

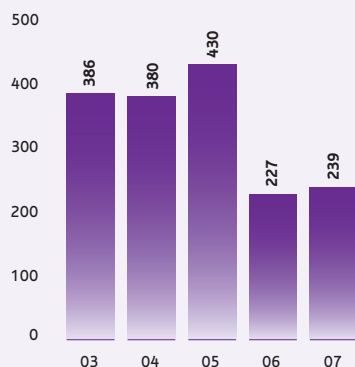


De Beers is the largest producer and marketer of gem **diamonds by value in the world**

Financial highlights

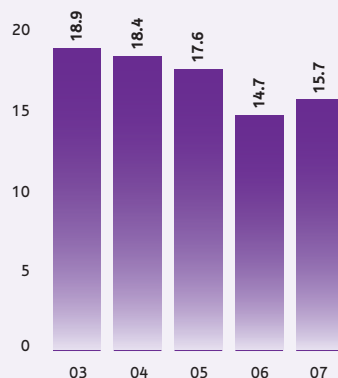
FIVE YEAR UNDERLYING EARNINGS

\$m



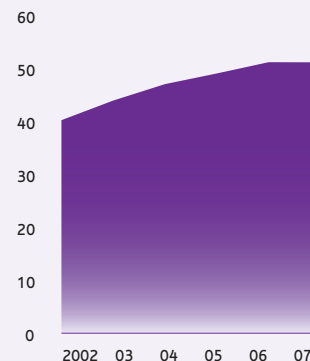
OPERATING MARGIN

%



DE BEERS MINE PRODUCTION ⁽¹⁾

Carats recovered (million)

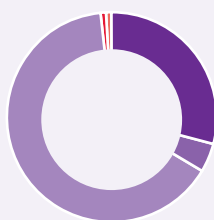


⁽¹⁾ DBCM, Debswana, Namdeb, Williamson and Canada

2007 DE BEERS MINE PRODUCTION BY REGION

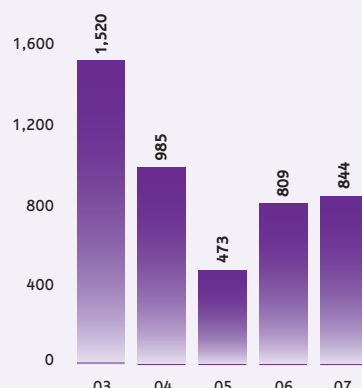
Carats (million)

South Africa	15.0	(29.4%)
Namibia	2.2	(4.3%)
Botswana	33.6	(65.8%)
Tanzania	0.2	(0.4%)
Canada	0.1	(0.2%)



CASH GENERATION FROM OPERATING ACTIVITIES (FROM 2003 ON A 100% BASIS)

\$m



Financial data

US\$m	2007	2006	2005	2004	2003
Turnover					
Subsidiaries	—	—	—	—	—
Joint Ventures	—	—	—	—	—
Associates	3,076	3,148	3,316	3,177	2,967
Total turnover	3,076	3,148	3,316	3,177	2,967
EBITDA	587	541	655	655	638
Depreciation and amortisation	103	78	72	82	76
Operating profit before special items and remeasurements	484	463	583	573	562
Operating special items and remeasurements	(465)	(17)	(152)	—	—
Operating profit after special items and remeasurements	19	446	431	573	562
Net interest, tax and minority interests	(245)	(236)	(153)	(193)	(208)
Total underlying earnings	239	227	430	380	354
Group's aggregate investment in De Beers	1,802	2,062	2,056	2,199	2,886

