Anglo American aims to become the leading global mining company

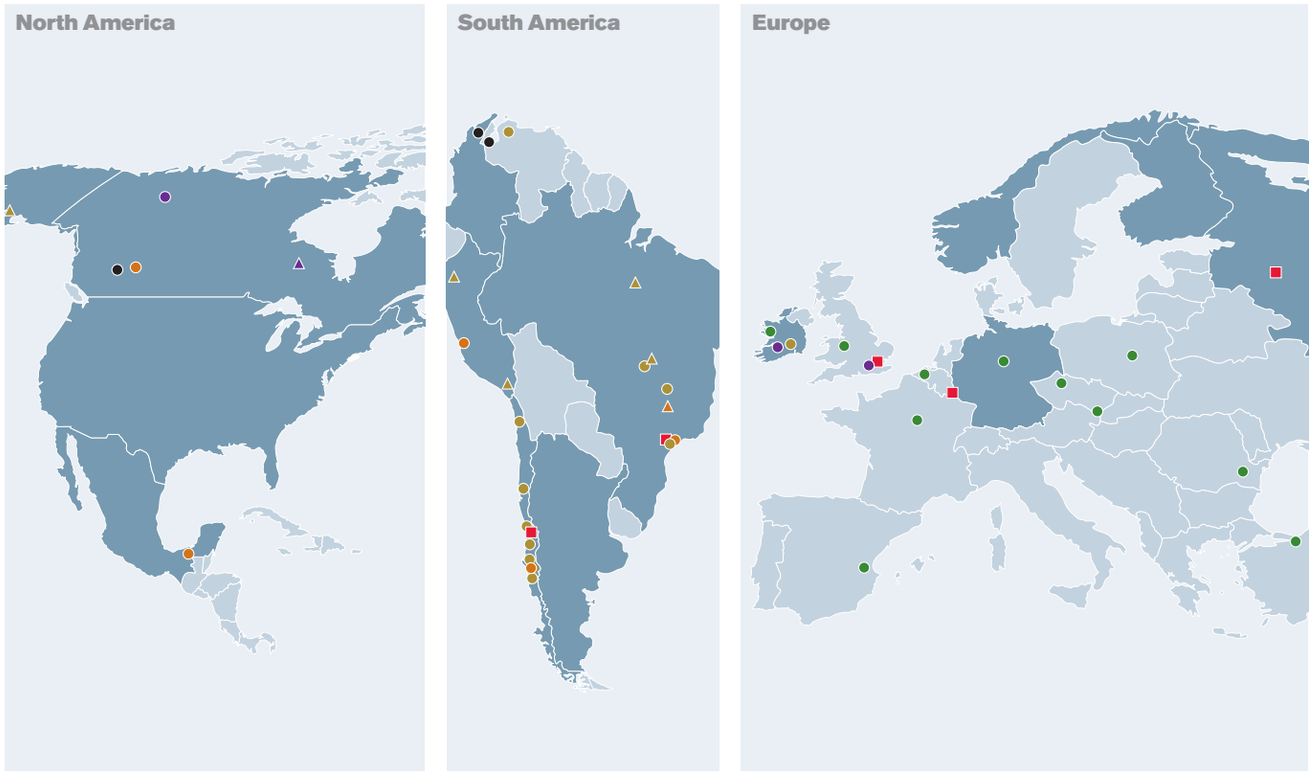
We are committed to delivering operational excellence in a safe and responsible way, adding value for shareholders, customers, employees and the communities in which we operate

Front cover: Growth in the construction industry, particularly in China and India, has been a key driver of increased global steel consumption over the last five years

Contents

Throughout this document, unless otherwise stated, '$' and 'dollar' denote US dollars.

Our locations



Our operations

Precious

Platinum

Business profile

- The world's leading primary producer of platinum, accounting for around 37% of the world's newly mined platinum output

Products and uses

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

Financial highlights[1]

$ million	12 months 31 Dec 2007	12 months 31 Dec 2006
Operating profit	**2,697**	2,398
EBITDA	**3,155**	2,845
Net operating assets	**9,234**	7,078
Capital expenditure	**1,479**	923
Share of Group operating profit (%)	**28%**	27%
Share of Group net operating assets (%)	**35%**	33%

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

- Diamonds are purchased around the world as the ultimate symbol of love and eternity
- They are also used in industrial applications making use of their inherent hardness and conductivity, from cutting tools to tweeters

Financial highlights[1][3]

$ million	12 months 31 Dec 2007	12 months 31 Dec 2006
Share of associate's operating profit	**484**	463
EBITDA	**587**	541
Group's aggregate investment in De Beers	**1,802**	2,062
Share of Group operating profit (%)	**5%**	5%

Base

Base Metals

Business profile

- Comprises primarily copper, nickel, zinc and niobium operations
- Operates in South America, southern Africa and Ireland
- Copebrás produces phosphate fertilisers

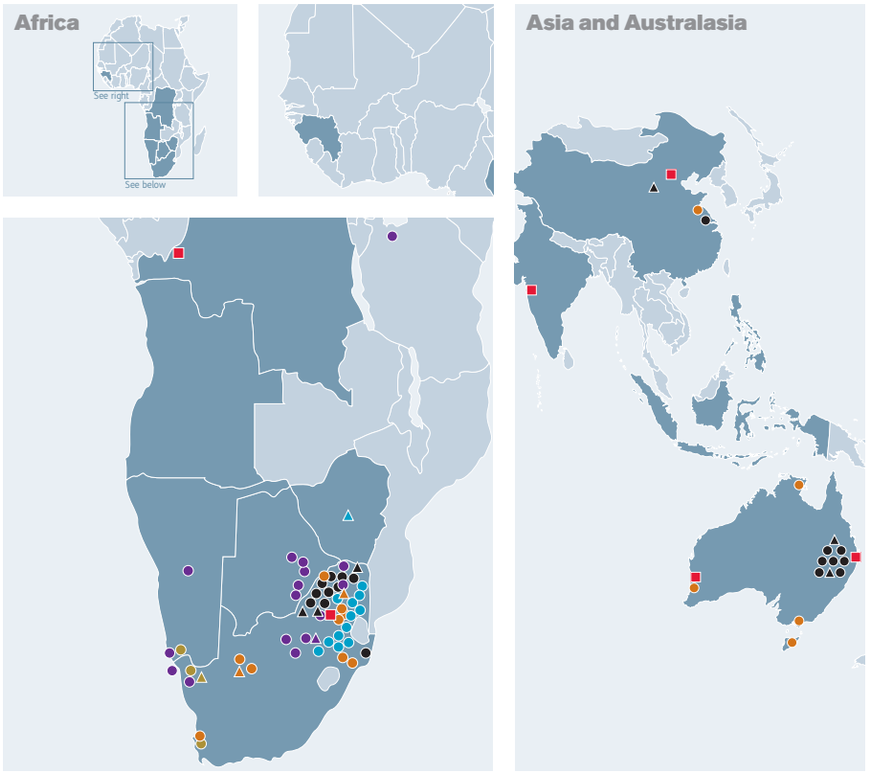
Products and uses

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

Financial highlights[1][2]

$ million	12 months 31 Dec 2007	12 months 31 Dec 2006
Operating profit	**4,338**	3,897
EBITDA	**4,683**	4,255
Net operating assets	**4,989**	4,599
Capital expenditure	**610**	315
Share of Group operating profit (%)	**45%**	44%
Share of Group net operating assets (%)	**19%**	22%

[1] Share of Group operating profit and share of Group net operating assets for both 2007 and 2006 is based on continuing operations and therefore excludes the contribution of Mondi and AngloGold Ashanti.
[2] In 2007, Copebrás and Yang Quarry were reclassified from Industrial Minerals to Base Metals and Coal respectively to align with internal management reporting. As such, the comparative data has been reclassified.
[3] De Beers is an independently managed associate of the Group.



Key

Corporate and representative offices ■

	Operations and expansions	New projects
Platinum	●	▲
Diamonds	●	▲
Base Metals	●	▲
Ferrous Metals	●	▲
Coal	●	▲
Industrial Minerals	●	▲

■ Regions in which exploration is currently under way

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 25 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 2007, $283 million was spent on exploration – $77 million on base metals, $36 million on platinum, $32 million on coal, $12 million on ferrous metals and $126 million by De Beers.

Bulk | **Non-core**

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 and infrastructure sectors

Products and uses
- Iron ore is the basic raw material used in steel production
- Manganese is a key component in steelmaking
- Steel products serve the construction, railway, power generation, mining, cement, marine and offshore oil industries

Financial highlights[1]

$ million	12 months 31 Dec 2007	12 months 31 Dec 2006
Operating profit	**1,432**	1,360
EBITDA	**1,561**	1,560
Net operating assets	**3,987**	2,796
Capital expenditure	**471**	582
Share of Group operating profit (%)	**15%**	15%
Share of Group net operating assets (%)	**15%**	13%

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 70% of the world's steel industry uses coal and it is an important fuel for other industries

Financial highlights[1][2]

$ million	12 months 31 Dec 2007	12 months 31 Dec 2006
Operating profit	**614**	862
EBITDA	**882**	1,082
Net operating assets	**3,984**	2,870
Capital expenditure	**1,052**	782
Share of Group operating profit (%)	**6%**	10%
Share of Group net operating assets (%)	**15%**	13%

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

Financial highlights[1][2]

$ million	12 months 31 Dec 2007	12 months 31 Dec 2006
Operating profit	**474**	317
EBITDA	**732**	539
Net operating assets	**4,509**	4,185
Capital expenditure	**274**	279
Share of Group operating profit (%)	**5%**	4%
Share of Group net operating assets (%)	**17%**	20%

The business – an overview[1]

Precious

Anglo Platinum

Overall ownership: **76.5%**

100% owned

South Africa

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

Other interests

South Africa

Union Section	85%

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%

De Beers[2]

Overall ownership: **45%**

100% owned

South Africa

- De Beers Group Services (Exploration and Services)
- De Beers Marine

Canada

- De Beers Canada
  - Snap Lake
  - Victor

Trading and Marketing

- The Diamond Trading Company

Other interests

South Africa

De Beers Consolidated Mines[3]

Cullinan	78%
Finsch	78%
Kimberley Mines	78%
Namaqualand Mines	78%
The Oaks	78%
Venetia	78%
South African Sea Areas (SASA)	78%

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%

Trading and Marketing

DTC Botswana	50%
Namibia DTC	50%

Industrial Diamonds

Companies manufacturing synthetic diamonds and abrasive products	60%

Diamond jewellery retail

De Beers Diamond Jewellers	50%

Base

Anglo Base Metals

Overall ownership: **100%**

100% owned

Copper

- Chagres (Chile)
- El Soldado (Chile)
- Los Bronces (Chile)
- Mantos Blancos (Chile)
- Mantoverde (Chile)
- Michiquillay (Peru)

Mineral Sands

- Namakwa Sands (South Africa)[4]

Nickel

- Codemin (Brazil)
- Barro Alto (Brazil)

Zinc/Lead

- Black Mountain (South Africa)[4]
- Lisheen (Ireland)
- Skorpion (Namibia)
- Gamsberg (South Africa)[4]

Niobium

- Catalão (Brazil)

Other interests

Copper

Collahuasi (Chile)	44%
Palabora (South Africa)	17%
Quellaveco (Peru)	82%
Pebble (US)	50%

Nickel

Loma de Níquel (Venezuela)	91%

Phosphate products

Copebrás (Brazil)	73%

Bulk

Anglo Ferrous Metals and Industries

Overall ownership: **100%**

100% owned

Industries

Vergelegen (South Africa)

Other interests

Ferrous metals

Kumba Iron Ore (South Africa)	63.4%
Samancor (South Africa and Australia)	40%
MMX Minas-Rio (Brazil)	49%
LLX Minas-Rio (Brazil)	49%
Scaw Metals (worldwide)	74%-100%
Exxaro Resources (southern Africa and Australia)	10%

Industries

Tongaat-Hulett (southern Africa)	37.2%
Hulamin (South Africa)	38.4%

Anglo Coal

Overall ownership: **100%**

100% owned

South Africa

Bank
Goedehoop
Greenside
Isibonelo
Kleinkopje
Kriel[5]
Landau
New Denmark
New Vaal
Nooitgedacht

Australia

Callide

Australia – other

Monash Energy Holdings Ltd

Other interests

South Africa

Mafube	50%

South Africa – other

Richards Bay Coal Terminal	27%

Canada

Peace River Coal	66%

Colombia

Carbones del Cerrejón	33%

Venezuela

Carbones del Guasare	25%

Australia

Dawson Complex	51%
Drayton	88%
German Creek	70%
Jellinbah East	23%
Moranbah North	88%

Australia – other

Dalrymple Bay Coal Terminal Pty Ltd	32%
Newcastle Coal Shippers Pty Ltd	20%

Non-core business

Anglo Industrial Minerals

Overall ownership: **100%**

100% owned

Aggregates and building materials

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

Other interests

Aggregates and building materials

Tarmac Romania	60%
Midland Quarry Products	50%
United Marine Holdings[6]	50%

(1) As at 31 December 2007.

(2) An independently managed associate.

(3) De Beers' 78% holdings include a 4% indirect holding via the Key Employee Trust.

(4) In January 2007, Exxaro Resources Limited exercised an option in terms of which, subject to the fulfilment of conditions precedent, it agreed to acquire 100% of Namakwa Sands and 26% of each of Black Mountain and Gamsberg.

(5) Kriel forms part of the proposed Anglo Inyosi Coal of which Anglo Coal will own 73%. Heads of Agreement have been signed and the transaction will be effective upon the finalisation and execution of the definitive agreement relating to the deal and the fulfilment of conditions precedent contained therein.

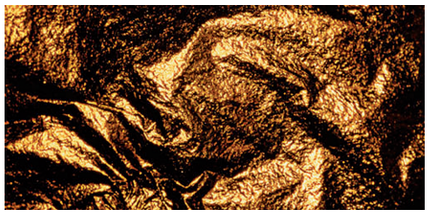
(6) On 26 January 2008, the Group acquired the remaining 50% shareholding in United Marine Holdings.

History and timeline

1800

1871: Diamonds discovered at Kimberley, South Africa.

1886: Gold discovered on the Witwatersrand.



1910

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

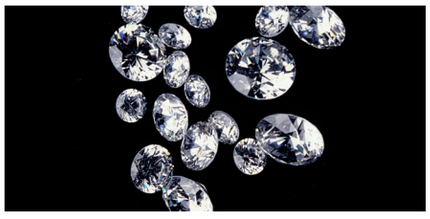
1920

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

1926: AAC becomes the largest shareholder in De Beers.

1930

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



1960

1967: Mondi is incorporated.

1970

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

1990

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

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

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

2000

2000: Tarmac acquired by Anglo American plc. A further restructuring of the Colombian coal assets initially left Anglo Coal with 33% of an enlarged venture which subsequently acquired 50% of Cerrejón Zona Norte (CZN) from the Colombian government.

2001: Removal of cross-holding with De Beers. De Beers is privatised after 112 years as a listed company.

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

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

2004: AngloGold Ashanti merger completed in April 2004.

2005: Anglo American announces the outcome of the strategic review; to further rationalise and simplify the Group's portfolio and structure and increase focus on controlled mining businesses that leverage the core skills of the Group.

Disposal of Boart Longyear and Samancor Chrome in mid-2005.

2000 continued

2006: Shareholding in AngloGold Ashanti reduced from 51% to 42%.

Majority stake in Highveld Steel sold to Evraz and Credit Suisse.

Restructuring of Kumba Resources to separately list Kumba Iron Ore, of which Anglo American holds 64%, and Exxaro, which became South Africa's largest black economic empowered (BEE) natural resources company, on the Johannesburg Stock Exchange (JSE).

2007: Demerger of Mondi, Anglo American's paper and packaging business, to become a dual-listed company on the London and Johannesburg stock exchanges.

Shareholding in AngloGold Ashanti reduced from 42% to 16.6%.

Disposal of remaining 29% holding in Highveld Steel and Vanadium.

Completion of the unbundling of Hulamin from Tongaat-Hulett, along with a separate JSE listing.

Purchase of a 49% stake in the MMX Minas-Rio iron ore project in Brazil.

Acquisition of the Michiquillay copper project in northern Peru and a 50% stake in the Pebble copper project in Alaska.

Acquisition of a 70% interest in the Foxleigh coal mine in Australia.

Selling down of Anglo American's stake in Exxaro from 23% to 10%, completed in September 2007. Anglo American will continue to hold a 10% shareholding until 2016.

2008: Anglo American acquires control of the MMX Minas-Rio and Amapá iron ore projects in Brazil.

Our strategy in action

We are focusing on improvement in four key areas – integration, engagement, growth and performance

Integration

As Anglo American continues to extend its reach across the globe and diversifies its mining asset base, the organisation is being reshaped to ensure we are able to meet the sustained demand for the commodities we mine.

A high degree of decentralisation through autonomous business units is making way for a new 'One Anglo' approach. This concept allows for greater sharing of talent, expertise and knowledge across the Group and, as a result, our culture is changing as we move towards becoming a single, integrated organisation.

Safety

Nowhere is this integrated concept more important than in our approach to safety. The safety of all our employees is paramount. Our vision of 'zero harm', which was endorsed in 2007 by all our businesses and their leadership teams, is based on three clear principles: all injuries are preventable; all necessary steps must be taken to learn from incidents in order to prevent reoccurrence; and common, simple non-negotiable standards must be consistently applied.

Key to realising this vision is *The Anglo Safety Way*, a global framework of risk management systems and standards, which is being rolled out across the business.

People

Talent management

The increasing technological sophistication of mining, combined with a serious skills shortage in the current competitive market, has further underlined the importance we already attach to retaining our talent through appropriate reward, talent development and people management activities.

Several Group-wide One Anglo initiatives have provided impetus in these areas. The introduction of a broad banding system throughout the businesses underpins our move towards more consistent and competitive regional reward strategies and a common performance management process. It has also been a key enabler for the introduction of an improved talent tracking system, an integrated internal and external vacancy management system, and the development of Group-wide people information and shared services systems.

HIV and AIDS response

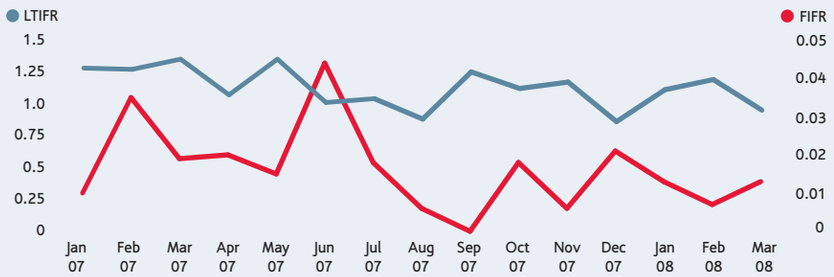
The burden of disease in developing countries is a significant global development challenge. The Group encounters this challenge at many of its operations and through its various health initiatives is able to make a significant contribution towards achieving health development goals.

The Group's main exposure is to the impact of the HIV/AIDS and tuberculosis epidemics in sub-Saharan Africa, and especially South Africa, where ongoing management responses, both in the workplace and the community, are making a significant difference.

The Group's own HIV/AIDS programmes, based on a foundation of non-discrimination, stigma reduction, gender equality and equitable access to care, support and treatment, continue to make good progress in reducing the burden of disease. More than 70% of Group employees in southern Africa discovered, or updated their knowledge of, their HIV status by participating in VCT initiatives during 2007.

By the end of 2007, the Group directly supported around 3,600 employees on treatment for AIDS; virtually all of them being able to continue with their normal jobs and support their families.

LTIFR AND FIFR[1]



[1] Lost-time injury frequency rate (LTIFR) is calculated as the number of lost-time injuries per 200,000 hours worked.
Fatal injury frequency rate (FIFR) is calculated as the number of fatal injuries to employees or contractors per 200,000 hours worked.

Our strategy in action continued

Engagement

Partnerships for a more sustainable future

At Anglo American, we believe that the pursuit of sustainable development goes hand in hand with best business practice. By our responsible custodianship of valuable resource endowments, which often include scarce water supplies, and our insistence on good governance, we hope to demonstrate to host governments and communities that resources, when developed wisely, can be of widespread ongoing benefit to their countries.

Through finding ways to maximise local economic linkages and benefits – for example, employing a majority of local people, establishing supply chain initiatives and investing in social and physical infrastructure – and careful management of social and environmental impacts, we seek to develop positive outcomes as a result of our presence.

Energy use, CO_2 emissions and water resources

Climate change is one of the most significant global challenges. Anglo American reports energy use and carbon emissions annually and is committed to ongoing operational efforts to reduce the Group's impact – particularly through increasing energy efficiency and reducing the carbon intensity of the Group's products. Employees are also actively engaged in long term international research and development programmes for zero-emissions power generation and carbon sequestration.

From a 2004 baseline, we are aiming to achieve a 10% reduction in CO_2 emissions per unit of production (emissions intensity) by 2014 and increase energy efficiency by 15%.

Anglo American is a major user of water – the most fundamental of all resources – the distribution of which is being visibly affected by climate change. Many operations are in arid regions with many users competing for this scarce resource. The Group's ongoing stewardship of water will be a major factor in the viability of existing operations in such regions, and even more so in weighing up whether a brownfield expansion or a greenfield new mine should be given the go-ahead. During 2007, Anglo American held its first cross-business unit water summit to raise awareness of its global responsibility in this area.

Our partnerships with governments and local communities

The transfer of a share of the ownership, management and benefits of the South African mining industry into the hands of people previously excluded from the economy is a government priority. This approach is integral to the conversion of mining licences under minerals legislation (the Minerals and Petroleum Development Act) enacted in 2004.

Anglo American Group companies have completed a number of major black economic empowerment (BEE) deals, the most significant of which are presented below. An announcement was made on 29 April 2008 by the South African Department of Minerals and Energy (DME) and Anglo American that, following their joint announcement made on 20 February 2008, conversions to new order mining rights in respect of Anglo American's mining operations in South Africa have now been granted. This relates to the conversion of all the mineral rights in Anglo American's South African Coal, Ferrous Metals, Base Metals and Platinum businesses.

The applications for conversion of mineral rights associated with Anglo Platinum's 50:50 joint ventures with Royal Bafokeng Resources and the African Rainbow Minerals consortium continue and are being processed based on joint submissions and representations by all stakeholders.

MAJOR BEE TRANSACTIONS AND JOINT VENTURES SINCE 2004

2004

Coal: 50:50 joint venture 5 Mtpa Mafube coal project established between Anglo American and Eyesizwe Coal (Pty) Limited. Total investment to date in the project is R759 million.

2006

De Beers: Concluded the sale of 26% of De Beers Consolidated Mines, its South African mining arm, to Ponahalo Holdings (Proprietary) Limited, a BEE consortium, for R3.8 billion.

Ferrous Metals: The Kumba empowerment transaction was completed which resulted in the listing on the JSE of Kumba Iron Ore as a pure-play iron core company in which Anglo American holds 63.4%, and Exxaro, which is South Africa's largest black economic empowered natural resource company. Additionally, Exxaro has been granted options to acquire 100% of Namakwa Sands and 26% of the Black Mountain zinc mine and the Gamsberg zinc project at a total price of R2.2 billion, subject to contractual adjustments.

2007

Coal: Anglo Coal signed shareholder agreements with Inyosi, a broad based BEE company, to create an empowered coal company housing key current and future domestic and export-focused coal operations in South Africa. Inyosi will acquire 27% of Anglo Inyosi Coal, creating a company valued at R7 billion and incorporating several key Anglo Coal assets; namely Kriel colliery and the Elders, Zondagsfontein, New Largo and Heidelberg projects.

Ferrous Metals: The unbundling of Hulamin from Tongaat-Hulett, and its separate JSE listing, was completed in June 2007 together with the simultaneous injection of broad based BEE ownership into both companies. In March 2007, Scaw's South African operation completed a landmark transaction by including an employee trust and broad based BEE consortium as owners in the company. Scaw is the first steel producer in South Africa to achieve a BEE rating.

Platinum: Anglo Platinum agreed to sell assets for R7.6 billion to historically disadvantaged South African (HDSA) companies Anooraq Resources and Mvela Resources. As part of the deal, an effective 51% of Lebowa Platinum and 1% of the adjacent Ga-Phasha project are being sold to Anooraq. Mvela is to acquire Anglo Platinum's interest in the Booysendal project as well as Anglo Platinum's 22.4% stake in Northam Platinum Ltd.

2008

Ferrous Metals: On 11 December 2007, BHP Billiton announced the Ntsimbintle empowerment transaction relating to Samancor's Wessels and Mamatwan mines, and associated prospecting rights in the Hotazel area in the Northern Cape. In terms of the transaction Samancor will vend its Hotazel manganese mines and prospecting rights into Hotazel Manganese Mines (Pty) Limited ('HMM'), in exchange for a 9% interest in HMM. The transaction is subject to the approval of the DME for the transfer of Ntsimbintle's prospecting rights and Samancor's mining and prospecting rights to HMM. It is anticipated that DME approval will be received in the first half of 2008.

Growth

Anglo American has one of the strongest and highest quality project pipelines in world mining, which will deliver substantial volume growth.

Several major projects are under development across the Group's platinum, diamond, coal, base metals and iron ore businesses. These projects amount to $12 billion on an attributable basis. Under active consideration, and at the pre-feasibility or feasibility stages are further major projects with an estimated potential cost of around $29 billion. This array of projects stretching well into the future, building on the Group's unique suite of existing assets, has created formidable organic growth potential.

In South Africa, Anglo Platinum approved several projects in 2007, including the $279 million expansion at the base metals refinery, the $139 million Townlands ore replacement project, and the $188 million Mainstream inert grind projects.

The $692 million Mogalakwena (formerly Potgietersrust or 'PPRust') North expansion project is in progress, with the mine expected to mill an additional 600,000 tonnes of ore per month when it reaches full capacity in 2009. The $224 million East Upper UG2 project at Amandelbult, to exploit mainly the UG2 reef, will raise the mine's platinum output by 100,000 ounces a year by 2012. Accessing Merensky reef, the $316 million Paardekraal 2 shaft project aims to replace 120,000 ounces of platinum annually by 2015.

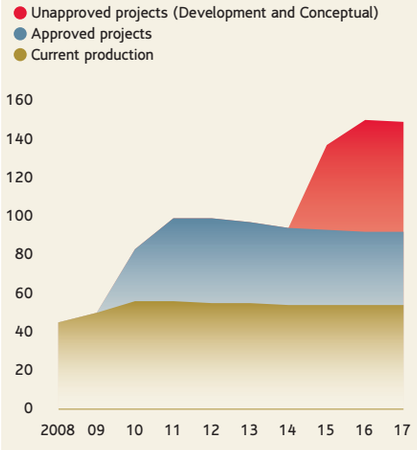
Base Metals has several projects in South America to ensure that the Group retains its significant market position in copper. In Chile, approval has been given for a $1.7 billion expansion of Los Bronces to take production to an average initial level exceeding 400,000 tonnes per annum (tpa) of copper from 2011, while investigations are under way on a potential two phase expansion at Collahuasi. In Peru, the Quellaveco project, currently the subject of a revised feasibility study, is scheduled to be submitted for Board approval in the second half of 2008. If approved, this copper mine would produce in the region of 200,000 tpa, at a capital cost of $1.7 billion. Also in Peru, the Group won the tender for the Michiquillay copper project for a staged cash investment of $403 million. Michiquillay, which will exploit one of the largest undeveloped copper deposits in the world, has the potential to produce up to 300,000 tpa.

In Alaska, Anglo American became a 50% partner with the Northern Dynasty Partnership in the Pebble Limited Partnership for a staged cash investment of $1.425 billion. The partnership owns the Pebble Project, the key assets of which are the open pit style Pebble West copper-gold-molybdenum deposit and the adjacent deeper and higher grade Pebble East deposit. The objective is to complete a pre-feasibility study by the end of 2008, a feasibility study around 2011 and to have a world class mine in operation by 2015.

In Brazil, the $1.5 billion Barro Alto project is on schedule for first production in 2010 and will provide a significant boost to the Group's growing market position in nickel. Also in Brazil, Ferrous Metals acquired a 49% stake in the MMX Minas-Rio iron ore project for a consideration of $1.15 billion during the year, plus a potential payment of $600 million if certain criteria are met. Phase 1 of the project consists of a 26.5 million tonnes per annum (Mtpa) mine and a 525-kilometre slurry pipeline to transport pellet feed to a port facility which is being developed. The mine is also being planned to produce 0.8 Mtpa of lump for domestic sale. First production is scheduled for 2010. The capital cost, on a 100% basis, for the construction of the mine, the pipeline and the port for phase 1, is estimated at $3.46 billion. In March 2008, Anglo American announced that it had signed an agreement with the controlling shareholder of MMX Mineração e Metálicos S.A. ('MMX') and certain other MMX shareholders (together 'the Selling Shareholders'), to acquire a 63.5% shareholding in a new company ('IronX') which will be demerged from MMX and will own MMX's current 51% interest in the Minas-Rio iron ore project and 70% interest in the Amapá iron ore system. Anglo American has committed, after completion of this transaction, to extend an offer to the minority shareholders of IronX at the same price per share to the Selling Shareholders, the successful completion of which would result in Anglo American owning 100% of the Minas-Rio project, 70% of the Amapá system and 49% of LLX Minas-Rio, the owner of the Port of Açu. Anglo American will pay US$5.5 billion in cash for 100% of the issued and outstanding shares of IronX or approximately US$361.12 per IronX share (assuming one IronX share for each current MMX share).

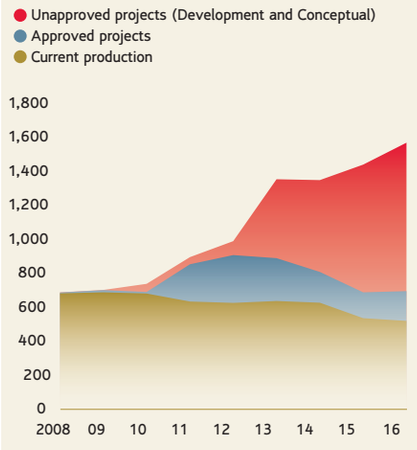
ANGLO BASE METALS NICKEL PRODUCTION

Ktpa



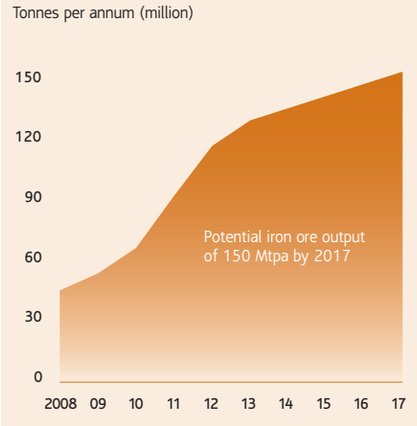
ANGLO BASE METALS COPPER PRODUCTION

Ktpa



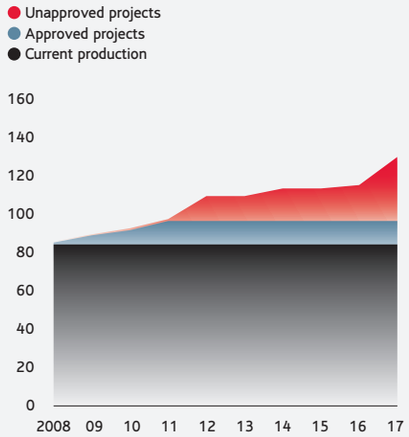
POTENTIAL VOLUME GROWTH IRON ORE

Tonnes per annum (million)



Our strategy in action continued

ANGLO COAL
THERMAL COAL PRODUCTION
Mtpa



At Kumba Iron Ore's $754 million Sishen Expansion Project in South Africa, first commercial output was delivered by the end of 2007. The project is expected to ramp up to full production capacity of 13 Mtpa of iron ore in 2009. Further brownfield and greenfield projects should increase Kumba's annual output to more than 70 Mtpa.

