permits. Upon confirmation of Phase II of the Minas-Rio Project, Anglo American would make an additional payment to Centennial Asset and a capital contribution to MMX Minas-Rio, in the same manner as the initial payment, with a total economic value and effective price of US$600 million, increasing Anglo American's participation in MMX Minas-Rio to 50%. This would result in a total economic value of $3.5 billion for 100% of the project, prior to giving effect of the capital contributions described herein.

Scaw Metals (74%–100%)

Scaw Metals is an international group, manufacturing a diverse range of steel products. Its principal operations are located in South Africa as well as North and South America. Scaw produces rolled steel products (bar, wire rod and sections), steel and high chromium white iron castings, cast high chromium and forged steel grinding media, plain carbon and low alloy steel chain and fittings, steel wire rope, synthetic and natural fibre rope and pre-stressed concrete wire and strand. Scaw products serve the construction, railway, power generation, mining, cement, marine and offshore oil industries worldwide. Most of the South African operations are based in or close to Germiston, 20 kilometres east of Johannesburg. Scaw's international grinding media business, Moly-Cop, is headquartered in Chile, with operations in Mexico, the Philippines, Australia, Canada, Italy, Zambia and Zimbabwe. AltaSteel, a manufacturer of steel and value added steel products in Canada, was acquired by Scaw in February 2006.

Scaw produced a record operating profit of $160 million in

2006 (2005: $121million). The acquisition in February 2006 of AltaSteel, together with the acquisition of the remaining 50% of Moly-Cop Canada, contributed $32 million for the year. Strong demand for rolled, cast and wire rod products contributed to higher profits. The international grinding media operations achieved higher sales volumes, although this benefit was more than offset by negative exchange rate movements.

On 1 March 2007, it was announced that Scaw had initiated an empowerment transaction for its South African assets, which resulted in the formation of a new company, Scaw South Africa (Pty) Ltd (Scaw SA). The transaction resulted in a black economic empowerment (BEE) consortium acquiring a 21% equity stake and a broad-based employee trust acquiring a 5% equity stake in the R5.3 billion ($704 million) South African business. Anglo American holds the remaining 74%.

Samancor (40%)
Samancor is the world's largest integrated producer by sales of manganese ore and 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. The company supplies its worldwide customer base with commodities produced by its various mines and plants, which are situated in South Africa and Australia. Samancor owns Australian manganese operations consisting of Groote Eylandt Mining Company Proprietary Limited and Tasmanian Electro Metallurgical Company Proprietary Limited.

Anglo American's attributable share of Samancor's operating profit in 2006 was $52 million (2005: $144 million). The 2005 operating profit included a $16 million contribution from Samancor's chrome business, which was disposed of in June 2005. Although higher manganese ore sales volumes were achieved, lower alloy volumes and lower selling prices negatively impacted profits. In 2006, the average manganese ore price achieved was $2.2 per metric tonne unit (mtu), compared with the 2005 average price of $2.9/mtu.

Tongaat-Hulett (50%)
Tongaat-Hulett is listed on the Johannesburg Stock Exchange. It comprises Hulett Aluminium (Hulamin) and the Tongaat-Hulett agri-processing business which includes the essentially integrated components of land management, agriculture and property development. Tongaat-Hulett is the second largest cane sugar producer in southern Africa, with operations in South Africa, Zimbabwe, Mozambique and Swaziland. The starch and glucose operations, based in Gauteng and Cape Town, South Africa, are the largest in southern Africa.

Tongaat-Hulett's operating profit grew to $154 million (2005: $131 million). The sugar operations benefited from a higher world sugar price in 2006, while the 2006 South African sugar crop was the second lowest in ten years. Hulamin continued its progress in increasing sales volumes, with record rolled product sales of 183,000 tonnes (2005: 173,000 tonnes).

In December, Tongaat-Hulett announced the proposed unbundling and listing of Hulamin, and simultaneous introduction of broad based black economic empowerment (BBBEE) into both companies. The transaction, which will take place in June 2007, will result in BBBEE groups acquiring 25% and 15% interests in Tongaat-Hulett and Hulamin respectively. Anglo American's shareholding in Tongaat-Hulett will reduce from 50% to 38% and its shareholding in Hulamin will reduce from an effective 45% to 39%.

Subsequently, it has been announced that Hulamin will be listed on 25 June 2007.

Highveld (29.2%)
In May 2007, it was announced that the sale of Anglo American's 79% shareholding in Highveld to Evraz, an international steel producer based in Russia, and Credit Suisse, for total consideration of US$678 million, had been completed. The sale was undertaken in two tranches. In July 2006, Anglo American disposed of 49.8% of Highveld to Evraz and Credit Suisse for $412 million and granted Evraz an option to acquire Anglo American's remaining 29.2% shareholding, subject to the granting of regulatory approvals. On 7 May 2007 Anglo American announced that Evraz had advised that the requisite regulatory approvals had been obtained and had exercised its option. Since July 2006, Anglo American has achieved proceeds of $678 million, including the initial payment of $412 million, dividends of $28 million and the final payment of $238 million.

Products and applications

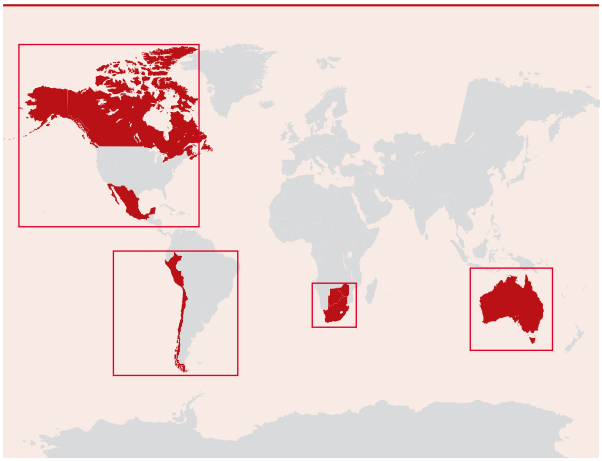
Steel
The most widely used of all metals, steel is used in the construction of buildings, bridges, machinery, vehicles and many household appliances. World crude steel production increased by 9% in 2006, to reach a total of 1.2 billion tonnes. China accounted for most of the increase, with its share of world total production rising to 34% in 2006. The coming year promises to be one of strong steel production growth with global world output in 2007 forecast to rise by over 6%. Further out, global steel growth rates are forecast to average 4.4% between 2007 and 2010, with world steel production set to increase by almost 300 million tonnes between 2005 and 2010, to reach a total of 1.4 billion tonnes. Global steel prices peaked in mid-2006 but tailed off by the end of 2006 largely due to a US stock overhang. Global steel prices have shown strong growth in the first half of 2007.

Iron ore
Global demand for iron ore in 2006 increased year on year by 15% to 1.7 billion tonnes. It is expected to remain strong over the next two decades, with steady growth projected to 2020, particularly in the seaborne market. This growth will be fuelled by the continuing development of the steel industry in China, which is expected to exceed 50% of total iron ore demand by 2007 (up from 42% in 2005). Further steel growth in the former Soviet Union and South America, in the short term, and India and other developing markets in the longer term, contributes to this positive picture. Short to medium term scrap shortages should ensure that iron ore demand growth is higher than steel production growth for at least the next ten years. Iron ore supply is continuing to ramp up as major global producers bring capacity on line. A further benchmark annual price increase of 9.5% has been achieved by major producers, effective 1 April 2007, after increases of 71.5% in 2005 and 19% in 2006.

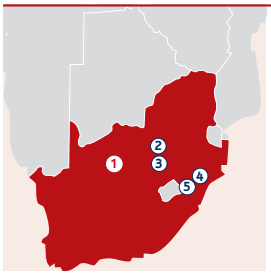
Manganese
Manganese ore is smelted to produce manganese ferroalloys (such as ferromanganese and silicomanganese). Manganese is not recycled and, since only very small amounts are present in finished steel, steel scrap recycling does not significantly impact on manganese demand.

World consumption of manganese ore rose by 10% in 2006, having dropped marginally in 2005. Manganese alloy ore prices are increasing, buoyed by Chinese and Indian demand.

AROUND THE WORLD



Key
- Underground
- Open Cut
- Other



South Africa
1. 64.1% Kumba Iron Ore
2. 74% Scaw Metals
3. 40% Samancor
4. 50% Tongaat-Hulett
5. 45% Hulamin

Kumba Iron Ore is the world's fourth largest supplier of seaborne iron ore, and exported just under 70% of its 31Mtpa production in 2006.

Scaw Metals is an international group, manufacturing a diverse range of steel products. Its operations in South Africa produce rolled steel products, grinding media and cast and wire rod products.

Samancor, which is the world's largest integrated producer by sales of manganese ore and alloys, is headquartered in South Africa.

Tongaat-Hulett is the second largest cane sugar producer in southern Africa. Its starch and glucose operations are the largest in southern Africa.

Hulamin, based in KwaZulu-Natal, South Africa, is an independent niche producer of aluminium rolled, extruded and other semi-fabricated and finished products.

South America
1. 100% Moly-Cop
   - Lima and Arequipa (Peru)
   - Concepción (Chile)
2. 49% MMX Minas-Rio

MMX Minas-Rio is developing an integrated iron ore project in the South East region of Brazil

North America
1. 100% Moly-Cop
   - Kamloop (Canada)
   - Guadalajara (Mexico)
2. 100% Altasteel (Alberta, Canada)

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

Altasteel is a manufacturer of steel and value-added steel products in Canada.

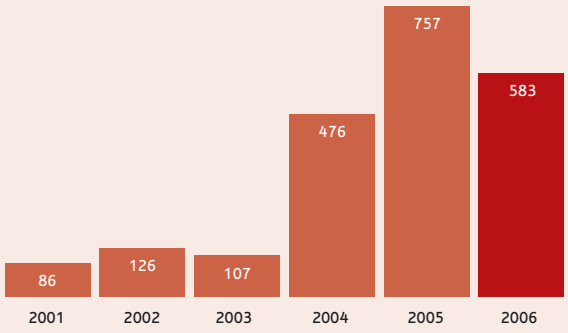
Australia
1. 40% GEMCO
2. 40% TEMCO
3. 100% Moly-Cop
   - Perth
   - Townsville
   - Newcastle

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.

FINANCIAL HIGHLIGHTS

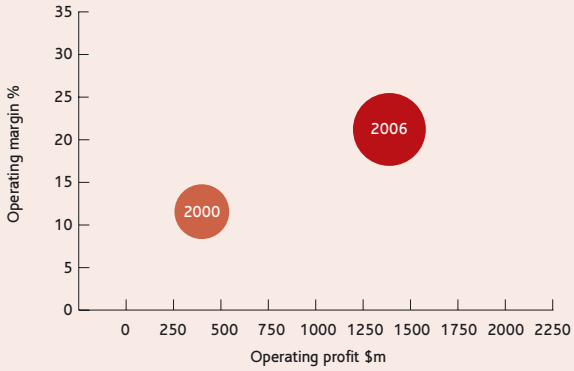
Six-year underlying earnings

$m



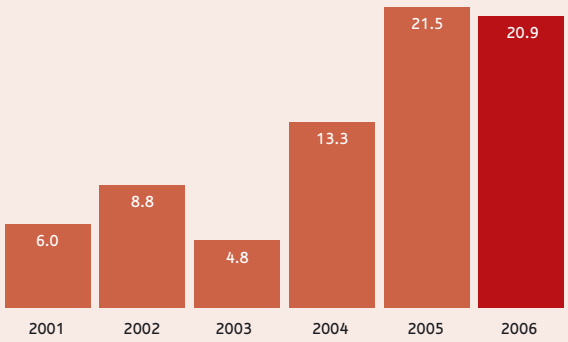
Scale and profitability growth

bubble size represents turnover



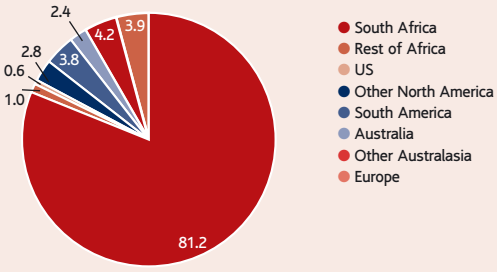
Operating margin

%



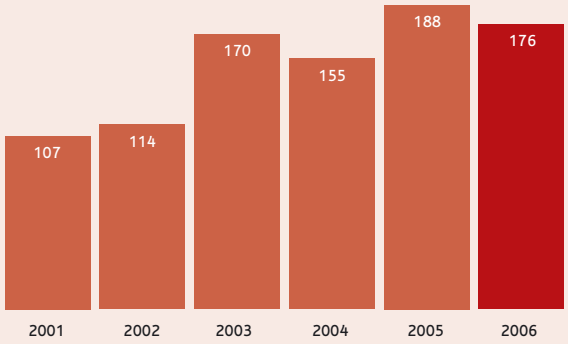
2006 turnover by origin

%



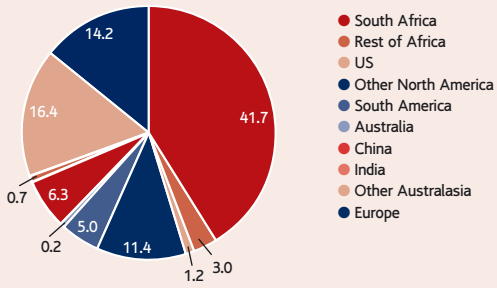
Turnover per employee

$'000



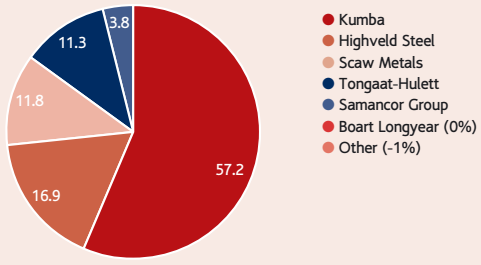
2006 turnover by destination

%



2006 EBIT Contribution

%



FINANCIAL DATA

Turnover (US$ million)	2006	2005	2004	2003	2002	2001
Subsidiaries[1]	**5,973**	6,030	5,137	2,863	2,021	2,082
Joint Ventures	**–**	–	–	28	13	148
Associates	**546**	743	1,526	1,476	973	953
Total turnover	**6,519**	**6,773**	**6,663**	**4,367**	**3,007**	**3,183**
Of which:						
Kumba	**2,259**	1,936	1,413	332		
Highveld Steel	**1,023**	1,127	775	488		
Scaw Metals	**1,233**	1,029	910	670		
Samancor Group	**425**	634	821	499		
Tongaat-Hulett	**1,572**	1,423	1,121	665		
Boart Longyear	**–**	618	872	994		
Other	**7**	6	608	719		
EBITDA	**1,560**	**1,779**	**1,249**	**441**	**415**	**351**
Of which:						
Kumba	**879**	734	329	67		
Highveld Steel	**247**	472	222	29		
Scaw Metals	**188**	145	123	86		
Samancor Group	**51**	164	268	78		
Tongaat-Hulett	**207**	188	116	50		
Boart Longyear	**–**	87	102	63		
Other	**(12)**	(11)	89	68		
Depreciation and amortisation	**199**	**300**	**344**	**110**	**67**	**73**
Operating profit before special items and remeasurements	**1,360**	**1,456**	**887**	**208**	**264**	**191**
Operating special items and remeasurements	**21**	**5**	**155**	**–**	**–**	**–**
Operating profit after special items and remeasurements	**1,381**	**1,461**	**1,042**	**208**	**264**	**191**
Net interest, tax and minority interests	**(777)**	**(699)**	**(411)**	**(114)**	**(146)**	**(107)**
Underlying earnings	**583**	**757**	**476**	**107**	**126**	**86**
Of which:						
Kumba	**302**	261	80	18	–	–
Highveld Steel	**79**	232	93	5	20	–
Scaw Metals	**106**	85	59	55	41	25
Samancor Group	**38**	103	157	10	19	5
Tongaat-Hulett	**55**	49	25	(10)	24	31
Boart Longyear	**–**	35	37	21	26	29
Terra	**–**	–	29	7	(18)	(31)
Other	**3**	(8)	(4)	1	14	27
Net segment assets	**2,796**	**4,439**	**5,302**	**4,629**	**1,696**	**1,104**
Capital expenditure	**582**	**373**	**284**	**195**	**85**	**93**

[1]From 2004, turnover of subsidiaries includes joint ventures' turnover.