Business overview

Share of associate's operating profit

2006

\$463m

2007

\$484m

EBITDA

2006

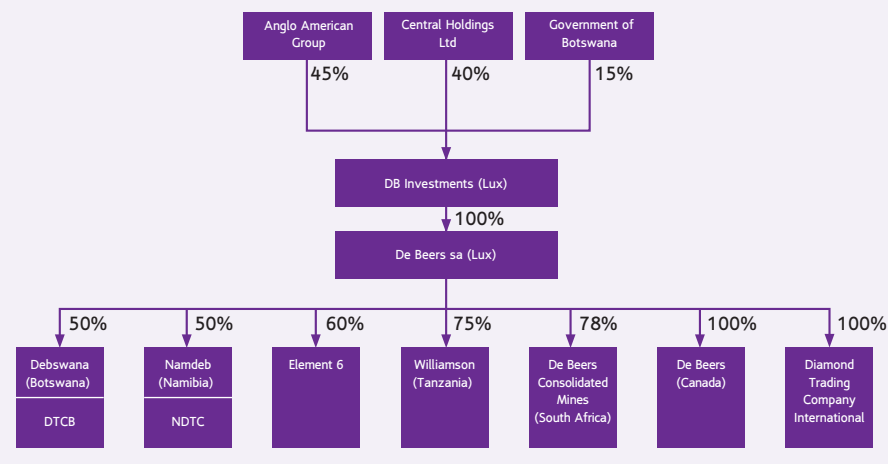
\$541m

2007

\$587m

- De Beers remains world leader in diamonds after 120 years
- Diamond production again exceeds 51 million carats
- Emerging markets drive diamond jewellery market as US softens

DE BEERS OWNERSHIP STRUCTURE



Anglo American's diamond interests are represented by its 45% shareholding in De Beers. The other shareholders in De Beers are Central Holdings Limited (an Oppenheimer family owned company), which owns 40%, and the Government of the Republic of Botswana (GRB) with 15%.

De Beers is the world's leading diamond business, with expertise in the exploration, mining and marketing of diamonds. De Beers and its joint venture partners operate in more than 20 countries across five continents, employing nearly 22,000 people. From its 15 mines across Botswana, Canada, Namibia, South Africa and Tanzania, De Beers produces approximately 40% of the world's rough diamonds by value.

De Beers holds a 50% interest in both the Debswana Diamond Company (Proprietary) Limited and Namdeb Diamond Corporation (Proprietary) Limited, owned jointly with the

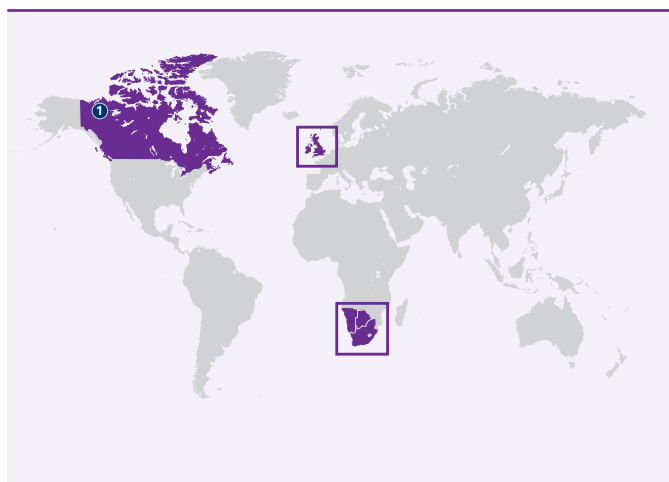
GRB and the Government of the Republic of Namibia (GRN), respectively, and a 70% shareholding in De Beers Marine Namibia. The company also has a 75% interest in Williamson Diamonds Limited in Tanzania.

In addition, De Beers holds a 74% interest in South African-based De Beers Consolidated Mines Limited (DBCM), with a black economic empowerment (BEE) group (the Ponahalo interest consortium) holding an indirect 26% interest.

De Beers owns 100% of Diamond Trading Company International (DTCI). It also has a 50% interest with the GRB in Diamond Trading Company Botswana (DTCB), which will sort and value Botswana's diamond output as well as performing local sales and marketing activities. Additionally, a 50% interest is held, along with the GRN, in Namibia Diamond Trading Company (NDTC) which will sort and value Namibia's diamond output and carry out local sales and marketing activities.



Right: The Peace in Africa, in Cape Town harbour – before taking residence along South Africa's west coast to mine for marine diamonds



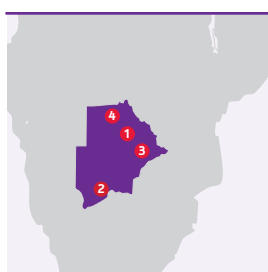
Canada

- ① 100% Snap Lake

Snap Lake in the Northwest Territories of Canada was brought into production in the fourth quarter of 2007. The mine is currently being commissioned and full production of 1.6 million carats per year is expected to be achieved during 2008.