In 2007, Coal progressed expansion programmes in all its major countries of operation. The recently approved $505 million, 6.6 Mtpa, Zondagsfontein project will form an important part of Coal's plans to increase its South African coal production by 50% to around the 90 Mtpa level by 2015. Zondagsfontein will produce thermal coal for Eskom.

In Australia, the $835 million Dawson mine continues to ramp up towards full production of an additional 5.7 Mtpa (100%) of metallurgical and thermal coal for the export market.

Also in Australia, the $726 million Lake Lindsay greenfield project where development is progressing, with completion estimated during the second half of 2008. Annual saleable production will be 4.0 Mtpa (100%), comprising mainly metallurgical coal.

De Beers is progressing a number of projects to maintain its role as a leading global diamond producer. The major expansion focus is in Canada, where De Beers has two significant projects. The technically and logistically challenging Snap Lake development close to the Arctic Circle in the Northwest Territories was brought into production late in the fourth quarter of 2007 and plans to produce approximately 1.6 million carats per annum. In Ontario, the province's first diamond mine, Victor, is set to enter production in the second quarter of 2008, yielding 0.6 million carats per annum. In South Africa, the South African Sea Areas marine mining vessel (mv) was launched off the Atlantic coast in June. As De Beers' newest vessel, the mv *Peace in Africa* is expected to yield approximately 0.2 million carats per annum. Work continues in South Africa on reopening the long dormant Voorspoed mine, with first production due in the fourth quarter of 2008, yielding 0.7 million carats per annum.

Selected major projects

Completed

Sector	Project	Country	Completion date	Capex $m[1]	Production volume[2]
Diamonds	South African Sea Areas	South Africa	Q2 2007	159	0.2 M carats pa
Coal	Bundoora	Australia	Q1 2007	90	Replace 2.6 Mt coking over life of mine

Approved

Sector	Project	Country	Full production date	Estimated capex $m[1]	Production volume[2]
Platinum	Mototolo JV	South Africa	2008	200	130 kozpa refined platinum
	Marikana JV	South Africa	2009	36	145 kozpa refined platinum
	Mogalakwena North expansion[10]	South Africa	2009	692	230 kozpa refined platinum
	Mogalakwena North replacement[10]	South Africa	2009	230	Replace 200 kozpa refined platinum
Newly approved	Mainstream inert grind projects	South Africa	2009	188	Improved process recoveries
	Lebowa Brakfontein Merensky	South Africa	2010	179	Replace 108 kozpa refined platinum
Newly approved	Base metals refinery expansion	South Africa	2010	279	11 ktpa nickel
	Amandelbult East Upper UG2	South Africa	2012	224	100 kozpa refined platinum
Newly approved	Townlands ore replacement	South Africa	2014	139	Replace 70 kozpa refined platinum
	Paardekraal	South Africa	2015	316	Replace 120 kozpa refined platinum
Newly approved	Twickenham[8]	South Africa	2016	800	180 kozpa refined platinum
Diamonds	Snap Lake	Canada	2008	997	1.6 M carats pa
	Victor	Canada	2009	1,021	0.6 M carats pa
	Voorspoed	South Africa	2009	185	0.7 M carats pa
Coal	Dawson	Australia	2008	835	5.7 Mtpa coking, semi-soft and thermal
	Lake Lindsay	Australia	2008	726	4.0 Mtpa coking and semi-soft
	Mafube	South Africa	2008	292	5.4 Mtpa thermal
	Cerrejón	Colombia	2008	129	3.0 Mtpa (2nd stage) thermal
	MacWest	South Africa	2009	47	2.7 Mtpa thermal
Newly approved	Zondagsfontein implementation	South Africa	2010	505	6.6 Mtpa thermal
Base Metals	Collahuasi debottlenecking	Chile	2009	64	30 ktpa copper
	Barro Alto	Brazil	2011	1,500	36 ktpa nickel
Newly approved	Los Bronces expansion	Chile	2011	1,700	170 ktpa copper[4]
Ferrous Metals	Sishen Expansion	South Africa	2009	754	13 Mtpa iron ore
Newly approved	MMX Minas-Rio phase 1	Brazil	2011	3,456	26.5 Mtpa iron ore pellet feed (wet base)[7]

Future unapproved

Sector	Project	Country	Full production date	Estimated capex $m[3]	Production volume[2]
Coal	Heidelberg Opencast	South Africa	2009	20	1 Mtpa thermal
	Elders Opencast	South Africa	2011	365	7 Mtpa thermal
	Heidelberg Underground	South Africa	2013	270	5 Mtpa thermal
	Elders Underground	South Africa	2013	185	4 Mtpa thermal
	New Largo	South Africa	2016	690	14.7 Mtpa thermal
	Waterberg	South Africa	TBD	TBD	N/A
Base Metals	Quellaveco	Peru	2013	1,700	200 ktpa copper
	Collahuasi expansion phase 1	Chile	2010	750	650 ktpa copper[9]
	Collahuasi expansion phase 2	Chile	2014	TBD	1,000 ktpa copper[9]
	Michiquillay	Peru	2016	2,000-2,500	300 ktpa copper[5]
	Pebble	USA	TBD	TBD	350 ktpa copper[6]
Ferrous Metals	Sishen South	South Africa	2011	645	9 Mtpa iron ore
	Sishen Pellet	South Africa	2013	145	1.5 Mtpa iron ore pellets
	Sishen Expansion 2	South Africa	2013	560	10 Mtpa iron ore
	MMX Minas-Rio phase 2	Brazil	TBD	TBD	26.5 Mtpa pellet feed (wet base)

[1] Shown on 100% basis unless otherwise stated.
[2] Production represents 100% of average incremental or replacement production, at full production, unless otherwise stated.
[3] Shown on 100% basis, approximate amounts.
[4] Production represents average over the first ten years of the project.
[5] Michiquillay will also produce 7 ktpa molybdenum, 230 kozpa gold, and 2.3 Mozpa silver by-products.
[6] Pebble will also produce around 12 ktpa molybdenum and 600 kozpa gold by-products.
[7] MMX Minas-Rio phase 1 is also expected to produce 0.8 Mtpa lump iron ore.
[8] Twickenham was approved in February 2008. Capex is estimated at $735m in real terms.
[9] Total production of mine when project ramps up to full production.
[10] Formerly known as Potgietersrust or 'PPRust'.

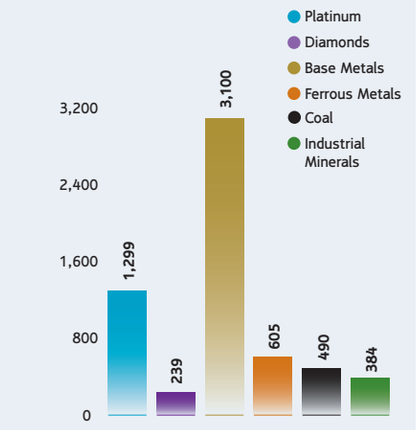
The Group has a number of other unapproved projects under evaluation including Der Brochen, Pandora JV and Styldrift in Platinum and AK06, Gahcho Kué and Jwaneng in Diamonds.

Our strategy in action continued

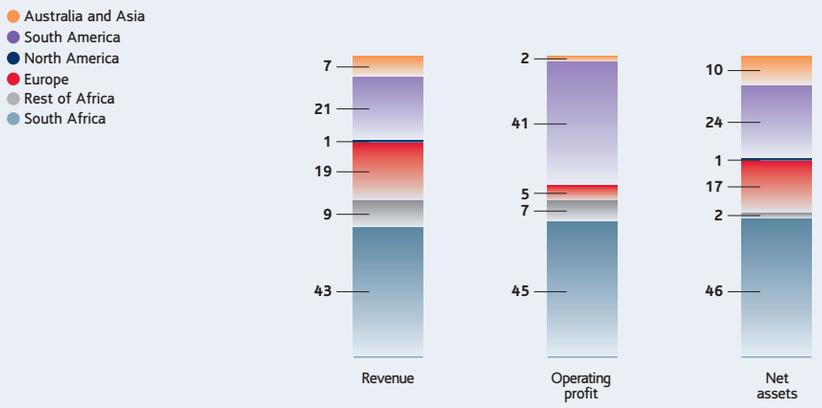
Performance

Financial highlights

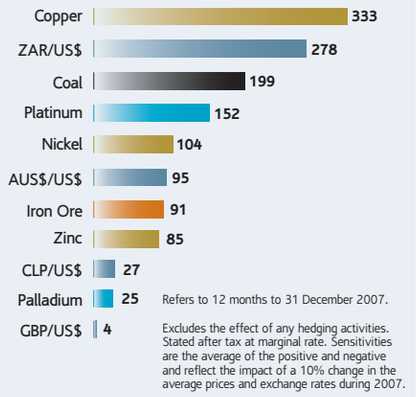
UNDERLYING EARNINGS
By business unit $m



GEOGRAPHICAL SPLIT OF REVENUE, OPERATING PROFIT AND NET ASSETS
%



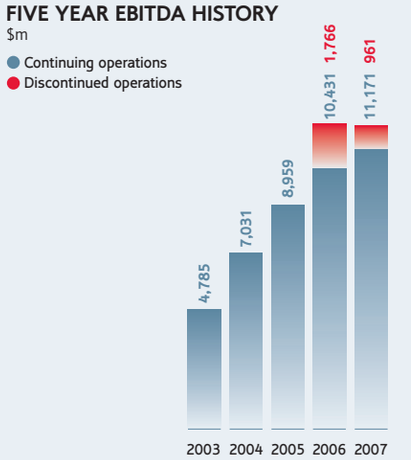
UNDERLYING EARNINGS SENSITIVITIES
$m



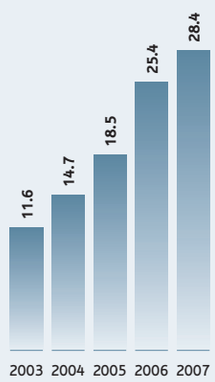
Refers to 12 months to 31 December 2007.

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 2007.

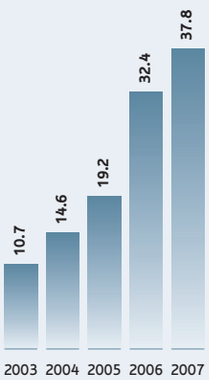
FIVE YEAR EBITDA HISTORY
$m



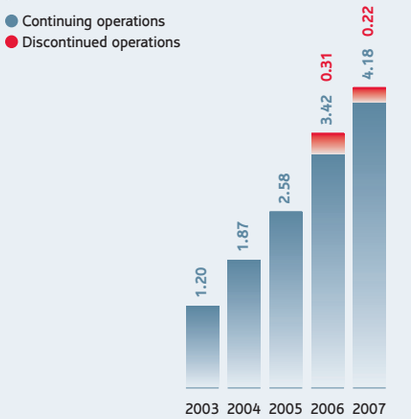
OPERATING MARGIN
%



RETURN ON CAPITAL EMPLOYED
%



UNDERLYING EPS GROWTH
$



Financial data

US$ million (unless otherwise stated)	2007	2006[1]	2005[1]	2004[1]
Group revenue including associates	**30,559**	**29,404**	**24,872**	**22,610**
Less: Share of associates' revenue	(5,089)	(4,413)	(4,740)	(5,429)
Group revenue	**25,470**	**24,991**	**20,132**	**17,181**
Operating profit including associates before special items and remeasurements	**9,590**	**8,888**	**5,549**	**3,832**
Special items and remeasurements (excluding financing special items and remeasurements)	(227)	24	16	556
Net finance costs (including remeasurements), tax and minority interests of associates	(434)	(398)	(315)	(391)
Total profit from operations and associates	**8,929**	**8,514**	**5,250**	**3,997**
Net finance costs (including special items and remeasurements)	(108)	(71)	(220)	(385)
Profit before tax	**8,821**	**8,443**	**5,030**	**3,612**
Income tax expense	(2,693)	(2,518)	(1,208)	(765)
Profit for the financial year – continuing operations	**6,128**	**5,925**	**3,822**	**2,847**
Profit for the financial year – discontinued operations	**2,044**	**997**	**111**	**1,094**
Profit for the financial year – total Group	**8,172**	**6,922**	**3,933**	**3,941**
Minority interests	(868)	(736)	(412)	(440)
Profit attributable to equity shareholders of the Company	**7,304**	**6,186**	**3,521**	**3,501**
Underlying earnings[2] – continuing operations	**5,477**	**5,019**	**3,335**	**2,178**
Underlying earnings[2] – discontinued operations	**284**	**452**	**401**	**506**
Underlying earnings[2] – total Group	**5,761**	**5,471**	**3,736**	**2,684**
Earnings per share ($) – continuing operations	**4.04**	**3.51**	**2.35**	**1.84**
Earnings per share ($) – discontinued operations	**1.54**	**0.70**	**0.08**	**0.60**
Earnings per share ($) – total Group	**5.58**	**4.21**	**2.43**	**2.44**
Underlying earnings per share ($) – continuing operations	**4.18**	**3.42**	**2.30**	**1.52**
Underlying earnings per share ($) – discontinued operations	**0.22**	**0.31**	**0.28**	**0.35**
Underlying earnings per share ($) – total Group	**4.40**	**3.73**	**2.58**	**1.87**
Ordinary dividend per share (US cents)	**124.0**	**108.0**	**90.0**	**70.0**
Special dividend per share (US cents)	**–**	**67.0**	**33.0**	**–**
Weighted average number of shares outstanding (million)	1,309	1,468	1,447	1,434
EBITDA[3] – continuing operations	**11,171**	**10,431**	**7,172**	**5,359**
EBITDA[3] – discontinued operations	**961**	**1,766**	**1,787**	**1,672**
EBITDA[3] – total Group	**12,132**	**12,197**	**8,959**	**7,031**
EBITDA interest cover[4] – total Group	**42.0**	**45.5**	**20.0**	**18.5**
Operating margin (before special items and remeasurements) – total Group	28.4%	25.4%	18.5%	14.7%
Ordinary dividend cover (based on underlying earnings per share) – total Group	3.5	3.5	2.9	2.7
Balance sheet				
Intangible and tangible assets	25,090	25,632	33,368	35,816
Other non-current assets and investments	8,952	7,819	5,375	5,375
Working capital	2,125	3,246	3,719	3,715
Other net current liabilities	(877)	(1,177)	(1,492)	(611)
Other non-current liabilities and obligations	(6,261)	(5,790)	(8,399)	(8,339)
Cash and cash equivalents and borrowings[5]	(5,170)	(3,244)	(4,993)	(8,243)
Net assets classified as held for sale	471	641	–	–
Net assets	**24,330**	**27,127**	**27,578**	**27,713**
Minority interests	(1,869)	(2,856)	(3,957)	(4,588)
Equity attributable to the equity shareholders of the Company	**22,461**	**24,271**	**23,621**	**23,125**
Total capital[6]	**29,569**	**30,451**	**32,571**	**35,956**
Cash inflows from operations – continuing operations	**9,375**	**9,012**	**5,963**	**3,857**
Cash inflows from operations – discontinued operations	**470**	**1,045**	**1,302**	**1,434**
Cash inflows from operations – total Group	**9,845**	**10,057**	**7,265**	**5,291**
Dividends received from associates and financial asset investments – continuing operations	**311**	**251**	**468**	**380**
Dividends received from associates and financial asset investments – discontinued operations	**52**	**37**	**2**	**16**
Dividends received from associates and financial asset investments – total Group	**363**	**288**	**470**	**396**
Return on capital employed[7] – total Group	**37.8%**	**32.4%**	**19.2%**	**14.6%**
EBITDA/average total capital[6] – total Group	**40.4%**	**38.7%**	**26.0%**	**21.2%**
Net debt to total capital[8]	**20.0%**	**12.9%**	**17.0%**	**25.4%**

Footnotes appear on following page.

Financial data continued

US$ million (unless otherwise stated)	2003[9][10]
Group turnover including share of joint ventures and associates	**24,909**
Less: Share of joint ventures' turnover	(1,060)
Share of associates' turnover	(5,212)
Group turnover – subsidiaries	**18,637**
Operating profit before exceptional items	2,892
Operating exceptional items	(286)
Total operating profit	**2,606**
Non-operating exceptional items	386
Net interest expense	(319)
Profit on ordinary activities before tax	**2,673**
Tax on profit on ordinary activities	(749)
Tax on exceptional items	13
Equity minority interests	(345)
Profit for the financial year	**1,592**
Underlying earnings[2]	**1,694**
Earnings per share ($)	**1.13**
Underlying earnings per share ($)	**1.20**
Dividend per share (US cents)	**54.0**
Basic number of shares outstanding (million)	1,415
EBITDA[3]	**4,785**
EBITDA interest cover[4]	9.3
Operating margin (before exceptional items)	11.6%
Dividend cover (based on underlying earnings)	2.2
Balance sheet	
Intangible and tangible fixed assets	26,646
Investments	7,206
Working capital	1,903
Provisions for liabilities and charges	(3,954)
Cash and cash equivalents and borrowings	(8,633)
Equity minority interests	(3,396)
Total shareholders' funds (equity)	**19,772**
Total capital[6]	**31,801**
Net cash inflow from operating activities	**3,184**
Dividends received from joint ventures and associates	**426**
Return on capital employed[7]	**10.7%**
EBITDA/average total capital[6]	**17.3%**
Net debt to total capital[8]	**32.0%**

Years 2004, 2005, 2006 and 2007 are prepared under IFRS. 2003 is prepared under UK GAAP.

(1) Comparatives have been adjusted to reclassify amounts relating to discontinued operations where applicable.

(2) 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.

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

(4) 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 (2003: exceptional items), but including share of associates' net interest expense.

(5) This differs to the Group's measure of net debt as it excludes the net debt of net assets classified as held for sale (2007: ($69) million; 2006: ($80) million), and excludes the impact of derivative instruments that provide an economic hedge of assets and liabilities in net debt (2007: $388 million; 2006: $193 million).

(6) Total capital is net assets excluding net debt (excluding the impact of derivative instruments).

(7) 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.

(8) Net debt to total capital is calculated as net debt (excluding the impact of derivative instruments) divided by total capital less investments in associates.

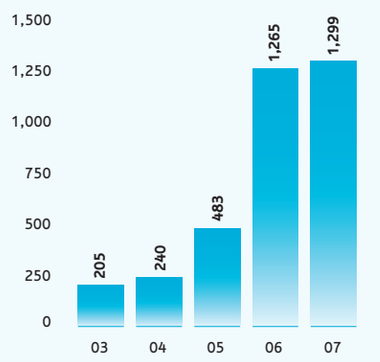
(9) 2003 has been restated to reflect the adoption of UITF abstract 38 *Accounting for ESOP trusts*.

(10) The 2003 UK GAAP numbers include all business segments. The results have not been adjusted to reclassify amounts relating to Gold and Paper and Packaging.

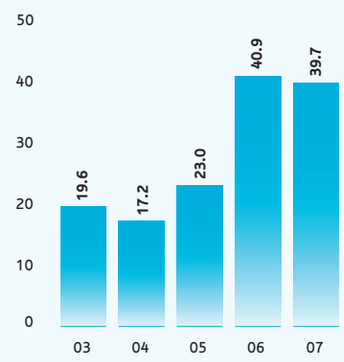
Platinum is a major component in autocatalysts, which are essential for cleaner air in our cities

Financial highlights

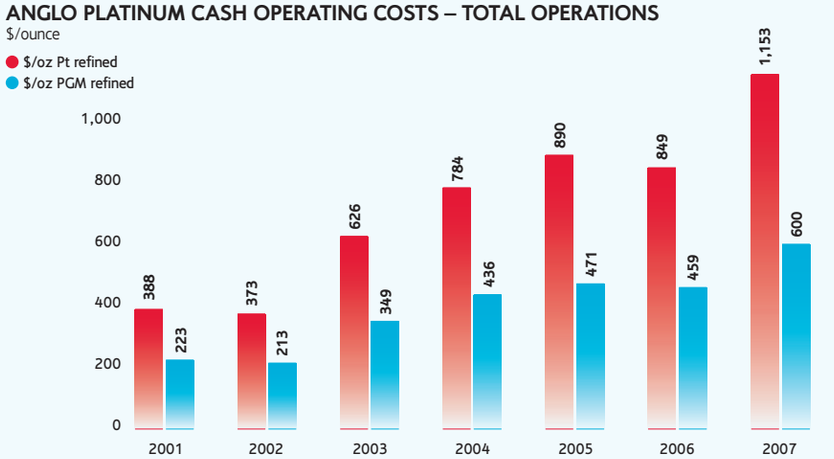
FIVE YEAR UNDERLYING EARNINGS
$m



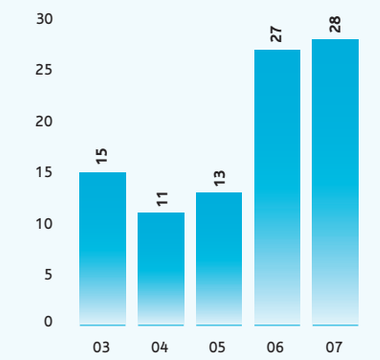
OPERATING MARGIN
%



ANGLO PLATINUM CASH OPERATING COSTS – TOTAL OPERATIONS
$/ounce

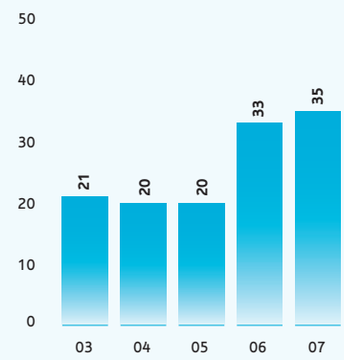


SHARE OF GROUP OPERATING PROFIT [1]
%



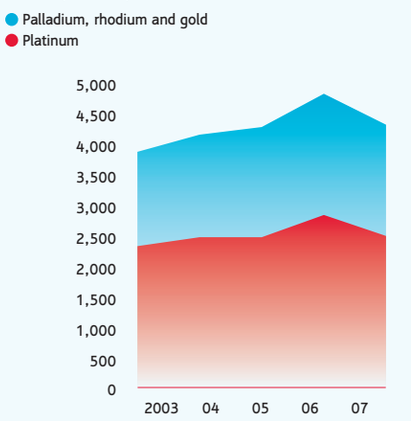
[1] On a continuing basis for 2006 and 2007. 2003 has been restated to reflect the adoption of UTIF abstract 38 *Accounting for ESOP trusts*.

SHARE OF GROUP NET OPERATING ASSETS [1]
%



[1] On a continuing basis for 2006 and 2007.

PLATINUM PRODUCTION [1]
Ounces (thousand)



[1] Excludes share of Northam Platinum Limited.

Financial data

Production	2007	2006	2005	2004	2003	2002	2001
Platinum (troy ounces)	2,508,800	2,863,900	2,502,000	2,498,200	2,356,100	2,294,300	2,145,900
Palladium (troy ounces)	1,406,200	1,563,000	1,376,700	1,331,800	1,213,700	1,136,500	1,075,900
Rhodium (troy ounces)	333,100	331,700	333,500	258,600	237,400	215,900	204,100
Nickel (tonnes)	19,500	21,700	20,900	22,700	22,500	19,700	19,500

Turnover (US$m)	2007	2006	2005	2004	2003	2002	2001
Subsidiaries	6,673	5,766	3,646	3,065	2,232	1,964	2,180
Joint Ventures	–	–	–	–	–	–	–
Associates	116	95	68	55	46	40	38
Total turnover	**6,789**	**5,861**	**3,714**	**3,120**	**2,278**	**2,004**	**2,218**
EBITDA	**3,155**	**2,845**	**1,282**	**853**	**673**	**926**	**1,442**
Depreciation and amortisation	**458**	**444**	**428**	**317**	**226**	**124**	**93**
Operating profit before special items and remeasurements	**2,697**	**2,398**	**854**	**536**	**447**	**802**	**1,345**
Operating special items and remeasurements	–	–	–	–	(14)	–	–
Operating profit after special items and remeasurements	**2,697**	**2,398**	**854**	**536**	**433**	**802**	**1,345**
Net interest, tax and minority interests	**(1,398)**	**(1,133)**	**(371)**	**(296)**	**(259)**	**(451)**	**(867)**
Total underlying earnings	**1,299**	**1,265**	**483**	**240**	**205**	**351**	**478**
Net operating assets	**9,234**	**7,078**	**7,018**	**7,560**	**6,119**	**3,580**	**1,847**
Capital expenditure	**1,479**	**923**	**616**	**633**	**1,004**	**586**	**391**

Business overview

Operating profit

2006
$2,398m

2007
$2,697m

EBITDA

2006
$2,845m

2007
$3,155m

- **World's leading primary producer of platinum**
- **Seven greenfield developments under way**
- **Ongoing strong demand from autocatalyst and jewellery sectors**

Anglo Platinum Limited, based in South Africa, is the world's leading primary producer of platinum, accounting for about 37% of global newly mined output. It mines, processes and refines the entire platinum group metals (PGMs) range: platinum, palladium, rhodium, ruthenium, iridium and osmium. Although PGMs are the primary products of its operations, base metals such as nickel, copper and cobalt sulphate are important secondary products and are significant contributors to earnings.

Anglo Platinum's operations exploit the world's richest reserve of PGMs, known as the Bushveld Complex, which contains PGM-bearing Merensky, UG2 and Platreef ores. The company has access to an excellent portfolio of ore reserves to ensure that it is well placed to be the world's leading platinum producer for many years to come.

Anglo Platinum currently wholly owns five mining operations, a tailings retreatment facility, three smelters, a base metals refinery and a precious metals refinery, all in the Limpopo and North West provinces of South Africa. Each of its mines operates its own concentrator facilities, with smelting and refining of the output being undertaken at its Rustenburg Platinum Mines' metallurgical facilities.

The company's 100% owned mining operations comprise Rustenburg Platinum Mines' Rustenburg, Amandelbult and Twickenham sections, as well as Potgietersrust Platinums Limited (PPRust) and Lebowa Platinum Mines Limited, 51% of which is held for sale. Rustenburg Platinum Mines' Union Section is 85% held, with a black economic empowerment (BEE) consortium, the Bakgatla-Ba-Kgafela traditional community, holding the remainder.

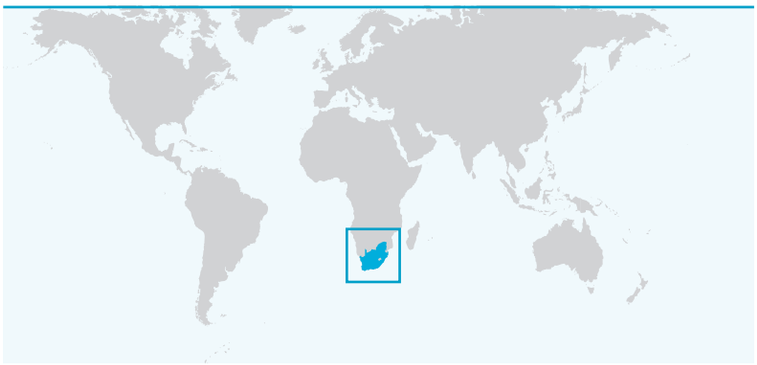
Anglo Platinum also has a 50:50 joint venture with a BEE consortium, led by African Rainbow Minerals, over the Modikwa platinum mine; a joint venture with Royal Bafokeng Resources, a BEE partner, over the combined Bafokeng-Rasimone platinum mine and Styldrift properties; and a joint venture with Xstrata over the Mototolo mine. In addition, Anglo Platinum has joint ventures with Aquarius Platinum covering the shallow reserves of the Kroondal and Marikana mines and portions of the reserves at Anglo Platinum's Rustenburg Section.

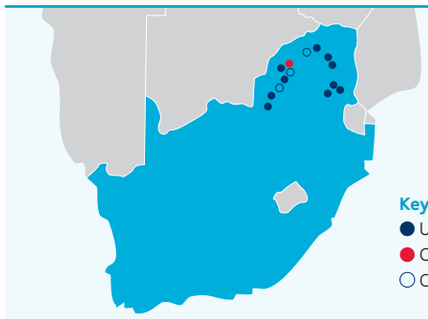
In September 2007, Anglo Platinum agreed to sell assets for R7.6 billion (about $1.1 billion) to historically disadvantaged South African (HDSA) companies Anooraq Resources and Mvela Resources. As part of the deal, an effective 51% of Lebowa Platinum and 1% of the adjacent Ga-Phasha project are being sold to Anooraq, which will then own 51% of Lebowa and Ga-Phasha. Mvela is to acquire Anglo Platinum's 50% interest in the Booysendal project as well as Anglo Platinum's 22.4% shareholding in Northam Platinum Limited.

Right: Operations at the Bafokeng-Rasimone platinum mine in South Africa

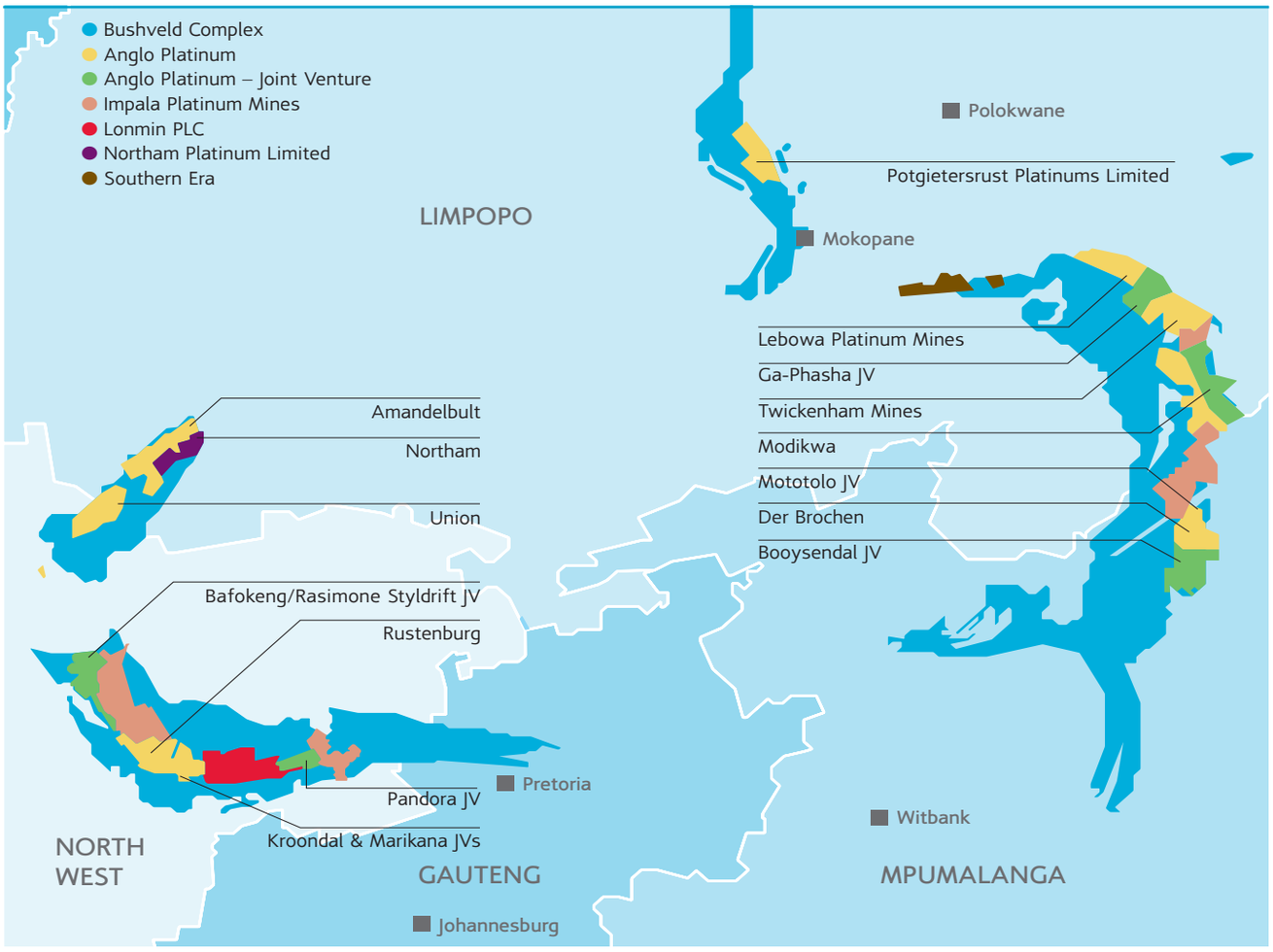
The focus of Anglo Platinum's operations is the Rustenburg area of South Africa's North West province where the company conducts underground mining at Rustenburg, Union and Amandelbult Sections, and at the Bafokeng-Rasimone, Kroondal and Marikana joint ventures. Of increasing importance are the operations 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%



Industry overview

PGMs have a wide range of industrial and high-technology applications. Demand for platinum is driven by its use in autocatalysts to control emissions from both petrol and diesel engine vehicles, and in jewellery. These uses are responsible for 71% of net total platinum consumption. Platinum, however, also has an enormous range of lesser-known applications, predominantly in the chemical, electrical, medical, glass and petroleum industries.