PRODUCTION DATA

Production (tonnes)	2006	2005	2004	2003	2002
Kumba Iron Ore Ltd					
Iron ore production					
Lump	**18,639,800**	18,747,000	18,248,000	18,172,100	–
Fines	**12,470,300**	12,240,000	11,864,400	11,421,000	–
Total iron ore	**31,110,100**	**30,987,000**	**30,112,400**	**29,593,100**	**–**
Scaw Metals					
Rolled products	**409,000**	386,500	458,000	352,000	356,400
Cast products	**166,900**	133,900	110,000	115,000	114,700
Grinding media	**481,800**	461,400	429,000	389,000	224,500
Highveld Steel					
Rolled products	**767,300**	684,000	674,000	578,000	701,100
Continuous cast blocks	**863,100**	874,900	922,500	877,400	951,900
Vanadium slag	**65,000**	66,800	67,600	69,800	68,100
Samancor					
Manganese ore (mtu m)	**109**	88	106	76	62
Manganese alloys	**256,300**	309,000	321,100	288,200	306,100
Tongaat-Hulett					
Sugar	**897,300**	861,000	756,000	843,000	811,800
Aluminium	**203,300**	192,000	162,000	147,000	120,600
Starch and glucose	**573,100**	595,000	576,000	610,000	616,400
Hippo Valley					
Sugar	**–**	194,000	200,000	224,000	284,000
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	–

2006 data shown above exclude production from Kumba Resources Limited (Exxaro) which ceased to be a subsidiary during the year and is now held as a financial asset investment and Hippo Valley which was acquired by Tongaat-Hulett during the year.

RESERVES AND RESOURCES DATA

The Ore Reserve and Mineral Resource estimates were compiled in accordance with The South African Code for Reporting of Mineral Resources and Mineral Reserves (The SAMREC Code, 2000). Rounding of figures may cause computational discrepancies. The figures reported represent 100% of the Ore Reserves and Mineral Resources, the percentage attributable to Anglo American plc via Kumba Iron Ore is stated separately. Mineral Resource estimates for Kumba are inclusive of those resources which have been modified to produce the Ore Reserve estimates.

Kumba Iron Ore – Ore Reserves

	Attributable %	Classification	Tonnes million 2006	Tonnes million 2005	Grade 2006	Grade 2005	Saleable product million tonnes 2006	Saleable product million tonnes 2005
Sishen Iron Ore Mine (OP)[1]	37.3				% Fe	% Fe		
		Proved	**813**	727	**58.1**	59.3	**567@65.8 %Fe**	600@65.7 %Fe
		Probable	**241**	294	**57.2**	58.1	**226@63.9 %Fe**	243@64.0 %Fe
		Total	**1,054**	**1,021**	**57.9**	**59.0**	**793@65.3 %Fe**	**843@65.2 %Fe**
Thabazimbi Iron Ore Mine (OP)[2]	47.5				% Fe	% Fe		
		Proved	**7**	10	**61.6**	61.2	**6@64.5 %Fe**	9@64.1% Fe
		Probable	**2**	4	**60.9**	60.2	**2@63.9 %Fe**	3@63.6% Fe
		Total	**10**	**14**	**61.4**	**60.9**	**8@64.3 %Fe**	**13@63.9% Fe**
Sishen South Iron Ore Mine (OP)	47.5				% Fe	% Fe		
		Proved	**134**	101	**65.4**	64.8		
		Probable	**31**	66	**64.2**	63.3		
		Total	**166**	**167**	**65.2**	**64.2**		

Kumba Iron Ore – Mineral Resources

	Attributable %	Classification	Tonnes million 2006	Tonnes million 2005	Grade 2006	Grade 2005
Sishen Iron Ore Mine (OP and UG)	37.3				%Fe	%Fe
Open Pit[3]		Measured	**1,398**	1,477	**57.0**	57.4
		Indicated	**422**	480	**56.2**	56.5
		Measured and Indicated	**1,819**	**1,957**	**56.8**	**57.2**
Underground[4]		Measured	**115**	94	**64.6**	64.9
		Indicated	**266**	223	**64.3**	64.7
		Measured and Indicated	**381**	**316**	**64.4**	**64.8**
Thabazimbi Iron Ore Mine (OP and UG)	47.5				%Fe	%Fe
Open Pit[5]		Measured	**8**	11	**62.1**	62.1
		Indicated	**3**	4	**61.4**	61.6
		Measured and Indicated	**11**	**15**	**61.9**	**62.0**
Underground		Measured	**12**	12	**62.2**	62.1
		Indicated	**14**	14	**61.8**	61.3
		Measured and Indicated	**27**	**27**	**62.0**	**61.7**
Sishen South (OP)[6]	47.5				%Fe	%Fe
Advanced project		Measured	**156**	140	**65.4**	65.4
		Indicated	**150**	108	**64.8**	64.4
		Measured and Indicated	**306**	**248**	**65.1**	**65.0**
Zandrivierspoort (OP)	23.7				%Fe	%Fe
Project		Measured	**–**	–	**–**	–
		Indicated	**447**	447	**34.9**	34.9
		Measured and Indicated	**447**	**447**	**34.9**	**34.9**

Mining method: UG = Underground, OP = Open Pit.

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

(1) **Sishen Iron Ore Mine – DMS and jig plant:** The increase in Proved Ore Reserve tonnes is the result of a new optimising programme that allowed for the blending of previously stockpiled material. The decrease in saleable product tonnes is mainly due to the reduction of ROM Reserves as a result of geological re-interpretation as well as a slight drop in plant yield brought about by the exclusion of selective mining tonnes due to changes in mine planning criteria. 17Mt Inferred Mineral Resource tonnes fall within the final pit layout; these are not included in the Ore Reserve figure.

(2) **Thabazimbi Iron Ore Mine – within current pit layouts:** Mining depletion accounts for most of the decrease along with an updated geological model, and as a result of an external review of the drill hole spacing, a portion of the reserve has been re-allocated to Inferred Resources. 4Mt Inferred Mineral Resource tonnes fall within the final pit layout; these are not included in the Ore Reserve figure.

(3) **Sishen Iron Ore Mine – Open Pit (DMS and jig plant):** Resources decrease mainly as a result of a re-interpretation of the solids model, mining depletion and stockpile growth.

(4) **Sishen Iron Ore Mine – Underground:** Resources increase due to conglomeratic ore now being included.

(5) **Thabazimbi Iron Ore Mine – Open Pit:** The major decrease in the resources is due to mining depletion and the re-allocation of Indicated Resources to Inferred Resources.

(6) **Sishen South:** Advanced Project – Additional exploration drilling, an updated mineral resource model and pit design account for the increased tonnage.

The Ore Reserves and Mineral Resources of the following operation was audited during 2006 by third party, independent auditors: Thabazimbi Iron Ore Mine.

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 (eg The South African Code for Reporting of Mineral Resources and Mineral Reserves, The SAMREC Code, 2000). Rounding of figures may cause computational discrepancies. The Manganese Mineral Resources are reported as inclusive of those Mineral Resources modified to produce the Ore Reserve figures, i.e. the Ore Reserves are included in the Mineral Resource figures. The figures reported represent 100% of the Ore Reserves and Mineral Resources, the percentage attributable to Anglo American plc is stated separately.

Manganese – Ore Reserves

	Attributable		Tonnes million		Grade		% Yield	
	%	Classification	2006	2005	2006	2005	2006	2005
Hotazel Manganese Mines (OP)[1]	40.0				%Mn	%Mn		
Mamatwan		Proved	**42.3**	22.4	**37.6**	37.9		
		Probable	**6.7**	15.0	**37.2**	37.7		
		Total	**49.0**	**37.4**	**37.5**	**37.8**		
Wessels		Proved	**2.4**	1.9	**48.0**	48.0		
		Probable	**11.6**	9.3	**48.0**	48.0		
		Total	**14.0**	**11.2**	**48.0**	**48.0**		
GEMCO (OP)[2]	40.0				%Mn	%Mn		
		Proved	**55.5**	61.7	**48.5**	48.5	**53.4**	51.3
		Probable	**36.0**	39.6	**47.2**	47.2	**51.0**	47.0
		Total	**91.5**	**101.2**	**48.0**	**48.0**	**52.5**	**49.1**

Manganese – Mineral Resources

	Attributable		Tonnes million		Grade		% Yield	
	%	Classification	2006	2005	2006	2005	2006	2005
Hotazel Manganese Mines (OP)[3]	40.0				%Mn	%Mn		
Mamatwan		Measured	**53.1**	29.5	**37.6**	37.9		
		Indicated	**10.6**	21.0	**37.2**	37.7		
		Measured and Indicated	**63.7**	**50.5**	**37.5**	**37.7**		
Wessels		Measured	**4.8**	3.6	**48.1**	48.1		
		Indicated	**19.6**	20.4	**48.0**	47.9		
		Measured and Indicated	**24.4**	**24.0**	**48.0**	**47.9**		
GEMCO (OP)[4]	40.0				%Mn	%Mn		
		Measured	**61.2**	63.8	**48.9**	48.3	**42.0**	42.0
		Indicated	**42.7**	50.2	**47.3**	46.9	**38.0**	38.0
		Measured and Indicated	**103.9**	**113.9**	**48.2**	**47.0**	**40.4**	**38.9**

Mining method: OP = Open Pit. Mamatwan tonnages stated as Wet Metric Tonnes. Wessels tonnages stated as Dry Metric Tonnes.

(1) **Hotazel Manganese Mines:** The changes are due to a new improved 3D resource model which was constructed during 2006 and a change in the classification criteria.

(2) **GEMCO:** 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). Changes are due to depletion and a significant drop in price assumptions.

(3) **Hotazel Manganese Mines:** The changes are due to a new improved 3D resource model which was constructed during 2006 and a change in the classification criteria.

(4) **GEMCO:** The primary cause of change in the resource estimate was depletion. A second effect was a more detailed methodology in which the plan areas for resource determination were generated, explicitly excluding mined out and off lease areas.

PROJECT PIPELINE

1. Sishen Expansion
South Africa

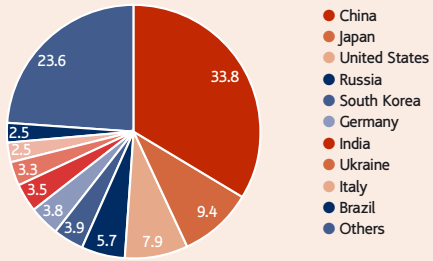
Ownership	**51%**
Incremental production	**13 Mtpa**
Full project capex	**$754m**
Full production	**2009**

The Sishen Expansion Project (SEP), in South Africa's Northern Cape, will have its first output in 2007 with full ramp up to 13 Mtpa targeted for 2009. This will take Kumba Iron Ore (Kumba) to 45 Mtpa of iron ore production, of which 36 Mtpa will be exported. SEP is owned by Kumba's subsidiary, Sishen Iron Ore Company (Pty) Ltd (SIOC). Kumba consolidates 80% of SIOC and, as a result of its 64% shareholding in Kumba Iron Ore, Anglo American consolidates an effective 51% in SIOC.

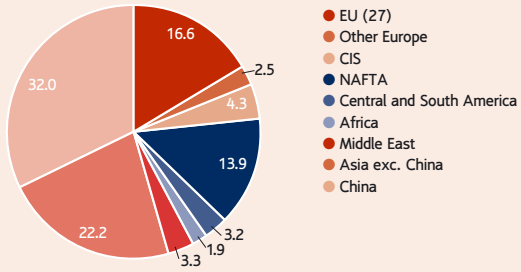
2006 steel production and use

%

Production



Use (finished steel)

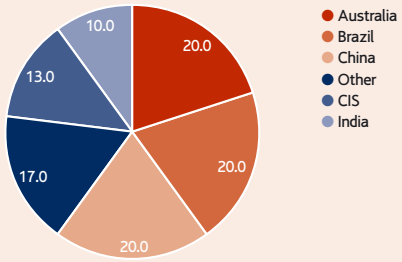


Source: International Iron and Steel Institute

2006 world iron ore production and consumption

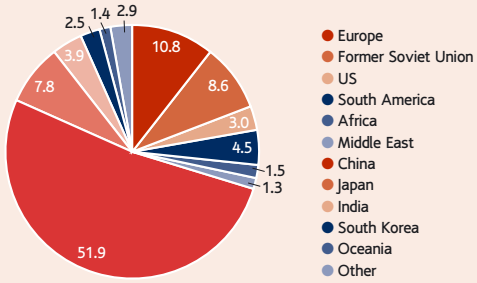
%

Production



Source: CRU Strategies

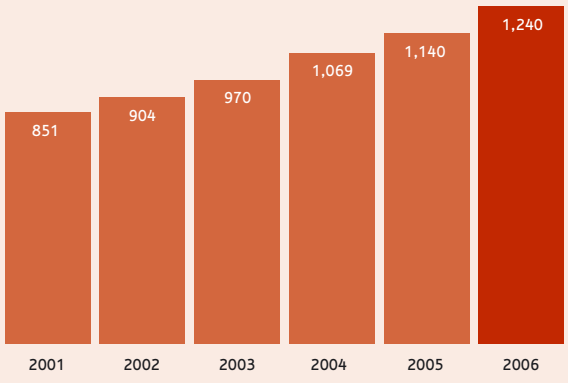
Consumption



Source: AME Consulting

World crude steel production

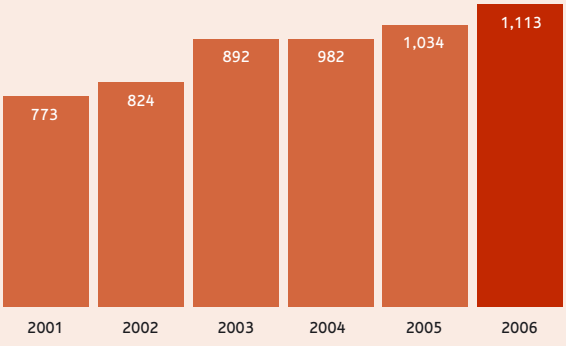
million tonnes



Source: International Iron and Steel Institute

Global steel consumption

million tonnes



Source: International Iron and Steel Institute

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, Venezuela and Canada. 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.