Key

- Underground
- Open Cut
- Other



Botswana

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

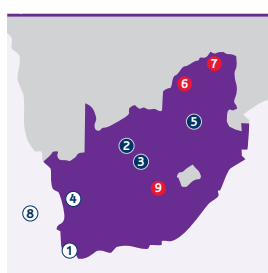


Namibia

- ① 70% De Beers Marine Namibia
- ② 50% Namdeb

In 2007, 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 2007 Debswana produced 33.6 million carats, a decrease of 1.9% over 2006.

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 2.2 million carats coming from marine mining, at depths of down to 200 metres, in the Atlantic Ocean. In 2007 Namdeb's production of 2.2 million carats included marine production of 1.18 million carats.



South Africa

- ① 100% De Beers Marine
- ② 74% Finsch
- ③ 74% Kimberley
- ④ 74% Namaqualand
- ⑤ 74% Cullinan
- ⑥ 74% The Oaks
- ⑦ 74% Venetia
- ⑧ 74% South African Sea Areas (SASA)
- ⑨ 74% Voorspoed

De Beers' South African mines produced a total of 15.0 million carats in 2007, an increase of 0.4 million carats on 2006. The increase was mainly due to operational improvements at Venetia mine.

Agreement has been reached with Petra Diamonds Ltd for the sale of Kimberley Underground and Cullinan mines and are expected to be completed in 2008.



United Kingdom/Ireland

- ① Element Six (Ireland)
- ② De Beers Diamond Jewellers
- ③ 100% DTC I

During 2007 our independently managed retail joint venture with Louis Vuitton Moët Hennessy (LVMH), De Beers Diamond Jewellers (DBDJ), developed strongly with a 44% growth in sales through the wholly-owned retail network and the establishment of new franchise agreements. Eight new stores were opened in 2007, in the US, Japan, Dubai and Korea, bringing the total to 23 stores worldwide.

Element Six, the independently managed industrial diamond group, continues to expand and recorded sales growth of 18% and organic growth of 10%.

Industry overview

Up to two-thirds of the world's diamonds by value originate from southern and central Africa, while significant sources have been discovered in Russia, Australia and Canada. Annual diamond output amounts to approximately 156 million carats.

De Beers produces approximately 40% of the world's diamonds by value from its African and Canadian mines, and through its mine development and exploration programmes is looking to new sources of supply both in Africa and in Canada, Russia and India.

Most diamonds come from the mining of kimberlite deposits. Another important source of gem diamonds has been secondary alluvial deposits formed by the weathering of primary kimberlites and the subsequent deposition of released diamonds in rivers and beach gravels.

Rough or uncut diamonds are broadly classified either as gem diamonds or industrial quality diamonds, with gem representing by far the larger of the two markets by value. The primary world market for gem diamonds is in retail jewellery where aspects such as size, colour, shape and clarity have a large impact on valuation. De Beers, through DTCL, supplies its clients – known as sightholders – with parcels of rough diamonds that are specifically aligned to their respective cutting and polishing needs.

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 most fashionable areas of some of the world's great cities, including New York, Los Angeles, London, Paris, Tokyo, Moscow and Dubai, with aggressive plans for expanding the global network in future.

De Beers, through Element Six, is a major producer of synthetic industrial diamond materials. Applications include cutting, grinding, polishing, wire making and other technical and scientific uses. Element Six has a significant share in the oil and gas drilling business and has expanded recently in China and the Ukraine. In 2007, Element Six further enhanced its hard material portfolio by successfully completing the acquisition of Barat Carbide in Germany. With this step, Element Six will see total annual sales exceed \$500 million for the combined entities.

Markets

The diamond market continued to grow in 2007 fuelled by emerging markets of China, India, Russia and the Middle East. The US, which is the largest market, saw Christmas trading weaken significantly on the back of a slowdown in consumer spending in general. Demand for larger, higher quality diamonds remained robust through the year while the lower quality stones, more dependent on the mass US market, were weaker.