The platinum jewellery market requires constant promotion and development and 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 and establishing new platinum jewellery markets. Since 2000, China has been the number one platinum jewellery market, followed by Japan and North America.

Industrial applications for platinum are driven by technology and, especially in the case of autocatalysts, by legislation. Technological development continues to drive industrial demand and ongoing research into new applications will create further growth in this sector. With the rapid spread of exhaust emissions legislation, more than 93% of new vehicles sold in the world now have autocatalysts fitted. The intensifying stringency of emissions legislation will drive growth in PGM demand for autocatalysts as new legislation is applied to trucks and off road vehicles in the US. In Europe, the increasing popularity of diesel powered vehicles, which can only use autocatalysts that are predominantly platinum-based, continues and will further intensify demand.

Interest in fuel cell technology has accelerated dramatically over the past decade, largely on the back of rising concerns about environmental degradation and energy costs. At present, demand is small, but gradual medium to long term growth, first in small battery replacement applications and stationary fuel cells, and later with the commercialisation of fuel cell vehicles, is envisaged.

Palladium's principal application is in autocatalysts (around 50% of net demand). Palladium is also used in electronic components, in dental alloys and more recently as an emerging jewellery metal in markets such as China. Palladium demand growth is expected to slow against a backdrop of increasing supply expected from South African expansions and recycling from spent autocatalysts.

Rhodium is an important metal in autocatalytic activity, which accounts for nearly 85% of net demand. The metal is also used in industrial applications such as glass-making for flat panel display units. In the short to medium term, the market supply and demand balance is expected to remain tight, supported by autocatalyst growth and glass demand for flat screen televisions. Thrifting (using less metal, typically in thinner coatings, to achieve the same catalytic effect) and increased supply from UG2 reef expansions may ease the market balance in the longer term.

The other three PGMs produced are ruthenium, iridium and osmium. In recent times, ruthenium has enjoyed strong uptake on the back of heavy demand from the electronics sector, where the metal is utilised to increase magnetic data-recording memory in hard disks and in plasma display panels of flat screen televisions. Ruthenium, along with iridium, is also used in chemical and electronic applications. Osmium is employed as a catalyst in the pharmaceutical industrial sector and to stain specimens for microscopic analysis.

Markets

Current high dollar PGM market prices partly reflect the up-cycle being enjoyed by most commodities, but are supported by strong market fundamentals, in particular for platinum. Long term demand for the metal is expected to remain robust, based on tightening automotive emissions legislation, buoyant demand in the relatively price resilient Chinese jewellery market, growth in existing applications and emerging fuel cell technology.

Supplies of and demand for platinum are expected to grow and the market is expected to remain balanced over the medium term, with short term deficits associated with reduced South African output. Palladium demand is also expected to grow but, against a backdrop of increasing supply from South African expansions on higher palladium content UG2 ore, remains adequately supplied. The increased supply of rhodium from expansionary activity should ease pressure on current prices in the longer term.

Right: Lambda or oxygen sensors contain platinum electrodes and are essential components of auto emissions systems
Photo source: Johnson Matthey Platinum Today

Market information

2007 SHARE OF WORLD PRODUCTION
Ounces (thousand)

2007 PLATINUM SUPPLY

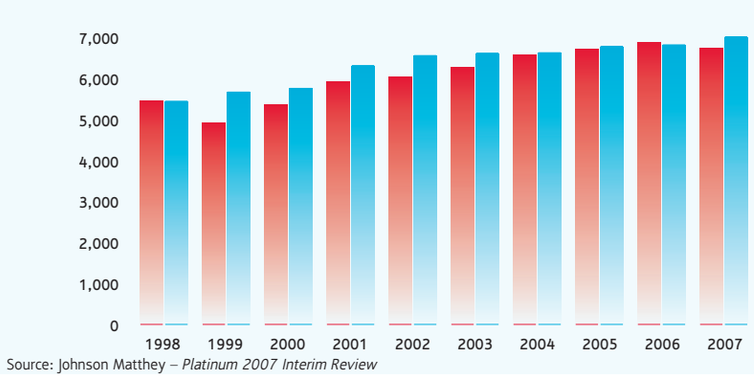
World	6,660	62.3%
Anglo Platinum (includes share of Northam Platinum)	2,509	37.7%

2007 PALLADIUM SUPPLY

World	8,320	83.1%
Anglo Platinum	1,406	16.9%

Source: Johnson Matthey – *Platinum 2007 Interim Review*

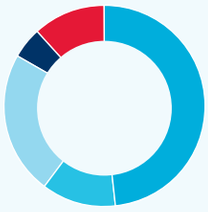
PLATINUM SUPPLY AND DEMAND
Ounces (thousand)



Source: Johnson Matthey – *Platinum 2007 Interim Review*

2007 PLATINUM END USE
%

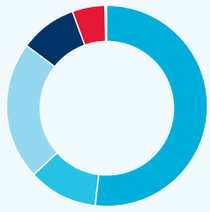
Autocatalyst	48.4
Chemical and electrical	12.0
Jewellery	23.0
Glass	5.1
Other	11.5



Source: Johnson Matthey – *Platinum 2007 Interim Review*

2007 PALLADIUM END USE
%

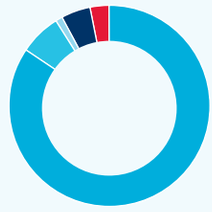
Autocatalyst	52.0
Jewellery	11.3
Chemical and electrical	22.1
Dental	9.4
Other	5.3



Source: Johnson Matthey – *Platinum 2007 Interim Review*

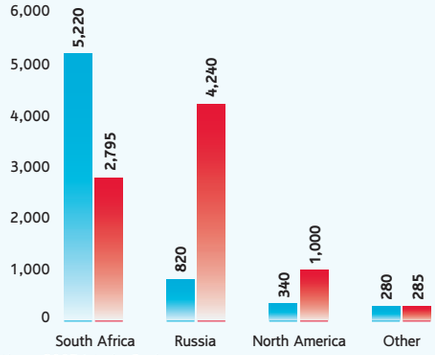
2007 RHODIUM END USE
%

Autocatalyst	84.4
Chemical	6.8
Electrical	1.2
Glass	4.7
Other	2.8



Source: Johnson Matthey – *Platinum 2007 Interim Review*

GEOGRAPHICAL PGM SUPPLY
Ounces (thousand)



Source: Johnson Matthey – *Platinum 2007 Interim Review*

Strategy and growth

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 partners and customers including Johnson Matthey plc (Anglo Platinum has a 17.5% stake in Johnson Matthey Fuel Cells Limited), and global development 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 increased demand, Anglo Platinum is targeting expanding production at an average compound growth rate of 5% per annum. Expansion will come from the development of Anglo Platinum's own extensive resources as well as those where Anglo Platinum is in joint venture partnerships. 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.

Anglo Platinum's announced expansion programme and ore replacement projects underpin a sustained high level of exploration activities. Exploration is mainly directed at accumulating geological data in areas where PGM orebodies are known to occur and is thus primarily focused on quantifying ore reserves and mineral resources in the Bushveld Complex.

Anglo Platinum is involved in developing mining activity for PGMs on the Great Dyke of Zimbabwe. The Great Dyke is the second largest known repository of platinum after the Bushveld Complex. Development and exploration work is focused on new projects in the area, including the Unki mine, as well as establishing extensions to the resource base for future projects. In addition, Anglo Platinum is involved in exploration activities in Canada, Russia, Brazil and China.

Projects

The implementation of the majority of Anglo Platinum's mining and processing projects, to expand and maintain production, continues on schedule. Marikana and Mototolo (which delivered first production in the last quarter of 2006) both increased production in 2007, adding a combined 92,800 equivalent refined platinum ounces.

Anglo Platinum approved capital expenditure totalling $1,520 million in 2007. Major items included the expansion of the base metals refinery plant to 33,000 tonnes per annum of contained nickel by the end of 2010 and the Townlands ore replacement project, at a capital cost of $139 million, which will replace 70,000 ounces of refined platinum per annum from 2014, with production expected from the new Merensky and UG2 areas at the Rustenburg Townlands shaft.

The $188 million Mainstream inert grind projects were approved in November 2007. These projects will improve mineral liberation and metallurgical performance within the process flow of the current concentrators, and will result in an increase in PGM recovery.

The Mogalakwena (formerly known as Potgietersrust or 'PPRust') North expansion project, which will mill an additional 600,000 tonnes of ore per month, is progressing. Commissioning of the new concentrator has commenced. The relocation of the Ga-Puka and Ga-Sekhaolelo communities commenced in July 2007 under the guidance of a representative task team facilitated by the office of the premier of Limpopo.

The Amandelbult East Upper UG2 project, which will contribute an additional 100,000 ounces of refined platinum per annum by 2012, is progressing on schedule. The Rustenburg Paardekraal 2 shaft replacement project is in progress and is expected to produce 120,000 ounces of refined platinum annually by 2015, replacing decreasing production as a result of continuing Merensky ore reserve depletion.

The strong global demand for resources is placing material inflationary pressure on capital expenditure and the ability to meet project schedules, the effect of which was experienced in the latter part of 2007. These pressures are likely to continue in the foreseeable future.

Right: New mills in operation at Waterval Merensky concentrator

Project pipeline

Mototolo Joint Venture

Overall capex: **$200m**

Country	**South Africa**
Ownership	**50% Anglo Platinum**
Incremental production	**130,000 oz per annum**
Full project capex	**$200m**
Full production	**2008**

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.

The 200,000 tonnes per month MF2 concentrator is performing to design. All concentrate produced by the JV will be processed through Anglo Platinum's smelters and refineries.

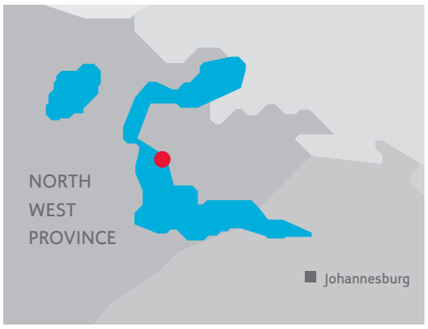
Townlands Ore Replacement

Overall capex: **$139m**

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

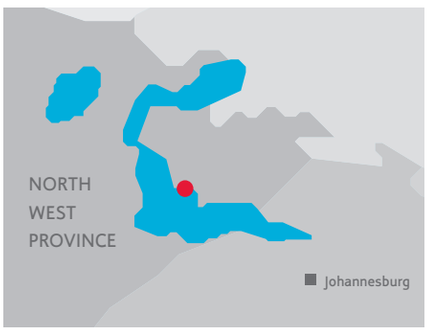


Amandelbult East Upper UG2

Overall capex: **$224m**

Country	**South Africa**
Ownership	**100% Anglo Platinum**
Incremental production	**100,000 oz per annum**
Full project capex	**$224m**
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 tonne per month UG2 concentrator will be expanded to 210,000 tonnes per month and by 2012 the project will contribute an additional 100 000 ounces of refined platinum per annum. This project is progressing on schedule.

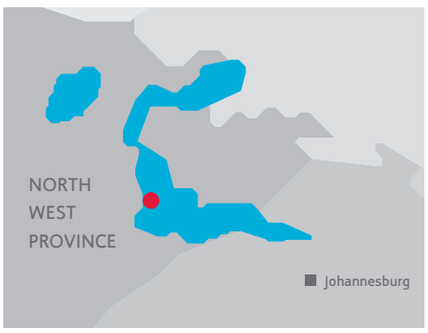


Paardekraal 2 shaft

Overall capex: **$316m**

Country	**South Africa**
Ownership	**100% Anglo Platinum**
Replacement production	**120,000 oz per annum**
Full project capex	**$316m**
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 while construction of the man-and-materials shaft began in September 2007.



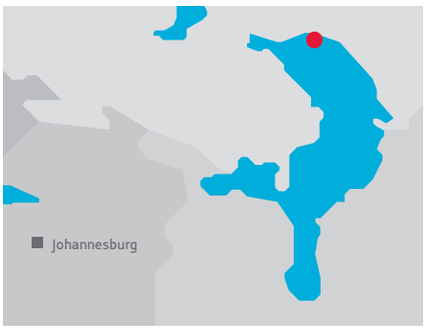
Strategy and growth continued

Lebowa Brakfontein Merensky Shaft

Overall capex: **$179m**

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

The implementation of the Brakfontein Merensky project (120,000 tonnes per month) continues to progress well and the decline development remains on schedule. Raise line development has started on two levels and steady-state production remains on target for the end of 2010. Construction of surface infrastructure will be completed in 2008. At steady-state, the mine will provide sufficient feedstock for the upgraded Merensky concentrator until 2021.

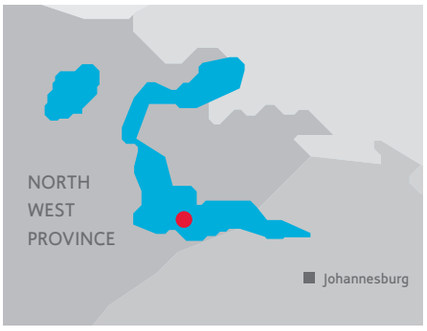


Kroondal

Overall capex: **$138m**

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

All conditions precedent to 2003 agreements between Anglo Platinum and Aquarius Platinum to expand the PSA project from 500,000 tonnes to 780,000 tonnes per month were fulfilled in December 2005. The revised PSA project comprises two components: the Kroondal PSA project and a new Marikana PSA project. The total Kroondal PSA is currently delivering 558,000 tonnes per month although production was severely compromised by labour strikes during 2007.

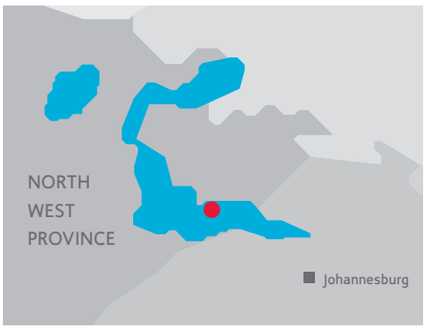


BRPM joint venture

Overall capex: **$265m**

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

The mine has continued with the development of the phase 2 project, which is designed to deepen the operations at both North and South shafts by an additional five levels with associated infrastructure. The project is on schedule for completion in 2010. Production has started on six level, while seven level is currently being equipped, with production scheduled to start in 2008. Phase 2 will ensure constant production at BRPM, building up to 110,000 tonnes per month per shaft as production from phase 1 declines, due to the depletion of ore reserves on the upper levels.



Mogalakwena North expansion

Overall capex: **$692m**

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

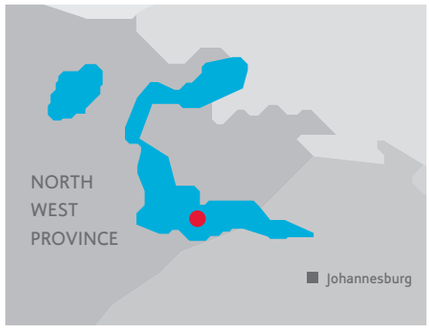
This expansion was approved by the board in 2006. It will expand milling capacity by 600,000 tonnes per month, in addition to the 385,000 tonnes per month milled by the existing PPL. The expansion will produce an additional 230,000 platinum ounces per annum to bring total platinum production at Mogalakwena (formerly known as PPRust) to 430,000 ounces per annum. Commissioning of the new concentrator has commenced. The relocation of the Ga-Puka and Ga-Sekhaolelo communities commenced in July 2007 under the guidance of a representative task team facilitated by the office of the premier of Limpopo.

Mainstream inert grind projects

Overall capex: **$188m**

Country	**South Africa**
Ownership	**100% Anglo Platinum**
Replacement production	**Improve process recoveries**
Full project capex	**$188m**
Full production	**2009**

The $188 million Mainstream inert grind projects were approved in November 2007. These projects will improve mineral liberation and metallurgical performance within the process flow of the current concentrators, and will result in an increase in PGM recovery.

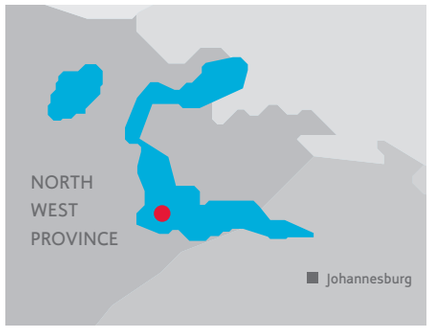


Base metals refinery expansion

Overall capex: **$279m**

Country	**South Africa**
Ownership	**100% Anglo Platinum**
Replacement production	**11,000 tonnes per annum of nickel**
Full project capex	**$279m**
Full production	**2010**

In May 2007, the $279 million expansion of the base metal refinery in Rustenburg was approved. This will increase its nickel processing capacity from 21,500 to 33,000 tonnes per annum in line with Anglo Platinum's forecast production targets, and will include the installation of a semi-automated nickel electrowinning tank house and nickel aerosol abatement system. The project is forecast to start ramp-up by the fourth quarter of 2009, with full capacity reached by the end of 2010.

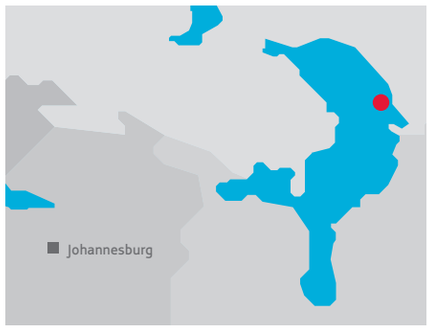


Twickenham

Overall capex: **$800m**

Country	**South Africa**
Ownership	**100% Anglo Platinum**
Incremental production	**180,000 oz per annum**
Full project capex	**$800m ($735m real terms)**
Full production	**2016**

The early mining project at Hackney shaft was handed over to operations during 2007. The mining training centre, which is an underground Mine Development Centre for the Eastern Limb expansions at Twickenham shaft, was approved in the second quarter of 2007 and execution is in progress. The $800 million ($735m real terms) Twickenham expansion project was approved in the first quarter of 2008. The project will expand current operations and exploit the UG2 reef horizon.



Production data

Total refined production (excludes production from Northam)

Refined production	unit	2007	2006	2005	2004	2003	2002
Platinum	000 oz	2,474.0	2,816.5	2,453.5	2,453.5	2,307.8	2,251.1
Palladium	000 oz	1,389.7	1,539.4	1,353.2	1,310.7	1,190.9	1,115.3
Rhodium	000 oz	328.8	326.0	328.1	253.3	232.5	211.7
Gold	000 oz	97.9	113.6	117.5	109.9	116.1	107.1
PGMs	000 oz	4,787.1	5,238.2	4,651.0	4,426.4	4,161.5	3,947.6
Nickel	000 tonnes	19.2	21.3	20.5	22.3	22.1	19.4
Copper	000 tonnes	11.0	11.1	11.3	12.9	12.9	10.5

Rustenburg Section

100% owned

Refined production	unit	2007	2006	2005	2004	2003	2002[1]
Platinum	000 oz	731.9	942.0	822.1	864.1	802.2	800.9
Palladium	000 oz	386.0	465.6	401.5	409.7	365.7	357.8
Rhodium	000 oz	100.1	108.5	114.4	82.0	74.0	64.2
Gold	000 oz	27.7	37.1	40.6	38.3	45.5	45.2
PGMs	000 oz	1,364.5	1,705.6	1,525.9	1,495.4	1,389.0	1,347.1
Nickel	000 tonnes	5.1	6.3	6.3	7.4	7.6	7.6
Copper	000 tonnes	3.0	3.2	3.5	4.5	4.5	4.3
Cash operating costs	US$/oz Pt refined	1,272	850	937	838	672	410
Cash operating costs	US$/oz PGM refined	690	471	505	484	388	244

Amandelbult Section

100% owned

Refined production	unit	2007	2006	2005	2004	2003	2002
Platinum	000 oz	573.9	647.8	548.9	605.6	634.6	711.0
Palladium	000 oz	279.5	298.1	255.4	272.0	277.1	314.7
Rhodium	000 oz	74.5	71.9	74.1	64.8	66.1	71.9
Gold	000 oz	18.6	19.4	20.7	19.8	24.0	23.6
PGMs	000 oz	1,071.9	1,139.8	992.9	1,048.4	1,102.0	1,228.6
Nickel	000 tonnes	3.8	3.7	3.6	4.0	3.9	4.2
Copper	000 tonnes	2.0	1.7	1.9	2.3	2.3	2.1
Cash operating costs	US$/oz Pt refined	890	638	663	566	426	242
Cash operating costs	US$/oz PGM refined	477	363	366	327	245	140

Union Section

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

Refined production	unit	2007	2006	2005	2004	2003	2002
Platinum	000 oz	309.6	327.2	310.1	319.6	313.2	284.7
Palladium	000 oz	145.1	147.5	139.0	139.8	132.6	125.8
Rhodium	000 oz	51.3	50.6	57.8	47.6	43.6	40.2
Gold	000 oz	5.3	5.4	5.8	5.4	5.8	5.2
PGMs	000 oz	608.6	607.7	595.0	581.6	572.0	514.7
Nickel	000 tonnes	1.3	1.2	1.1	1.1	1.1	1.0
Copper	000 tonnes	0.6	0.4	0.5	0.5	0.5	0.4
Cash operating costs	US$/oz Pt refined	1,160	1,004	988	871	663	405
Cash operating costs	US$/oz PGM refined	590	541	515	479	363	224

PPRust

100% owned

Refined production	unit	2007	2006	2005	2004	2003	2002
Platinum	000 oz	162.5	185.5	200.5	196.0	188.9	165.3
Palladium	000 oz	167.4	208.3	214.3	209.2	196.9	159.0
Rhodium	000 oz	11.5	12.5	13.8	13.1	12.5	12.1
Gold	000 oz	17.4	21.5	21.7	21.7	21.4	17.1
PGMs	000 oz	354.2	420.1	443.4	431.9	411.0	349.4
Nickel	000 tonnes	3.9	4.5	4.6	5.1	5.7	3.4
Copper	000 tonnes	2.4	2.8	2.7	2.9	3.2	1.9
Cash operating costs	US$/oz Pt refined	1,333	1,028	1,014	911	790	506
Cash operating costs	US$/oz PGM refined	612	454	458	413	363	239

Lebowa
100% owned

Refined production	unit	2007	2006[2]	2005	2004	2003	2002
Platinum	000 oz	94.2	102.9	110.0	113.6	105.1	102.0
Palladium	000 oz	63.3	69	76.4	78.0	68.9	65.4
Rhodium	000 oz	10.9	10.7	11.7	11.6	10.5	9.5
Gold	000 oz	5.3	5.9	5.9	6.2	6.1	5.9
PGMs	000 oz	187.7	201.3	217.7	222.1	201.7	192.6
Nickel	000 tonnes	1.2	1.5	1.4	1.5	1.4	1.4
Copper	000 tonnes	0.7	1.0	0.8	0.9	0.8	0.8
Cash operating costs	US$/oz Pt refined	1,440	1,117	1,031	916	729	480
Cash operating costs	US$/oz PGM refined	723	571	521	468	380	254

BRPM
50:50 JV with Royal Bafokeng Resources

Refined production	unit	2007	2006	2005	2004	2003	2002
Platinum	000 oz	190.5	240.6	188.4	183.5	177.6	162.1
Palladium	000 oz	80.4	99.8	77.7	74.1	69.1	68.2
Rhodium	000 oz	13.2	14.2	15.2	11.5	11.2	10.5
Gold	000 oz	12.2	14.0	12.8	10.1	10.8	9.4
PGMs	000 oz	314.4	381.4	306.9	289.6	280.9	261.5
Nickel	000 tonnes	2.3	2.7	2.2	2.2	2.0	1.7
Copper	000 tonnes	1.5	1.4	1.2	1.3	1.3	1.0
Cash operating costs	US$/oz Pt refined	1,078	791	924	770	692	481
Cash operating costs	US$/oz PGM refined	653	499	567	475	437	298

Modikwa Platinum Mine
50:50 JV with ARM Platinum

Refined production	unit	2007	2006	2005	2004	2003
Platinum	000 oz	114.6	145.6	128.2	114.0	86.2
Palladium	000 oz	114.0	142.9	127.7	109.9	80.6
Rhodium	000 oz	23.1	27.1	29.6	20.9	14.6
Gold	000 oz	3.7	3.9	4.0	3.2	2.5
PGMs	000 oz	297.0	360.1	328.3	276.6	204.9
Nickel	000 tonnes	0.6	0.7	0.7	0.6	0.4
Copper	000 tonnes	0.4	0.3	0.4	0.3	0.3
Cash operating costs	US$/oz Pt refined	1,716	1,270	1,335	1,323	1,228
Cash operating costs	US$/oz PGM refined	662	514	521	545	517

Western Limb Tailings Retreatment

Refined production	unit	2007	2006	2005
Platinum	000 oz	44.1	49.0	55.0
Palladium	000 oz	16.9	18.9	18.6
Rhodium	000 oz	3.6	3.4	4.0
Gold	000 oz	4.6	4.7	5.0
PGMs	000 oz	77.3	81.9	91.2
Nickel	000 tonnes	0.3	0.4	0.5
Copper	000 tonnes	0.2	0.2	0.2
Cash operating costs	US$/oz Pt refined	99.1	791	722
Cash operating costs	US$/oz PGM refined	566	473	435

(1) UG2 ramp-up included from 2002.

(2) 2006 restated to exclude Twickenham.

Production data continued

Kroondal Joint Venture
50:50 JV with Aquarius Platinum, South Africa

Refined production	unit	2007	2006
Platinum	000 oz	128.8	148.3
Palladium	000 oz	63.5	71.8
Rhodium	000 oz	22.6	24.8
Gold	000 oz	1.2	1.3
PGMs	000 oz	267.0	289.3
Nickel	000 tonnes	0.2	0.2
Copper	000 tonnes	0.1	0.1
Cash operating costs	US$/oz Pt refined	975	685
Cash operating costs	US$/oz PGM refined	470	351

Marikana Joint Venture
50:50 JV with Aquarius Platinum, South Africa

Refined production	unit	2007	2006
Platinum	000 oz	22.4	12.8
Palladium	000 oz	9.6	6.0
Rhodium	000 oz	3.0	1.2
Gold	000 oz	0.3	0.1
PGMs	000 oz	41.8	22.0
Nickel	000 tonnes	0.0	–
Copper	000 tonnes	0.0	–
Cash operating costs	US$/oz Pt refined	1,590	1,395
Cash operating costs	US$/oz PGM refined	853	807

Mototolo Platinum Mine
50:50 JV with Xstrata South Africa

Refined production	unit	2007	2006
Platinum	000 oz	92.6	8.5
Palladium	000 oz	55.3	5.1
Rhodium	000 oz	13.8	–
Gold	000 oz	1.4	0.1
PGMs	000 oz	182.4	13.7
Nickel	000 tonnes	0.3	–
Copper	000 tonnes	0.1	–
Cash operating costs	US$/oz Pt refined	886	1,453
Cash operating costs	US$/oz PGM refined	450	907

Twickenham
100% owned

Refined production	unit	2007	2006
Platinum	000 oz	8.8	6.3
Palladium	000 oz	8.8	6.4
Rhodium	000 oz	1.3	1.1
Gold	000 oz	0.3	0.2
PGMs	000 oz	20.2	15.3
Nickel	000 tonnes	0.0	0.1
Copper	000 tonnes	0.0	–
Cash operating costs	US$/oz Pt refined	2,209	1,619
Cash operating costs	US$/oz PGM refined	958	667

Reserves and resources data

Platinum

The Ore Reserve and Mineral Resource estimates were compiled in accordance with the Australasian Code for Reporting of Mineral Resources and Ore Reserves (The JORC Code, 2004) as a minimum standard. Where relevant, the estimates were also prepared in compliance with regional codes and requirements (e.g. The South African Code for Reporting of Mineral Resources and Mineral Reserves, The SAMREC Code, 2007). Rounding of figures may cause computational discrepancies. The Mineral Resources are additional to the Ore Reserves. Merensky and UG2 Reef Mineral Resources are reported over an economic and mineable cut appropriate to the specific reef. The mineable cuts collectively form the basis of the consolidated reef figures. Details of the individual operations appear in the Anglo Platinum Annual Report. 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 as at 31 December 2007 is 76.53%.

Anglo Platinum Ore Reserves	Classification	Tonnes[1] million 2007	Tonnes[1] million 2006	Grade[2] g/t 2007	Grade[2] g/t 2006	Contained metal tonnes 2007	Contained metal tonnes 2006	Contained metal million troy ounces 2007	Contained metal million troy ounces 2006
Merensky Reef[3][4]				4E PGE	4E PGE			Moz	Moz
	Proved	88.7	95.5	5.22	5.54	462.6	529.1	14.9	17.0
	Probable	117.2	105.9	5.11	5.78	598.5	612.4	19.2	19.7
	Total	**205.8**	**201.4**	**5.16**	**5.67**	**1,061.1**	**1,141.5**	**34.1**	**36.7**
UG2 Reef[5][6]				4E PGE	4E PGE			Moz	Moz
	Proved	415.7	347.2	4.37	4.57	1,816.0	1,585.1	58.4	51.0
	Probable	413.5	403.5	4.32	4.37	1,787.1	1,761.6	57.5	56.6
	Total	**829.2**	**750.7**	**4.35**	**4.46**	**3,603.1**	**3,346.7**	**115.8**	**107.6**
Platreef[7][8]				4E PGE	4E PGE			Moz	Moz
	Proved	284.6	319.6	3.24	3.27	923.2	1,045.5	29.7	33.6
	Proved primary ore stockpile[9]	19.8	16.4	2.54	2.66	50.1	43.7	1.6	1.4
	Probable	114.0	110.8	3.51	3.67	400.1	406.9	12.9	13.1
	Total	**418.3**	**446.9**	**3.28**	**3.35**	**1,373.4**	**1,496.0**	**44.2**	**48.1**
All Reefs				4E PGE	4E PGE			Moz	Moz
	Proved	808.6	778.7	4.02	4.11	3,251.9	3,203.3	104.6	103.0
	Probable	644.6	620.3	4.32	4.48	2,785.7	2,781.0	89.6	89.4
	Total	**1,453.3**	**1,399.0**	**4.15**	**4.28**	**6,037.6**	**5,984.2**	**194.1**	**192.4**
	Total (alternative units)[10]	**1,601.9Mton**	**1,542.1Mton**	**0.121oz/t**	**0.125oz/t**				
Tailings[11]				4E PGE	4E PGE			Moz	Moz
	Proved	–	–	–	–	–	–	–	–
	Probable	38.6	43.6	0.92	1.00	35.5	43.7	1.1	1.4
	Total	**38.6**	**43.6**	**0.92**	**1.00**	**35.5**	**43.7**	**1.1**	**1.4**
	Total (alternative units)[10]	**42.6Mton**	**48.1Mton**	**0.027oz/t**	**0.029oz/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).