OVERVIEW

2006 overview
• New capital expenditure projects in Australia: Dawson project ($835 million) set to come on stream in late 2007 and Lake Lindsay ($516 million) in 2008
• Cerrejón is ramping up to 32 Mtpa, with full production scheduled for 2008
• Market remains strong for thermal coal

EBITDA	
2006	$1,082m
2005	$1,243m

Operating profit	
2006	$864m
2005	$1,019m

Business overview

Anglo Coal is the world's sixth largest private sector coal producer and a major exporter. In 2006, Anglo Coal produced 96 million tonnes (mt) from three geographic regions: South Africa, Australia and South America.

In South Africa, Anglo Coal owns and operates eight mines and has a 50% interest in Mafube mine, a joint venture with Exxaro. Four mines are trade mines in the Witbank coalfield which supply approximately 20 million tonnes per annum (Mtpa) of thermal and metallurgical coals to the export and local markets. Coal is exported through Richards Bay Coal Terminal, in which Anglo Coal has a 27.5% interest. Anglo Coal's New Vaal, New Denmark and Kriel mines supply around 35 Mpta of thermal coal to Eskom, the South African state owned electric power utility. Its coal supply contracts with Eskom cover the delivery of tonnages and qualities, generally for the expected life of the relevant power station. The Eskom power stations are mine mouth facilities, and coal is transported a short distance from the mine by conveyor to the power station's stockpiles. Anglo Coal's Isibonelo mine produces some 5 Mtpa for Sasol Synthetic Fuels under a 21 year supply contract. The Mafube joint venture is currently a mini-pit operation supplying thermal coal to Eskom. The operation will expand into a multi-product mine supplying both Eskom and thermal coal for the export market. Production of export thermal coal is expected to commence in the last quarter of 2007

In Australia, Anglo Coal has one wholly owned mine and has controlling interest in another four. The mines are located in Queensland and New South Wales and produce approximately 25 Mtpa. Anglo Coal also owns an effective 23% interest in the Jellinbah mine in Queensland. The mines produce high quality coking coal used for steel production, and export and domestic thermal coal used for power generation and industrial applications. The company is the fourth largest producer of coal in Australia and also has significant undeveloped coal resources. At Dawson mine, expansion of the mine to increase attributable production by 5.7 Mtpa is under way with completion expected in 2007, while at Capcoal, the Lake Lindsay development is progressing with estimated completion during the second half of 2008. The additional production from both Dawson and Lake Lindsay will increase Anglo Coal's metallurgical coal production to approximately 16 Mtpa. Key future development prospects are Grosvenor and Moranbah South in Queensland and Saddlers Creek and Dartbrook Opencut in New South Wales.

In South America, Anglo Coal has a 33% shareholding in Cerrejón Coal, which produces approximately 28 Mtpa, with approved expansion plans to increase production to 32 Mtpa. Cerrejón primarily produces thermal coal which is exported to Europe and the Americas. In addition, Anglo Coal has a 25% interest in Carbones del Guasare (CDG) which owns and operates the Paso Diablo mine in the state of Zulia, in northern Venezuela. CDG produces around 6.2 Mtpa.

In Canada, Anglo Coal has a 60% interest in the Peace River Coal JV which operates the Trend mine, producing primarily metallurgical coking coal.

Industry overview and demand drivers

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 billion tonnes 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 billion tonnes. The thermal coal component in this sector comprises some 0.5 billion tonnes and the metallurgical component some 0.2 billion tonnes.

Previous page:
Close up of coal pieces. Anglo Coal is a leading global coal producer, with operations in South Africa, Australia and South America.

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. Anglo Coal supplies 5 Mtpa to Sasol Synthetic Fuels for conversion to synthetic fuels.

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.

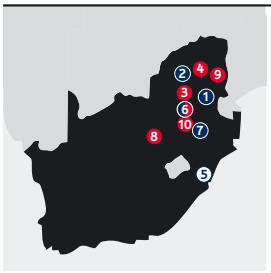
Demand

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.

AROUND THE WORLD

Key
- Underground
- Open Cut
- Other



South Africa

Export/Industrial
- 1 100% Goedehoop
- 2 100% Greenside
- 3 100% Kleinkopje
- 4 100% Landau
- 5 27.5% Richards Bay Coal Terminal

Eskom/Sasol
- 6 73% Kriel
- 7 100% New Denmark
- 8 100% New Vaal
- 9 50% Mafube
- 10 100% Isibonelo

Anglo Coal operates four 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 currently 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 Exxaro.

Export customers are predominantly in the Med-Atlantic markets.

Canada

Metallurgical
- 1 60% Trend

Peace River Coal's Trend mine in north east British Columbia exports metallurgical coal via Prince Rupert's Ridley coal terminal to customers in the Pacific and Atlantic regions.

Australia

Thermal
- 1 100% Callide
- 2 88% Drayton
- 3 51% Dawson Complex

Metallurgical
- 4 70% German Creek
- 5 23% Jellinbah East
- 6 88% Moranbah North

Anglo Coal Australia operates four mines in Queensland and one 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 Drayton mine supplies 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 operation in northern Colombia. These form one of the world's largest integrated export thermal coal mining operations and include mine facilities, a railway, port facilities and supporting infrastructure.

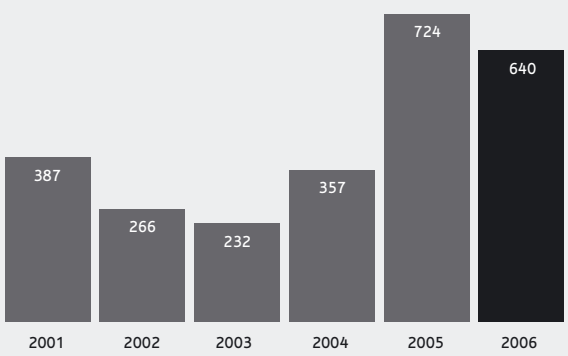
In Venezuela, Anglo Coal has a 25% stake in Carbones del Guasare which owns and operates the Paso Diablo mine, across the border from the Cerrejón operation.

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

FINANCIAL HIGHLIGHTS

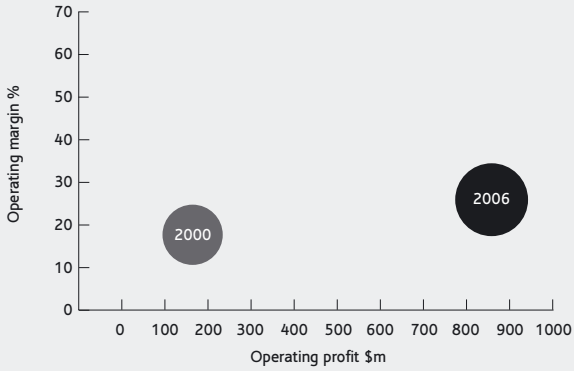
Six-year underlying earnings

$m



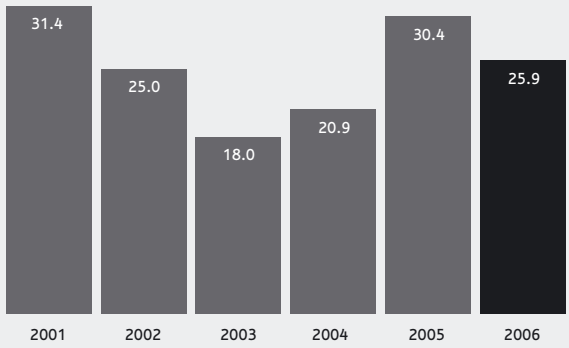
Scale and profitability growth

bubble size represents production tonnes



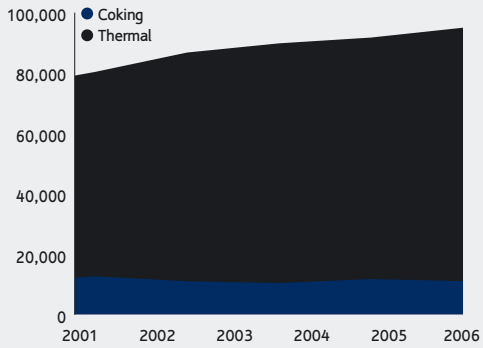
Operating margin

%



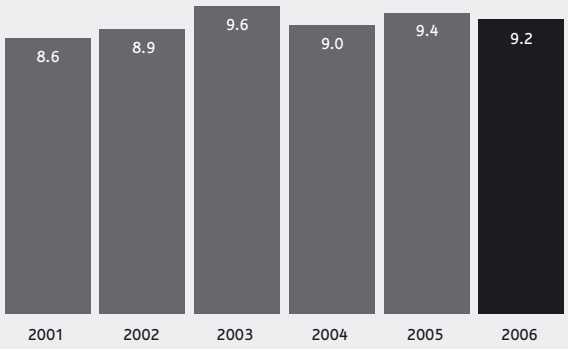
Production growth

tonnes



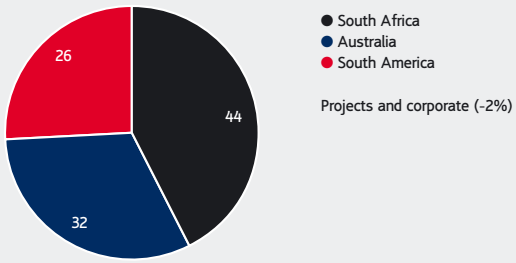
Production per employee

000 tonnes



2006 operating profit split by by region

%



FINANCIAL DATA

Turnover (US$ million)	2006	2005	2004	2003	2002	2001
Subsidiaries	**2,726**	2,766	1,911	1,556	1,463	1,394
Joint Ventures	**–**	–	3	–	–	–
Associates	**607**	583	468	295	247	178
Total turnover	**3,333**	**3,349**	**2,382**	**1,851**	**1,710**	**1,572**
Of which:						
South Africa	**1,394**	1,441	1,109	843	–	–
Australia	**1,398**	1,383	840	739	–	–
South America	**541**	525	433	269	–	–
EBITDA	**1,082**	**1,243**	**687**	**505**	**571**	**627**
Of which:						
South Africa	**437**	525	297	175	–	–
Australia	**397**	459	184	219	–	–
South America	**271**	273	205	111	–	–
Projects and corporate	**(23)**	(14)	–	–	–	–
Depreciation and amortisation	**172**	**188**	**190**	**129**	**104**	**108**
Operating profit before special items and remeasurements	**864**	**1,019**	**497**	**333**	**427**	**493**
Operating special items and remeasurements	**(125)**	**1**	**–**	**–**	**–**	**–**
Operating profit after special items and remeasurements	**739**	**1,020**	**497**	**333**	**427**	**493**
Net interest, tax and minority interests	**(224)**	**(295)**	**(140)**	**(109)**	**(168)**	**(114)**
Underlying earnings	**640**	**724**	**357**	**232**	**266**	**387**
Of which:						
South Africa	**279**	333	163	79	133	228
Australia	**216**	224	78	94	98	123
South America	**163**	174	116	59	35	36
Projects and corporate	**(18)**	(7)	–	–	–	–
Net segment assets	**2,862**	**2,244**	**2,303**	**2,152**	**1,658**	**1,373**
Capital expenditure	**780**	**331**	**218**	**207**	**142**	**93**

PRODUCTION DATA

Production (tonnes)	2006	2005	2004	2003	2002	2001
South Africa						
Eskom	**34,821,200**	34,327,900	33,668,300	31,301,000	28,649,000	28,250,000
Trade Thermal	**22,754,000**	20,281,100	18,648,600	18,600,200	15,681,000	15,410,000
Trade Metallurgical	**1,768,200**	2,268,800	2,143,700	1,835,500	3,889,000	3,772,000
South Africa Total	**59,343,400**	**56,877,800**	**54,460,600**	**51,736,700**	**48,219,000**	**47,432,000**
Australia [1]						
Trade Thermal	**15,258,400**	15,214,800	17,378,800	17,025,400	16,341,000	15,982,000
Trade Metallurgical	**9,195,600**	9,390,300	8,203,800	9,100,000	8,679,000	8,300,000
Australia Total	**24,454,000**	**24,605,100**	**25,582,600**	**26,125,400**	**25,020,000**	**24,282,000**
South America						
Trade Thermal	**11,008,900**	10,066,000	9,589,600	8,728,400	6,937,000	5,829,000
Total Anglo Coal Production	**94,806,300**	**91,548,900**	**89,632,800**	**86,590,500**	**80,176,000**	**77,543,000**

South Africa						
Bank	**477,600**	3,202,200	2,733,100	3,225,000		
Greenside	**2,778,100**	2,730,000	2,754,800	2,712,400		
Goedehoop	**8,534,500**	6,298,600	6,462,100	5,961,500		
Isibonelo	**4,020,100**	1,358,300	–	–		
Kriel	**12,318,400**	12,030,900	11,059,500	10,984,300		
Kleinkopje	**3,898,400**	4,483,500	4,691,600	4,381,100		
Landau	**4,102,400**	3,682,900	3,474,100	3,508,000		
New Denmark	**5,508,500**	4,139,400	4,975,800	4,316,800		
New Vaal	**16,275,000**	17,100,000	17,312,000	16,000,000		
Nooitgedacht	**711,000**	794,400	676,600	647,600		
Mafube	**719,400**	1,057,600	321,000			
Total	**59,343,400**	**56,877,800**	**54,460,600**	**51,736,700**		
Australia						
Callide	**9,816,100**	9,500,000	9,355,300	8,520,600		
Drayton	**4,136,300**	4,099,000	4,278,800	4,286,100		
Dartbrook	–	–	2,268,100	2,432,500		
German Creek	**3,165,400**	3,560,000	4,047,600	3,802,000		
Jellinbah East	**887,400**	851,100	925,200	883,600		
Moranbah	**2,928,500**	3,432,800	1,125,900	3,158,900		
Dawson Complex	**3,520,300**	3,162,200	3,581,700	3,041,700		
Total	**24,454,000**	**24,605,100**	**25,582,600**	**26,125,400**		
South America						
Carbones Del Guasare	**1,531,700**	1,409,700	1,677,600	1,380,900		
Carbones Del Cerrejon	**9,477,200**	8,656,300	7,912,000	7,347,500		
Total	**11,008,900**	**10,066,000**	**9,589,600**	**8,728,400**		

[1] 2006 and 2005 exclude production at Dartbrook which was closed in the year. Production for Dartbrook was 792,000 tonnes in 2006 and 1,495,500 tonnes in 2005.

Anglo Coal attributable saleable production.

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). Rounding of figures may cause computational discrepancies. The Coal Resources are additional to those resources which have been modified to produce the Coal Reserves.