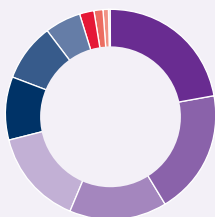
Right: De Beers first flagship store in Tokyo opened at the De Beers Building on Maronnier Dori on March 28th 2008. The Ginza store is De Beers first flagship in Asia

Market information

2007 WORLD MINE PRODUCTION

%

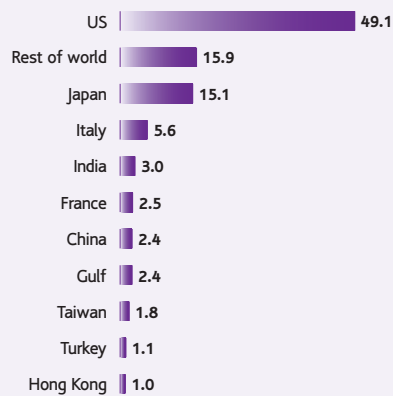
● Botswana	22.4
● Australia	19.2
● Russia	15.0
● D.R. Congo	14.5
● South Africa	9.9
● Canada	8.7
● Angola	5.5
● Others	2.4
● Namibia	1.4
● Ghana	0.7
● C.A.R	0.2



Source: De Beers

2006 SPLIT OF DIAMOND JEWELLERY
RETAIL MARKET BY SALES

%

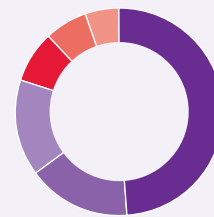


Source: De Beers

2006 GLOBAL DEMAND FOR RETAIL
DIAMOND JEWELLERY

%

● US	49.1
● Other	15.9
● Japan	15.1
● Europe	8.1
● Asia-Arabia	6.5
● Asia-Pacific	5.2



Note:
Europe = France
and Italy only

Asia Pacific = China,
Hong Kong, Taiwan

Source: De Beers

Strategy and growth

During 2007, De Beers continued to implement its transformation strategy, refocusing exploration on high priority targets, selling more marginal mining assets not viewed as part of De Beers long-term future, investing in substantial new mine building programmes in South Africa and Canada, establishing new joint ventures with Government partners in the sale and distribution side of the business, and expanding its retail presence through De Beers Diamond Jewellers. This reflects the new De Beers model and the shift away from the focus on the maximisation of market share.

The sale of Cullinan, Koffiefontein and Kimberley underground mines together with some of the Kimberley tailings operations have been agreed and the possible merger of the West Coast operations of Alexkor with the Namaqualand Mines into a new, stand-alone diamond mining company has been announced. The Koffiefontein mine in South Africa was sold to Petra Diamonds Limited in July 2007. Petra also reached agreement with De Beers to purchase the Kimberley underground mines in September 2007, with this transaction expected to be concluded in early 2008. The Cullinan mine has also been sold as a going concern to Petra in a BEE consortium for approximately R1 billion.

The sale of Cullinan, consistent with the company's strategy to operate mines best suited to the future plans of De Beers in South Africa, completes the restructuring of DBCM's portfolio and will lead to improved returns on capital as new projects are commissioned in 2008.

De Beers is fully committed to implementing agreements with government partners that will lead to greater beneficiation in producer countries. Both NDTC and DTCB were established during 2006 to sort and value local diamond output as well as to perform local sales and marketing activities. The new joint ventures with the respective government partners will work towards the development of sustainable downstream diamond industries in Namibia and Botswana.

DTCB is expected to be fully operational in early 2008 and all 16 of the country's licence holders have been approved as sigholders, with contracts concluded for the years 2008 to 2011. In total, approximately \$360 million of rough diamonds are expected to be sold by DTCB to sigholders in 2008.

NDTC announced its client list consisting of 11 sigholders on 3 October 2007. On 29 October, those companies with operational factories as of 18 July received their first supplies for cutting and polishing in Namibia and the remainder will receive supply from 31 March 2008.

With the establishment of the State Diamond Trader (SDT) in South Africa, De Beers and the Department of Minerals and Energy (DME) of the Republic of South Africa have agreed that De Beers will make its management and technical expertise available to the DME for the next three years to facilitate the start up of the SDT. De Beers, like all other South African diamond producers, will be selling up to 10% of its production to the SDT.