[3] **Merensky Reef:** The reserve pay-limit varies across all operations between 1.3g/t and 4.8g/t. The variability is a function of various factors including the depth of the orebody, geological complexity and infrastructure.

[4] **Merensky Reef:** The decrease in the reserve grade is mainly a function of changes occurring at BRPM and Amandelbult.
BRPM – changes in the mining method and mine design resulted in a higher stope width and consequent drop in grade.
Amandelbult – in-fill drilling revealed increased geological complexity resulting in a drop in the resource grade. The drop in the resource grade plus a change in the modifying factors resulted in a decrease in the reserve grade.

[5] **UG2 Reef:** The reserve pay-limit varies across all operations between 1.3g/t and 4.4g/t. The variability is a function of various factors including the depth of the orebody, geological complexity and infrastructure.

[6] **UG2 Reef:** The increase in reserve tonnage is mainly due to conversion of resources to reserves as a result of Pre-Feasibility studies completed for Rustenburg Section (Frank and Turffontein).

[7] **Platreef:** The reserve cut-off is 1.7g/t for fresh ore and 3.0g/t for weathered/oxidised ore.

[8] **Platreef:** A programme of blast-hole drilling indicated higher than expected proportions of oxidised material below the economically recoverable grade. Approximately half of the tonnage (~15Mt) was removed as waste and the remainder has been removed from the Ore Reserve due to the change in cut-off grade applied to the oxidised zone.

[9] **Platreef stockpiles:** These are reported separately as Proved Ore Reserves and aggregated into the summation tabulations.

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

[11] **Tailings:** These are reported separately as Ore Reserves but are not aggregated in the total Ore Reserve figures. Operating tailings dams for current mining operations cannot be geologically assessed and therefore are not reported as part of the Ore Reserves. At Rustenburg and Union Section historical dams have been evaluated and the tailings are included in the Ore Reserves statement.

The following operations and projects were reviewed during 2007 by independent consultants:
Amandelbult Section, Lebowa Platinum Mines, PPRust, Rustenburg Section, Union Section,
Booysendal Project, Der Brochen Project, BRPM (Styldrift), Twickenham Platinum.

Reserves and resources data continued

Anglo Platinum Mineral Resources	Classification	Tonnes[1] million 2007	Tonnes[1] million 2006	Grade[2] g/t 2007	Grade[2] g/t 2006	Contained metal tonnes 2007	Contained metal tonnes 2006	Contained metal million troy ounces 2007	Contained metal million troy ounces 2006
Merensky Reef[3][4][5]				4E PGE	4E PGE			Moz	Moz
	Measured	107.8	96.4	5.33	5.42	574.4	523.0	18.5	16.8
	Indicated	276.5	248.3	5.29	5.39	1,462.7	1,337.8	47.0	43.0
	Measured and Indicated	**384.3**	**344.7**	**5.30**	**5.40**	**2,037.1**	**1,860.7**	**65.5**	**59.8**
	Inferred	876.5	1,095.9	5.29	5.48	4,633.0	6,010.9	149.0	193.3
	Total	**1,260.8**	**1,440.6**	**5.29**	**5.46**	**6,670.1**	**7,871.6**	**214.4**	**253.1**
UG2 Reef[3][6][7]				4E PGE	4E PGE			Moz	Moz
	Measured	337.2	312.3	5.69	5.52	1,919.0	1,725.3	61.7	55.5
	Indicated	499.7	634.3	5.38	5.37	2,686.9	3,404.9	86.4	109.5
	Measured and Indicated	**836.9**	**946.6**	**5.50**	**5.42**	**4,605.9**	**5,130.3**	**148.1**	**164.9**
	Inferred	1,223.2	1,321.4	5.22	5.54	6,379.8	7,325.5	205.1	235.5
	Total	**2,060.0**	**2,268.0**	**5.33**	**5.49**	**10,985.7**	**12,455.7**	**353.2**	**400.5**
Platreef[8][9]				4E PGE	4E PGE			Moz	Moz
	Measured	176.8	158.8	1.93	1.91	340.8	303.2	11.0	9.7
	Indicated	790.6	791.2	2.21	2.22	1,749.4	1,757.7	56.2	56.5
	Measured and Indicated	**967.4**	**950.0**	**2.16**	**2.17**	**2,090.2**	**2,061.0**	**67.2**	**66.3**
	Inferred	1,408.0	1,449.4	1.88	1.82	2,647.7	2,643.9	85.1	85.0
	Total	**2,375.4**	**2,399.4**	**1.99**	**1.96**	**4,737.9**	**4,704.9**	**152.3**	**151.3**
All Reefs				4E PGE	4E PGE			Moz	Moz
	Measured	621.8	567.6	4.56	4.50	2,834.2	2,551.5	91.1	82.0
	Indicated	1,566.8	1,673.8	3.77	3.88	5,899.0	6,500.5	189.7	209.0
	Measured and Indicated	**2,188.6**	**2,241.4**	**3.99**	**4.04**	**8,733.2**	**9,052.0**	**280.8**	**291.0**
	Inferred	3,507.6	3,866.7	3.89	4.13	13,660.5	15,980.3	439.2	513.8
	Total	**5,696.2**	**6,108.1**	**3.93**	**4.10**	**22,393.7**	**25,032.3**	**720.0**	**804.8**
	Total (alternative units)[10]	**6,278.9Mton**	**6,732.9Mton**	**0.115oz/t**	**0.120oz/t**				
Tailings[11]				4E PGE	4E PGE			Moz	Moz
	Measured	–	–	–	–	–	–	–	–
	Indicated	151.4	152.3	1.05	1.06	159.7	160.9	5.1	5.2
	Measured and Indicated	**151.4**	**152.3**	**1.05**	**1.06**	**159.7**	**160.9**	**5.1**	**5.2**
	Inferred	–	–	–	–	–	–	–	–
	Total	**151.4**	**152.3**	**1.05**	**1.06**	**159.7**	**160.9**	**5.1**	**5.2**
	Total (alternative units)[10]	**166.9Mton**	**167.9Mton**	**0.031oz/t**	**0.031oz/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).

(3) **Merensky and UG2 Reefs:** Due to the South African Department of Minerals and Energy's (DME) refusal to grant certain Prospecting Right applications and an undertaking by Anglo Platinum Limited not to advance legal proceedings, pending negotiations with the DME and third parties, the following Mineral Resource estimates are not included: Merensky Reef: 161.3Mt @ 5.78g/t (30.0Moz), UG2 Reef: 189.5Mt @ 6.00g/t (36.5Moz);
94.6% of the above mentioned combined Merensky and UG2 Reef Mineral Resources are in the Inferred Resource category;
The 66.5Moz reflects a loss of 8.5% of Anglo Platinum's total Mineral Resources.

(4) **Merensky Reef:** Depending on the reef characteristics a 2.5g/t to 3.0g/t cut-off has been used to identify Mineral Resources.

(5) **Merensky Reef:** Measured and Indicated resource tonnages increased mainly due to in-fill drilling leading to increased confidence in the estimates at the Der Brochen and Booysendal projects. At Union Section, updated economic assumptions showed that the area below 28 level is currently no longer economically viable and therefore reserve tonnes have been re-allocated to resources.

(6) **UG2 Reef:** A 1.8g/t cut-off has been used to identify Mineral Resources.

(7) **UG2 Reef:** A decrease in the total Measured and Indicated Resource tonnages is mainly as a result of conversion of resources to reserves at Rustenburg Section due to the completion of Pre-Feasibility studies for Frank and Turffontein, and a re-evaluation at Der Brochen due to new information highlighting higher geological complexity.

(8) **Platreef:** A 1.0g/t cut-off has been used to identify Mineral Resources.

(9) **Platreef:** In-fill drilling resulted in geological re-interpretation, increased confidence and a consequent increase of Measured Resources.

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

(11) **Tailings:** These are reported separately as Mineral Resources but are not aggregated in the total Mineral Resource figures. Operating tailings dams for current mining operations cannot be geologically assessed and therefore are not reported as part of the Mineral Resources. At Rustenburg and Union Section historical dams have been evaluated and the tailings are included in the Mineral Resource statement.

Anglo Platinum Ore Reserves

Other Projects	Classification	Tonnes[1] million 2007	Tonnes[1] million 2006	Grade[2] g/t 2007	Grade[2] g/t 2006	Contained metal tonnes 2007	Contained metal tonnes 2006	Contained metal million troy ounces 2007	Contained metal million troy ounces 2006
Zimbabwe				4E PGE	4E PGE			Moz	Moz
Unki – Great Dyke	Proved	5.2	5.2	3.60	3.60	18.8	18.8	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**	**3.78**	**183.3**	**183.3**	**5.9**	**5.9**
	Total (alternative units)[3]	**53.4Mton**	**53.4Mton**	**0.110oz/t**	**0.110oz/t**				

Anglo Platinum Mineral Resources

Other Projects	Classification	Tonnes[1] million 2007	Tonnes[1] million 2006	Grade[2] g/t 2007	Grade[2] g/t 2006	Contained metal tonnes 2007	Contained metal tonnes 2006	Contained metal million troy ounces 2007	Contained metal million troy ounces 2006
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**	**82.0**	**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**	**505.5**	**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 Boikantsho[4]									
Platreef	Measured	–	–	–	–	–	–	–	–
	Indicated	88.3	88.3	1.35	1.35	119.2	119.3	3.8	3.8
	Measured and Indicated	**88.3**	**88.3**	**1.35**	**1.35**	**119.2**	**119.3**	**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**	**183.2**	**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	138.2	143.1	0.87	0.74	120.4	106.3	3.9	3.4
	Indicated	128.4	109.6	0.95	0.80	122.1	88.1	3.9	2.8
	Measured and Indicated	**266.6**	**252.7**	**0.91**	**0.77**	**242.4**	**194.4**	**7.8**	**6.3**
	Inferred	0.9	18.7	0.85	0.71	0.8	13.3	0.0	0.4
	Total	**267.5**	**271.4**	**0.91**	**0.77**	**243.2**	**207.7**	**7.8**	**6.7**
	Total (alternative units)[3]	**294.9Mton**	**299.1Mton**	**0.027oz/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	6.6	2.27	2.27	15.0	15.0	0.5	0.5
	Total	**6.6**	**6.6**	**2.27**	**2.27**	**15.0**	**15.0**	**0.5**	**0.5**
	Total (alternative units)[3]	**7.3Mton**	**7.3Mton**	**0.066oz/t**	**0.066oz/t**				

Footnotes appear on following page.

Reserves and resources data continued

(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 Boikantsho:** Anglo Platinum holds an attributable interest of 50%. A cut-off of US$20.00 gross metal value per tonne was applied.

(5) **Sheba's Ridge:** Anglo Platinum holds an attributable interest of 35% which will be affected once a bankable Feasibility Study has been completed. A cut-off of US$10.50 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 0.7g/t (platinum plus palladium) was applied.

(7) **Pedra Branca:** Anglo Platinum envisages a 51% controlling share in the project. A cut-off of 0.7g/t (3E) was applied.

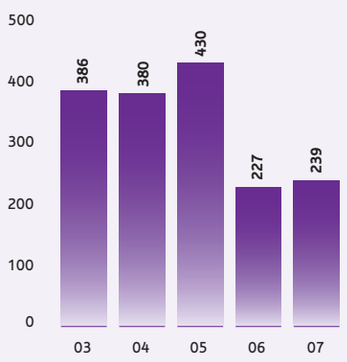
The following Operations and Projects contributed to the combined 2007 Ore Reserve and Mineral Resource estimates stated per reef (excluding Other Projects):
(MR = Merensky Reef, UG2 = UG2 Reef, PR = Platreef)

Amandelbult Section – MR/UG2
Booysendal Project – MR/UG2
BRPM – MR/UG2
Der Brochen Project – MR/UG2
Ga-Phasha PGM Project – MR/UG2
Kroondal PSA 1 – UG2
Lebowa Platinum Mines – MR/UG2
Magazynskraal 3 JQ – MR/UG2
Marikana PSA 2 – UG2
Modikwa Platinum Mine – MR/UG2
Mototolo – UG2
Northam – MR/UG2
Other Exploration Projects (Ptn. of Driekop) – UG2
Pandora – UG2
PPRust (Potgietersrust Platinums Ltd.) – PR
Rustenburg Section – MR/UG2
Twickenham Platinum Mine Project – MR/UG2
Union Section – MR/UG2
WBJV – MR/UG2

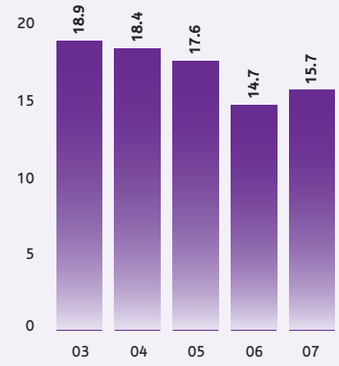
De Beers is the largest producer and marketer of gem diamonds by value in the world

Financial highlights

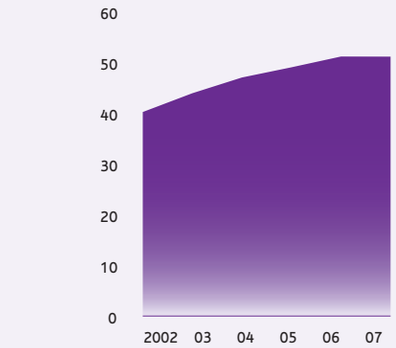
FIVE YEAR UNDERLYING EARNINGS
$m



OPERATING MARGIN
%



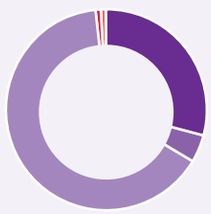
DE BEERS MINE PRODUCTION[1]
Carats recovered (million)



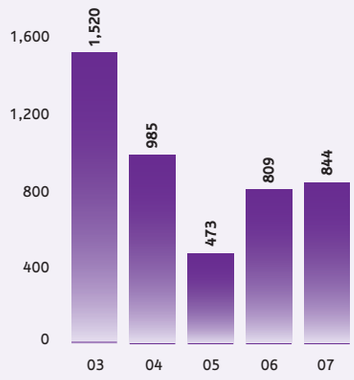
[1] DBCM, Debswana, Namdeb, Williamson and Canada

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

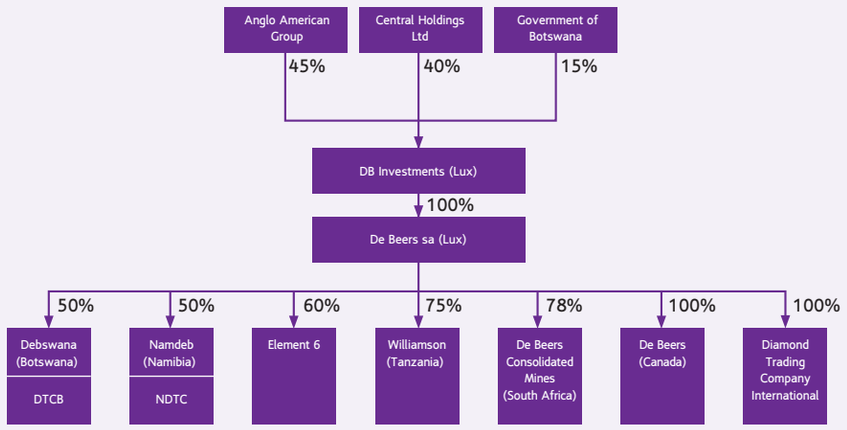
EBITDA

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%.

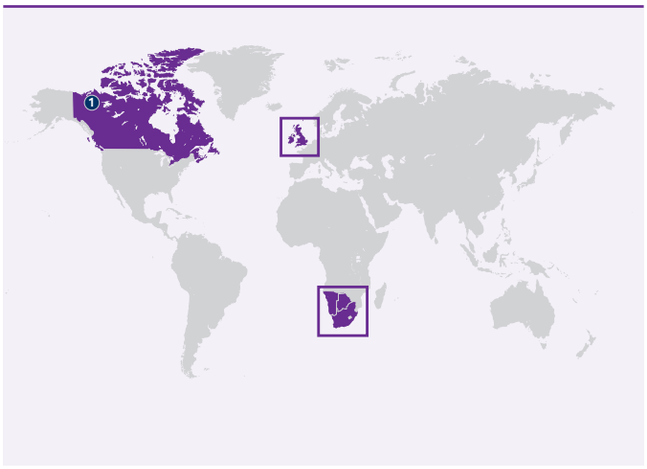
De Beers is the world's leading diamond business, with expertise in the exploration, mining and marketing of diamonds. De Beers and its joint venture partners operate in more than 20 countries across five continents, employing nearly 22,000 people. From its 15 mines across Botswana, Canada, Namibia,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

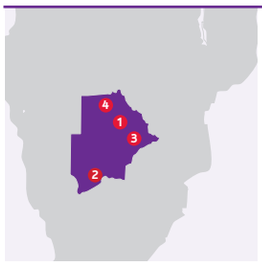
Right: The Peace in Africa, in Cape Town harbour – before taking residence along South Africa's west coast to mine for marine diamonds



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

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.

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 2.2 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 DTCI, 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.

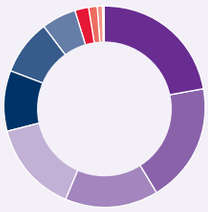
Right: De Beers first flagship store in Tokyo opened at the De Beers Building on Marronnier Dori on March 28th 2008. The Ginza store is De Beers first flagship in Asia

Market information

2007 WORLD MINE PRODUCTION

%

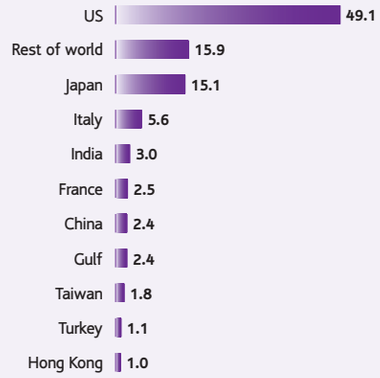
Botswana	22.4
Australia	19.2
Russia	15.0
D.R. Congo	14.5
South Africa	9.9
Canada	8.7
Angola	5.5
Others	2.4
Namibia	1.4
Ghana	0.7
C.A.R	0.2



Source: De Beers

2006 SPLIT OF DIAMOND JEWELLERY RETAIL MARKET BY SALES

%

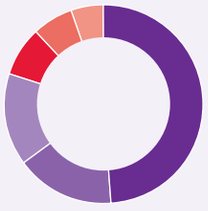


Source: De Beers

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 sightholders, 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 sightholders in 2008.

NDTC announced its client list consisting of 11 sightholders 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 DTCI 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 DTCI, while DTCI 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, Debswana 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

Overall capex: **$997m**

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.

Victor

Overall capex: **$1,021m**

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

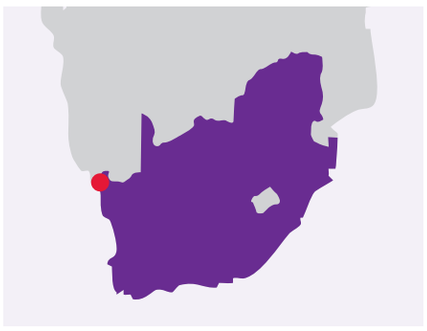
The Victor mine in Ontario is currently scheduled to come on stream by mid-2008, ahead of schedule.

De Beers Marine

Overall capex: **$159m**

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.

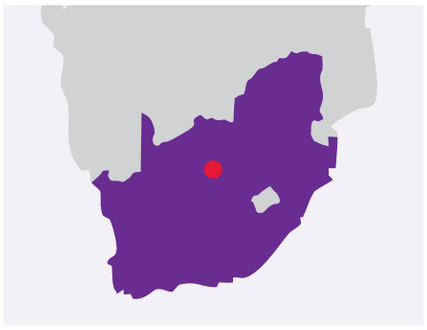


Voorspoed

Overall capex: **$185m**

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.



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**

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
Damtshaa	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**

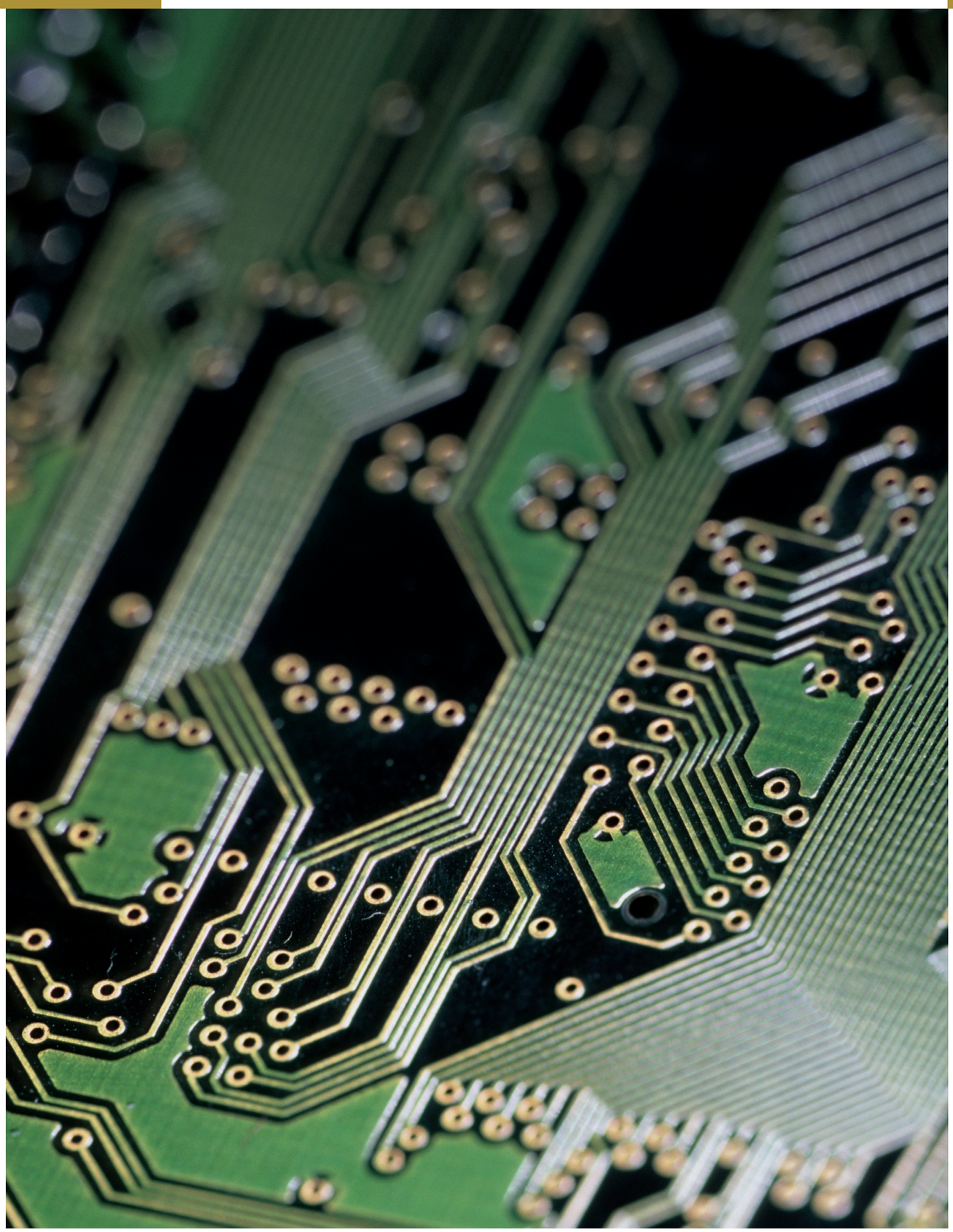
Tanzania

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	–	–	–	–	–

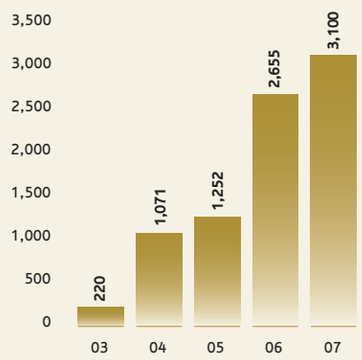
(1) Recovered Grade represented as carats recovered per m^2 and not carats recovered per hundred metric tonnes.



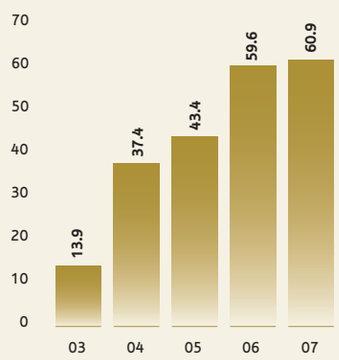
Base Metals such as copper and zinc are widely used in communications and information technology

Financial highlights

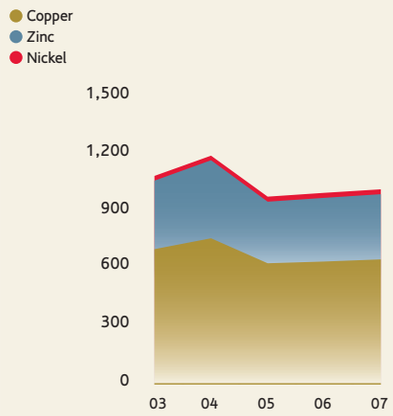
FIVE YEAR UNDERLYING EARNINGS
$m



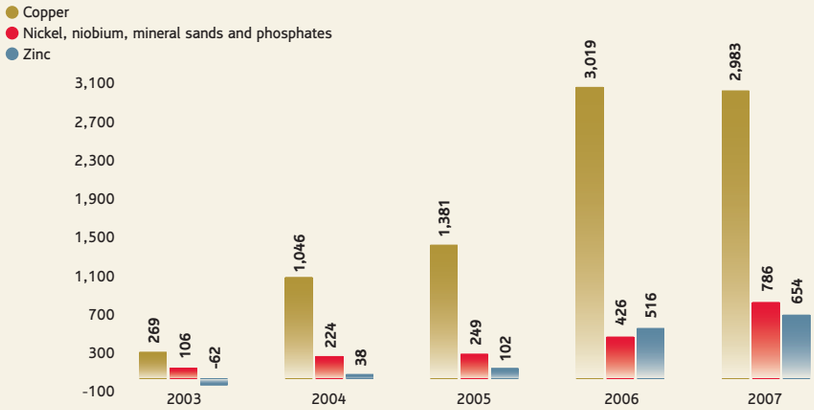
OPERATING MARGIN
%



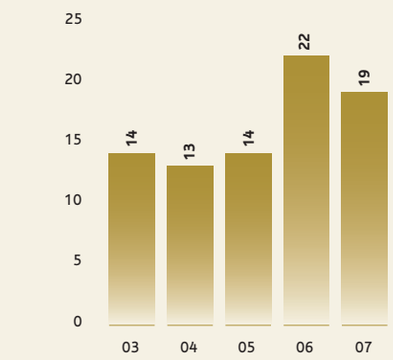
ANGLO BASE METALS PRODUCTION
Tonnes (thousand)



OPERATING PROFIT BY COMMODITY
$m

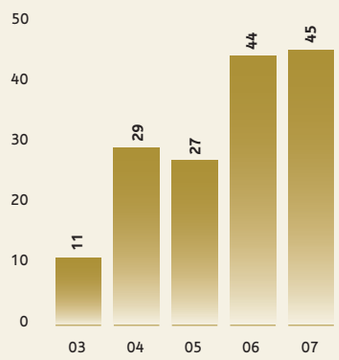


SHARE OF GROUP NET OPERATING ASSETS[1]
%



[1] On a continuing basis for 2006 and 2007.

SHARE OF GROUP OPERATING PROFIT[1]
%



[1] On a continuing basis for 2006 and 2007. 2003 has been restated to reflect the adoption of UTIF abstract 38 *Accounting for ESOP trusts*.

In 2007, Copebrás was reclassified from Industrial Minerals to Base Metals, to align with internal management reporting. As such, all the data presented above has been reclassified for the Copebrás results.

Financial data

US$m	2007[1]	2006	2005	2004	2003	2002
Turnover[2]						
Subsidiaries	5,746	5,092	3,224	2,883	1,932	1,029
Joint Ventures	1,383	1,442	712	611	323	413
Associates	–	–	–	88	60	58
Total turnover	**7,129**	**6,534**	**3,936**	**3,582**	**2,315**	**1,500**
Of which:						
Copper:	**4,507**	**4,537**	**2,597**	**2,154**	**1,247**	
Collauhasi	1,383	1,442	712	611	323	
Anglo American Sur (formerly Minera Sur Andes)	2,273	2,219	1,306	991	587	
Anglo American Norte (formerly Mantos Blancos)	851	876	579	464	277	
Other	–	–	–	88	60	
Nickel, Niobium, Mineral Sands and Phosphates	**1,583**	**1,081**	**898**	**790**	**561**	
Catalão	106	66	49	44	39	
Codemin	325	219	136	89	56	
Loma de Níquel	553	334	249	247	136	
Namakwa Sands and other	184	180	175	148	141	
Copebrás	415	282	289	262	189	
Zinc	**1,039**	**916**	**441**	**638**	**506**	
Black Mountain	165	148	80	49	62	
Lisheen	364	396	147	111	150	
Skorpion	510	372	214	73	–	
Other[3]	**–**	**–**	**–**	**405**	**295**	
EBITDA	**4,683**	**4,255**	**2,038**	**1,707**	**616**	**361**
Of which:						
Copper:	**3,192**	**3,238**	**1,590**	**1,252**	**447**	
Collauhasi	1,062	1,037	468	412	162	
Anglo American Sur (formerly Minera Sur Andes)	1,630	1,640	824	608	216	
Anglo American Norte (formerly Mantos Blancos)	507	563	299	225	65	
Other	(7)	(2)	(1)	7	4	
Nickel, Niobium, Mineral Sands and Phosphates	**842**	**492**	**344**	**354**	**198**	
Catalão	57	26	20	29	23	
Codemin	242	144	75	48	26	
Loma de Níquel	390	229	153	158	73	
Namakwa Sands and other	44	52	48	38	29	
Copebrás	109	41	48	81	47	
Zinc	**729**	**588**	**157**	**131**	**(1)**	
Black Mountain	93	42	12	2	(5)	
Lisheen	242	280	62	29	13	
Skorpion	394	266	83	22	–	
Other [3]	**(80)**	**(63)**	**(53)**	**48**	**(37)**	
Depreciation and amortisation	**345**	**358**	**331**	**366**	**295**	**204**
Operating profit before special items and remeasurements	**4,338**	**3,897**	**1,707**	**1,341**	**321**	**157**
Operating special items and remeasurements	**–**	**8**	**(11)**	**(237)**	**(208)**	**(51)**
Operating profit after special items and remeasurements	**4,338**	**3,905**	**1,696**	**1,104**	**113**	**106**
Net interest, tax and minority interests	**(1,238)**	**(1,242)**	**(455)**	**(276)**	**(101)**	**(71)**
Underlying earnings	**3,100**	**2,655**	**1,252**	**1,065**	**220**	**86**
Of which:						
Copper:	**2,060**	**1,908**	**983**	**855**	**216**	**80**
Collauhasi	701	586	257	280	78	
Anglo American Sur (formerly Minera Sur Andes)	1,026	996	529	413	111	
Anglo American Norte (formerly Mantos Blancos)	340	328	195	163	28	
Other	(7)	(2)	2	(1)	(1)	
Nickel, Niobium, Mineral Sands and Phosphates	**555**	**278**	**214**	**206**	**90**	**71**
Catalão	60	15	17	29	18	
Codemin	178	96	68	27	16	
Loma de Níquel	243	134	92	108	41	
Namakwa Sands and other	31	25	25	13	1	
Copebrás	43	8	12	29	14	
Zinc	**558**	**525**	**100**	**37**	**(65)**	**(66)**
Black Mountain	65	38	10	3	(6)	
Lisheen	174	287	54	15	4	
Skorpion	319	200	36	(12)	–	
Other[3]	**(73)**	**(56)**	**(45)**	**(2)**	**(84)**	**1**
Net segment assets	**4,989**	**4,599**	**4,928**	**5,087**	**4,178**	**3,681**
Capital expenditure	**582**	**315**	**304**	**393**	**370**	**447**

(1) Copebrás has been reclassified from Industrial Minerals to Base Metals to align with internal management reporting. As such the comparative data has been reclassified accordingly.