Anglo Coal – Coal Reserves

	Reported[2] %	Attributable[1] %	Classification	Tonnes million[3] 2006	Tonnes million[3] 2005	Saleable yield[4] % 2006	Saleable heat content[5] kcal/kg 2005	Tonnes million 2006	Tonnes million 2005
Export Metallurgical				ROM[1]	ROM[1]		GAR[5]	SALEABLE[1]	SALEABLE[1]
Australia			Proved	**387**	381	**77**	7,410	**311**	305
			Probable	**224**	252	**69**	7,130	**163**	185
	100	**68.1**	**Total**	**611**	**633**	**74**	**7,310**	**474**	**490**
South Africa			Proved	**5**	5	**61**	6,530	**3**	3
			Probable	**2**	3	**61**	6,470	**1**	2
	100	**100**	**Total**	**7**	**8**	**61**	**6,510**	**4**	**5**
Export Thermal									
Australia			Proved	**129**	152	**87**	6,440	**115**	134
			Probable	**29**	70	**89**	6,430	**26**	59
	100	**63.6**	**Total**	**158**	**222**	**88**	**6,440**	**141**	**193**
Colombia			Proved	**208**	239	**100**	6,130	**211**	241
			Probable	**65**	75	**100**	6,220	**66**	76
	33.3	**33.3**	**Total**	**272**	**314**	**100**	**6,150**	**277**	**317**
South Africa			Proved	**187**	204	**61**	6,210	**114**	122
			Probable	**283**	246	**60**	6,190	**172**	141
	97.6	**97.6**	**Total**	**470**	**450**	**60**	**6,200**	**287**	**263**
Venezuela			Proved	**37**	39	**100**	7,120	**38**	40
			Probable	–	–	–	–	–	–
	24.9	**24.9**	**Total**	**37**	**39**	**100**	**7,120**	**38**	**40**
Total Export			Proved	**951**	1,020	**81**	6,740	**793**	845
			Probable	**603**	646	**69**	6,570	**428**	463
			Total	**1,555**	**1,666**	**76**	**6,680**	**1,221**	**1,308**
Domestic Power Generation									
Australia			Proved	**211**	221	**98**	4,610	**206**	216
			Probable	**32**	32	**98**	4,530	**32**	31
	100	**100**	**Total**	**243**	**253**	**98**	**4,600**	**238**	**247**
South Africa			Proved	**551**	554	**95**	4,080	**537**	538
			Probable	**194**	270	**100**	4,870	**194**	270
	100	**100**	**Total**	**745**	**824**	**96**	**4,290**	**730**	**808**
Domestic Synfuels									
South Africa			Proved	**99**	106	**100**	5,240	**99**	106
			Probable	–	–	–	–	–	–
	100	**100**	**Total**	**99**	**106**	**100**	**5,240**	**99**	**106**
Total Domestic			Proved	**861**	882	**96**	4,350	**842**	860
			Probable	**226**	302	**100**	4,820	**225**	301
			Total	**1,087**	**1,184**	**97**	**4,450**	**1,067**	**1,161**
Total Coal Reserves			Proved	**1,813**	1,902	**88**	5,510	**1,635**	1,705
			Probable	**829**	948	**77**	5,970	**654**	764
			Total	**2,642**	**2,850**	**85**	**5,640**	**2,288**	**2,469**

Footnotes appear on page 75.

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.

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.

Anglo Coal – Coal Resources

	Reported[2]	Attributable[1]		Tonnes million[3]		Heat content[5] kcal/kg	
	%	%	Classification	2006	2005	2006	2005
Export Metallurgical				MTIS[6]	MTIS[6]	GAR[5]	GAR[5]
Australia			Measured	**150**	171	**6,990**	6,970
			Indicated	**172**	170	**6,890**	6,980
	100	**73.7**	**Measured and Indicated**	**323**	**341**	**6,940**	**6,980**
			Inferred in Mine Plan[7]	**14**	54	**7,120**	6,870
South Africa			Measured	**9**	9	**6,930**	6,920
			Indicated	**16**	16	**7,080**	7,080
	100	**100**	**Measured and Indicated**	**25**	**25**	**7,030**	**7,030**
			Inferred in Mine Plan[7]	–	–	–	–
Export Thermal							
Australia			Measured	**1**	47	**6,520**	6,420
			Indicated	**15**	22	**6,520**	6,140
	100	**82.7**	**Measured and Indicated**	**17**	**69**	**6,520**	**6,330**
			Inferred in Mine Plan[7]	**3**	6	**6,540**	6,540
Colombia			Measured	**68**	68	**6,520**	6,600
			Indicated	**330**	280	**6,210**	6,350
	33.3	**33.3**	**Measured and Indicated**	**398**	**348**	**6,270**	**6,400**
			Inferred in Mine Plan[7]	**1**	1	**7,220**	7,420
South Africa			Measured	**170**	303	**5,970**	5,900
			Indicated	**170**	191	**5,890**	6,100
	96.4	**96.4**	**Measured and Indicated**	**340**	**494**	**5,930**	**5,970**
			Inferred in Mine Plan[7]	**60**	85	**6,530**	5,850
Venezuela			Measured	–	–	–	–
			Indicated	**28**	33	**7,880**	7,590
	24.9	**24.9**	**Measured and Indicated**	**28**	**33**	**7,880**	**7,590**
			Inferred in Mine Plan[7]	–	–	–	–
Total Export			Measured	**398**	598	**6,470**	6,340
			Indicated	**731**	712	**6,390**	6,500
			Measured and Indicated	**1,129**	**1,310**	**6,420**	**6,430**
			Inferred in Mine Plan[7]	**78**	147	**6,650**	6,270
Domestic Power Generation							
Australia			Measured	**251**	253	**5,000**	5,000
			Indicated	**353**	354	**4,800**	4,670
	100	**100**	**Measured and Indicated**	**604**	**607**	**4,880**	**4,810**
			Inferred in Mine Plan[7]	**1**	1	**3,770**	3,770
South Africa			Measured	**109**	131	**4,170**	4,200
			Indicated	**91**	92	**4,900**	5,060
	100	**100**	**Measured and Indicated**	**200**	**223**	**4,500**	**4,560**
			Inferred in Mine Plan[7]	**66**	45	**4,640**	5,070
Domestic Synfuels							
South Africa			Measured	–	–	–	–
			Indicated	**26**	26	**5,330**	5,330
	100	**100**	**Measured and Indicated**	**26**	**26**	**5,330**	**5,330**
			Inferred in Mine Plan[7]	–	–	–	–
Total Domestic							
			Measured	**360**	384	**4,750**	4,730
			Indicated	**470**	472	**4,850**	4,780
			Measured and Indicated	**830**	**856**	**4,810**	**4,760**
			Inferred in Mine Plan[7]	**67**	46	**4,620**	5,040
Total Mine Leases							
			Measured	**758**	982	**5,650**	5,710
			Indicated	**1,201**	1,184	**5,790**	5,810
			Measured and Indicated	**1,959**	**2,166**	**5,730**	**5,770**
			Inferred in Mine Plan[7]	**144**	192	**5,710**	5,960

Footnotes appear on page 75.

RESERVES AND RESOURCES DATA (CONTINUED)

Anglo Coal – Coal Resources[6]

Projects	Reported[2] %	Attributable[2] %	Classification	Tonnes[3] million 2006	Tonnes[3] million 2005	Heat content[5] kcal/kg 2006	Heat content[5] kcal/kg 2005
Export Metallurgical				MTIS[6]	MTIS[6]	GAR[5]	GAR[5]
Australia			Measured	**489**	370	**6,280**	6,310
			Indicated	**734**	390	**6,390**	6,500
	100	**81.0**	**Measured and Indicated**	**1,223**	**760**	**6,350**	**6,410**
China			Measured	**110**	–	**6,540**	–
			Indicated	**389**	–	**6,600**	–
	100	**60.0**	**Measured and Indicated**	**499**	**–**	**6,590**	**–**
South Africa			Measured	**285**	210	**4,830**	5,080
			Indicated	**1,311**	2,245	**4,640**	4,430
	100	**100**	**Measured and Indicated**	**1,596**	**2,455**	**4,670**	**4,490**
Total Projects			Measured	**883**	580	**5,840**	5,860
			Indicated	**2,435**	2,635	**5,480**	4,740
			Measured and Indicated	**3,318**	**3,215**	**5,580**	**4,940**

Mine Leases and Projects	Classification	Tonnes[3] million 2006	Tonnes[3] million 2005	Heat content[5] kcal/kg 2006	Heat content[5] kcal/kg 2005
		MTIS[6]	MTIS[6]	GAR[5]	GAR[5]
Total Coal Resources	Measured	**1,641**	1,562	**5,760**	5,770
	Indicated	**3,636**	3,819	**5,580**	5,070
	Measured and Indicated	**5,277**	**5,381**	**5,640**	**5,280**
	Inferred in Mine Plan[7]	**144**	192	**5,710**	5,970

Brown Coal Resources	Reported[2] %	Attributable[2] %	Classification	Tonnes[3] million 2006	Tonnes[3] million 2005	Heat content[5] kcal/kg 2006	Heat content[5] kcal/kg 2005
				MTIS[6]	MTIS[6]	GAR[5]	GAR[5]
Australia			Measured	**4,028**	–	**1,820**	–
			Indicated	**2,448**	–	**1,790**	–
	100	**100**	**Measured and Indicated**	**6,476**	**–**	**1,810**	**–**

Anglo Coal – Gas Reserves[8]

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

Coal Bed Methane	Reported[2] %	Attributable[2] %	Classification	Volume[8] million m³ 2006	Volume[8] million m³ 2005	Energy content[8] PJ 2006	Energy content[8] PJ 2005
				SALEABLE[8]	SALEABLE[8]	SALEABLE[8]	SALEABLE[8]
Australia			Proved: 1P	**1,814**	456	**68**	17
			Probable: 2P-1P	**2,875**	724	**107**	27
	100	**51.0**	**Total 2P**	**4,689**	**1,180**	**175**	**44**

(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 2006 only. For the 2005 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 on a Gross As Received (GAR) basis. The coal quality for the Coal Resources is reported on an in situ heat content Gross As Received (GAR) 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) 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.

(7) Inferred in Mine Plan refers to Inferred Coal Resources that are included in the life of mine schedule of the respective Collieries but which are not reported as Coal Reserves.

(8) Gas Reserves are reported in terms of saleable volume (million cubic metres) and saleable energy (Petajoules (PJ), or one thousand trillion Joules).

Footnotes

Material changes to Run of Mine (ROM) Coal Reserves from 2005 to 2006 (excluding depletion by mining):

Export Thermal – **Australia:** The decrease is due mainly to the closure of Dartbrook and the re-allocation of Coal Reserves to Coal Resources (55 Mt).

Export Thermal – **Colombia:** The decrease is mainly due to a reduction in recovery extraction factors applied to the life of mine plan at Cerrejon (25 Mt).

Domestic Power Generation – **South Africa:** The decrease is primarily due to a decrease in New Denmark extraction factors (27 Mt) and the transfer of Mafube reserves from Domestic Power Generation to Export Thermal (23 Mt).

Material changes to Coal Resources (Mine Leases) from 2005 to 2006:

Export Metallurgical – **Australia:** The decrease is attributed mainly to the exclusion of Inferred Resources in the mine plan due to change in mining layout at Dawson North (40 Mt).

Export Thermal – **Australia:** The decrease is mainly due to the closure of Dartbrook and the transfer to Projects (69 Mt).

Export Thermal – **Colombia:** The increase is as a result of the inclusion of Cerrejón Sur resources (50 Mt).

Export Thermal – **South Africa:** The decrease is brought about by the rationalisation of resources in the Elders Block (52 Mt), the conversion of Coal Resources to Coal Reserves at Goedehoop (25 Mt) and at Greenside (42 Mt), the exclusion of resources as a result of a change in economic assumptions at Kleinkopje (64 Mt) and at Landau (22 Mt). This is offset by the transfer of resources at Mafube from Domestic Power Generation to Export Thermal (29 Mt).

Export Thermal – **Venezuela:** The decrease is as a result of resource block refinement following exploration drilling at Guasare (5 Mt).

Material changes to Coal Resources (Projects) from 2005 to 2006:

Australia: The increase is due mainly to the inclusion of resources at Theodor South (262 Mt) and Dartbrook (222 Mt).

China: The increase is the result of the JV with the Shanxi Geological Bureau and initial assessment of the Xiwan resources (499 Mt).

South Africa: The decrease is attributed to:
Elders: Change in cut-off parameters and resource sterilisation by wetland (80 Mt);
Mafube: Transfer to Export Thermal with the approval of the Mafube Project (51 Mt);
Vaalbank: Re-allocation from Indicated Coal Resources to Inferred Coal Resources due to re-evaluation of the coal quality model in line with Anglo Coal standards (744 Mt);
South Rand: Inclusion of resources (18 Mt).

Material changes to Brown Coal Resources from 2005 to 2006:

Australia: The increase is due to the initial evaluation of the Brown Coal Resources at Monash Energy (6,476 Mt).

Material changes to Gas Reserves from 2005 to 2006:

Australia: The increase in Coal Bed Methane Gas Reserves is due to the acquisition of the Origin gas properties. (3,509 million m^3).

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

As at 31 December 2006, a total of 40.1 million tonnes of the reported Coal Resources in Projects were associated with two applications for new order Prospecting Rights that have been initially refused and are now the subject of ongoing legal process and discussions with the relevant authorities. Anglo Coal currently expects that the outcome of such review and discussions will be favourable and accordingly the relevant resources have been included in the statement.

Audits

Audits were carried out in 2006 on the following operations and project areas:

South Africa: Isibonelo, Maccauvlei East, Elders, Vaalbank.

Australia: Callide Coalfields (Boundary Hill Ext.), German Creek, Grosvenor.

Canada: Further to the formation of Peace River Coal JV at the end of 2006 a statement of Reserves and Resources will be prepared for the 2008 Annual Report.

PROJECT PIPELINE

1. Cerrejon
Colombia

Ownership	**33% Anglo Coal**
Incremental production (attributable)	**1 Mtpa**
Full project capex	**$43 m (Anglo Coal share)**
Full production	**2008**

The Cerrejon operation was expanded to 28 Mtpa output in 2006. The second extension to 32 Mtpa will commence in 2007 to reach full production in 2008. A feasibility study is underway to investigate a possible expansion beyond 32 Mtpa.

2. Peace River Coal
Canada

Ownership	**60% Anglo Coal**
Incremental production (attributable)	**Phase 1 Trend only (exc. Roman) 2 mtpa**
Full project capex	**C$50 m**
Full production	**2008**

Peace River Coal commenced operations in late 2006 and began commissioning the recently modified Trend mine coal preparation plant in north east British Columbia. Commercial production of export metallurgical coal is anticipated during 2007 increasing to 2Mtpa output in 2008.

3. Dawson
Australia

Ownership	**51% Anglo Coal**
Incremental production (attributable)	**2.9 Mtpa**
Full project capex	**$426 m (Anglo Coal share)**
Full production	**2007**

The Dawson project includes the recapitalisation of the existing coal operations at Moura in central Queensland, Australia and the establishment of two additional operations on adjacent tenures. This will increase production by 5.7 Mtpa in 2007, of which Anglo Coal will own 2.9 Mtpa. In 2006, Dawson received additional heavy mining equipment as part of this incremental expansion, with production up 11% in the year.