Following a review of the DTCL operations, a decision was taken to maximise downstream effectiveness by establishing two separate divisions. The new De Beers Group Marketing (DBGM) unit will now be responsible for the marketing activity previously undertaken by DTCL, while DTCL will concentrate on purchasing, sorting and selling rough diamonds. Downstream, DBGM continues to drive consumer demand and stimulate growth in the industry through its own marketing initiatives and an increase in advertising programmes by the DTC's clients, its downstream trade partners.

In exploration, De Beers is concentrating on projects in Angola, the Democratic Republic of Congo (DRC), Botswana, South Africa, Namibia, Canada and India. Exploration in the DRC and Angola, in conjunction with partners, is beginning to yield results as projects move from early to advanced stages. Advanced stage evaluation in Botswana has resulted in the

potential development of AK06, a kimberlite mine in the Orapa region of Botswana. De Beers is conducting both early and advanced stage exploration activities in Canada focusing on the Slave and Superior craton target areas. In collaboration with Namdeb and DBCM and their associated partners, prioritised early stage exploration is being undertaken in northern Namibia and South Africa, respectively.

Projects

Snap Lake in the Northwest Territories of Canada was brought into production in the fourth quarter of 2007. The mine is currently being commissioned and full production of 1.6 million carats per year is expected to be achieved during 2008. By mid-2008, the Victor mine in Ontario is scheduled to enter production and is expected to produce 0.6 million carats of high quality diamonds per year.

In Botswana, De Beers is reviewing expansion opportunities, the most significant of which is for a continuation of open pit operations at Jwaneng until 2022, when a transition to underground mining is planned. In mid-2007, the mv *Peace in Africa*, De Beers' latest marine mining vessel, started operations off South Africa's Atlantic coastline. It is expected to yield approximately 0.2 million carats per annum. Also in South Africa, the Voorspoed mine in the Free State is scheduled to commence production in the fourth quarter of 2008, reaching full production in 2009. Voorspoed is expected to produce 0.7 million carats per annum.



Right: A bulk fuel road train heads along the winter access road to Snap Lake in the Northern Territories

Project pipeline

Snap Lake

Country	Canada
Ownership	100% De Beers
Production volume	1.6m carats per annum
Full project capex	\$997m
Full production	2008

The Snap Lake project, in the Northwest Territories, was brought into production in the fourth quarter of 2007. The mine is currently being commissioned and full production of 1.6 million carats per year is expected to be achieved during 2008.

Overall capex:

\$997m

Victor

Country	Canada
Ownership	100% De Beers
Production volume	0.6m carats per annum
Full project capex	\$1,021m
Full production	2009

The Victor mine in Ontario is currently scheduled to come on stream by mid-2008, ahead of schedule.

Overall capex:

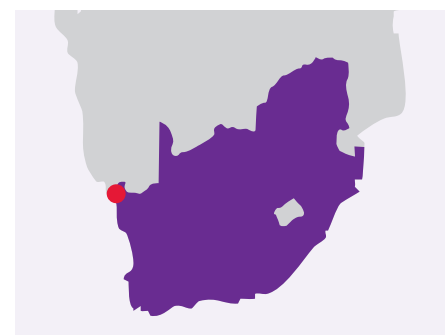
\$1,021m

De Beers Marine

Country	South African Sea Areas
Ownership	74% De Beers Consolidated Mines
Production volume	0.2m carats per annum
Full project capex	\$159m
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 mining vessel, mv *Peace in Africa*, was commissioned and started operations in mid-2007.

Overall capex:

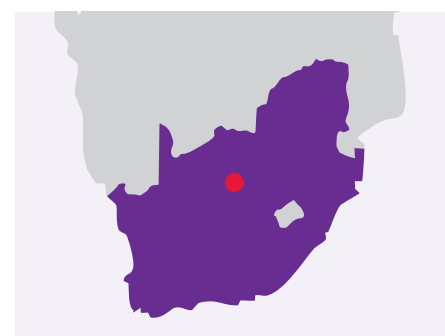
\$159m

Voorspoed

Country	South Africa
Ownership	74% De Beers Consolidated Mines
Production volume	0.7m carats per annum
Full project capex	\$185m
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.