(2) 2002 and 2003 turnover is shown before deduction of TC/RC's. All other years are shown after deduction of TC/RC's.

(3) Results for Hudson Bay for 2003 and 2004 are included within 'Other'.

Business overview

Operating profit

2006
$3,897m

2007
$4,338m

EBITDA

2006
$4,255m

2007
$4,683m

- **Increased production volumes for copper in 2007**
- **Further upside potential in copper through Quellaveco and Michiquillay in Peru and Pebble in Alaska**
- **Barro Alto to boost attributable nickel output by an average of 36,000 tpa from 2011**

Anglo Base Metals has interests in 14 operations in six countries, producing copper, nickel, zinc, niobium, phosphate fertilisers, titanium dioxide and zircon, together with associated by-products including lead, molybdenum and silver.

In Chile, its six copper operations comprise the wholly owned Los Bronces, El Soldado, Mantos Blancos and Mantoverde mines, the Chagres smelter and a 44% interest in the Collahuasi mine. The mines also produce associated by-products such as molybdenum and silver.

Other South American operations are the Loma de Níquel nickel mine in Venezuela, and the Codemin nickel and Catalão niobium mines in Brazil. Anglo Base Metals also has a controlling interest in Copebrás, a leading Brazilian producer of phosphate fertilisers and phosphoric acid. Phosphate fertilisers are used to supplement natural soil nutrients to achieve high agricultural yields.

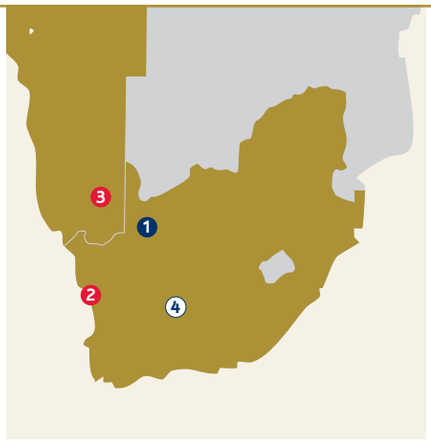
In southern Africa, Black Mountain and Skorpion mines produce zinc and associated by-products such as lead, copper and silver. Anglo Base Metals' sole European operation is the Lisheen zinc and lead mine in Ireland.

In January 2007, black economic empowerment company Exxaro Resources agreed to acquire Anglo Base Metals' Namakwa mineral sands operation in South Africa, which produces titanium dioxide, zircon and rutile, together with associated by-products, along with 26% each of Black Mountain and Gamsberg, a large, moderate-grade zinc undeveloped deposit located in the Northern Cape province of South Africa. Black Mountain and Gamsberg will remain subsidiaries of, and continue to be managed and operated by, Anglo Base Metals.

Right: Mantoverde – copper anodes

Key
- Underground
- Open Cut
- Other

The 100% owned Skorpion zinc mine in Namibia commenced commercial production in May 2004, and produces some 150,000 tonnes of zinc per year at full production. Black Mountain is a wholly owned zinc, lead, copper and silver concentrate operation located in South Africa. Namakwa Sands is a wholly owned mineral sands operation producing titanium dioxide slag, zircon, rutile and pig iron in South Africa. Anglo American 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, the ferroniobium producer, Catalão, and also has a controlling interest in Copebrás, a leading Brazilian producer of phosphate fertilizers and phosphoric acid. In Venezuela, Anglo American holds a 91.4% interest in the Loma de Níquel ferronickel operation.

In addition, Anglo American has an 81.9% 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 81.9% **Quellaveco Project** (Peru)
- 9 91.4% **Loma de Níquel** (Venezuela)
- 10 73% **Copebrás Cubatão** (Brazil)
- 11 73% **Copebrás Catalão** (Brazil)
- 12 100% **Michiquillay** (Peru)

The wholly owned Lisheen zinc/lead mine in central Ireland, produced over 160,000 tonnes of zinc in concentrate in 2007.

Ireland
- 1 100% **Lisheen**

Industry overview

The majority of copper produced is used by the wire and cable markets and takes advantage of the metal's electrical conductivity, corrosion resistance and thermal conductivity. Applications that make use of copper's electrical conductivity, such as wires (including building wire), cables and electrical connectors, account for around 60% of total demand, while about 20% comes principally from the construction industry, which uses copper to produce plumbing pipe and roof sheeting, owing to the metal's corrosion resistant qualities. Copper's thermal conductivity also makes it suitable for use in heat transfer applications such as air conditioning and refrigeration, which make up some 10% of total demand. Other applications include structural and aesthetic uses. Around 65% of all refined nickel goes into stainless steel. Other uses include high corrosion-resistant alloys for use in chemical plants, superalloys that can withstand extreme temperatures and are predominantly used in aviation, high-tech electronic uses, as a hardening agent in special steels and as a substrate for chromium plating.

Zinc is used predominantly in galvanising and alloys. Steel coated with zinc (galvanised steel) exhibits high levels of corrosion resistance. This application is responsible for around 50% of total demand. Zinc based alloys in die casting, ranging from automotive components to toys and models, account for around 10-12% of demand, with copper-based zinc alloys (brass) accounting for 15-17%. Zinc semis are used as roofing products and in dry cell batteries (8-10%). Chemical and other applications make up the remainder of refined demand (approximately 13-15%), where zinc is used in a diverse range of products and applications, including tyres, paints, pharmaceuticals and chemical processing.

With the exception of nickel, base metals industry ownership is presently relatively fragmented. The global market shares of the four largest copper, nickel and zinc metal producers are approximately 25%, 52% and 23% respectively (but subject to ongoing consolidation in the base metals industry). Producers are price takers and there are relatively few opportunities for product differentiation.

The industry is 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 notably over the past five years. The decline in real prices reflects the long term reduction in costs as a result of improvements in technology and lower input costs. Average margins have, therefore, tended to be maintained.

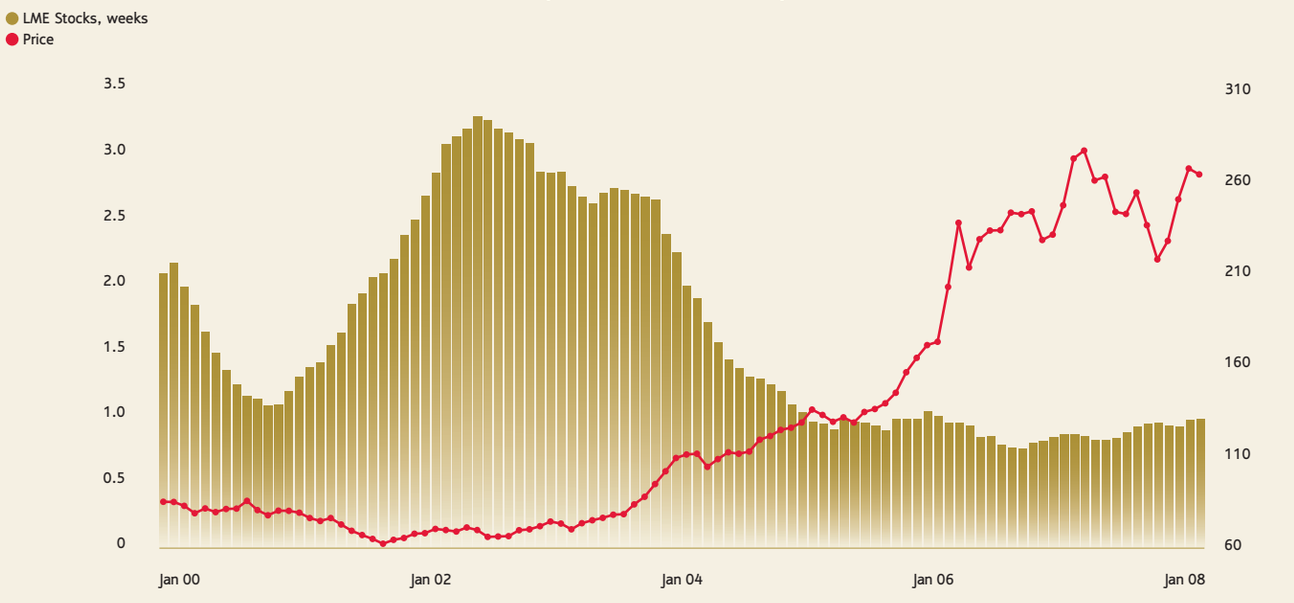
For the past five years, the ongoing industrialisation and urbanisation of China has driven demand for a range of commodities. This, together with interest from speculative and investor funds, has resulted in a base metal price up-cycle which has been unprecedented both in its extent and its longevity. China now comprises an estimated 27%, 24% and 31% of global demand for copper, nickel and zinc respectively, the markets for which have all benefited materially.

Markets

Average prices (c/lb)	2007	2006
Copper	323	305
Nickel	1,686	1,095
Zinc	147	148
Lead	118	58

During 2007, the copper market was broadly in balance, with prices recovering strongly in the first half as the Chinese restocked, but then moved lower in the fourth quarter. Nickel had a buoyant first six months, with very tight terminal market stocks, but weakened materially in the second half as ongoing stainless steel production cutbacks, greater scrap availability, substitution and increases in nickel pig-iron production all contributed to a material build up of stock across the year. Zinc prices weakened, particularly in the second half, owing to market concerns about the impact of increasing 2008 supply on terminal market stocks.

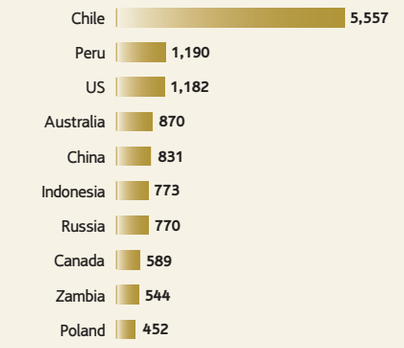
TOTAL LME STOCKS[1] AND BASE METALS PRICE INDEX (SHOWN TO APRIL 2008)



[1] Al, Cu, Zn, Pb, Ni, Sn, and Cu Comex

Market information

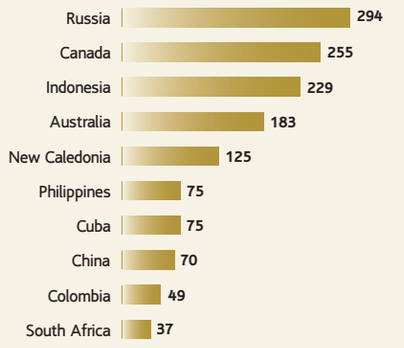
LEADING COPPER MINING COUNTRIES BY 2007 MINE PRODUCTION
Tonnes (thousand)



2007 world total: 15,520 kt

Source: World Bureau of Metal Statistics

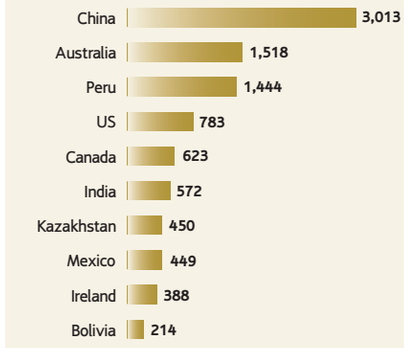
LEADING NICKEL MINING COUNTRIES BY 2007 MINE PRODUCTION
Tonnes (thousand)



2007 world total: 1,559 kt

Source: World Bureau of Metal Statistics

LEADING ZINC MINING COUNTRIES BY 2007 MINE PRODUCTION
Tonnes (thousand)



2007 world total: 11,108 kt

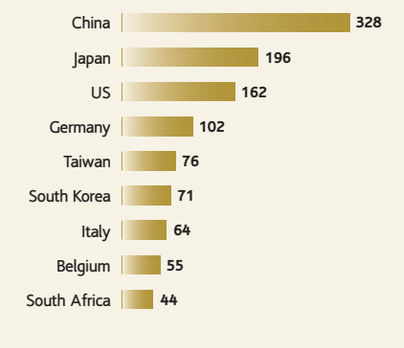
Source: World Bureau of Metal Statistics

LEADING COPPER CONSUMERS (WORLD REFINED CONSUMPTION)
Tonnes (thousand)

2007 world total: 18,042 kt

Source: World Bureau of Metal Statistics

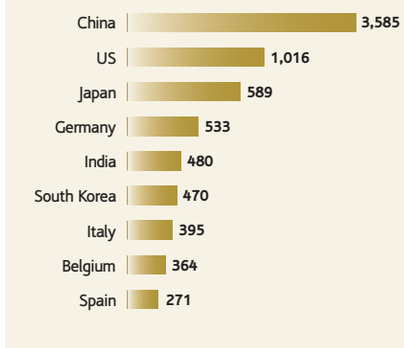
LEADING NICKEL CONSUMERS (WORLD REFINED CONSUMPTION)
Tonnes (thousand)



2007 world total: 1,406 kt

Source: World Bureau of Metal Statistics

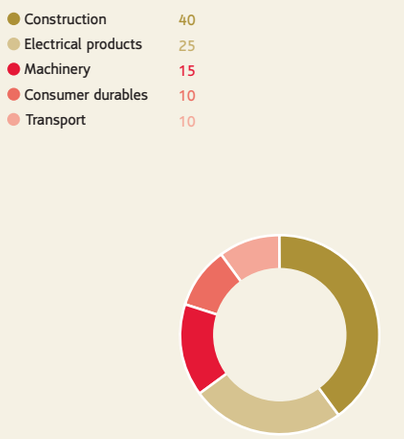
LEADING ZINC CONSUMERS (WORLD SLAB CONSUMPTION)
Tonnes (thousand)



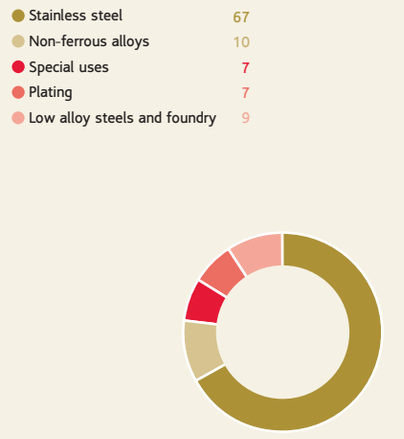
2007 world total: 11,241 kt

Source: World Bureau of Metal Statistics

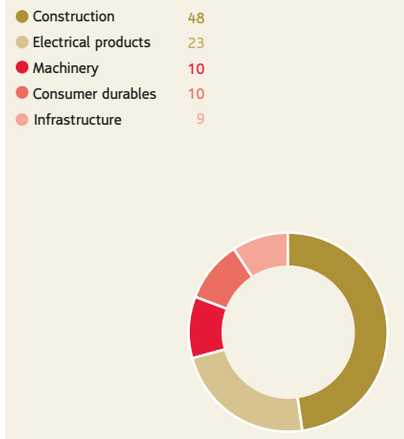
ESTIMATED END USAGE – COPPER
%



ESTIMATED END USAGE – NICKEL
%



ESTIMATED END USAGE – ZINC
%



Strategy and growth

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.

The business is constantly developing and evaluating growth options from a combination of sources, including greenfield and brownfield projects, acquisitions, exploration and technology development.

In addition to the growth potential arising from approved expansions at Los Bronces, Collahuasi and Barro Alto, and studies into further growth potential in particular at Collahuasi and Quellaveco, Anglo American, through its Base Metals division, has invested in a number of major new copper projects.

In April 2007, Anglo American tendered $403 million and won the Michiquillay privatisation auction in Peru. The consideration for this world class resource, with a production potential of up to 300,000 tpa, will be payable over five years. However, there is a right to exit the project, at any time after the first year, by paying 30% of the difference between monies expended and the $403 million. During the first year there is a minimum work commitment of $1 million with no exit payment. The Peru based team has been mobilised and the primary focus of efforts in the first 12 months will be the development of a productive relationship with the local communities.

In July 2007, Anglo American became a 50% partner with the Northern Dynasty Partnership (a wholly owned affiliate of Northern Dynasty Minerals Limited) in the Pebble Limited Partnership for a staged cash investment of $1.425 billion. The partnership owns the Pebble Project, the key assets of which are the open pit style Pebble West copper-gold-molybdenum deposit and the adjacent, deeper and higher grade Pebble East deposit. The objective is to complete a pre-feasibility study in 2008, a feasibility study around 2011 and to have a world class mine in operation by 2015. A key priority is to build supportive relationships with local communities, consistent with Anglo American's policy of developing and operating projects to the highest social and environmental standards and to promote development that is truly sustainable.

Projects

Anglo Base Metals has a strong project pipeline which provides significant scope for organic growth. The pipeline includes the Barro Alto nickel project, which is on track for first production in 2010 and is due to increase existing nickel production by an average 36,000 tpa from 2011. To date, in excess of $900 million of the $1.5 billion capital expenditure required has been committed to this project and the strength of the Brazilian currency is putting ongoing material upward pressure on the domestic component of capital expenditure.

The $1.7 billion Los Bronces expansion project, which aims to increase sulphide mill throughput from 61,000 tonnes per day (tpd) to 148,000 tpd and increase copper production by an average of 170,000 tpa to an initial production level exceeding 400,000 tpa, has been approved. Construction is under way, with first production scheduled for 2011.

A debottlenecking project at Collahuasi, which will increase sulphide mill throughput from 130,000 tpd to 140,000 tpd, has been approved at a total cost of $64 million, with ramp up due to commence in the second half of 2008. The first phase of a potential two phase expansion at Collahuasi, which will increase throughput to 170,000 tpd, plus the addition of a separate 30,000 tpd sulphide leach circuit (equivalent to around 650,000 tpa of copper on a 100% basis), will be evaluated during 2008. Recent exploration success at Rosario Oeste suggests that there is potential to further increase production to around 1 million tpa by 2014.

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 $1.7 billion, will be completed in 2008.

In addition, this organic growth will be boosted by the two major acquisitions made in 2007 – Pebble and Michiquillay.

Chagres, Mantoverde, Mantos Blancos, El Soldado, Catalão, Gamsberg, Copebrás, Boyongan and Kalayaan have early stage studies under way examining options for projects that will either increase production and/or extend mine lives.

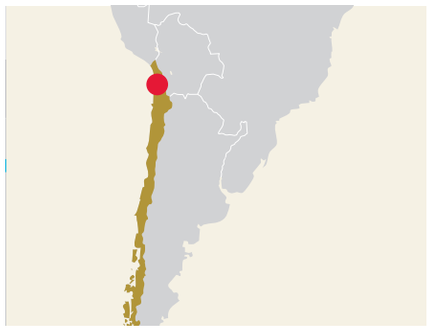
Right: A view of the open pit operations at Los Bronces

Project pipeline

Collahuasi debottleneck

Overall capex: **$64m**

Country	**Chile**
Ownership	**44%**
Incremental production (100% basis)	**30,000 tonnes per annum of copper**
Full project capex (100% basis)	**$64m**
Full production	**2009**

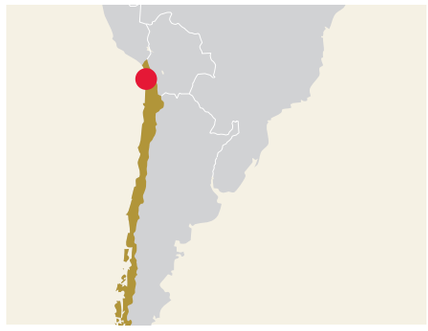


Collahuasi expansion (unapproved)

Overall capex (Phase 1 only): **$750m**

	Phase 1	Phase 2
Country	**Chile**	**Chile**
Ownership	**44%**	**44%**
Total production of mine when project ramps up to full production (100% basis)	**650,000 tonnes per annum of copper**	**1,000,000 tonnes per annum of copper**
Full project capex (100% basis)	**$750m**	**TBD**
Full production	**2010**	**2014**

Evaluation of the first phase of a potential two phase expansion project will be evaluated during 2008.

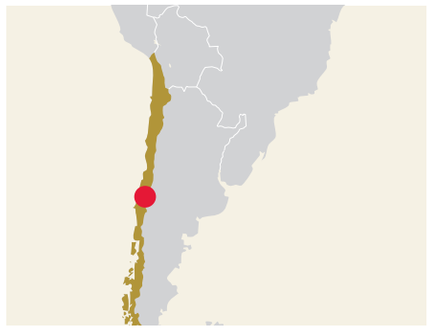


Los Bronces expansion

Overall capex: **$1,700m**

Country	**Chile**
Ownership	**100%**
Incremental production	**170,000 tonnes per annum of copper**
Full project capex	**$1,700m**
Full production	**2011**

Production represents average over the first ten years of the project.



Strategy and growth continued

Michiquillay (unapproved)

Overall capex: **$2,000m-$2,500m**

Country	**Peru**
Ownership	**100%**
Total production of mine when project ramps up to full production	**up to 300,000 tonnes of copper per annum**
Full project capex	**$2,000-$2,500m**
Full production	**2016**

Michiquillay will also produce 7 ktpa molybdenum, 230 kozpa gold and 2.3 Mozpa silver by-products.

Quellaveco

Overall capex: **$1,700m**

Country	**Peru**
Ownership	**81.9%**
Total production of mine when project ramps up to full production (100% basis)	**200,000 tonnes per annum of copper**
Full project capex (100% basis)	**$1,700m**
Full production	**2013**

Quellaveco has the potential to produce an average of 200,000 tonnes per annum of copper and 3-4 kpta of molybdenum and 1.6 Mozpa of silver over a mine life in excess of 25 years. A development decision on the Quellaveco project is expected in 2008.

Barro Alto

Overall capex: **$1,500m**

Country	**Brazil**
Ownership	**100%**
Incremental production	**36,000 tonnes per annum of nickel**
Full project capex	**$1,500m**
Full production	**2011**

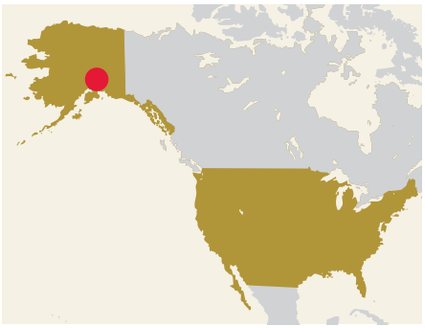
First production is scheduled for 2010, with full production of 36,000 tonnes per annum of nickel to be reached in 2011.

Pebble (unapproved)

Overall capex: **TBD**

Country	**US**
Ownership	**50%**
Total production of mine when project ramps up to full production (100% basis)	**350,000 tonnes per annum of copper, 12 ktpa molybdenum and 600 kozpa gold**
Full project capex	**TBD**
Full production	**TBD**

A pre-feasibility study is expected to be completed in 2008 and feasibility study around 2011.



Production data

Production (tonnes)	2007	2006	2005	2004	2003	2002
Copper						
Collahuasi (attributable basis)	198,900	193,600	187,900	211,700	173,700	190,800
Anglo American Sur (formerly Minera Sur Andes)						
– Los Bronces mine	231,200	226,000	227,300	231,600	207,800	29,000
– El Soldado mine	72,800	68,700	66,500	68,800	70,500	10,000
– Chagres Smelter						
Copper blister/anodes	164,100	173,400	138,100	165,000	160,100	21,900
Acid	493,400	499,200	371,900	440,500	436,700	66,400
Total production for Anglo American Sur group	304,000	294,700	293,800	300,400	278,300	39,000
Anglo American Norte (formerly Mantos Blancos)						
– Mantos Blancos mine	88,900	91,700	87,700	94,900	86,900	96,200
– Mantoverde mine	61,000	60,300	62,000	60,100	60,200	57,300
Total production for Anglo American Norte group	149,900	152,000	149,700	155,000	147,100	153,500
Black Mountain – copper in concentrate	2,200	3,400	3,200	5,200	4,700	5,400
Hudson Bay	–	–	–	74,300	83,100	83,400
Other	–	–	–	19,400	21,900	25,600
Total Anglo Base Metals Copper production	**655,000**	**634,800**	**634,600**	**766,000**	**708,800**	**497,700**
Nickel						
Codemin	9,900	9,800	9,600	6,500	6,400	6,000
Loma de Níquel	15,700	16,600	16,900	17,400	17,200	15,500
Other				100	1,300	4,100
Total Anglo Base Metals Nickel production	**25,600**	**26,400**	**26,500**	**24,000**	**24,900**	**25,600**
Niobium						
Catalão	4,700	4,700	4,000	3,500	3,300	3,300
Mineral Sands						
Namakwa Sands						
Slag tapped	151,300	133,900	164,400	169,300	165,800	162,700
Iron tapped	101,800	88,900	105,400	105,900	105,900	103,000
Zircon	114,800	128,400	128,600	119,100	93,300	112,400
Rutile	24,500	28,200	29,100	23,700	20,400	26,000
Ilmenite	300,300	272,200	316,100	320,600	314,600	315,900
Phosphates						
Copebrás						
Sodium tripolyphosphate	56,700	71,100	106,000	115,700	88,800	88,200
Phosphates	1,037,800	901,500	1,036,200	1,169,300	1,040,300	734,600
Zinc and Lead						
Black Mountain						
Zinc in concentrate	28,300	34,100	32,100	28,200	25,900	27,600
Lead in concentrate	41,900	48,300	42,200	37,500	39,600	45,300
Hudson Bay						
Zinc	–	–	–	107,000	117,900	108,100
Gold (ozs)	–	–	–	73,400	57,500	59,300
Silver (ozs)	–	–	–	1,020,900	1,032,800	1,234,200
Lisheen (100% basis)						
Zinc in concentrate	164,700	170,700	159,300	156,300	169,300	151,500
Lead in concentrate	20,200	23,100	20,800	17,200	20,800	22,000
Skorpion						
Zinc	150,100	129,900	132,800	119,200	47,400	–
Total Zinc[1]	**343,100**	**334,700**	**324,200**	**410,700**	**360,500**	**211,500**
Total Lead	**62,100**	**71,400**	**63,000**	**54,700**	**60,400**	**56,300**

[1] Attributable.

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 %	Classification	Tonnes million 2007	Tonnes million 2006	Grade %Cu 2007	Grade %Cu 2006	Contained metal thousand tonnes 2007	Contained metal thousand tonnes 2006
Los Bronces (OP)	100							
Sulphide (TCu)[1]		Proved	697.7	581.3	0.76	0.92	5,303	5,348
Flotation		Probable	782.7	190.3	0.58	0.74	4,540	1,408
		Total	**1,480.4**	**771.6**	**0.66**	**0.88**	**9,842**	**6,756**
Sulphide (TCu)		Proved	344.8	583.6	0.33	0.42	1,138	2,393
Dump Leach		Probable	672.6	553.8	0.25	0.34	1,682	1,883
		Total	**1,017.4**	**1,137.4**	**0.28**	**0.38**	**2,819**	**4,276**
El Soldado (OP and UG)	100							
Sulphide (TCu)		Proved	68.7	76.1	1.04	1.05	715	796
Flotation		Probable	50.7	49.9	0.82	0.83	418	415
		Total	**119.4**	**126.0**	**0.95**	**0.96**	**1,133**	**1,211**
Oxide (TCu)[2]		Proved	1.5	–	0.87	–	13	–
Heap Leach		Probable	3.0	–	0.74	–	22	–
		Total	**4.6**	**–**	**0.78**	**–**	**36**	**–**
Mantos Blancos (OP)	100							
Sulphide (ICu)		Proved	9.4	8.0	0.93	1.13	87	90
Flotation		Probable	19.3	24.8	1.05	0.88	203	217
		Total	**28.7**	**32.8**	**1.01**	**0.94**	**291**	**307**
Oxide (ASCu)[3]		Proved	1.5	1.1	0.72	0.85	11	10
Vat and Heap Leach		Probable	44.0	28.7	0.44	0.56	195	160
		Total	**45.5**	**29.8**	**0.45**	**0.57**	**205**	**170**
Oxide (ASCu)		Proved	0.5	0.5	0.24	0.26	1	1
Dump Leach		Probable	9.4	8.2	0.27	0.29	26	24
		Total	**10.0**	**8.7**	**0.27**	**0.29**	**27**	**25**
Mantoverde (OP)	100							
Oxide (ASCu)		Proved	53.5	56.5	0.62	0.64	332	360
Heap Leach		Probable	11.2	10.7	0.57	0.59	64	63
		Total	**64.7**	**67.2**	**0.61**	**0.63**	**395**	**423**
Oxide (ASCu)		Proved	28.1	32.3	0.36	0.37	101	120
Dump Leach		Probable	11.5	11.6	0.40	0.39	46	45
		Total	**39.7**	**43.9**	**0.37**	**0.38**	**147**	**165**
Collahuasi (OP)[4]	44							
Oxide, Mixed and Secondary Sulphides (TCu)[5]		Proved	43.9	14.3	0.80	0.99	352	142
Heap Leach		Probable	31.2	16.9	0.88	0.97	275	164
		Total	**75.2**	**31.2**	**0.83**	**0.98**	**626**	**306**
Sulphide (TCu)[6]		Proved	279.0	193.5	0.99	1.09	2,762	2,108
Flotation – direct feed		Probable	1,180.0	1,145.8	0.96	0.97	11,328	11,164
		Total	**1,459.1**	**1,339.3**	**0.97**	**0.99**	**14,091**	**13,272**
Low Grade Sulphide (TCu)[6]		Proved	–	–	–	–	–	–
Flotation – stockpile		Probable	670.1	380.5	0.51	0.53	3,418	2,003
		Total	**670.1**	**380.5**	**0.51**	**0.53**	**3,418**	**2,003**

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

(1) **Los Bronces – Sulphide, Flotation:** Updated cut-off grade and final pit design considered in the Los Bronces Development Project and new economic assumptions.

(2) **El Soldado – Oxide, Heap Leach:** As a result of exploration new Oxide Ore Reserves have been included in this statement.