4. Lake Lindsay (part of the German Creek complex)
Australia

Ownership	**70% Anglo Coal**
Incremental production (attributable)	**2.8 Mtpa**
Full project capex	**$361 m (Anglo Coal share)**
Full production	**2008**

In 2006, work got underway on the Lake Lindsay project, which will extend open cut mining from the Capcoal operation. The project is proceeding as planned, with first coal scheduled for 2008.

5. Mafube
South Africa

Ownership	**50% Anglo Coal**
Incremental production (attributable)	**2.5 Mtpa**
Full project capex	**$132 m (Anglo Coal share)**
Full production	**2008**

The plant commissioning is expected to commence in September 2007 with production (Export and Eskom) commencing in October 2007. The colliery has a life of 20 years from date of first production.

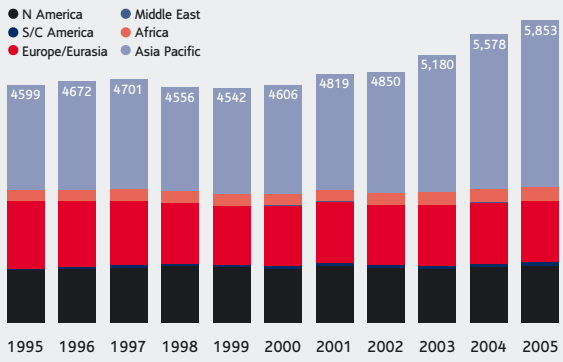
6. Goedehoop: Plant Fine Coal Beneficiation
South Africa

Ownership	**100% Anglo Coal**
Incremental production (attributable)	**0.4 Mtpa**
Full project capex	**$21m (Anglo Coal share)**
Full production	**2007**

Work started on the Goedehoop project during October 2005. The project is almost completed and commissioning is estimated to take place in the second quarter of 2007 and production shortly thereafter.

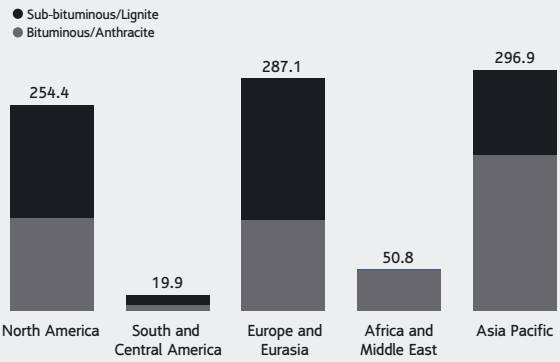
World coal production

million tonnes



Source: BP Statistical Review of World Energy

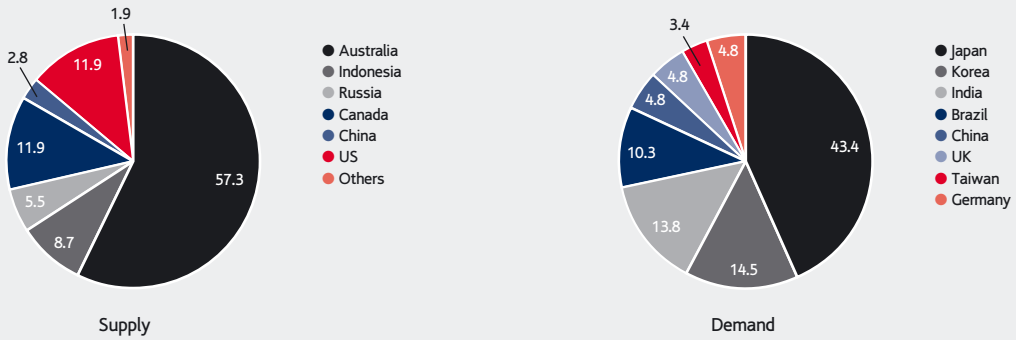
2005 proven coal reserves by type and region



Source: BP Statistical Review of World Energy

International seaborne metallurgical coal, 2005

%

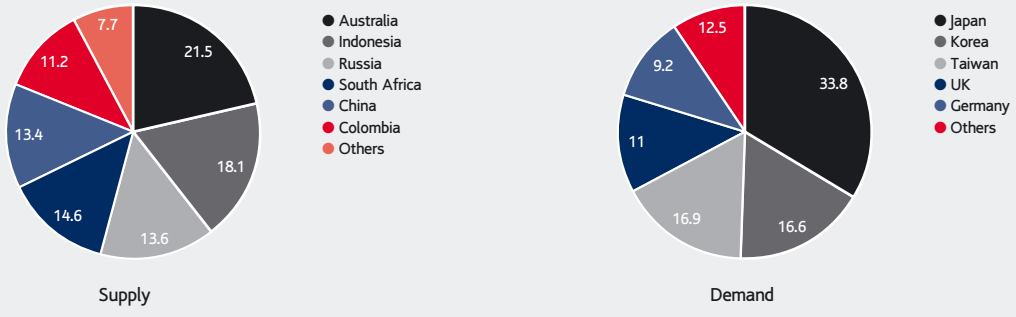


Source: WCI

Source: WCI

International seaborne thermal coal, 2005

%

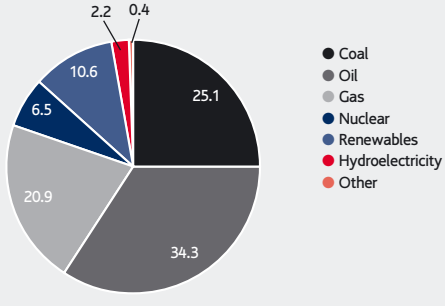


Source: WCI

Source: WCI

World energy consumption by fuel, 2004

%



Source: WCI

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).

OVERVIEW

2006 overview

- Completion of strategic review facilitates continuous improvement both operationally and commercially
- Tarmac's international businesses increase their contribution by 5%
- Tarmac acquires assets in Turkey and Romania for first time
- Work underway on Tarmac's largest ever contract – resurfacing a stretch of England's M1 motorway

EBITDA

2006	$580m
2005	$618m

Operating profit

2006	$336m
2005	$370m

Business overview

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's UK organisation comprises two business units: Aggregate Products and Building Products. These units are supported by a shared service centre based in Wolverhampton.

Aggregate Products comprises aggregates, asphalt, contracting, recycling and ready-mixed concrete. The organisation is based on seven geographical areas, enabling local customer focus.

Building Products comprises those businesses that have essentially national markets. These include cement, lime, mortar and concrete products.

Tarmac's International Business is a combination of seven different businesses operating in ten countries, with a centralised management team in Frankfurt.

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 share of the concrete products markets. Tarmac has recently entered Turkey and acquired a developing business in Romania, involving interests in quarries and ready-mixed concrete. Copebras is a leading Brazilian producer of phosphate fertilisers.

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 is 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 plants.

Previous page:
Close up of concrete. Anglo's two Industrial Mineral subsidiaries are Tarmac and Copebras.

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 and bespoke engineered pre-cast elements.

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.

Recycled products
Tarmac also offers a full range of recycled construction products, including high performance, specialist products for wide range of applications. Suitable for a wide range of applications, FoamMaster is a cost-effective, 95% sustainable system using recycled road arisings and other recycled aggregates to produce new binder course and base materials. Combining proven foamed bitumen technology with cold mix production and paving, FoamMaster has numerous positive environmental and health and safety benefits.

Industry overview

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

The cement market too 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.

This highly competitive and consolidated marketplace coupled with weak demand resulted in the construction industry experiencing challenging market conditions over the past few years. Market conditions in the UK are expected to remain challenging with weak demand in some sectors, including infrastructure. Volatility of energy prices and the impact that has on cement and distribution costs will also continue to affect the industry.

In addition, tighter planning regimes will inevitably lead to current holdings of consented mineral reserves becoming more valuable over time.

Strategy and business development

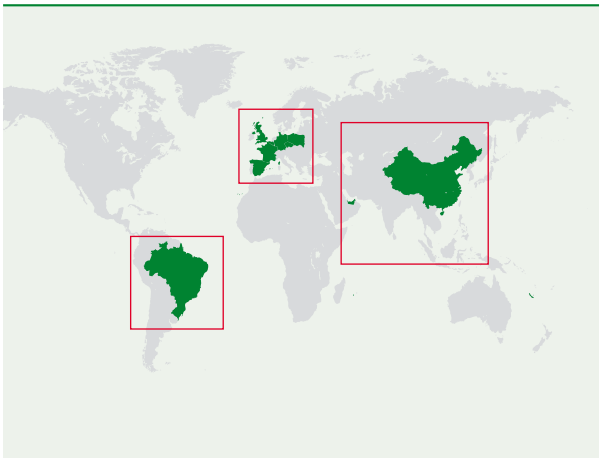
Tarmac's strategy is to maximise shareholder value by exploiting its core competitive advantage of consented reserves in established territories and continuing acquisitive and organic growth in selected territories which are growing and where high standards of operation are valued. It will focus on the UK and Europe, with increasing emphasis on Central and Eastern Europe, where it can develop businesses of scale; it will focus on aggregates and downstream activities where the latter protects routes to market for aggregates. It will continue to focus on the active management of its portfolio to optimise its returns to shareholders.

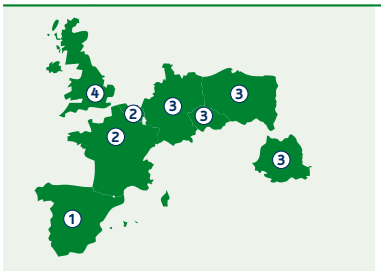
During 2005, Tarmac was restructured to deliver improved and sustainable financial performance by creating an effective, efficient and enterprising organisation that is reliable, straightforward, understanding and responsive in its relationships with customers.

Tarmac continues to seek opportunities to add further value to its business. Several programmes are underway across the UK and international businesses, which will deliver improvements in business performance and lay the foundations of a culture of continuous improvement in a wider range of businesses.

Specific strategies are:
- to become the supplier of 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 that is targeted to produce annual savings through economies of scale in group-wide procurement;
- capital expenditure to reduce cost and improve productivity.

AROUND THE WORLD





Europe

① 100% Tarmac Iberia (Spain)
② 100% Tarmac France (France and Belgium)
③ 100% Tarmac Central Europe (Germany, Poland, Czech Republic and Romania (60%))
④ 100% Tarmac UK

The Tarmac Group has strong positions in Central Europe (E Germany, Poland and the Czech Republic), France and Spain. It has entered Romania and Turkey where the markets offer strong growth prospects.

Brazil

① 73% Copebrás Cubatão
② 73% Copebrás Catalão

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

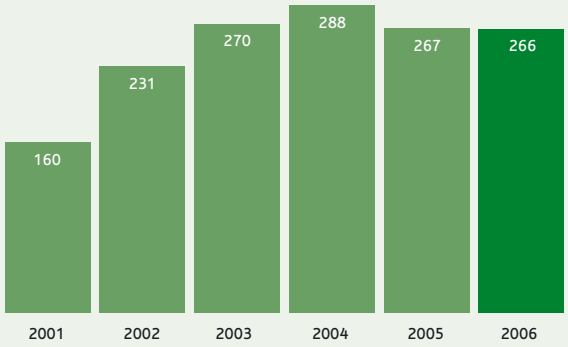
① 100% Tarmac China
② 100% Tarmac Middle East

The Tarmac Group has good market positions in the Middle East, principally in a 49% owned joint venture in the UAE, which operates an integrated asphalt and aggregates business. In China, Tarmac has asphalt businesses in Shanghai and a quarry operation in Yang, some three hours' driver from Shanghai, but well placed to serve the Shanghai market.

FINANCIAL HIGHLIGHTS

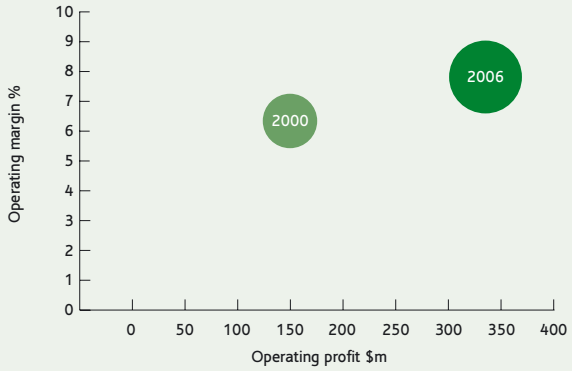
Six-year underlying earnings

$m



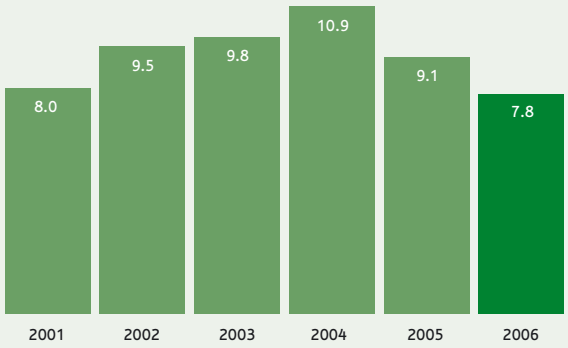
Scale and profitability growth

bubble size represents turnover



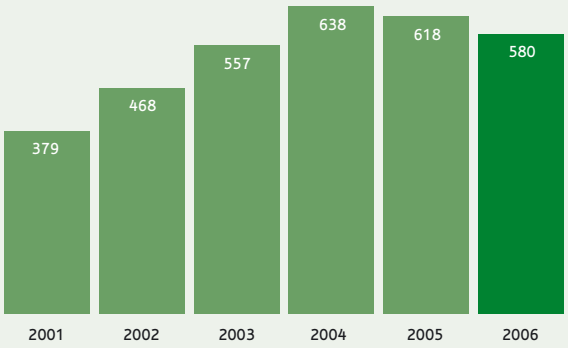
Operating margin

%



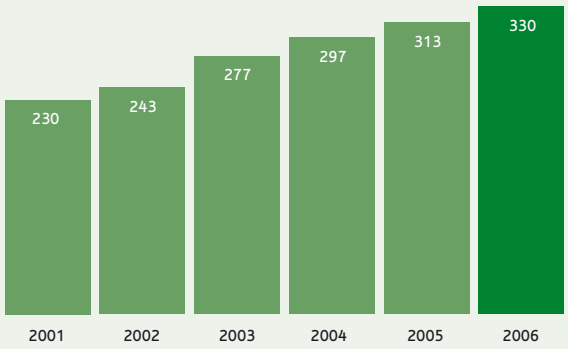
EBITDA

$m



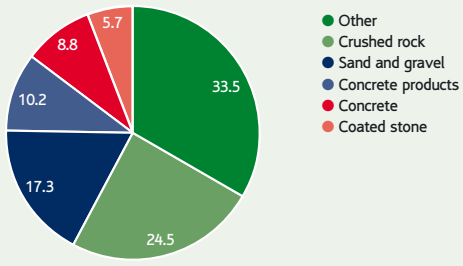
Turnover per employee

$'000



Operating profit by product 2006

%



FINANCIAL DATA

Turnover (US$ million)	2006	2005	2004	2003	2002	2001
Subsidiaries	**4,274**	4,043	3,833	3,196	2,811	2,432
Joint Ventures	**–**	–	–	100	76	70
Associates	**17**	30	25	22	25	25
Total turnover	**4,291**	**4,073**	**3,858**	**3,318**	**2,912**	**2,527**
Of which:						
Tarmac	**4,009**	3,784	3,596	3,129	–	–
Copebrás	**282**	289	262	189	–	–
EBITDA	**580**	**618**	**638**	**557**	**468**	**379**
Of which:						
Tarmac	**539**	570	556	510	–	–
Copebrás	**41**	48	82	47	–	–
Depreciation and amortisation	**244**	**248**	**217**	**229**	**188**	**178**
Operating profit before special items and remeasurements	**336**	**370**	**421**	**325**	**277**	**201**
Operating special items and remeasurements	**(297)**	**(16)**	**(9)**	**–**	**–**	**–**
Operating profit after special items and remeasurements	**39**	**354**	**412**	**325**	**277**	**201**
Net interest, tax and minority interests	**(70)**	**(103)**	**(133)**	**(108)**	**(92)**	**(83)**
Underlying earnings	**266**	**267**	**288**	**270**	**231**	**160**
Of which:						
Tarmac	**258**	256	259	256	214	147
Copebrás	**8**	11	29	14	17	13
Net segments assets	**4,524**	**3,982**	**4,480**	**4,304**	**3,848**	**3,246**
Capital expenditure	**298**	**274**	**304**	**316**	**363**	**205**

PRODUCTION DATA

Production		2006	2005	2004	2003	2002	2001
Aggregates	tonnes	**92,968,200**	85,887,000	77,579,000	67,158,100	63,928,400	64,112,000
Lime products	tonnes	**1,428,900**	1,428,100	1,185,700	893,800	871,000	926,000
Concrete	m^3	**8,526,800**	8,353,200	8,310,800	7,874,600	6,955,700	6,627,400
Sodium tripolyphosphate	tonnes	**71,100**	106,000	115,700	88,800	88,200	91,500
Phosphates	tonnes	**901,500**	1,036,200	1,169,300	1,040,300	734,600	820,500

RESERVES 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. 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.