Overall capex:

\$185m

Diamonds recovered

South Africa

Carats (000)	2007	2006	2005	2004	2003	2002
Cullinan	964	1,150	1,305	1,304	1,273	1,472
Finsch Mine	2,334	2,275	2,216	2,108	1,942	2,378
Kimberley	1,638	1,945	1,897	2,051	1,054	474
Koffiefontein	—	2	124	113	114	112
Namaqualand	767	978	1,014	910	830	774
The Oaks	94	103	86	69	100	115
Venetia	9,081	8,117	8,515	7,187	6,601	5,077
South African Sea Areas	121	—	—	—	—	—
Total	14,998	14,569	15,156	13,743	11,914	10,402

Botswana

Carats (000)	2007	2006	2005	2004	2003	2002
Debswana (50% owned by De Beers)						
Orapa	18,708	17,338	14,890	16,070	16,294	14,330
Letlhakane	1,113	1,089	1,097	1,033	1,061	1,026
Jwaneng	13,476	15,638	15,599	13,683	12,765	13,035
Damtshaa	341	228	303	339	292	7
Total	33,638	34,293	31,890	31,125	30,412	28,397

Namibia

Carats (000)	2007	2006	2005	2004	2003	2002
Namdeb (50% owned by De Beers)						
Diamond Area 1	969	1,001	798	993	797	697
Marine Mining	1,207	1,084	977	866	658	579
Total	2,176	2,085	1,774	1,858	1,455	1,276

Tanzania

Carats (000)	2007	2006	2005	2004	2003	2002
Williamson	220	189	190	286	166	152
Total	220	189	190	286	166	152

Canada

Carats (000)	2007	2006	2005	2004	2003	2002
Snap Lake	81	—	—	—	—	—
Total	81	—	—	—	—	—

Grand total	51,113	51,136	49,010	47,012	43,947	40,227
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Diamonds grade

South Africa

Carat/100 metric tonnes unless otherwise stated	2007	2006	2005	2004	2003	2002
Cullinan	42.3	39.1	28.3	29.3	37.5	45.4
Finsch Mine	38.8	39.3	37.3	36.5	36.8	46.6
Kimberley	16.3	17.5	19.6	22.6	17.7	13.0
Koffiefontein	–	0.7	6.8	5.8	5.6	5.2
Namaqualand	16.3	15.3	15.7	14.2	13.2	14.7
The Oaks	37.2	39.3	34.4	23.8	32.1	35.7
Venetia	144.9	134.2	143.5	122.4	121.9	107.8
South African Sea Areas (cpm ²)	0.2	–	–	–	–	–
Total (weighted average)	99.3	44.7	43.7	40.6	41.5	42.5

Botswana

Carat/100 metric tonnes	2007	2006	2005	2004	2003	2002
Debswana (50% owned by De Beers)						
Orapa	99.8	94	90.2	95.2	99.2	87.4
Letlhakane	29.7	29.3	31.7	30.4	29.6	28.0
Jwaneng	130.8	154.7	155.9	156.3	143.1	139.8
Damtsha	12.2	15.6	23.5	25.6	23.6	5.7
Total (weighted average)	109.0	101.7	102.0	102.5	100.8	96.2

Namibia

Carat/100 metric tonnes	2007	2006	2005	2004	2003	2002
Namdeb (50% owned by De Beers)						
Diamond Area ⁽¹⁾	4.2	3.9	3.0	3.2	3.1	2.5
Marine Mining	0.2	0.2	0.2	n/a	n/a	n/a
Total (weighted average)	n/a	n/a	n/a	5.9	5.6	4.5

Tanzania

Carat/100 metric tonnes	2007	2006	2005	2004	2003	2002
Williamson	6.9	6.4	5.6	8.4	3.7	4.6

Canada

Carat/100 metric tonnes	2007	2006	2005	2004	2003	2002
Snap Lake	71.7	–	–	–	–	–

⁽¹⁾ Recovered Grade represented as carats recovered per m² and not carats recovered per hundred metric tonnes.