(3) **Mantos Blancos – Oxide, Vat and Heap Leach:** Gains in Ore Reserves related mainly to old workings recognised during 2007 and new economic parameters which define a lower cut-off grade.

(4) **Collahuasi:** Unlike Xstrata (Collahuasi joint venture partner), Anglo American reports Mineral Resources in excess of those that have been converted to Ore Reserves and only those Inferred Resources that are in the Life of Mine plan.

(5) **Collahuasi – Oxide, Mixed and Secondary Sulphides:** Heap Leach ore includes secondary sulphide ore from Ujina Mine.

(6) **Collahuasi – Sulphide, Flotation:** Gains in Ore Reserves related mainly to new economic parameters, which define a lower cut-off grade, and new Mineral Resources added in Rosario Oeste due to a brownfields exploration programme.

The Ore Reserves and Mineral Resources of the following operations were reviewed during 2007 by independent consultants:
Los Bronces, Mantos Blancos, El Soldado, Mantoverde.

Copper Division Mineral Resources	Attributable %	Classification	Tonnes million 2007	Tonnes million 2006	Grade %Cu 2007	Grade %Cu 2006	Contained metal thousand tonnes 2007	Contained metal thousand tonnes 2006
Los Bronces (OP)	100							
Sulphide (TCu)[1]		Measured	111.7	118.1	0.47	0.50	529	584
Flotation		Indicated	1,532.4	958.9	0.45	0.46	6,896	4,411
		Measured and Indicated	**1,644.1**	**1,077.0**	**0.45**	**0.46**	**7,425**	**4,995**
		Inferred in Mine Plan	43.1	17.9	0.67	0.67	289	120
Sulphide (TCu)		Measured	–	–	–	–	–	–
Dump Leach		Indicated	–	–	–	–	–	–
		Measured and Indicated	–	–	–	–	–	–
		Inferred in Mine Plan	312.4	66.3	0.19	0.33	594	218
El Soldado (OP and UG)	100							
Sulphide (TCu)		Measured	61.2	42.9	0.81	0.67	496	287
Flotation		Indicated	47.9	48.8	0.73	0.74	349	363
		Measured and Indicated	**109.1**	**91.7**	**0.77**	**0.71**	**845**	**650**
		Inferred in Mine Plan	10.8	14.2	0.74	0.71	80	101
Oxide (TCu)		Measured	0.1	–	0.87	–	1	–
Heap Leach		Indicated	0.2	–	0.84	–	2	–
		Measured and Indicated	**0.3**	**–**	**0.85**	**–**	**3**	**–**
		Inferred in Mine Plan	0.9	–	0.88	–	8	–
Mantos Blancos (OP)	100							
Sulphide (ICu)		Measured	17.7	12.6	0.75	0.83	133	105
Flotation		Indicated	112.8	71.7	0.70	0.83	791	595
		Measured and Indicated	**130.5**	**84.3**	**0.71**	**0.83**	**924**	**700**
		Inferred in Mine Plan	4.2	2.8	0.82	1.02	34	29
Oxide (ASCu)		Measured	1.0	1.0	0.59	0.66	6	6
Vat and Heap Leach		Indicated	9.7	12.6	0.55	0.57	53	72
		Measured and Indicated	**10.7**	**13.6**	**0.55**	**0.58**	**59**	**78**
		Inferred in Mine Plan	2.2	1.7	0.57	0.67	13	11
Oxide (ASCu)		Measured	–	–	–	–	–	–
Dump Leach		Indicated	–	–	–	–	–	–
		Measured and Indicated	**–**	**–**	**–**	**–**	**–**	**–**
		Inferred in Mine Plan	1.1	0.8	0.24	0.27	3	2
Mantoverde (OP)	100							
Oxide (ASCu)		Measured	57.1	50.6	0.38	0.39	217	197
Heap Leach		Indicated	59.6	56.8	0.36	0.37	215	210
		Measured and Indicated	**116.7**	**107.4**	**0.37**	**0.38**	**432**	**407**
		Inferred in Mine Plan	0.3	0.3	0.62	0.60	2	2
Oxide (ASCu)		Measured	–	1.2	–	0.32	–	4
Dump Leach		Indicated	4.3	1.7	0.33	0.31	14	5
		Measured and Indicated	**4.3**	**2.9**	**0.33**	**0.31**	**14**	**9**
		Inferred in Mine Plan	0.6	0.4	0.37	0.34	2	2
Collahuasi (OP)[4]	44							
Oxide, Mixed and Secondary Sulphides (TCu)[5]		Measured	–	0.1	–	0.97	–	1
Heap Leach		Indicated	6.0	1.8	0.79	1.09	48	20
		Measured and Indicated	**6.0**	**1.9**	**0.79**	**1.09**	**48**	**21**
		Inferred in Mine Plan	1.3	0.5	1.18	0.74	16	4
Sulphide (TCu)[6]		Measured	3.5	12.3	1.28	0.86	45	105
Flotation – direct feed		Indicated	570.3	189.1	1.10	0.89	6,274	1,680
		Measured and Indicated	**573.8**	**201.4**	**1.10**	**0.89**	**6,318**	**1,785**
		Inferred in Mine Plan	374.0	202.2	0.95	0.93	3,553	1,878
Low Grade Sulphide (TCu)[6]		Measured	2.9	35.0	0.50	0.45	14	157
Flotation – stockpile		Indicated	154.6	238.3	0.50	0.46	773	1,108
		Measured and Indicated	**157.5**	**273.3**	**0.50**	**0.46**	**787**	**1,265**
		Inferred in Mine Plan	201.0	106.9	0.50	0.48	1,005	510

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

Reserves and resources data continued

Zinc Division Ore Reserves	Attributable %	Classification	Tonnes million 2007	Tonnes million 2006	Grade 2007	Grade 2006	Contained metal thousand tonnes 2007	Contained metal thousand tonnes 2006
Black Mountain (UG)[1]	100							
Deeps[2]								
Zinc					%Zn	%Zn		
		Proved	1.3	0.2	2.50	2.34	32	6
		Probable	7.4	11.5	3.75	3.88	279	446
		Total	**8.7**	**11.7**	**3.56**	**3.84**	**311**	**452**
Copper					%Cu	%Cu		
		Proved			0.21	0.25	3	1
		Probable			0.81	0.76	61	88
		Total			**0.72**	**0.75**	**63**	**89**
Lead					%Pb	%Pb		
		Proved			4.48	3.27	59	8
		Probable			4.05	3.92	301	451
		Total			**4.12**	**3.91**	**360**	**459**
Lisheen (UG)[3]	100							
Zinc					%Zn	%Zn		
		Proved	6.9	7.5	11.25	11.61	782	869
		Probable	2.7	3.8	13.68	12.69	373	487
		Total	**9.7**	**11.3**	**11.94**	**11.97**	**1,155**	**1,356**
Lead					%Pb	%Pb		
		Proved			1.98	2.07	138	155
		Probable			1.61	1.43	44	55
		Total			**1.88**	**1.85**	**182**	**210**
Skorpion (OP)	100							
Zinc					%Zn	%Zn		
		Proved	6.4	7.7	12.74	12.72	821	982
		Probable	5.1	5.2	9.72	9.68	491	506
		Total	**11.5**	**13.0**	**11.41**	**11.49**	**1,312**	**1,488**

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

(1) **Black Mountain:** On 18 January 2007, Exxaro exercised its option to acquire a 26% interest in Black Mountain. The sale is contingent on the conversion of old order to new order mining rights. It is expected that this will take place in 2008.

(2) **Black Mountain – Deeps:** A new 3D model has been built and the classification criteria changed along with new economic factors being applied. Ore Reserves include 8,745kt of silver ore at 55g/t as a by-product.

(3) **Lisheen:** Decrease due to losses on the margins of the orebodies in Main East, Main West and oolite zones following mining and new underground drilling information.

The Ore Reserves of the following operations were reviewed during 2007 by independent consultants: Lisheen.

Zinc Division Mineral Resources	Attributable %	Classification	Tonnes million 2007	Tonnes million 2006	Grade 2007	Grade 2006	Contained metal thousand tonnes 2007	Contained metal thousand tonnes 2006
Black Mountain (UG)	100							
Deeps[4]								
Zinc					%Zn	%Zn		
		Measured	0.5	1.8	2.23	2.00	11	35
		Indicated	4.5	6.1	3.53	3.59	160	218
		Measured and Indicated	**5.0**	**7.8**	**3.40**	**3.23**	**171**	**253**
		Inferred in Mine Plan	3.1	–	3.96	–	124	–
Copper					%Cu	%Cu		
		Measured			0.65	0.43	3	8
		Indicated			0.61	0.74	28	45
		Measured and Indicated			**0.61**	**0.67**	**31**	**52**
		Inferred in Mine Plan			1.23	–	38	–
Lead					%Pb	%Pb		
		Measured			1.97	2.22	10	39
		Indicated			4.40	3.74	200	227
		Measured and Indicated			**4.16**	3.40	**210**	266
		Inferred in Mine Plan			1.28	–	40	–
Swartberg[5]								
Zinc					%Zn	%Zn		
		Measured	–	–	–	–	–	–
		Indicated	17.3	17.3	0.63	0.63	109	109
		Measured and Indicated	**17.3**	**17.3**	**0.63**	**0.63**	**109**	**109**
		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	2.87	497	497
		Measured and Indicated			**2.87**	**2.87**	**497**	**497**
		Inferred in Mine Plan			–	–	–	–
Lisheen (UG)	100							
Zinc					%Zn	%Zn		
		Measured	1.0	1.0	12.67	12.84	123	132
		Indicated	0.5	0.6	12.95	12.68	61	74
		Measured and Indicated	**1.4**	**1.6**	**12.76**	**12.78**	**184**	**206**
		Inferred in Mine Plan	0.4	0.5	18.24	17.16	68	81
Lead					%Pb	%Pb		
		Measured			2.30	2.38	22	24
		Indicated			1.86	1.55	9	9
		Measured and Indicated			**2.16**	**2.08**	**31**	**34**
		Inferred in Mine Plan			3.05	2.84	11	13
Skorpion (OP)	100							
Zinc					%Zn	%Zn		
		Measured	0.0	0.0	6.99	6.99	2	2
		Indicated	0.2	0.2	6.94	6.94	15	15
		Measured and Indicated	**0.2**	**0.2**	**6.95**	**6.95**	**17**	**17**
		Inferred in Mine Plan	0.8	0.8	9.16	9.18	71	72

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

[4] **Black Mountain – Deeps:** Broken Hill and the Deeps Mineral Resources are combined for reporting purposes. An updated 3D model based on additional information obtained from underground in-fill drilling was completed during 2007. The improved understanding of the orebody led to the introduction of a scorecard classification methodology and Mineral Resources based on surface drilling only are classified as Inferred Resources. Mineral Resources contain 8,175kt of silver ore at 40g/t as a by-product.

[5] **Black Mountain – Swartberg:** The Swartberg mine was placed on care and maintenance from January 2007. The Ore Reserves were removed from the mine plan and converted to Mineral Resources. Mineral Resources contain 17,323kt of silver ore at 35g/t as a by-product.

The Mineral Resources of the following operations were reviewed during 2007 by independent consultants: Lisheen.

Reserves and resources data continued

Nickel Division Ore Reserves	Attributable %	Classification	Tonnes million 2007	Tonnes million 2006	Grade 2007	Grade 2006	Contained metal thousand tonnes 2007	Contained metal thousand tonnes 2006
Barro Alto (OP)[1]	100							
Laterite					%Ni	%Ni		
		Proved	12.3	13.2	1.61	1.64	199	216
		Probable	27.1	27.2	1.81	1.81	491	492
		Total	**39.5**	**40.4**	**1.75**	**1.75**	**690**	**708**
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**
Loma de Níquel (OP)	91.4							
Laterite					%Ni	%Ni		
		Proved	11.9	11.9	1.49	1.51	178	180
		Probable	22.1	22.6	1.47	1.46	324	329
		Total	**34.0**	**34.5**	**1.48**	**1.48**	**502**	**509**

Nickel Division Mineral Resources	Attributable %	Classification	Tonnes million 2007	Tonnes million 2006	Grade 2007	Grade 2006	Contained metal thousand tonnes 2007	Contained metal thousand tonnes 2006
Barro Alto (OP)	100							
Laterite					%Ni	%Ni		
		Measured	–	–	–	–	–	–
		Indicated	16.9	16.9	1.36	1.36	230	230
		Measured and Indicated	**16.9**	**16.9**	**1.36**	**1.36**	**230**	**230**
		Inferred in Mine Plan	37.5	37.5	1.56	1.56	585	585
Codemin (OP)	100							
Laterite					%Ni	%Ni		
		Measured	3.3	3.3	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	–	–	–	–	–	–
Loma de Níquel (OP)[2]	91.4							
Laterite					%Ni	%Ni		
		Measured	1.2	1.0	1.40	1.41	16	15
		Indicated	4.8	4.6	1.45	1.44	70	67
		Measured and Indicated	**6.0**	**5.7**	**1.44**	**1.44**	**86**	**81**
		Inferred in Mine Plan	1.7	1.6	1.39	1.38	23	22

Mining method: OP = Open Pit.

(1) **Barro Alto:** The mineral resource model was updated and the mining design optimised to incorporate the new resources into the Ore Reserves. Ore from Barro Alto is currently being processed at the Codemin plant.

(2) **Loma de Níquel:** Increases are due to changes to the geological model incorporating new drilling information. Refer to note 38 of the Financial statements for further information regarding the nickel exploration and exploitation concessions held.

The Ore Reserves and Mineral Resources of the following operations were reviewed during 2007 by independent consultants: Loma de Níquel.

Niobium Ore Reserves	Attributable %	Classification	Tonnes million 2007	Tonnes million 2006	Grade 2007	Grade 2006	Contained metal thousand tonnes 2007	Contained metal thousand tonnes 2006
Catalão (OP)[1]	100							
Carbonatite					$\%Nb_2O_5$	$\%Nb_2O_5$		
		Proved	11.9	7.0	1.24	1.15	147	80
		Probable	4.2	6.8	1.15	1.44	48	98
		Total	**16.0**	**13.8**	**1.21**	**1.29**	**195**	**178**

Niobium Mineral Resources	Attributable %	Classification	Tonnes million 2007	Tonnes million 2006	Grade 2007	Grade 2006	Contained metal thousand tonnes 2007	Contained metal thousand tonnes 2006
Catalão (OP)	100							
Carbonatite					$\%Nb_2O_5$	$\%Nb_2O_5$		
		Measured	0.2	–	1.05	–	2	–
		Indicated	0.3	–	0.91	–	3	–
		Measured and Indicated	**0.5**	**–**	**0.96**	**–**	**4**	**–**
		Inferred in Mine Plan	0.6	–	0.90	–	5	–

Phosphate products Ore Reserves	Attributable %	Classification	Tonnes million 2007	Tonnes million 2006	Grade 2007	Grade 2006
Copebrás (OP)[2]	73					
					$\%P_2O_5$	$\%P_2O_5$
		Proved	79.6	84.3	13.3	13.3
		Probable	152.1	152.3	13.4	13.4
		Total	**231.7**	**236.6**	**13.3**	**13.3**

Phosphate products Mineral Resources	Attributable %	Classification	Tonnes million 2007	Tonnes million 2006	Grade 2007	Grade 2006
Copebrás (OP)	73					
					$\%P_2O_5$	$\%P_2O_5$
		Measured	0.5	0.5	12.4	12.4
		Indicated	20.3	20.3	11.4	11.4
		Measured and Indicated	**20.8**	**20.9**	**11.4**	**11.4**
		Inferred in Mine Plan	15.8	15.8	12.9	12.9

Mining method: OP = Open Pit.

(1) **Catalão:** Increases due to new information from an exploration programme completed during 2007 and improved outlook for ferro-niobium prices which resulted in a lowering of the cut-off grade.

(2) **Copebrás:** Change due to production during 2007.

Reserves and resources data continued

Heavy Minerals Ore Reserves	Attributable %	Classification	Tonnes million 2007	Tonnes million 2006	Grade 2007	Grade 2006	Contained metal million tonnes 2007	Contained metal million tonnes 2006
Namakwa Sands (OP)[1]	100							
Ilmenite					%Ilm	%Ilm		
		Proved	76.5	79.9	4.9	5.0	3.7	4.0
		Probable	250.4	268.9	3.7	3.7	9.2	9.9
		Total	**326.8**	**348.8**	**4.0**	**4.0**	**12.9**	**13.9**
Zircon					%Zir	%Zir		
		Proved			1.2	1.2	0.9	1.0
		Probable			0.9	0.9	2.4	2.5
		Total			**1.0**	**1.0**	**3.3**	**3.5**
Rutile					%Rut	%Rut		
		Proved			0.2	0.2	0.2	0.2
		Probable			0.2	0.2	0.5	0.5
		Total			**0.2**	**0.2**	**0.7**	**0.7**

Heavy Minerals Mineral Resources	Attributable %	Classification	Tonnes million 2007	Tonnes million 2006	Grade 2007	Grade 2006	Contained metal million tonnes 2007	Contained metal million tonnes 2006
Namakwa Sands (OP)[1]	100							
Ilmenite					%Ilm	%Ilm		
		Measured	117.9	116.5	3.5	3.5	4.1	4.1
		Indicated	148.4	143.6	3.4	3.4	5.0	4.9
		Measured and Indicated	**266.3**	**260.1**	**3.4**	**3.5**	**9.1**	**9.0**
		Inferred in mine plan	184.1	175.7	3.1	2.7	5.6	4.7
Zircon					%Zir	%Zir		
		Measured			0.7	0.7	0.8	0.8
		Indicated			0.7	0.7	1.0	1.0
		Measured and Indicated			**0.7**	**0.7**	**1.8**	**1.8**
		Inferred in mine plan			0.7	0.6	1.3	1.1
Rutile					%Rut	%Rut		
		Measured			0.2	0.2	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			0.2	0.1	0.3	0.2

Mining method: OP = Open Pit.
For the multi-product deposits, the tonnage figures apply to each product.

[1] **Namakwa Sands:** On 18 January 2007, Exxaro exercised its option to acquire a 100% interest of Namakwa Sands. The sale is contingent on the conversion of old order to new order mining rights. It is expected that this will take place in 2008. Change due to production and resource model update during 2007.

Projects Ore Reserves	Attributable %	Classification	Tonnes million 2007	 2006	Grade 2007	 2006	Contained metal thousand tonnes 2007	 2006
Quellaveco (OP)[1]	80							
Copper					%Cu	%Cu		
Sulphide		Proved	250.1	250.1	0.76	0.76	1,901	1,901
Flotation		Probable	688.3	688.3	0.59	0.59	4,061	4,061
		Total	**938.4**	**938.4**	**0.64**	**0.64**	**5,962**	**5,962**
Gamsberg (OP)[2]	100							
Zinc					%Zn	%Zn		
		Proved	34.3	34.4	7.55	7.55	2,585	2,597
		Probable	110.3	110.3	5.55	5.55	6,124	6,124
		Total	**144.5**	**144.7**	**6.03**	**6.03**	**8,709**	**8,721**

Projects Mineral Resources	Attributable %	Classification	Tonnes million 2007	 2006	Grade 2007	 2006	Contained metal thousand tonnes 2007	 2006
Quellaveco (OP)	80							
Copper					%Cu	%Cu		
Sulphide		Measured	1.5	1.5	0.53	0.53	8	8
Flotation		Indicated	176.7	176.7	0.46	0.46	813	813
		Measured and Indicated	**178.2**	**178.2**	**0.46**	**0.46**	**821**	**821**
		Inferred in Mine Plan	41.1	–	0.54	–	222	–
Pebble East (UG)[3][4]	50							
Copper					%Cu	%Cu		
		Measured	–	–	–	–	–	–
		Indicated	–	–	–	–	–	–
		Measured and Indicated	**–**	**–**	**–**	**–**	–	**–**
		Inferred[5]	2,420.0	–	0.71	–	**17,182**	–
Pebble West (OP)[3][6]	50							
Copper					%Cu	%Cu		
		Measured[7]	655.0	–	0.34	–	2,227	–
		Indicated[8]	1,760.0	–	0.30	–	5,280	–
		Measured and Indicated	**2,415.0**	**–**	**0.31**	**–**	**7,507**	**–**
		Inferred[9]	760.0	–	0.27	–	2,052	–

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

(1) **Quellaveco:** Based on a feasibility study completed in 2000.

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

(3) **Pebble:** Copper Equivalent (CuEq) calculations use metal prices of $1.00/lb for copper, $400/oz for gold and $6.00/lb for molybdenum. The CuEq used for the tabulated resources does not include estimates of metallurgical recoveries. Should provisional metallurgical recoveries be included in the CuEq calculation, an indication of the impact on the resource estimates is shown in the footnotes. It must be emphasised that metallurgical test work is ongoing at both Pebble East and Pebble West and that reliable estimates of recoveries will only be established during the current pre-feasibility study which is due for completion at end 2008. By definition mineral resources do not have demonstrated economic viability. Due to the uncertainty in the estimates of Inferred Resources, it should not be assumed that all of the Inferred Resources will necessarily upgrade to Indicated or Measured Resources.

(4) **Pebble East:** The resources are based on drilling to November 2007 and a block model created in December 2007. A cut-off grade of 0.8% CuEq was used and is considered reasonable for a large-scale underground operation. The resources occur in a reasonably coherent volume but a more detailed underground design was not undertaken to constrain the resources or to test for reasonable prospects for eventual economic extraction. At a cut-off of 1% CuEq the estimates of resources are 1,500Mt at 0.82% Cu, 0.49g/t Au and 0.035% Mo (1.32% CuEq). If the estimates of recovery are used in the CuEq calculation, the estimate of Inferred Resources above a cut-off of 0.8% CuEq drops to 2,100Mt at 0.75% Cu, 0.43g/t Au and 0.035% Mo.

(5) **Pebble East co-product estimated grades (Inferred):** Gold 0.42g/t, Molybdenum 0.034%.

(6) **Pebble West:** The resource block model used as the basis for reporting is unchanged from that used by Northern Dynasty Mines to previously publish resources. The resources in the table are based on a cut-off grade of 0.4% CuEq. Reasonable prospects for eventual economic extraction for the Pebble West Measured and Indicated Resources is satisfied in that more than 96% of the resources fall within a pit generated using Measured, Indicated and Inferred Resources. At a cut-off of 0.5% CuEq the estimates of Measured plus Indicated Resources are 1,630Mt at 0.35% Cu, 0.39g/t Au and 0.018% Mo (0.69% CuEq). If the estimates of recovery are used in the CuEq calculation, the estimates of Measured plus Indicated Resources above a cut-off of 0.4% CuEq drops to 1,920Mt at 0.34% Cu, 0.37g/t Au and 0.017% Mo.

(7) **Pebble West co-product estimated grades (Measured):** Gold 0.37g/t, Molybdenum 0.017%.

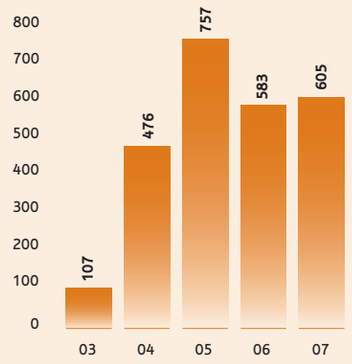
(8) **Pebble West co-product estimated grades (Indicated):** Gold 0.34g/t, Molybdenum 0.016%.

(9) **Pebble West co-product estimated grades (Inferred):** Gold 0.34g/t, Molybdenum 0.017%.

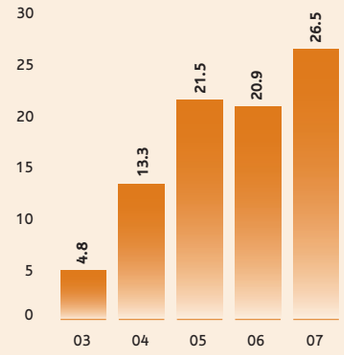
Iron ore is used in steel, which is the most widely used metal for fabrication and construction

Financial highlights

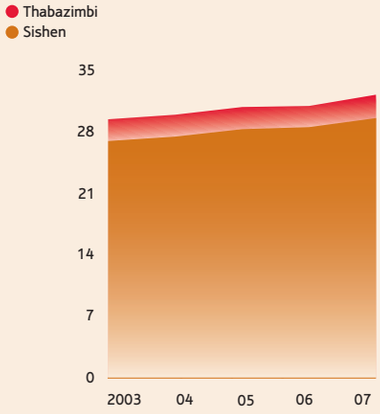
FIVE YEAR UNDERLYING EARNINGS
$m



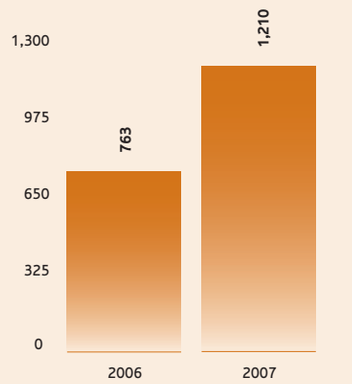
OPERATING MARGIN
%



IRON ORE PRODUCTION
Tonnes (million)

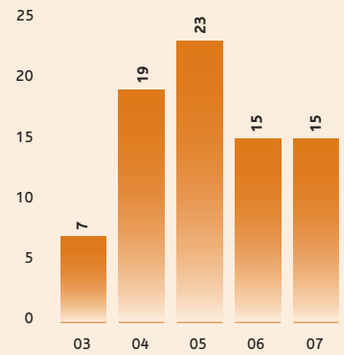


OPERATING PROFIT – CORE BUSINESS[1]
$m



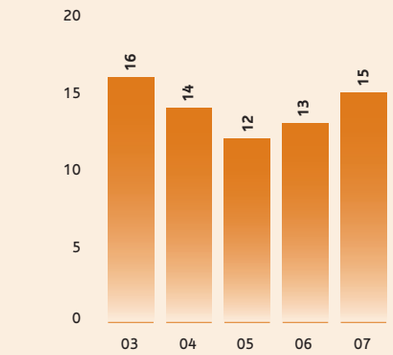
[1] Ferrous Metals core businesses are Kumba Iron Ore, Scaw Metals, Samancor and Minas-Rio.

SHARE OF GROUP OPERATING PROFIT[1]
%



[1] On a continuing basis for 2006 and 2007. 2003 has been restated to reflect the adoption of UTIF abstract 38 *Accounting for ESOP trusts*.

SHARE OF GROUP NET OPERATING ASSETS[1]
%



[1] On a continuing basis for 2006 and 2007.

Financial data

US$m	2007	2006	2005	2004	2003
Turnover					
Subsidiaries	4,207	5,973	6,030	5,137	2,863
Joint Ventures	–	–	–	–	28
Associates	1,193	546	743	1,526	1,476
Total turnover	**5,400**	**6,519**	**6,773**	**6,663**	**4,367**
Of which:					
Kumba	1,635	2,259	1,936	1,416	332
Scaw Metals	1,432	1,233	1,029	910	670
Samancor Group	665	425	634	817	499
Highveld Steel	369	1,023	1,127	775	488
Tongaat-Hulett/Hulamin	1,293	1,572	1,423	1,267	994
Other	6	7	624	1,478	1,384
EBITDA	**1,561**	**1,560**	**1,779**	**1,231**	**441**
Of which:					
Kumba	879	879	734	328	67
Scaw Metals	204	188	145	110	86
Samancor Group	249	51	164	265	78
Highveld Steel	108	247	472	223	29
Tongaat-Hulett/Hulamin	140	207	188	114	50
Other	(19)	(12)	76	191	131
Depreciation and amortisation	**129**	**199**	**300**	**344**	**110**
Operating profit before special items and remeasurements	**1,432**	**1,360**	**1,456**	**887**	**208**
Operating special items and remeasurements	3	21	5	155	–
Operating profit after special items and remeasurements	**1,435**	**1,381**	**1,461**	**1,042**	**208**
Net interest, tax and minority interests	**(827)**	**(777)**	**(699)**	**(411)**	**(114)**
Underlying earnings	**605**	**583**	**757**	**476**	**107**
Of which:					
Kumba	274	302	261	80	18
Scaw Metals	97	106	85	59	55
Samancor Group	169	38	103	157	10
Highveld Steel	18	79	232	93	5
Tongaat-Hulett/Hulamin	44	55	49	25	(10)
Other	3	3	27	62	29
Net operating assets	**3,987**	**2,796**	**4,439**	**5,302**	**4,629**
Capital expenditure	**471**	**582**	**373**	**284**	**195**

Business overview

Operating profit

2006
$1,360m

2007
$1,432m

EBITDA

2006
$1,560m

2007
$1,561m

- **Highest ever iron ore production in 2007 at 32.4 Mtpa**
- **MMX Minas-Rio and Kumba expansions to lift Group iron ore production to 150 Mtpa by 2017**
- **Iron ore price to remain firm through to 2009**

Anglo Ferrous Metals' primary business is iron ore. It holds a 63.4% shareholding in Kumba Iron Ore in South Africa and a 49% interest, acquired in mid-2007, in the MMX Minas-Rio project in Brazil. In addition, Ferrous Metals has interests in manganese ore and alloy operations and carbon steel products.

Kumba was created as a pure-play iron ore company, listed on the Johannesburg Stock Exchange (JSE) following its unbundling from Kumba Resources in November 2006. The transaction also resulted in the formation of Exxaro, South Africa's largest black economic empowerment (BEE) mining group.

In 2007, Kumba exported more than 70% of its 32.4 million tonnes of iron ore production, mostly to customers in Europe and Asia. The company currently operates two mines in South Africa – Sishen in the Northern Cape, which achieved a record output in 2007 of 29.7 million tonnes per annum (Mtpa), and Thabazimbi, in Limpopo, which produced 2.7 Mtpa.

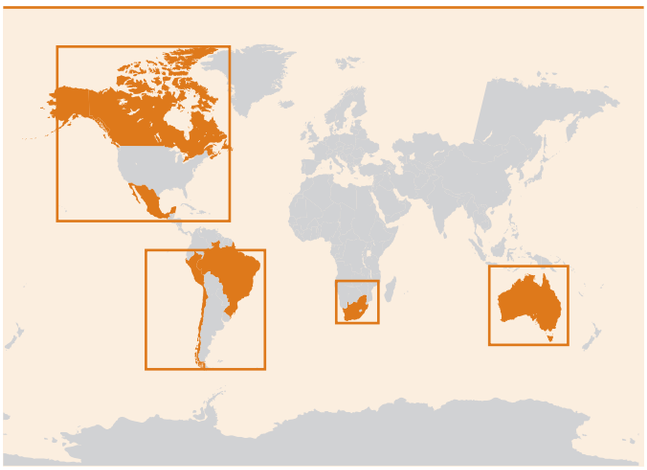
Scaw Metals is a global group that manufactures a diverse range of steel products. With principal operations in southern Africa, Chile, Peru, Canada and Mexico, it produces rolled steel products, steel and iron castings, cast alloy iron and forged steel grinding media and steel chain, wire rope and strand products. Scaw's products serve the construction, railway, power generation, mining, cement, marine and offshore oil industries worldwide. In March 2007, Scaw's South African operation completed a landmark empowerment transaction by including an employee trust and broad-based BEE consortium as owners in the company. Scaw is the first steel producer in South Africa to achieve a BEE rating.

Ferrous Metals also holds a 40% shareholding, with BHP Billiton having 60% and management control, in Samancor Manganese, the world's largest integrated producer, by sales, of manganese ore and alloys. Samancor has plants in South Africa and Australia, the manganese operations in the latter consisting of Groote Eylandt Mining Company (GEMCO) and Tasmanian Electro Metallurgical Company (TEMCO).