Phosphate products – Ore Reserves

	Attributable		Tonnes million		Grade	
	%	Classification	2006	2005	2006	2005
Copebrás (OP)[1]	73.0					
					$\%P_2O_5$	$\%P_2O_5$
		Proved	**84.3**	48.0	**13.3**	12.9
		Probable	**152.3**	69.7	**13.4**	13.6
		Total	**236.6**	**117.7**	**13.3**	**13.3**

Phosphate products – Mineral Resources

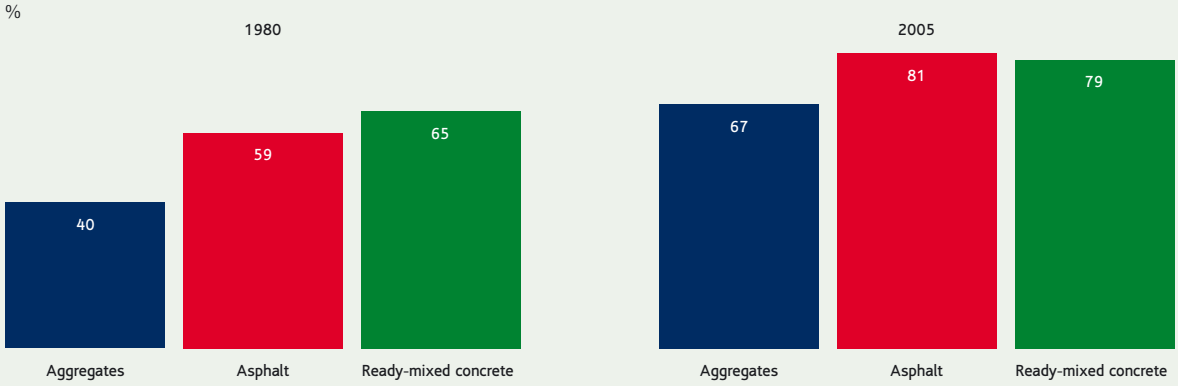
	Attributable		Tonnes million		Grade	
	%	Classification	2006	2005	2006	2005
Copebrás (OP)[2]	73.0					
					$\%P_2O_5$	$\%P_2O_5$
		Measured	**0.5**	4.4	**12.4**	12.9
		Indicated	**20.3**	27.8	**11.4**	13.6
		Measured and Indicated	**20.9**	32.2	**11.4**	13.5
		Inferred in Mine Plan	**15.8**	–	**12.9**	–

[1] **Copebrás:** The majority of the increase is due to exploration, subsequent model update to include area FFG04 (mining permit application submitted, but not yet approved) and conversion of resources to reserves from areas 5 and Old Mine.

[2] **Copebrás:** Decrease in Measured and Indicated Resources due to updated modelling and the conversion of resources to reserves. Inferred in Mine Plan not reported in 2005.

MARKET INFORMATION

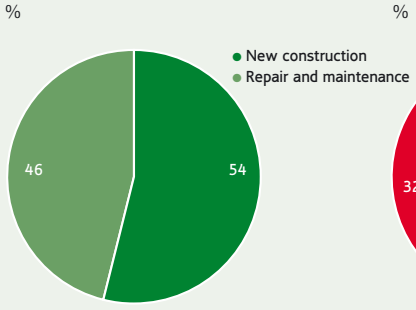
UK consolidation – top five market shares



Demand drivers – construction output and aggregate volume

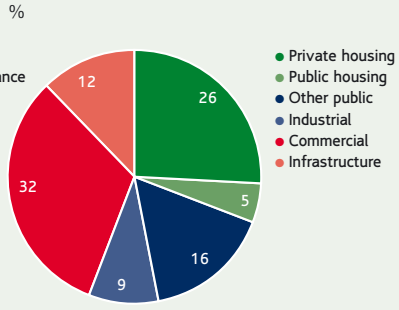
Source: Department of Trade & Industry, ODPM, Tarmac estimates

2006 estimated UK value of construction market



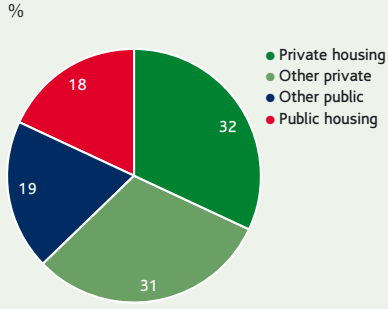
Source: Department of Trade & Industry

New construction market structure by value



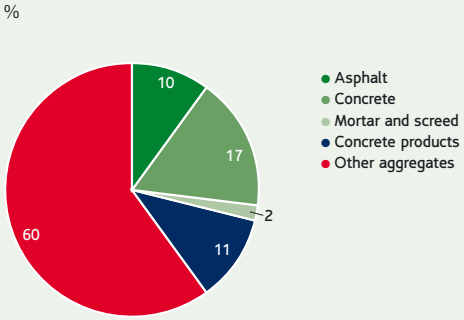
Source: Department of Trade & Industry

Repair and maintenance market structure by value



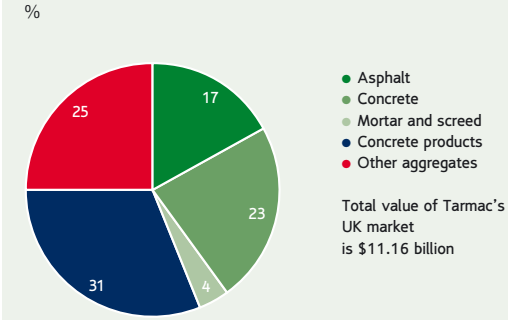
Source: Department of Trade & Industry

UK market by product volume



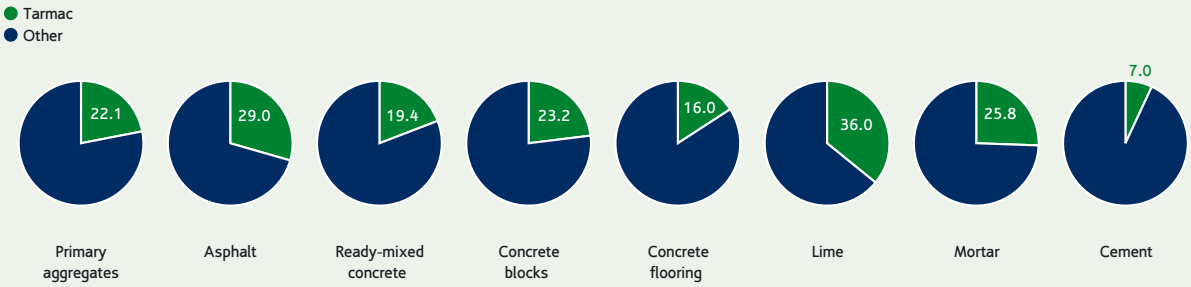
Source: Tarmac estimates

UK market by product value



Source: Tarmac estimates

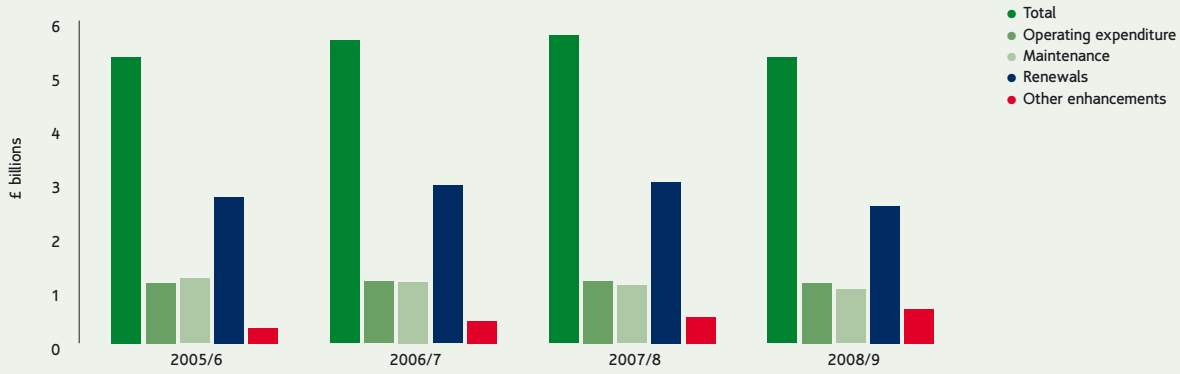
Tarmac share of UK heavy side building materials



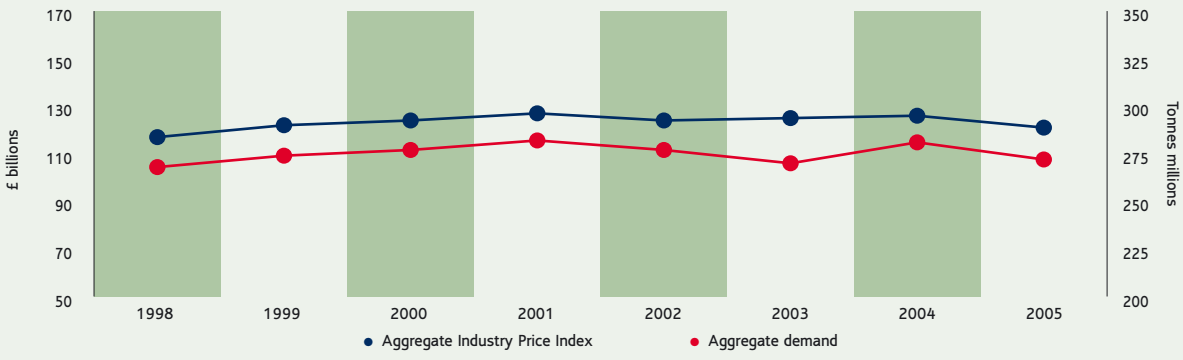
Strategic road expenditure in UK

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

Strategic rail plan



Aggregate price and volume trends



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

A leading gold producer

Anglo American's gold interests are represented by its 41.7% interest in AngloGold Ashanti, one of the world's leading gold producers, with operations in Africa, North and South America and Australia.

OVERVIEW

2006 overview

- Strategic alliances established in Russia and being pursued in China
- Continuing investor interest in gold
- The gold price has risen for six years in succession

EBITDA

2006 **$843m**

2005 **$871m**

Operating profit

2006 **$467m**

2005 **$332m**

Business overview

AngloGold Ashanti is one of the world's largest gold producers, with production of 5.64 million ounces of gold in 2006 and has extensive reserves and resources. The company 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 US, and employs approximately 61,000 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 15 countries.

The company 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 in Australia was approved by the AngloGold Ashanti board in March 2006. Production is scheduled to commence in late 2008, early 2009.

AngloGold Ashanti also continues to build on its strategy of seeking out partnerships with junior exploration and mining companies in regions outside the world's mainstream mining areas. In these partnerships, the company, 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, China, the Philippines and Alaska.

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, it is able to take advantage of downstream opportunities for potential value capture and help to ensure a healthy customer base.

Industry overview

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.

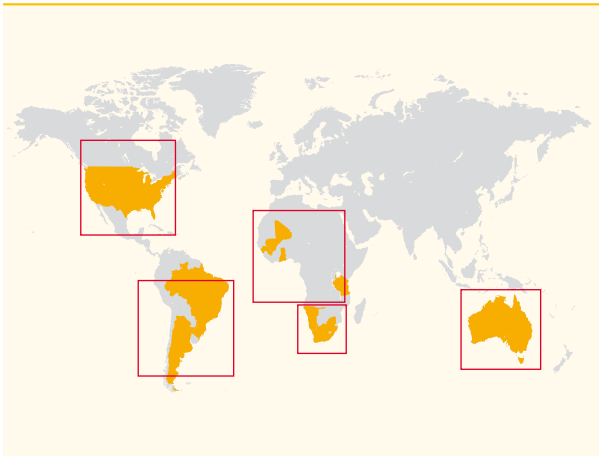
Apart from gold's status as the 'ultimate store of value' (estimates are that the world's central banks hold approximately 33,000 tonnes), the overwhelming use for gold is in jewellery. On average, over the past decade, demand for gold from the jewellery industry has consistently outstripped newly mined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

Previous page:
Gold leaf. Anglo American holds a 41.7% interest in Anglo Gold Ashanti, one of the world's leading gold producers.

Strategy

- 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;
- its value adding growth strategy will remain a core focus 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, not least in new regions such as Russia, Laos, the Philippines, China 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 from the geologist's search for a deposit through to the consumer;
- the company is committed to developing the market for gold. Its 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 2006, AngloGold Ashanti spent some $16 million on gold marketing initiatives, of which the majority was spent through the World Gold Council. Gold marketing expenditure by AngloGold Ashanti in 2005 and 2004 amounted to $13 million and $15 million, respectively. Independently of its support for the World Gold Council, AngloGold Ashanti is active in a number of other marketing projects that support gold. It remains the only gold company in the world to have committed this level of resource to the marketing of the metal it produces;
- 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 improve product standards through technology, design and innovation;
- 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;
- the company is now looking outside of the world's mature gold regions and has exploration projects in Africa in the Democratic Republic of Congo and in South America in Colombia. In Russia, AngloGold Ashanti has announced the formation of a strategic alliance with Polymetal. Strategic alliances are being pursued in China to allow the company to successfully extract value from a region undergoing significant regulatory change. Exploration partnerships in the Philippines and Laos have resulted in land positions being acquired in several prospective areas.