Ferrous Metals has a 37% voting interest in JSE-listed Tongaat-Hulett, an agri-processing business which includes integrated components of land management, agriculture and property development. Through its sugar and starch operations in southern Africa, Tongaat-Hulett produces a range of refined carbohydrate products from sugar cane and maize. The company balances the operational requirement for cane supplies to its sugar operations with the transition to property development. The unbundling of Hulamin from Tongaat-Hulett, and its separate JSE listing, was completed in June 2007 together with the simultaneous injection of broad-based BEE ownership into both companies.

Hulamin, in which Ferrous Metals has a 38% voting interest, is Africa's largest producer of aluminium rolled, extruded and other semi-fabricated and finished products, with its main operations situated in Pietermaritzburg, South Africa. As an independent niche producer of technically demanding and higher value products, Hulamin supplies customers spread among all the major aluminium consuming regions of the world.

Right: The port at Saldanha Bay is used in the transportation of iron ore from operations at Sishen



Key
- Underground
- Open Cut
- Other

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 Chile, Peru, Mexico, Australia, Canada and Italy.

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

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.

South Africa
1. 63.4% Kumba Iron Ore – Sishen
2. 74% Scaw Metals
3. 40% Samancor
4. 37% Tongaat-Hulett
5. 38% Hulamin

Kumba Iron Ore is the world's fourth largest supplier of seaborne iron ore, and exported more than 70% of its 32.4 Mtpa production in 2007.

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.

Australia
1. 40% GEMCO
2. 40% TEMCO
3. 40% Moly-Cop
   - Perth
   - Townsville
   - Newcastle
4. 74% Scaw Metals
   - Sydney
   - Melbourne

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.

Industry overview

Steel is the most widely used of all metals, with world crude steel production increasing by 7.5% in 2007 to reach a total of 1.34 billion tonnes.

The seaborne iron ore market, which is a critical component of the global steel industry, has grown from 454 Mtpa in 2000 to 782 Mtpa at the end of 2007. This increase has arisen mainly from Chinese demand growth. China is expected to continue being the main driver of global steel production growth and is forecast to increase production from 489 Mtpa in 2007 to 750 Mtpa by 2012. This level of production will require iron ore imports in excess of 730 Mtpa. Growth in steel production in the short to medium term will occur in former Soviet Union countries, supported by steady growth rates in the rest of Asia and Europe. Further support for iron ore demand will come from steel prices which have stabilised at historically high levels.

The global market for iron ore is expected to remain tight in the short to medium term, with major suppliers experiencing difficulties in bringing on new production in time to meet increasing demand, owing, *inter alia*, to the global shortage in engineering and construction resources. Logistical constraints associated with rail and port capacity and shortages in dry bulk vessel capacity at times, are expected to continue having an impact on the supply side of the seaborne iron ore market. As a result, spot prices are expected to remain near their historical highs in the short to medium term.

Manganese ore is smelted to produce manganese ferro-alloys (such as ferromanganese and silicomanganese). World consumption of manganese ore (based on International Manganese Institute statistics) increased by 7% in 2007, having declined by 0.5% the previous year. As 96% of manganese ore is consumed in ferro-alloy production, the performance of the manganese alloy industry is the key determinant of ore demand. Manganese alloy prices in the coming year should remain underpinned by higher ore prices and expectations of reducing exports from China, as government there continues its efforts to curtail alloy production through such measures as increased export tariffs.

Markets

Demand for iron ore and manganese ore continues to be robust, driven by healthy demand by steel manufacturers in China and other markets. The American, European and Asian manganese alloy markets all remain generally strong, driven by continuing buoyant demand for manganese alloys and ongoing concerns around security of supply.

Right: Scaw South Africa has begun delivery of 220 new-design bogie packages for Transnet's new generation electric locomotives, designated as Class 19E. The first two bogie packages were delivered to Scaw's customer in November 2007 with the balance supplied over the next three years

Market information

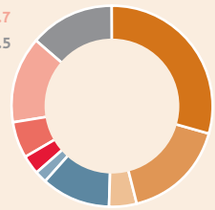
2007 STEEL PRODUCTION BY GEOGRAPHY
%

China	36.4
Japan	8.9
United States	7.2
Russia	5.4
South Korea	3.8
Germany	3.6
India	4.0
Ukraine	3.2
Italy	2.4
Brazil	2.5
Others	22.6

Source: International Iron and Steel Institute

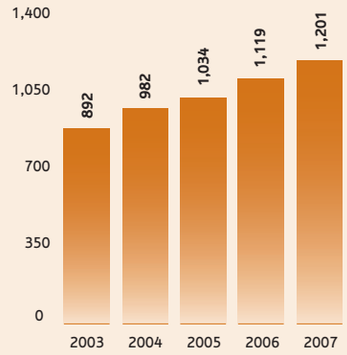
2007 WORLD STEEL CONSUMPTION BY GEOGRAPHY
%

China	33.0
EU	18.6
CIS	5.1
N America	12.3
S America	3.3
Africa	2.1
Middle East	3.4
Japan	6.7
Rest of Asia	15.5



Source: AME Consulting

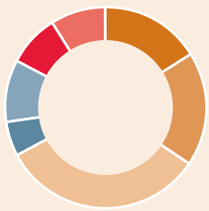
WORLD STEEL CONSUMPTION
Tonnes (million)



Source: AME Consulting

2007 IRON ORE SUPPLY BY GEOGRAPHY
%

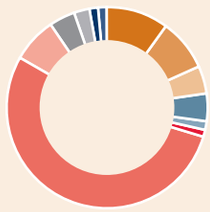
Australia	16.2
Brazil	18.3
China	32.8
North America	5.5
CIS	10.0
India	8.5
Other	8.7



Source: AME Consulting

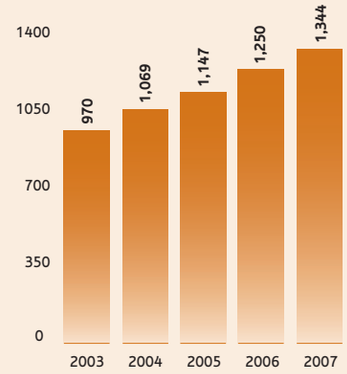
2007 WORLD IRON ORE CONSUMPTION BY GEOGRAPHY
%

Europe	10.2	China	53.5
Former Soviet Union	8.2	Japan	7.3
North America	4.4	India	4.0
South America	4.7	South Korea	2.5
Africa	1.3	Oceania	1.4
Middle East	1.2	Other	1.3



Source: AME Consulting

WORLD CRUDE STEEL PRODUCTION
Tonnes (million)



Source: International Iron and Steel Institute

Strategy and growth

The core strategy of the business is to grow Anglo American's position in iron ore and make it the cornerstone of the Ferrous Metals portfolio.

As part of that process, in mid-2007 Anglo American acquired a 49% interest in the MMX Minas-Rio iron ore project in Brazil for an effective price of $1.15 billion plus a potential payment of up to $600 million if certain criteria are met. Planned annual capacity will be 26.5 Mtpa of iron ore pellet feed, for start-up during 2010 at an anticipated cost of $3.46 billion.

In March 2008, Anglo American announced that it had signed an agreement with the controlling shareholder of MMX Mineração e Metálicos S.A. ('MMX') and certain other MMX shareholders (together 'the Selling Shareholders'), to acquire a 63.5% shareholding in a new company ('IronX') which will be demerged from MMX and will own MMX's current 51% interest in the Minas-Rio iron ore project and 70% interest in the Amapá iron ore system. Anglo American has committed, after completion of this transaction, to extend an offer to the minority shareholders of IronX at the same price per share to the Selling Shareholders, the successful completion of which would result in Anglo American owning 100% of the Minas-Rio project, 70% of the Amapá system and 49% of LLX Minas-Rio, the owner of the Port of Açu. Anglo American will pay US$5.5 billion in cash for 100% of the issued and outstanding shares of IronX or approximately US$361.12 per IronX share (assuming one IronX share for each current MMX share).

Kumba, through the Sishen Expansion Project, will expand its iron ore production to 44 Mtpa by 2009, and further brownfield and greenfield opportunities will extend this to more than 70 Mtpa.

The process of selling down Anglo American's stake in Exxaro from 23% to 10% was completed in September, realising a profit of $234 million in 2007. Anglo American will continue to hold a 10% shareholding until 2016.

Projects

In October 2007, the $754 million, 13 Mtpa Sishen Expansion Project commenced commercial production, with ramp up to full design capacity expected to be achieved in 2009.

The Sishen South Project, which involves the development of a new opencast operation some 70 kilometres south of Sishen mine, is currently being considered for development. A decision to proceed with this 9 Mtpa new mine is imminent, and is dependent on finalising logistical arrangements and the granting of mining rights. A pre-feasibility study on a further expansion at the Sishen mine of 10 Mtpa by beneficiating lower grade resources is due to be completed during 2008.

The $183 million GEMCO expansion project in Australia's Northern Territory is on target to increase the company's annual manganese ore production capacity from 3.0 million dry metric tonnes per annum (mdmtpa) 4.0 mdmtpa by the first half of 2009.

These projects together with the planned Kumba expansions will significantly increase Anglo American's participation in the seaborne iron ore market to approximately 150 Mtpa by 2017 in line with Anglo American's strategic goal to become a significant player in the iron ore industry.

Right: Sishen mine – the expansion project taken at night

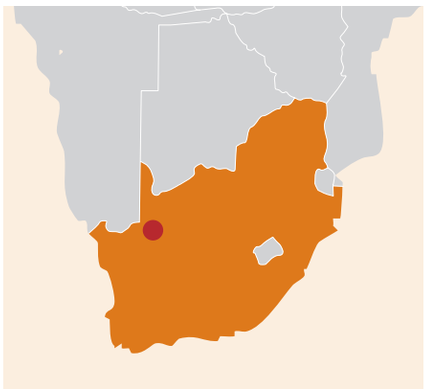
Project pipeline

Sishen Expansion

Overall capex: **$754m**

Country	**South Africa**
Ownership	**46.9%**
Incremental production	**13 Mtpa iron ore**
Full project capex	**$754m**
Full production	**2009**

The Sishen Expansion Project (SEP), in South Africa's Northern Cape, commenced commercial production in October 2007 with full ramp up to 13 Mtpa expected to be achieved in 2009. This will take Kumba Iron Ore (Kumba) to 44 Mtpa of iron ore production. A pre-feasibility study on a further expansion at the Sishen mine of 10 Mtpa by beneficiating lower grade resources is due to be completed in 2008.



MMX Minas-Rio phase 1

Overall capex: **$3,456m**

Country	**Brazil**
Ownership	**49%**
Production volume	**26.5 Mtpa iron ore pellet feed (wet base) and 0.8 Mtpa lump iron ore**
Full project capex	**$3,456m**
Full production	**2011**

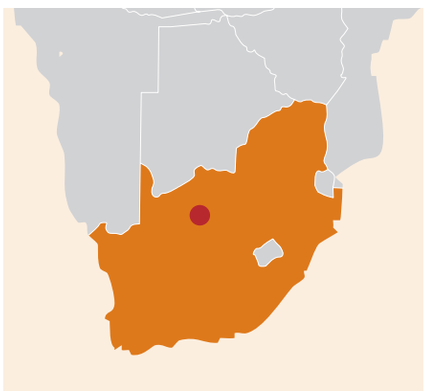
In mid-2007 Anglo American acquired a 49% interest in the MMX Minas-Rio project in Brazil for an effective price of $1.15 billion plus a potential payment of up to $600 million if certain criteria are met. Planned annual capacity will be 26.5 Mtpa of iron ore pellet feed, for start-up during 2010. In March 2008, Anglo American signed agreements to acquire the remaining 51% of the Minas-Rio project and 70% of the Amapá iron ore system.

Sishen South (unapproved)

Overall capex: **$645m**

Country	**South Africa**
Ownership	**46.9%**
Production volume	**9 Mtpa iron ore**
Full project capex	**$645m**
Full production	**2011**

The Sishen South Project, which involves the development of a new opencast operation some 70 kilometres south of Sishen mine, is currently being considered for development. A decision to proceed with the 9 Mtpa new mine is imminent, and is dependent on finalising logistical arrangements and the granting of mining rights.



Production data

	unit	2007	2006
Kumba Iron Ore Limited			
Lump	tonnes	19,043,000	18,639,800
Fines	tonnes	13,357,000	12,470,300
Total iron ore	tonnes	32,400,000	31,110,100
Scaw Metals			
South Africa – Steel Products	tonnes	776,000	723,000
International – Steel Products	tonnes	803,000	696,000
Samancor[1]			
Manganese ore	mtu m	104	97
Manganese alloys	tonnes	310,000	277,200

[1] Saleable production.

Reserves and resources data

Kumba Iron Ore

The Ore Reserve and Mineral Resource estimates were compiled in accordance with The SAMREC Code, 2007. Rounding of figures may cause computational discrepancies. The 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.

Iron Ore Ore Reserves	Attributable %	Classification	Tonnes million 2007	Tonnes million 2006	Grade 2007	Grade 2006	Saleable product million tonnes 2007	Saleable product million tonnes 2006
Sishen Iron Ore Mine (OP)[1]	36.9				%Fe	%Fe		
		Proved	805	813	59.5	58.1	598@65.2% Fe	567@65.8% Fe
		Probable	227	241	60.0	57.2	174@65.3% Fe	226@63.9% Fe
		Total	**1,033**	**1,054**	**59.6**	**57.9**	**772@65.2% Fe**	**793@65.3% Fe**
Thabazimbi Iron Ore Mine (OP)[2]	46.9				%Fe	%Fe		
		Proved	8	7	62.9	61.6	7@63.5% Fe	6@64.5% Fe
		Probable	1	2	62.7	60.9	1@63.1% Fe	2@63.9% Fe
		Total	**9**	**10**	**62.9**	**61.4**	**8@63.4% Fe**	**8@64.3% Fe**
Sishen South Iron Ore Project (OP)[3]	46.9				%Fe	%Fe		
		Proved	98	134	64.7	65.4	98@64.7% Fe	–
		Probable	78	31	63.6	64.2	78@63.6% Fe	–
		Total	**176**	**166**	**64.2**	**65.2**	**176@64.2% Fe**	**–**

Iron Ore Mineral Resources	Attributable %	Classification	Tonnes million 2007	Tonnes million 2006	Grade 2007	Grade 2006
Sishen Iron Ore Mine (OP)	36.9				%Fe	%Fe
Within Pit[1]		Measured	920	1,398	60.5	57.0
		Indicated	187	422	59.0	56.2
		Measured and Indicated	**1,107**	**1,819**	**60.2**	**56.8**
		Inferred in Mine Plan	5	–	62.4	–
Outside Pit[4]		Measured	618	115	55.2	64.6
		Indicated	588	266	58.6	64.3
		Measured and Indicated	**1,206**	**381**	**56.9**	**64.4**
		Inferred	110	–	61.0	–
Thabazimbi Iron Ore Mine (OP)	46.9				%Fe	%Fe
Within Pit[2]		Measured	11	8	61.8	62.1
		Indicated	2	3	62.4	61.4
		Measured and Indicated	**13**	**11**	**61.9**	**61.9**
		Inferred in Mine Plan	–	–	61.6	–
Outside Pit[5]		Measured	18	12	62.4	62.2
		Indicated	5	14	63.4	61.8
		Measured and Indicated	**23**	**27**	**62.6**	**62.0**
		Inferred	3	–	63.4	–
Sishen South Iron Ore Project (OP)	46.9				%Fe	%Fe
Within Pit[6]		Measured	115	122	66.1	65.7
		Indicated	70	61	65.6	65.2
		Measured and Indicated	**185**	**183**	**65.9**	**65.5**
		Inferred in Mine Plan	–	–	–	–
Outside Pit[7]		Measured	31	35	65.6	64.6
		Indicated	56	88	64.3	64.5
		Measured and Indicated	**87**	**123**	**64.8**	**64.5**
		Inferred	10	–	63.4	–
Zandrivierspoort Project (OP)	23.5				%Fe	%Fe
		Measured	–	–	–	–
		Indicated	447	447	34.9	34.9
		Measured and Indicated	**447**	**447**	**34.9**	**34.9**
		Inferred	–	–	–	–

Footnotes appear on the following page.

Reserves and resources data continued

Mining method: OP = Open Pit.

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

(1) **Sishen Iron Ore Mine:** New economic assumptions and revised Optimistic Pit shell applied.

(2) **Thabazimbi Iron Ore Mine:** New economic assumptions and revised Optimistic Pit shell applied.

(3) **Sishen South Iron Ore Project – Ore Reserves:** The process of converting Mineral Resources to Ore Reserves is time-consuming and as the geological model update was only completed late in 2007, the Ore Reserves reported are based on previous geological models. Globally the Mineral Resource estimates between the two models are similar with local variations which could impact the Ore Reserve estimates when updated in 2008.

(4) **Sishen Iron Ore Mine – Outside Pit:** Previously reported as 'Underground'. Updated economic assumptions and a change in the long term outlook on exploitation of these resources resulted in the underground option no longer being considered.

(5) **Thabazimbi Iron Ore Mine – Outside Pit:** Previously reported as 'Underground'. Updated economic assumptions and a change in the long term outlook on exploitation of these resources resulted in the underground option no longer being considered.

(6) **Sishen South – Within Pit:** Based on new geological models and a Mineral Resource update late in 2007.

(7) **Sishen South – Outside Pit:** Previously reported as 'Underground'. Updated economic assumptions and a change in the long term outlook on exploitation of these resources resulted in the underground option no longer being considered.

Minas-Rio Project

The Minas-Rio Project is located in the Minas Gerais state of Brazil and will include open pit mines and a beneficiation plant producing high grade pellet feed which will be transported, through a slurry pipeline, over 500 km to the Port of Açu in the Rio de Janeiro state. The project will largely be based on the two main deposits of Serra do Sapo and Itapanhoacanga while smaller deposits occur at Serro and João Monlevade. Two ore types, Friable and Hard Itabirite, have been identified at Serra do Sapo and Itapanhoacanga. Only the Friable Itabirite at Serra do Sapo is being considered for Phase 1 of the project. The planned annual capacity of Phase 1 is 26.5 Mtpa of iron ore pellet feed (wet tonnes), for start-up during 2010.

The estimates of Mineral Resources have been audited by an independent Qualified Person from SRK who has compiled a NI 43-101 compliant Technical Report for MMX. The Mineral Resources are also JORC compliant. The Qualified Person has consented to the inclusion of the resources in the table below, and associated footnotes, and agrees with the context and form in which they occur. Rounding of figures may cause computational discrepancies. The figures reported represent 100% of the Mineral Resources.

Minas-Rio Project[1][4][5][6][7] **Iron Ore Mineral Resources**	Attributable %	Classification	Tonnes million 2007	Tonnes million 2006	Grade 2007	Grade 2006
Serra do Sapo (OP)[3]	49				%Fe	%Fe
Friable Itabirite		Measured	–	–	–	–
		Indicated	222	–	41.0	–
		Measured and Indicated	**222**	**–**	**41.0**	**–**
		Inferred[2]	313	–	39.5	–
Hard Itabirite		Measured	–	–	–	–
		Indicated	171	–	34.8	–
		Measured and Indicated	**171**	**–**	**34.8**	**–**
		Inferred[2]	141	–	34.2	–
Itapanhoacanga (OP)	49				%Fe	%Fe
Friable Itabirite		Measured	–	–	–	–
		Indicated	83	–	40.3	–
		Measured and Indicated	**83**	**–**	**40.3**	**–**
		Inferred[2]	284	–	40.4	–
Hard Itabirite		Measured	–	–	–	–
		Indicated	–	–	–	–
		Measured and Indicated	**–**	**–**	**–**	**–**
		Inferred[2]	32	–	34.2	–

Mining method: OP = Open Pit.

[1] **Minas-Rio Project:** All Mineral Resources are stated as wet tonnes and the moisture content is estimated at 7%. Cut-off grade used is 33% Fe.

[2] **Minas-Rio Project – Inferred Resources:** Due to the uncertainty in the estimates of Inferred Resources, it should not be assumed that all of the Inferred Resources will necessarily upgrade to Indicated or Measured Resources.

[3] **Serra do Sapo:** Drilling has taken place over less than 50% of the strike length of the deposit and further exploration is expected to yield between 800Mt and 1000Mt of additional Friable Itabirite resources. It must be emphasised that this potential quantity is conceptual in nature, that there is insufficient exploration to define a Mineral Resource and that it is uncertain if further exploration will result in the determination of a Mineral Resource.

[4] **Serra do Sapo** – Further lower grade resources above a cut-off of 20% Fe:
Friable Itabirite – an estimated 125Mt of Indicated and 102Mt of Inferred Mineral Resources at an estimated average grade of 30% Fe and;
Hard Itabirite – an estimated 752Mt of Indicated and 892Mt of Inferred Hard Itabirite at an estimated average grade of 30% Fe;

[5] **Itapanhoacanga** – Further lower grade resources above a cut-off of 20% Fe:
Friable Itabirite – an estimated 7Mt of Indicated Mineral Resources at an estimated average grade of 32% Fe and;
Friable Itabirite – an estimated 78Mt Inferred Mineral Resources at an estimated average grade of 29% Fe and;
Hard Itabirite – an estimated 19Mt of Inferred Mineral Resources at an estimated average grade of 31% Fe.

[6] **Serro deposit** – Resources above a cut-off of 33% Fe:
Friable plus Hard Itabirite – an estimated 25Mt of Indicated and 56Mt of Inferred Mineral Resources at an estimated average grade of approximately 38% Fe.
Further lower grade resources above a cut-off of 20% Fe:
Friable plus Hard Itabirite – an estimated 101Mt of Indicated and 256Mt of Inferred Mineral Resources at an estimated average grade of 29% Fe.

[7] **João Monlevade deposit** – Resources above a cut-off of 30% Fe:
Friable Itabirite – an estimated 133Mt of Inferred Mineral Resources at an estimated average grade of 47% Fe.

Reserves and resources data continued

Samancor

The Ore Reserve and Mineral Resource estimates were compiled in accordance with The SAMREC Code, 2007 and The JORC Code, 2004 as applicable. Rounding of figures may cause computational discrepancies. The 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.

Manganese Ore Reserves	Attributable %	Classification	Tonnes million 2007	Tonnes million 2006	Grade 2007	Grade 2006	% Yield 2007	% Yield 2006
Hotazel Manganese Mines	40				%Mn	%Mn		
Mamatwan (OP)[1]		Proved	44.0	42.3	37.6	37.6		
		Probable	8.1	6.7	36.4	37.2		
		Total	**52.1**	**49.0**	**37.4**	**37.5**		
Wessels (UG)[2]		Proved	4.6	2.4	46.0	48.0		
		Probable	14.8	11.6	45.2	48.0		
		Total	**19.4**	**14.0**	**45.4**	**48.0**		
GEMCO (OP)[3]	40				%Mn	%Mn		
		Proved	81.8	55.5	48.2	48.5	49.3	53.4
		Probable	44.7	36.0	47.2	47.2	47.0	51.0
		Total	**126.5**	**91.5**	**47.8**	**48.0**	**48.5**	**52.5**

Manganese Mineral Resources	Attributable %	Classification	Tonnes million 2007	Tonnes million 2006	Grade 2007	Grade 2006	% Yield 2007	% Yield 2006
Hotazel Manganese Mines	40				%Mn	%Mn		
Mamatwan (OP)[4]		Measured	56.2	53.1	37.6	37.6		
		Indicated	15.6	10.6	36.4	37.2		
		Measured and Indicated	**71.8**	**63.7**	**37.3**	**37.5**		
Wessels (UG)[5]		Measured	8.8	4.8	46.0	48.1		
		Indicated	30.7	19.6	45.3	48.0		
		Measured and Indicated	**39.5**	**24.4**	**45.5**	**48.0**		
GEMCO (OP)[6]	40				%Mn	%Mn		
		Measured	80.1	61.2	46.5	48.9	44.2	42.0
		Indicated	47.7	42.7	46.0	47.3	44.0	38.0
		Measured and Indicated	**127.8**	**103.9**	**46.3**	**48.2**	**44.1**	**40.4**

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

Mamatwan tonnages stated as Wet Metric Tonnes. Wessels and GEMCO tonnages stated as Dry Metric Tonnes.

(1) **Mamatwan – Ore Reserves:** The final slope angle of the boundary pillar and safety factors have been reviewed and the X zone included.

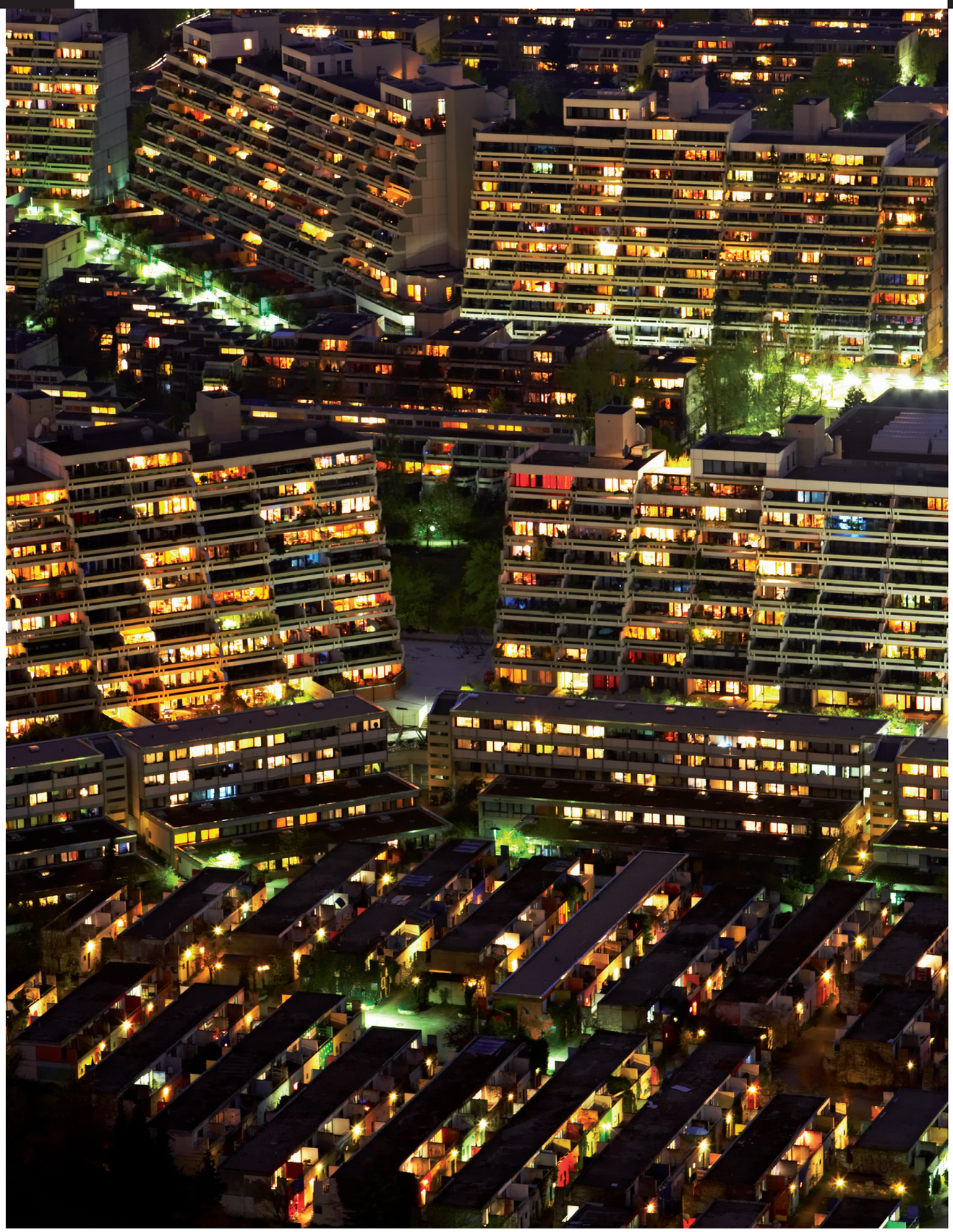
(2) **Wessels – Ore Reserves:** Positive changes in market conditions has allowed for the downward adjustment of the cut-off grade to 37.5% Mn as opposed to 43.6% Mn used in 2006. The mean grade of the high grade product (W1L) was also adjusted to 47% Mn from a traditional mean grade of 48% Mn.

(3) **GEMCO – Ore Reserves:** Changes are primarily due to enhanced market conditions and the inclusion of J Deposit. 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).

(4) **Mamatwan – Mineral Resources:** Additional boreholes resulted in an enhanced geological model and along with changes to the classification criteria, have enabled upgrading of additional resources to Measured and Indicated Resources.

(5) **Wessels – Mineral Resources:** Changes are due to a revised structural interpretation and geological model along with the inclusion of all material above a revised cut-off of 37.5% Mn. The downward adjustment of the cut-off from the previous 43.5% Mn is due to positive changes in market conditions. The mean grade of the high grade product (W1L) was also adjusted to 47% Mn from a traditional mean grade of 48% Mn.

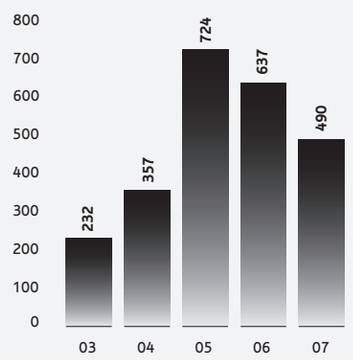
(6) **GEMCO – Mineral Resources:** Additional drillholes and in-fill drilling has resulted in re-classification of ground increasing the Measured Resources significantly.



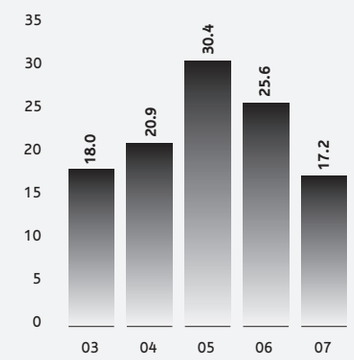
Coal is used in electricity generation, providing 40% of the world's power

Financial highlights

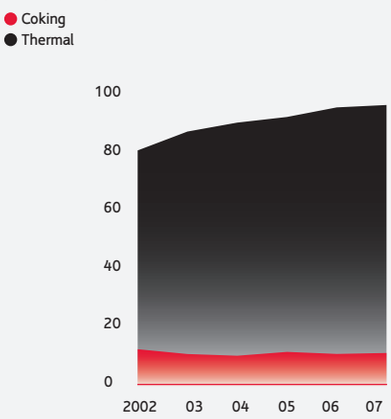
FIVE YEAR UNDERLYING EARNINGS
$m



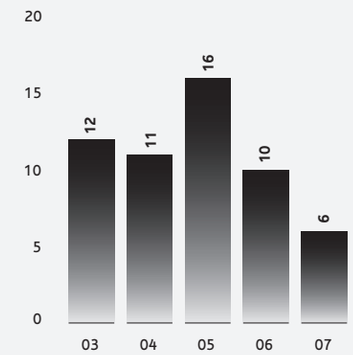
OPERATING MARGIN
%



COAL PRODUCTION
Tonnes (million)

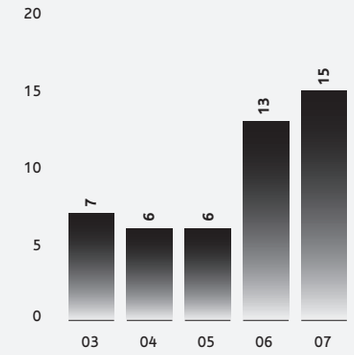


SHARE OF GROUP OPERATING PROFIT (1)
%



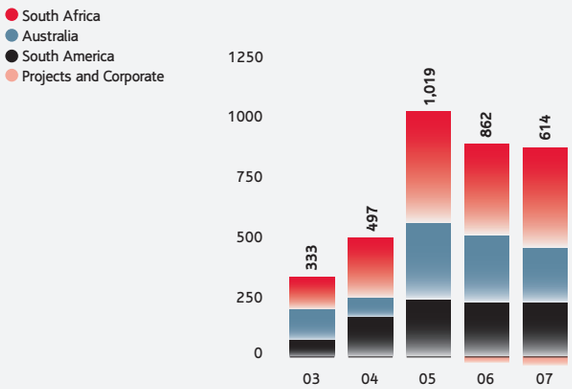
(1) On a continuing basis for 2006 and 2007. 2003 has been restated to reflect the adoption of UTIF abstract 38 *Accounting for ESOP trusts*.