AROUND THE WORLD



Key
- Underground
- Open Cut
- Other

Southern Africa

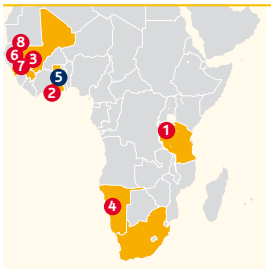
1	100%	Great Noligwa
2	100%	Kopanang
3	100%	Moab Khotsong
4	100%	Mponeng
5	100%	Tau Lekoa
6	100%	TauTona
7	100%	Savuka

AngloGold Ashanti wholly owns its South African mining operations, comprising seven 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 comprise the West Wits operations near the town of Carletonville.

Australia

1	100%	Sunrise Dam
2	33.33%	Boddington

AngloGold Ashanti has two mines in Australia, Sunrise Dam and Boddington, both located in the western part of the country. The Sunrise Dam mine is 100% owned by AngloGold Ashanti, while the Boddington project, which is currently under construction and in which AngloGold Ashanti holds 33.33% equity, is a joint venture with Newmont Mining Corporation.



East and West Africa

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

AngloGold Ashanti has two operations in Ghana, Obuasi and Iduapriem. The sale of the third operation, Bibiani, was completed on 1 December 2006 and thus contributed to AngloGold Ashanti for 11 months of the year.

The Siguiri mine is AngloGold Ashanti's only operation in the Republic of Guinea. The government of Guinea has a 15% stake in the mine with the balance of 85% being held by AngloGold Ashanti.

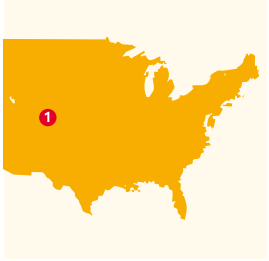
AngloGold Ashanti has interests in three operations in Mali: Sadiola (38% ownership), Yatela (40% ownership) and Morila (40% ownership).

AngloGold Ashanti has one, wholly owned operation in Namibia – Navachab – and one, wholly owned operation in Tanzania, the Geita mine.

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

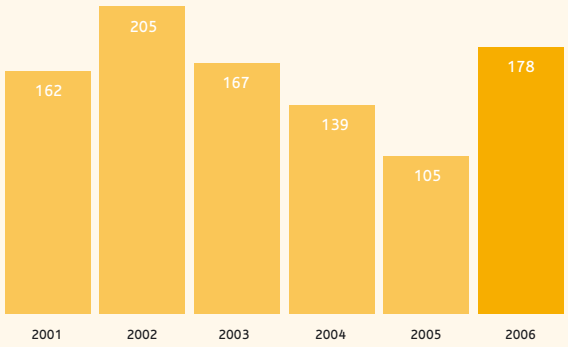
1	67%	Cripple Creek and Victor

Cripple Creek & Victor (CC&V) is AngloGold Ashanti's only operation in the United States and is located in the state of Colarado. The mine is 67% owned by AngloGold Ashanti with 100% interest in the gold produced.

FINANCIAL HIGHLIGHTS

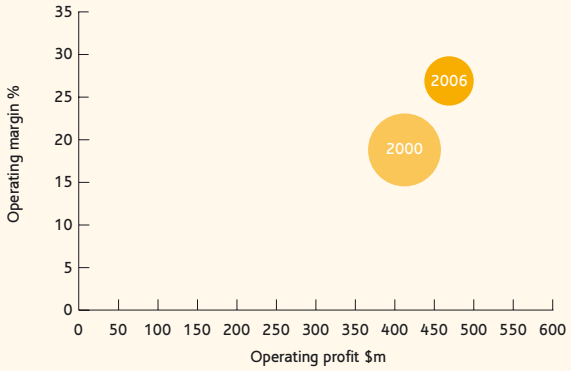
Six-year underlying earnings

$m



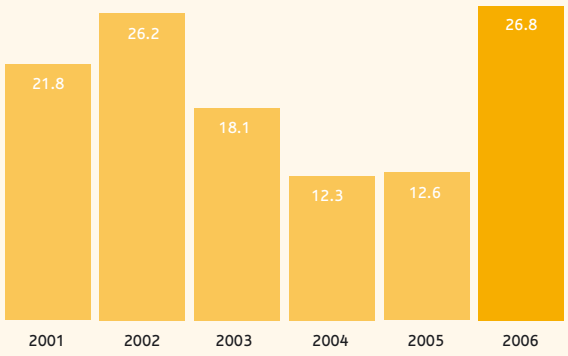
Scale and profitability growth

bubble size represents production in troy ounces



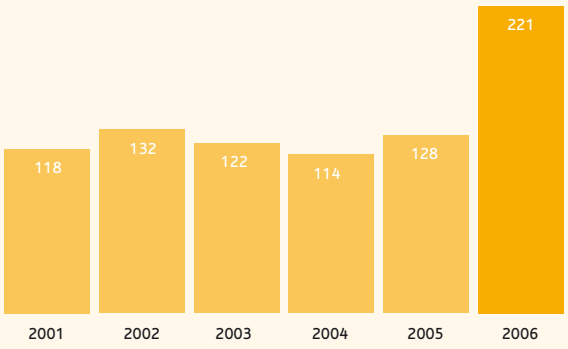
Operating margin

%



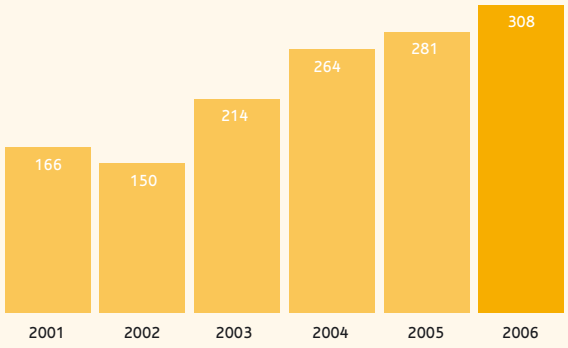
Production per employee

oz/employee



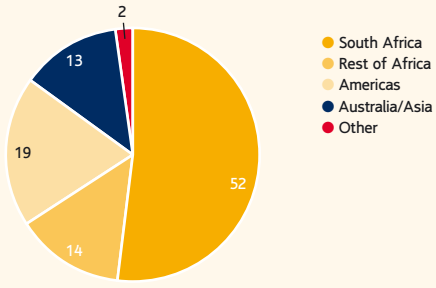
Cash cost

$/oz



2006 group adjusted gross profit by region

%



FINANCIAL DATA

Production (troy ounces)	2006	2005	2004	2003	2002	2001
South Africa	1,506,500	2,676,000	2,857,000	3,281,000	3,412,000	4,669,700
North and South America	486,400	887,000	874,000	922,000	940,000	937,000
Australia and Asia	260,900	455,000	410,000	432,000	502,000	508,600
Rest of the world	1,063,400	2,148,000	1,688,000	981,000	1,085,000	867,800
Total	3,317,200	**6,166,000**	**5,829,000**	**5,616,000**	**5,939,000**	**6,983,100**

Turnover (US$ million)	2006	2005	2004	2003	2002	2001
Subsidiaries	857	2,629	2,396	1,718	1,450	1,768
Joint Ventures	–	–	–	312	312	260
Associates	883	15	13	11	7	–
Total turnover	1,740	**2,644**	**2,409**	**2,041**	**1,769**	**2,028**
EBITDA	843	**871**	**694**	**642**	**747**	**699**
Depreciation and amortisation	183	**538**	**398**	**212**	**213**	**187**
Operating profit before special items and remeasurements	467	**332**	**296**	**369**	**463**	**443**
Operating special items and remeasurements	476	**384**	**(1)**	**(43)**	**–**	**–**
Operating profit after special items and remeasurements	(9)	**(52)**	**295**	**326**	**463**	**443**
Net interest, tax and minority interests	(289)	**(227)**	**(157)**	**(243)**	**(297)**	**(311)**
Total underlying earnings	178	**105**	**139**	**167**	**205**	**162**
Net segment assets	–	**6,982**	**7,124**	**3,302**	**2,511**	**2,086**
Capital expenditure	196	**722**	**585**	**339**	**246**	**243**

PRODUCTION DATA

		2006	2005	2004	2003	2002	2001
Great Noligwa – South Africa							
Attributable gold production	000 oz	615	693	795	812	880	1004
Total cash costs	$/oz	261	264	231	193	124	122
Kopanang – South Africa							
Attributable gold production	000 oz	446	482	486	497	511	494
Total cash costs	$/oz	291	277	281	223	165	178
Moab Khotsong – South Africa							
Attributable gold production	000 oz	44	–	–	–	–	–
Total cash costs	$/oz	655	–	–	–	–	–
Tau Lekoa – South Africa							
Attributable gold production	000 oz	176	265	293	322	311	286
Total cash costs	$/oz	440	410	370	263	192	203
Surface operations – South Africa							
Attributable gold production	000 oz	113	95	119	–	–	–
Total cash costs	$/oz	281	287	250	–	–	–
Mponeng – South Africa							
Attributable gold production	000 oz	596	512	438	499	466	366
Total cash costs	$/oz	237	279	322	221	178	223
Savuka – South Africa							
Attributable gold production	000 oz	89	126	158	187	236	240
Total cash costs	$/oz	336	430	455	411	245	248
TauTona – South Africa							
Attributable gold production	000 oz	474	502	568	646	643	622
Total cash costs	$/oz	269	256	245	171	132	154
Cerro Vanguardia (92.5%) – Argentina							
Attributable gold production	000 oz	215	211	211	209	179	136
Total cash costs	$/oz	225	171	156	143	104	133
Sunrise Dam – Australia							
Attributable gold production	000 oz	465	455	410	358	382	295
Total cash costs	$/oz	298	269	260	228	177	153
Union Reefs – Australia							
Attributable gold production	000 oz	–	–	–	74	118	114
Total cash costs	$/oz	–	–	–	272	224	230
AngloGold Ashanti Brazil Mineração							
Attributable gold production	000 oz	242	96	94	95	94	96
Total cash costs	$/oz	198	158	134	109	100	107
Bibiani – Ghana							
Attributable gold production	000 oz	37	115	105	–	–	–
Total cash costs	$/oz	437	305	251	–	–	–
Iduapriem (85%) – Ghana							
Attributable gold production	000 oz	167	174	125	–	–	–
Total cash costs	$/oz	368	348	303	–	–	–
Obuasi – Ghana							
Attributable gold production	000 oz	387	391	255	–	–	–
Total cash costs	$/oz	395	345	305	–	–	–
Siguiri (85%) – Guinea							
Attributable gold production	000 oz	256	246	83	–	–	–
Total cash costs	$/oz	399	301	443	–	–	–

PRODUCTION DATA (CONTINUED)

		2006	2005	2004	2003	2002	2001
Morila (40%) – Mali							
Attributable gold production	000 oz	**207**	262	204	318	421	252
Total cash costs	$/oz	**275**	191	184	108	74	103
Sadiola (38%) – Mali							
Attributable gold production	000 oz	**190**	168	174	172	182	204
Total cash costs	$/oz	**270**	265	242	210	163	131
Yatela (40%) – Mali							
Attributable gold production	000 oz	**141**	98	97	87	107	52
Total cash costs	$/oz	**228**	263	255	235	174	149
Navachab – Namibia							
Attributable gold production	000 oz	**86**	81	67	73	85	87
Total cash costs	$/oz	**265**	321	348	274	147	164
Geita (50% holding to 26 April 2004 and 100% from this date) – Tanzania							
Attributable gold production	000 oz	**308**	613	570	331	290	273
Total cash costs	$/oz	**497**	298	250	183	175	147
Cripple Creek and Victor Joint Venture – US							
Attributable gold production	000 oz	**283**	330	329	283	225	214
Total cash costs	$/oz	**248**	230	220	199	187	187
Freda – Rebecca – Zimbabwe							
Attributable gold production	000 oz	**–**	–	9	–	–	–
Total cash costs	$/oz	**–**	–	417	–	–	–

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 (eg The South African Code for Reporting of Mineral Resources and Mineral Reserves, The SAMREC Code, 2000). Rounding of figures may cause computational discrepancies. AngloGold Ashanti reports Mineral Resources 'as inclusive of those Mineral Resources modified to produce the Ore Reserve' (JORC), i.e. the Ore Reserves are included in the Mineral Resource figures. The figures reported represent 100% of the Mineral Resources and Ore Reserves attributable to AngloGold Ashanti. Anglo American plc's interest in AngloGold Ashanti is 41.67%.

AngloGold Ashanti – Ore Reserves

		Tonnes[1] million		Grade g/t		Contained metal tonnes		Contained metal million troy ounces[2]	
	Classification	2006	2005	2006	2005	2006	2005	2006	2005
South Africa	Proved	15.5	14.5	7.86	7.54	122.0	109.0	3.9	3.5
	Probable	181.6	188.7	3.99	3.84	724.7	725.0	23.3	23.3
	Total	197.2	**203.2**	4.29	**4.10**	846.7	**834.0**	27.2	**26.8**
Argentina[3]	Proved	0.9	1.6	7.09	7.99	6.1	12.6	0.2	0.4
	Probable	6.9	4.5	6.22	6.53	42.7	29.2	1.4	0.9
	Total	7.7	**6.0**	6.32	**6.91**	48.8	**41.8**	1.6	**1.3**
Australia[4]	Proved	54.9	47.7	1.18	1.16	64.7	55.2	2.1	1.8
	Probable	133.2	102.5	1.02	1.17	135.4	120.2	4.4	3.9
	Total	188.0	**150.2**	1.06	**1.17**	200.1	**175.3**	6.4	**5.6**
Brazil	Proved	3.7	2.7	5.60	6.01	20.8	16.2	0.7	0.5
	Probable	10.3	9.8	7.40	7.45	76.3	73.2	2.5	2.4
	Total	14.0	**12.5**	6.92	**7.14**	97.1	**89.4**	3.1	**2.9**
Ghana	Proved	50.8	39.5	2.13	1.94	108.2	76.7	3.5	2.5
	Probable	74.5	46.7	3.10	5.44	231.3	254.0	7.4	8.2
	Total	125.3	**86.1**	2.71	**3.84**	339.5	**330.7**	10.9	**10.6**
Guinea	Proved	18.2	23.6	0.60	0.62	10.8	14.5	0.3	0.5
	Probable	52.7	36.7	0.85	1.00	45.0	36.6	1.4	1.2
	Total	70.9	**60.3**	0.79	**0.85**	55.8	**51.1**	1.8	**1.6**
Mali[5]	Proved	15.7	9.7	1.79	2.75	28.0	26.5	0.9	0.9
	Probable	20.8	9.3	2.85	3.95	59.1	36.5	1.9	1.2
	Total	36.4	**18.9**	2.39	**3.34**	87.1	**63.1**	2.8	**2.0**
Namibia[6]	Proved	5.3	1.2	1.08	1.85	5.8	2.2	0.2	0.1
	Probable	10.1	8.9	1.63	1.65	16.5	14.7	0.5	0.5
	Total	15.5	**10.1**	1.44	**1.67**	22.3	**16.9**	0.7	**0.5**
Tanzania	Proved	4.0	22.1	0.97	3.40	3.9	75.1	0.1	2.4
	Probable	74.9	40.4	3.47	4.69	259.6	189.2	8.3	6.1
	Total	79.0	**62.4**	3.34	**4.23**	263.5	**264.3**	8.5	**8.5**
US[7]	Proved	93.4	87.4	0.93	0.86	87.0	75.4	2.8	2.4
	Probable	35.6	31.8	0.91	0.86	32.5	27.4	1.0	0.9
	Total	129.0	**119.1**	0.93	**0.86**	119.5	**102.7**	3.8	**3.3**
Total	Proved	262.4	249.8	1.74	1.86	457.3	463.4	14.7	14.9
	Probable	600.6	479.2	2.70	3.14	1,623.1	1,506.0	52.2	48.4
	Total	863.0	**729.0**	2.41	**2.70**	2,080.4	**1,969.4**	66.9	**63.3**
	Total (alternative units)[2]	951.3Mton	**803.6Mton**	0.070oz/t	**0.079oz/t**				

[1] **Tonnage:** quoted as metric tonnes.

[2] **Alternative units:** tonnage in million short tons (Mton), grade in troy ounces per short ton (oz/t) and contained metal in million troy ounces (Moz).

[3] **Argentina:** Cerro Vanguardia – increase in Moz due to a successful exploration programme and increased gold price.

[4] **Australia:** Boddington – increase in Moz due to a successful exploration programme resulting in an upgrade of Inferred Mineral Resources in the pit as well as increased gold and copper prices, Sunrise Dam – increase in Moz due to the inclusion of North-Wall Cutback and Cosmo Ore-bodies as a result of an increased gold price.

[5] **Mali:** Sadiola – increase in Moz due to the inclusion of the Deep Sulphide Project, Yatela – increase in Moz due to the inclusion of an additional cutback, Morila – increase in Moz as marginal ore is now economic due to the increased gold price.

[6] **Namibia:** Navachab – increase in Moz as marginal ore is now economic and the pit is larger due to the increased gold price.

[7] **US:** Cripple Creek and Victor – increase in Moz due to a planned extension of life.

RESERVES AND RESOURCES DATA (CONTINUED)

AngloGold Ashanti – Mineral Resources

		Tonnes[1] million		Grade g/t		Contained metal tonnes		Contained metal million troy ounces[2]	
	Classification	2006	2005	2006	2005	2006	2005	2006	2005
South Africa	Measured	27.3	31.4	13.97	13.66	381.0	429.4	12.2	13.8
	Indicated	528.5	435.3	3.89	4.76	2,054.4	2,073.9	66.1	66.7
	Inferred	28.4	29.7	5.66	6.68	160.7	198.3	5.2	6.4
	Total	584.2	**496.4**	4.44	**5.44**	2,596.1	**2,701.6**	83.5	**86.9**
Argentina[3]	Measured	11.4	10.8	2.35	2.35	26.7	25.2	0.9	0.8
	Indicated	17.5	15.3	3.24	3.54	56.6	54.2	1.8	1.7
	Inferred	10.4	6.5	3.03	3.49	31.4	22.7	1.0	0.7
	Total	39.2	**32.6**	2.92	**3.14**	114.7	**102.2**	3.7	**3.3**
Australia[4]	Measured	71.2	62.4	1.08	1.15	76.6	71.9	2.5	2.3
	Indicated	213.9	164.5	0.87	1.04	186.3	171.5	6.0	5.5
	Inferred	233.3	143.0	0.73	1.01	170.3	144.7	5.5	4.7
	Total	518.4	**369.9**	0.84	**1.05**	433.2	**388.1**	13.9	**12.5**
Brazil	Measured	8.6	8.2	6.16	6.60	52.7	54.0	1.7	1.7
	Indicated	18.5	16.2	7.35	7.71	136.3	125.0	4.4	4.0
	Inferred	25.7	28.5	7.11	7.04	182.9	200.7	5.9	6.5
	Total	52.8	**52.9**	7.04	**7.18**	371.9	**379.8**	12.0	**12.2**
Ghana[8]	Measured	82.1	101.2	3.60	3.33	295.7	336.6	9.5	10.8
	Indicated	93.3	64.9	4.77	4.83	445.4	313.7	14.3	10.1
	Inferred	43.9	41.9	6.47	5.82	284.2	244.0	9.1	7.8
	Total	219.3	**208.0**	4.67	**4.30**	1,025.3	**894.4**	33.0	**28.8**
Guinea[9]	Measured	18.7	23.6	0.60	0.62	11.2	14.7	0.4	0.5
	Indicated	74.1	58.7	0.83	1.03	61.5	60.3	2.0	1.9
	Inferred	131.4	90.4	0.66	0.63	86.4	57.2	2.8	1.8
	Total	224.1	**172.7**	0.71	**0.77**	159.1	**132.3**	5.1	**4.3**
Mali[10]	Measured	18.8	17.3	1.90	2.02	35.7	35.1	1.1	1.1
	Indicated	23.4	32.5	2.80	2.58	65.6	83.7	2.1	2.7
	Inferred	16.7	36.0	2.48	1.93	41.5	69.6	1.3	2.2
	Total	59.0	**85.8**	2.42	**2.19**	142.8	**188.3**	4.6	**6.1**
Namibia[11]	Measured	11.4	10.3	0.81	0.88	9.3	9.1	0.3	0.3
	Indicated	53.8	27.9	1.29	1.42	69.1	39.5	2.2	1.3
	Inferred	33.7	6.0	1.16	1.20	38.9	7.1	1.3	0.2
	Total	98.9	**44.2**	1.19	**1.26**	117.3	**55.8**	3.8	**1.8**
Tanzania[12]	Measured	4.0	25.8	0.97	3.40	3.9	87.7	0.1	2.8
	Indicated	114.2	63.0	3.32	4.56	379.2	287.1	12.2	9.2
	Inferred	24.3	7.5	3.09	5.23	75.2	39.1	2.4	1.3
	Total	142.5	**96.2**	3.22	**4.30**	458.3	**413.9**	14.7	**13.3**
US	Measured	180.3	146.0	0.82	0.95	148.3	138.2	4.8	4.4
	Indicated	95.7	72.9	0.75	0.91	71.5	66.1	2.3	2.1
	Inferred	14.1	8.2	0.59	0.73	8.3	6.0	0.3	0.2
	Total	290.0	**227.2**	0.79	**0.93**	228.1	**210.3**	7.3	**6.8**
Total	Measured	433.7	437.1	2.40	2.75	1,041.1	1,202.0	33.5	38.6
	Indicated	1,232.8	951.1	2.86	3.44	3,525.9	3,275.1	113.4	105.3
	Inferred	561.9	397.8	1.92	2.49	1,079.8	989.5	34.7	31.8
	Total	2,228.5	**1,786.0**	2.53	**3.06**	5,646.8	**5,466.6**	181.6	**175.7**
Total (alternative units)[2]		2,456.4Mton	**1,968.7Mton**	0.074oz/t	**0.089oz/t**				

[8] **Ghana:** Obuasi – increase in Moz due to exploration and changes in estimation methodology below 50 level area.

[9] **Guinea:** Siguiri – increase mainly in Inferred Mineral Resources due to successful exploration and increased gold price.

[10] **Mali:** Sadiola – decrease in Moz due to a change in modelling methodology when compared to the 2005 Mineral Resource.

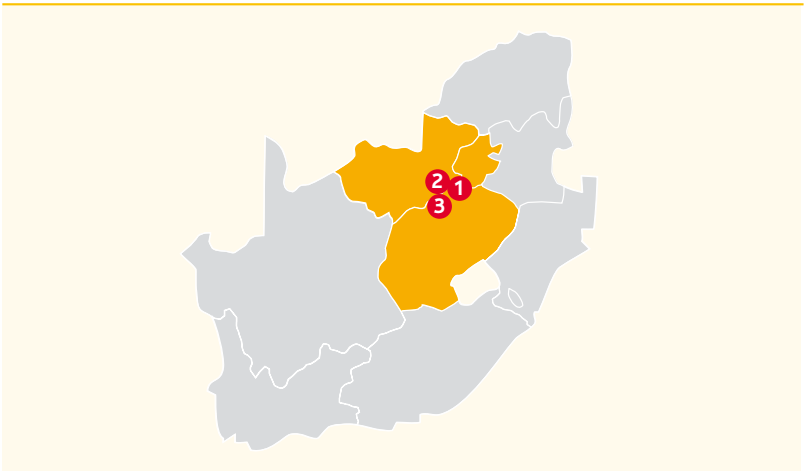
[11] **Namibia:** Navachab – increase in Moz due to successful exploration and increased gold price.

[12] **Tanzania:** Geita – increase in Moz due to updated Mineral Resource Models, successful exploration and increased gold price.

In accordance with its external Audit policy it is AngloGold Ashanti's intention to audit the 2006 Mineral Resources and Ore Reserves for the following operations early in 2007: Geita, Morila, Sadiola, Yatela, AGA Mineraçäo (Cuiaba only), Cripple Creek and Victor, Obuasi.

An external audit of the 2006 Mineral Resources and Ore Reserves at Mponeng was completed in October 2006.

PROJECT PIPELINE



1. Mponeng
South Africa

Ownership	**100% AngloGold Ashanti**
Incremental production	**2.5 M oz over life of project**
Full project capex	**$272 m**
Full production	**2013**

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.

2. TauTona (CLR below 120L)
South Africa

Ownership	**100% AngloGold Ashanti**
Incremental production	**2.6 M oz over life of project**
Full project capex	**$168 m**
Full production	**2012**

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.

2. TauTona (CLR shaft pillar)
South Africa

Ownership	**100% AngloGold Ashanti**
Incremental production	**534 K oz over life of project**
Full project capex	**$45 m**
Full production	**tbc**

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.

2. TauTona (VCR pillar)
South Africa

Ownership	**100% AngloGold Ashanti**
Incremental production	**200 K oz over life of project**
Full project capex	**$19 m**
Full production	**tbc**

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.

3. Moab Khotsong
South Africa

Ownership	**100% AngloGold Ashanti**
Incremental production	**3.6 M oz over life of project**
Full project capex	**$659 m**
Full production	**2012**

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 necessary ore reserves. The project began commercial production in January 2006 and the operation was marked by the high total cash costs and low volumes typical of a deep-level underground operation's start-up phase. Total cash costs will decline as this operation builds up to full production which is currently scheduled for 2012.

PROJECT PIPELINE (CONTINUED)

4. Cuiabá
Brazil

Ownership	**100% AngloGold Ashanti**
Incremental production	**1.9 K oz – 2.6 K oz**
Full project capex	**$180 m**
Full production	**2012**

Cuiabá expansion project: This project seeks to increase production at the Cuiabá mine from 830,000 to 1.3 million tonnes per annum and includes the construction of new treatment and tailings storage facilities, roaster and acid plant at an estimated total capital cost of $180 million. The Cuiabá expansion project will involve the deepening of the mine from 11 level to 21 level and will result in annual production increasing from an average of 190,000 to 260,000 ounces from 2007; in the first year of operation of the expansion, production is expected to reach 300,000 ounces. The project is anticipated to add six years to the life of the mine.

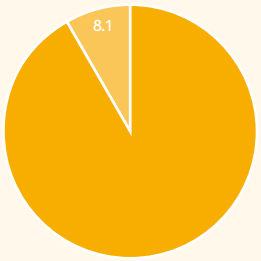
5. Boddington
Australia

Ownership	**33% AngloGold Ashanti**
Incremental production	**4.7 M oz over life of project**
Full project capex	**$432 m**
Full production	**2009**

In March 2006 the Boddington expansion project was approved. Based on the current mine plan, mine life is estimated to be approximately 17 years, with attributable life-of-mine gold production totalling 4.7 million ounces of gold. Average attributable gold production in the first five years will be between 320,000 to 350,000 ounces per year, while on a life-of-mine average basis, attributable production is estimated to be between 270,000 and 300,000 ounces per year. AngloGold Ashanti's share of copper production, which will be sold as concentrate, is expected to be between 10,000 and 12,500 tonnes per year. Capital expenditure for 2007 is expected to be approximately $312 million. At the end of 2006, engineering was approximately 42% complete and site construction had begun. The project is on schedule to start up in late 2008 early 2009.

2006 share of world production

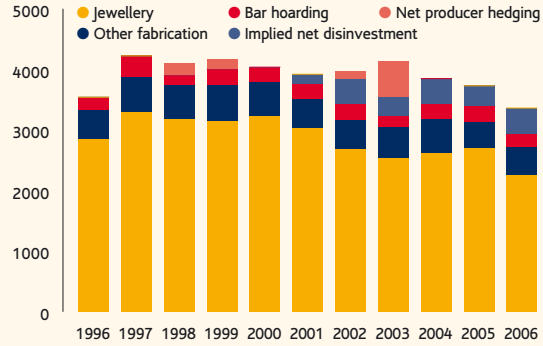
100% basis



2006 gold production
World total:
69,760,080oz
AngloGold Ashanti total:
5,635,000oz

1996-2006 world gold demand

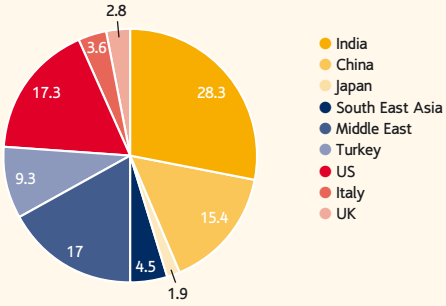
'000 tonnes



Source: World Gold Council

2006 consumer jewellery demand

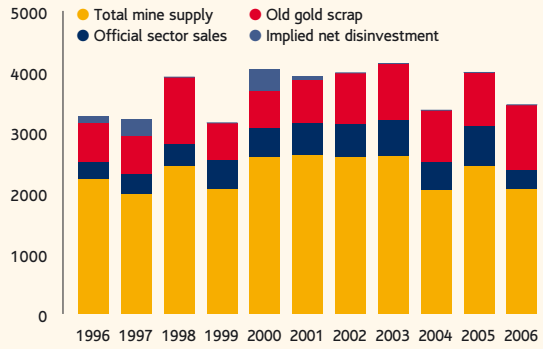
%



Source: World Gold Council

1996-2006 world gold supply

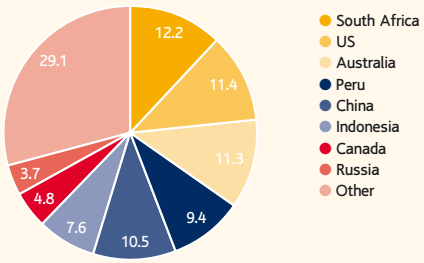
'000 tonnes



Source: World Gold Council

2006 world mine production by country

%



Source: World Gold Council

FURTHER INFORMATION

Other Anglo American publications

- 2006 Annual Report
- 2006 Interim Report
- 2006/07 Fact Book
- 2006 Notice of AGM and Shareholder Information Booklet
- 2006 Report to Society
- Optima – Anglo American's current affairs journal
- Good Neighbours: Our Work With Communities
- Good Citizenship: Our Business Principles
- Investing in the future – Black Economic Empowerment

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