SHARE OF GROUP NET OPERATING ASSETS (1)
%



(1) On a continuing basis for 2006 and 2007.

OPERATING PROFIT BY REGION
$m



In 2007, Yang Quarry was reclassified from Industrial Minerals to Coal to align with internal management reporting. As such, the 2007 and 2006 data has been restated accordingly.

Financial data

US$m	2007	2006	2005	2004	2003
Turnover					
Subsidiaries	2,880	2,757	2,766	1,911	1,556
Joint Ventures	–	–	–	3	–
Associates	694	607	583	468	295
Total turnover	**3,574**	**3,364**	**3,349**	**2,382**	**1,851**
Of which:					
South Africa	1,538	1,394	1,441	1,109	843
Australia	1,389	1,398	1,383	840	739
South America	627	541	525	433	269
Projects and corporate	20	31	–	–	–
EBITDA	**882**	**1,082**	**1,243**	**687**	**505**
Of which:					
South Africa	481	437	525	297	175
Australia	166	397	459	184	219
South America	271	271	273	205	111
Projects and corporate	(36)	(23)	(14)	–	–
Depreciation and amortisation	**268**	**220**	**188**	**190**	**129**
Operating profit before special items and remeasurements	**614**	**862**	**1,019**	**497**	**333**
Operating special items and remeasurements	(141)	(153)	1	–	–
Operating profit after special items and remeasurements	**473**	**709**	**1,020**	**497**	**333**
Net interest, tax and minority interests	**(124)**	**(225)**	**(295)**	**(140)**	**(109)**
Underlying earnings	**490**	**637**	**724**	**357**	**232**
Of which:					
South Africa	296	279	333	163	79
Australia	24	216	224	78	94
South America	175	163	174	116	59
Projects and corporate	(5)	(21)	(7)	–	–
Net operating assets	**3,984**	**2,870**	**2,244**	**2,303**	**2,152**
Capital expenditure	**1,052**	**782**	**331**	**218**	**207**

Business overview

Operating profit

2006
$862m

2007
$614m

EBITDA

2006
$1,082m

2007
$882m

- **Anglo Coal is one of the world's biggest coal producers and exporters**
- **Current expansion programme to raise consolidated coal production to 115 Mtpa by 2010**
- **Coal is likely to remain an essential part of the energy mix well into the future**

Anglo Coal is the world's sixth largest private sector coal producer and exporter, with operations in South Africa, Australia, South America and Canada.

In South Africa, Anglo Coal owns and operates eight mines and has a 50% interest in Mafube mine. Four mines are in the Witbank coalfield which supplies some 20 million tonnes per annum (Mtpa) of thermal coals to the export and local markets and a small volume of metallurgical coal to the export market. Coal is exported through Richards Bay Coal Terminal, in which Anglo Coal has a 27% interest. In addition the New Vaal, New Denmark and Kriel mines supply some 35 Mtpa of thermal coal to Eskom, the South African state-owned electric power utility. Anglo Coal's Isibonelo mine produces some 5 Mtpa for Sasol Synthetic Fuels under a 21 year supply contract.

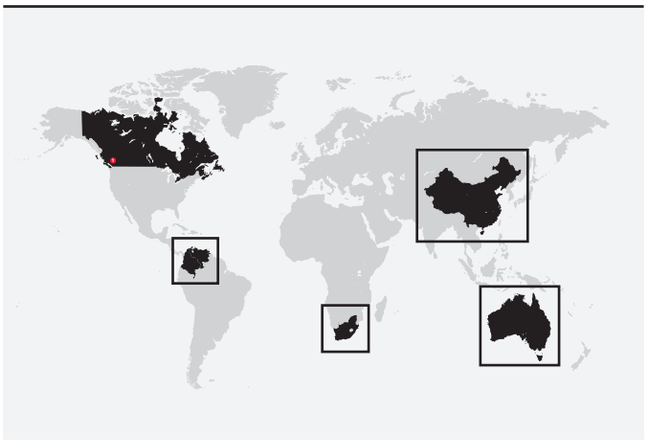
Anglo Coal is the fourth largest producer of coal in Australia, with one wholly owned mine and a controlling interest in another four, as well as significant undeveloped coal reserves. Its mines are located in Queensland and New South Wales and produce some 34 Mtpa (25 Mtpa attributable). It also owns an effective 23% interest in the Jellinbah mine in Queensland.

In South America, Anglo Coal has a 33% shareholding in Cerrejón Coal, which has the capacity to produce at a rate of more than 28 Mtpa, with approved expansion plans to increase production to 32 Mtpa. Cerrejón produces thermal coal for export 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 northern Venezuela. CDG produces around 6 Mtpa of thermal and metallurgical coal for pulverised coal injection (PCI).

Anglo Coal has a 66% interest in Peace River Coal, which has one operating metallurgical coal mine and significant coal resources in western Canada. Peace River Coal is expected to produce approximately 1.5 Mtpa in 2008. Anglo Coal also has a 60% interest in the Xiwan coal mine lease area in China, where the feasibility of developing the mine is under evaluation in conjunction with Anglo Coal's joint venture partners, the Shaanxi Coal Geological Bureau.

Anglo Coal signed shareholder agreements with Inyosi, a broad-based black economic empowerment (BEE) company, in November 2007, to create an empowered coal company housing key current and future domestic and export-focused coal operations in South Africa. In terms of the agreements, Inyosi will acquire, subject to certain conditions precedent, 27% of Anglo Inyosi Coal, creating a company valued at R7 billion and incorporating several key Anglo Coal assets; namely Kriel Colliery, which is an existing mine, and the Elders, Zondagsfontein, New Largo and Heidelberg projects.

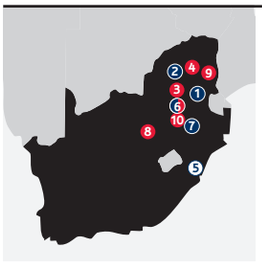
Right: Dawson Central – open pit dragline operations



Canada
Metallurgical
1 66% 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.

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.

Rest of the world
1 100% Yang Quarry

In China, Anglo Coal has asphalt businesses in Shanghai and a quarry operation in Yang, some three hours' drive from Shanghai, but well placed to serve the Shanghai market.

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. This forms one of the world's largest integrated export thermal coal mining operations and includes 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.

Industry overview

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. 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, with the majority 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 0.8 billion tonnes, of which some 0.6 billion tonnes is thermal coal and 0.2 billion tonnes is metallurgical coal.

Produced in a relatively limited number of countries, metallurgical coal is primarily used in the steelmaking industry and includes hard coking coal, semi-soft coking coal and PCI coal. The chemical composition of the coal is fundamental to the steel producers' raw material mix and product quality. The market for this coal has a majority of larger volume, longer term, annually priced contracts, but with some steel companies increasingly using short term contracts to meet their requirements.

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.

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

Demand for thermal coal is driven by demand for electricity and is also affected by the availability and price of competing fuels such as oil and gas, as well as nuclear power. Driven by varying degrees of deregulation in 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 a mix of short term contracts, spot pricing, the development of various price indices, hedging and derivative instruments. However, the extent to which the full range of pricing instruments is used, varies across the world.

Anglo Coal exports thermal coal from South Africa, South America and Australia to customers throughout the Med-Atlantic and Indo-Pacific markets. The balance of Anglo Coal's production is sold domestically in Australia and South Africa. In South Africa a large portion of domestic sales are made to the domestic power utility, Eskom, on long term (i.e. life of mine) cost-plus contracts. Sales also take place to domestic industrial sector consumers. In Australia, domestic sales are predominantly to power utilities under long and shorter term contractual arrangements.

Coal produced in Colombia and Venezuela is marketed by the respective companies.

Markets

An increase in global thermal coal demand, buoyed by the influential Indian and Chinese markets and coupled with periods of significant supply disruptions in key producing countries, resulted in a particularly strong market in the second half of 2007. In addition to the supply fundamentals, competing energy oil and gas prices further supported the renaissance of coal. Recently, thermal coal price indices have set new highs.

In Australia, 2007 opened with a strengthened market for thermal coal on the back of strong Asia Pacific demand, particularly from China, which experienced a reduction in export tonnage and a rise in domestic prices. Continued port congestion at Newcastle throughout the year, and storm and flood events kept supply tight and further strengthened the export thermal market. Prices steadily increased throughout the year and are likely to remain high into 2008. Export performance from South Africa and from Colombia was steady.

Metallurgical coal prices turned lower at the start of the year in the wake of the high 2006 prices that were driven by increasing global steel demand. However, supply constraints from Australia's congested Dalrymple Bay port, declining Russian exports, and China's net importer status, resulted in a steady price increase from April, with prices remaining high at year end.

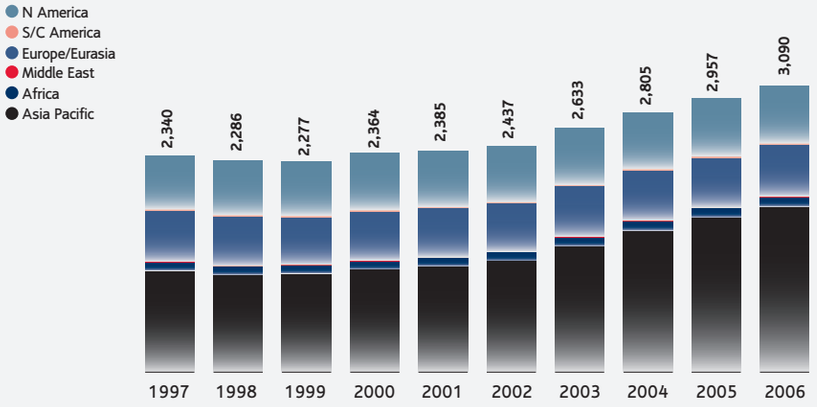
As most sales in respect of both thermal and metallurgical are concluded for delivery some months hence, the full value of the rising market will only be felt next year.

Right: View of the quay and massive conveyor system which transports coal to the ships at Richards Bay Coal terminal in South Africa

Market information

WORLD COAL CONSUMPTION [1]

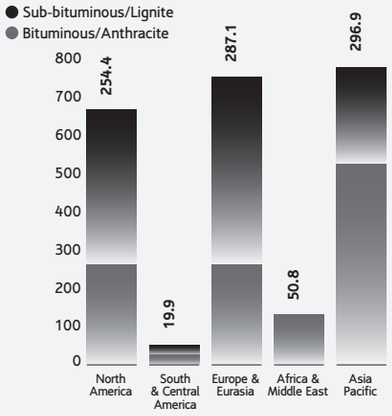
Tonnes oil equivalent (million)



[1] Commercial solid fuels only.

Source: BP Statistical Review of World Energy 2007

2005 PROVEN COAL RESERVES BY TYPE AND REGION



Source: BP Statistical Review of World Energy

2006 INTERNATIONAL SEABORNE METALLURGICAL COAL SUPPLY

%

Australia	60
Indonesia	4
Russia	10
Canada	12
China	0
US	10
Others	4

2006 INTERNATIONAL SEABORNE METALLURGICAL COAL DEMAND

%

Japan	31
Korea	9
India	10
Brazil	7
China	2
UK	4
Taiwan	4
Germany	5
Others	28

2006 INTERNATIONAL SEABORNE THERMAL COAL SUPPLY

%

Australia	20
Indonesia	31
Russia	8
South Africa	12
China	12
Colombia	13
Others	4

2006 INTERNATIONAL SEABORNE THERMAL COAL DEMAND

%

Japan	21
Korea	12
Taiwan	10
UK	8
Germany	3
Others	46

Strategy and growth

Anglo Coal's strategy is focused on globalisation to secure a balanced and profitable mix of metallurgical and thermal coal assets, supplying international markets in the Med-Atlantic and Indo-Pacific basins and, where appropriate, selected domestic customers in the country in which the production takes place. This will be achieved by expanding existing assets, acquiring new assets and by forming strategic alliances that facilitate, protect and augment this strategy.

The current and forecast growth rates in the South African economy present numerous opportunities for the coal industry, especially in connection with the supply and demand of electricity. Anglo Coal is evaluating a number of opportunities in order to continue to participate in the domestic electricity supply sector and is currently reviewing these opportunities with potential historically disadvantaged South African partners and Eskom.

In line with its growth strategy, Anglo Coal has recently agreed to acquire 70% of the Foxleigh coal mine joint venture in Queensland, Australia, for $620 million. This adds to Anglo Coal's existing coal mining operations in the Bowen Basin, one of the world's premier coal regions. Foxleigh currently produces 2.5 Mtpa of PCI coal for the steelmaking industry. The mine has production capacity of 3.3 Mtpa, which it is expected to reach following completion of rail and port expansion projects. The Foxleigh mine adjoins Anglo Coal's Capcoal (German Creek) operations and the associated Lake Lindsay mine development, offering potential synergies. The mine and surrounding tenements will be the subject of ongoing exploration and feasibility studies.

The impact of climate change is an area of focus for the sector and Anglo Coal's strategy is to participate where appropriate to help address the issue of carbon emissions and climate change as the demand for energy continues to grow. Its Clean Coal Energy Alliance with Shell, formed last year, is evaluating the Monash Energy project, incorporating carbon capture and storage, in the state of Victoria, Australia.

Anglo Coal is also part of The FutureGen Industrial Alliance, which consists of major energy and mining companies working in partnership with the US Department of Energy (DOE) to design, construct, and operate the world's first 'near zero emissions' coal-fuelled power generation plant. Although in January 2008, the DOE announced an intention to establish an alternative programme, the Alliance intends to continue to work with the Administration, Congress and other stakeholders to advance the project. Anglo Coal is also a member of the World Coal Institute. Through this and several other policy influencing bodies Anglo Coal contributes to promoting the interests and addressing the concerns of the wider coal industry.

While Anglo Coal continues to grow and expand its operations in its existing geographies, it is also looking at potential opportunities in new regions. It has spent $49 million on exploration and new business development activities, investigating resources for thermal and coking coal, coal bed methane and oil sands, mainly looking in southern Africa, China, Australia and Canada. It has conducted advanced resource evaluations of the Xiwan project in China and projects in South Africa, Canada and Australia.

Projects

In South Africa, the $505 million Zondagsfontein project has been approved and is expected to deliver 6.6 Mtpa from 2010. The $292 million development of the Mafube Macro project is progressing well, with plant commissioning commencing in mid-December 2007. Mafube will supply coal to Eskom and to the export market and it is anticipated that the mine will increase thermal coal production by a total of 5.4 Mtpa, the attributable share being 2.7 Mtpa.

In Australia, the expansion of the Dawson Complex, to increase production by 5.7 Mtpa (100%), is operational and ramping up to full capacity and is expected to achieve design rates by the end of 2008. 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 coal production at these mines by approximately 9.7 Mtpa. In addition to the current developments, Anglo Coal is reviewing a number of studies for key future development prospects, including Moranbah South, Grosvenor, Dartbrook and Saddlers Creek.

In Colombia, the approved expansion at Cerrejón to 32 Mtpa is on schedule and should be achieved in 2008. Feasibility studies are currently under way reviewing possibilities of expanding the Cerrejón operation beyond 32 Mtpa.

Right: First coal at Lake Lindsay

Project pipeline

Cerrejón Colombia

Overall capex: **$43m**

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

The Cerrejón operation was expanded to 28 Mtpa output in 2006. The second extension to 32 Mtpa commenced in 2007 to reach full production in 2008. Feasibility studies are currently under way to investigate a possible expansion beyond 32 Mtpa.

Peace River Coal

Overall capex: **c$123m (100%)**

Country	**Canada**
Ownership	**66% Anglo Coal**
Incremental production (attributable)	**Phase 1 Trend only (exc. Roman) 2 Mtpa**
Full project capex	**c$123m (100%)**
Full production	**2009**

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 2008 increasing to 2Mtpa output in 2009.

Dawson

Overall capex: **$426m**

Country	**Australia**
Ownership	**51% Anglo Coal**
Incremental production (attributable)	**2.9 Mtpa**
Full project capex	**$426m (Anglo Coal share)**
Full production	**2008**

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. During 2007 the expansion became operational and is currently ramping up to full capacity with full design rate expected to be achieved during 2008.

Lake Lindsay (part of the German Creek complex)

Overall capex: **$508m**

Country	**Australia**
Ownership	**70% Anglo Coal**
Incremental production (attributable)	**2.8 Mtpa**
Full project capex	**$508m (Anglo Coal share)**
Full production	**2008**

In 2006, work got under way on the Lake Lindsay project, which will extend open cut mining from the Capcoal operation. The project is proceeding as planned, with estimated completion during the second half of 2008.

Strategy and growth continued

Mafube

Overall capex: **$146m**

Country	**South Africa**
Ownership	**50% Anglo Coal**
Incremental production (attributable)	**2.7 Mtpa**
Full project capex	**$146m (Anglo Coal share)**
Full production	**2008**

The plant was commissioned and entered production (Export and Eskom) in January 2008. The colliery has a life of 19 years from date of first production.

Goedehoop: Plant Fine Coal Beneficiation

Overall capex: **$21m**

Country	**South Africa**
Ownership	**100% Anglo Coal**
Incremental production	**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 complete and commissioning took place in the second quarter of 2007 with production shortly thereafter.

Zondagsfontein and Phola plant

Overall capex: **$505m (100%)**

Country	**South Africa**
Ownership	**73% Anglo Coal**
Production volume	**6.6 Mtpa thermal (100%)**
Full project capex	**$505m (100%)**
Full production	**2010**

Commissioning and production are expected to commence in April 2009. The planned full production date is 2010. The colliery has a life of 19 years from date of full production.

Mac West

Overall capex: **$47m**

Country	**South Africa**
Ownership	**100% Anglo Coal**
Production volume	**2.7 Mtpa**
Full project capex	**$47m**
Full production	**2009**

Commissioning and production are expected to commence in July 2008. The planned full production date is in the first quarter of 2009. The project has a life of 25 years from date of full production.

Production data

Production (tonnes)	2007	2006	2005	2004	2003	2002
South Africa						
Eskom	34,064,000	34,821,200	34,327,900	33,668,300	31,301,000	28,649,000
Trade Thermal	23,952,400	22,754,000	20,281,100	18,648,600	18,600,200	15,681,000
Trade Metallurgical	1,143,700	1,768,200	2,268,800	2,143,700	1,835,500	3,889,000
South Africa Total	**59,160,100**	**59,343,400**	**56,877,800**	**54,460,600**	**51,736,700**	**48,219,000**
Australia [1]						
Trade Thermal	15,059,300	15,258,400	15,214,800	17,378,800	17,025,400	16,341,000
Trade Metallurgical	10,145,400	9,195,600	9,390,300	8,203,800	9,100,000	8,679,000
Australia Total	**25,204,700**	**24,454,000**	**24,605,100**	**25,582,600**	**26,125,400**	**25,020,000**
South America						
Trade Thermal	11,259,800	11,008,900	10,066,000	9,589,600	8,728,400	6,937,000
Total Anglo Coal Production	**95,624,600**	**94,806,300**	**91,548,900**	**89,632,800**	**86,590,500**	**80,176,000**

South Africa						
Bank	51,900	477,600	3,202,200	2,733,100	3,225,000	
Greenside	3,314,900	2,778,100	2,730,000	2,754,800	2,712,400	
Goedehoop	8,456,200	8,534,500	6,298,600	6,462,100	5,961,500	
Isibonelo	5,001,000	4,020,100	1,358,300	–	–	
Kriel	11,210,100	12,318,400	12,030,900	11,059,500	10,984,300	
Kleinkopje	3,490,700	3,898,400	4,483,500	4,691,600	4,381,100	
Landau	4,058,200	4,102,400	3,682,900	3,474,100	3,508,000	
New Denmark	5,134,700	5,508,500	4,139,400	4,975,800	4,316,800	
New Vaal	17,119,500	16,275,000	17,100,000	17,312,000	16,000,000	
Nooitgedacht	565,700	711,000	794,400	676,600	647,600	
Mafube	757,200	719,400	1,057,600	321,000		
Total	**59,160,100**	**59,343,400**	**56,877,800**	**54,460,600**	**51,736,700**	
Australia						
Callide	10,031,100	9,816,100	9,500,000	9,355,300	8,520,600	
Drayton	3,902,700	4,136,300	4,099,000	4,278,800	4,286,100	
Dartbrook	–	–	–	2,268,100	2,432,500	
German Creek	4,115,700	3,165,400	3,560,000	4,047,600	3,802,000	
Jellinbah East	891,800	887,400	851,100	925,200	883,600	
Moranbah	3,211,600	2,928,500	3,432,800	1,125,900	3,158,900	
Dawson Complex	3,051,800	3,520,300	3,162,200	3,581,700	3,041,700	
Total	**25,204,700**	**24,454,000**	**24,605,100**	**25,582,600**	**26,125,400**	
South America						
Carbones Del Guasare	1,384,400	1,531,700	1,409,700	1,677,600	1,380,900	
Carbones Del Cerrejón	9,875,400	9,477,200	8,656,300	7,912,000	7,347,500	
Total	**11,259,800**	**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

Coal

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 SAMREC Code, 2007). Rounding of figures may cause computational discrepancies. The Coal Resources are additional to those resources which have been modified to produce the Coal Reserves. Reported and attributable percentages vary and are therefore stated individually.

Anglo Coal Coal Reserves[1]	Reported[2] %	Attributable[2] %	Classification	Tonnes million[3] 2007	Tonnes million[3] 2006	Saleable Yield[4] % 2007	Saleable Heat content[5] kcal/kg 2007	Tonnes million[3] 2007	Tonnes million[3] 2006
Export Metallurgical				ROM[1]	ROM[1]		GAR[5]	SALEABLE[1]	SALEABLE[1]
Australia			Proved	382	387	77	7,330	305	311
			Probable	220	224	70	7,110	159	163
	100	**68.5**	**Total**	**602**	**611**	**74**	**7,260**	**464**	**474**
Canada			Proved	11	–	67	7,500	8	–
			Probable	4	–	66	7,500	3	–
	100	**65.9**	**Total**	**16**	**–**	**67**	**7,500**	**11**	**–**
South Africa			Proved	4	5	72	6,470	3	3
			Probable	–	2	–	–	–	1
	100	**100**	**Total**	**4**	**7**	**72**	**6,470**	**3**	**4**
Export Thermal									
Australia			Proved	129	129	87	6,620	114	115
			Probable	36	29	90	6,620	33	26
	92.4	**58.5**	**Total**	**165**	**158**	**88**	**6,620**	**147**	**141**
Colombia			Proved	216	208	100	6,130	220	211
			Probable	70	65	100	6,220	72	66
	33.3	**33.3**	**Total**	**287**	**272**	**100**	**6,160**	**292**	**277**
South Africa			Proved	191	187	61	6,030	119	114
			Probable	251	283	58	6,130	148	172
	97.5	**97.5**	**Total**	**442**	**470**	**59**	**6,080**	**268**	**287**
Venezuela			Proved	35	37	100	7,100	36	38
			Probable	–	–	–	–	–	–
	24.9	**24.9**	**Total**	**35**	**37**	**100**	**7,100**	**36**	**38**
Total Export			Proved	968	951	81	6,700	806	793
			Probable	582	603	70	6,570	415	428
			Total	**1,550**	**1,555**	**77**	**6,650**	**1,221**	**1,221**
Domestic Power Generation									
Australia			Proved	205	211	99	4,610	202	206
			Probable	27	32	98	4,480	26	32
	100	**100**	**Total**	**232**	**243**	**99**	**4,590**	**229**	**238**
South Africa			Proved	635	551	94	4,050	605	537
			Probable	163	194	98	5,340	163	194
	100	**94.7**	**Total**	**798**	**745**	**95**	**4,330**	**769**	**730**
Domestic Synfuels									
South Africa			Proved	92	99	100	5,290	91	99
			Probable	–	–	–	–	–	–
	100	**100**	**Total**	**92**	**99**	**100**	**5,290**	**91**	**99**
Total Domestic			Proved	931	861	96	4,300	899	842
			Probable	190	226	98	5,220	190	225
			Total	**1,121**	**1,087**	**96**	**4,460**	**1,089**	**1,067**
Total Coal Reserves			Proved	1,899	1,813	88	5,440	1,704	1,635
			Probable	772	829	77	6,150	605	654
			Total	**2,671**	**2,642**	**85**	**5,620**	**2,309**	**2,288**

Footnotes appear at the end of the section.

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 thermal 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[6] Mine Leases	Reported[2]	Attributable[2] %	% Classification	Tonnes[3] million 2007	Tonnes[3] million 2006	Heat content[5] kcal/kg 2007	Heat content[5] kcal/kg 2006
				MTIS[6]	MTIS[6]	GAR[5]	GAR[5]
Export Metallurgical							
Australia			Measured	162	150	6,950	6,990
			Indicated	155	172	6,890	6,890
	100	**73.8**	**Measured and Indicated**	**318**	**323**	**6,920**	**6,940**
			Inferred in Mine Plan[7]	14	14	7,120	7,120
Canada			Measured	–	–	–	–
			Indicated	–	–	–	–
	100	**65.9**	**Measured and Indicated**	**–**	**–**	**–**	**–**
			Inferred in Mine Plan[7]	3	–	7,500	–
South Africa			Measured	1	9	6,240	6,930
			Indicated	–	16	–	7,080
	100	**100**	**Measured and Indicated**	**1**	**25**	**6,240**	**7,030**
			Inferred in Mine Plan[7]	–	–	–	–
Export Thermal							
Australia			Measured	18	1	7,000	6,520
			Indicated	23	15	6,960	6,520
	60	**52.1**	**Measured and Indicated**	**41**	**17**	**6,970**	**6,520**
			Inferred in Mine Plan[7]	6	3	5,240	6,540
Colombia			Measured	68	68	6,520	6,520
			Indicated	330	330	6,210	6,210
	33.3	**33.3**	**Measured and Indicated**	**398**	**398**	**6,270**	**6,270**
			Inferred in Mine Plan[7]	1	1	7,220	7,220
South Africa			Measured	236	170	5,590	5,970
			Indicated	272	170	5,480	5,890
	97.5	**88.7**	**Measured and Indicated**	**508**	**340**	**5,530**	**5,930**
			Inferred in Mine Plan[7]	27	60	6,560	6,530
Venezuela			Measured	7	–	7,910	–
			Indicated	20	28	7,860	7,880
	24.9	**24.9**	**Measured and Indicated**	**26**	**28**	**7,870**	**7,880**
			Inferred in Mine Plan[7]	–	–	–	–
Total Export			Measured	492	398	6,250	6,470
			Indicated	801	731	6,160	6,390
			Measured and Indicated	**1,293**	**1,129**	**6,190**	**6,420**
			Inferred in Mine Plan[7]	50	78	6,610	6,650
Domestic Power Generation							
Australia			Measured	254	251	4,950	5,000
			Indicated	346	353	4,790	4,800
	100	**100**	**Measured and Indicated**	**600**	**604**	**4,860**	**4,880**
			Inferred in Mine Plan[7]	1	1	3,890	3,770
South Africa			Measured	57	109	5,490	4,170
			Indicated	48	91	4,580	4,900
	100	**85.8**	**Measured and Indicated**	**105**	**200**	**5,070**	**4,500**
			Inferred in Mine Plan[7]	79	66	5,850	4,640
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	311	360	5,050	4,750
			Indicated	420	470	4,800	4,850
			Measured and Indicated	**731**	**830**	**4,910**	**4,810**
			Inferred in Mine Plan[7]	80	67	5,810	4,620
Total Mine Leases							
			Measured	803	758	5,790	5,650
			Indicated	1,220	1,201	5,690	5,790
			Measured and Indicated	**2,024**	**1,959**	**5,730**	**5,730**
			Inferred in Mine Plan[7]	130	144	6,120	5,710

Footnotes appear at the end of the section.

Reserves and resources data continued

Anglo Coal Coal Resources[6] Projects	Reported[2] %	Attributable[2] %	Classification	Tonnes[3] million 2007	Tonnes[3] million 2006	Heat content[5] kcal/kg 2007	Heat content[5] kcal/kg 2006
				MTIS[6]	MTIS[6]	GAR[5]	GAR[5]
Australia			Measured	496	489	6,280	6,280
			Indicated	733	734	6,390	6,390
	100	**81.1**	**Measured and Indicated**	**1,228**	**1,223**	**6,350**	**6,350**
China			Measured	110	110	6,540	6,540
			Indicated	389	389	6,600	6,600
	100	**60**	**Measured and Indicated**	**499**	**499**	**6,590**	**6,590**
South Africa			Measured	843	285	4,430	4,830
			Indicated	620	1,311	4,910	4,640
	100	**74.1**	**Measured and Indicated**	**1,462**	**1,596**	**4,630**	**4,670**
Total Projects			Measured	1,448	883	5,220	5,840
			Indicated	1,742	2,435	5,910	5,480
			Measured and Indicated	**3,190**	**3,318**	**5,600**	**5,580**

Mine Leases and Projects	Classification	Tonnes[3] million 2007	Tonnes[3] million 2006	Heat content[5] kcal/kg 2007	Heat content[5] kcal/kg 2006
		MTIS[6]	MTIS[6]	GAR[5]	GAR[5]
Total Coal Resources	Measured	2,252	1,641	**5,420**	5,760
	Indicated	2,962	3,636	**5,820**	5,580
	Measured and Indicated	**5,214**	**5,277**	**5,650**	**5,640**
	Inferred in Mine Plan[7]	130	144	**6,120**	5,710

Brown Coal Resources	Reported[2] %	Attributable[2] %	Classification	Tonnes[3] million 2007	Tonnes[3] million 2006	Heat content[5] kcal/kg 2007	Heat content[5] kcal/kg 2006
				MTIS[6]	MTIS[6]	GAR[5]	GAR[5]
Australia			Measured	5,095	4,028	1,820	1,820
			Indicated	5,221	2,448	1,790	1,790
	100	**100**	**Measured and Indicated**	**10,316**	**6,476**	**1,800**	**1,810**

Gas

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

Anglo Coal Gas Reserves[8]	Reported[2] %	Attributable[2] %	Classification	Volume[8] million m^3 2007	Volume[8] million m^3 2006	Energy content[8] PJ 2007	Energy content[8] PJ 2006
				SALEABLE[8]	SALEABLE[8]	SALEABLE[8]	SALEABLE[8]
Coal Bed Methane							
Australia			Proved: 1P	1,553	1,814	58	68
			Probable: 2P-1P	2,828	2,875	106	107
	100	**51**	**Total: 2P**	**4,381**	**4,689**	**164**	**175**

(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 2007 only. For the 2006 Reported and Attributable figures, please refer to the 2006 Annual Report.

(3) The tonnage is quoted as metric tonnes and where applicable 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.

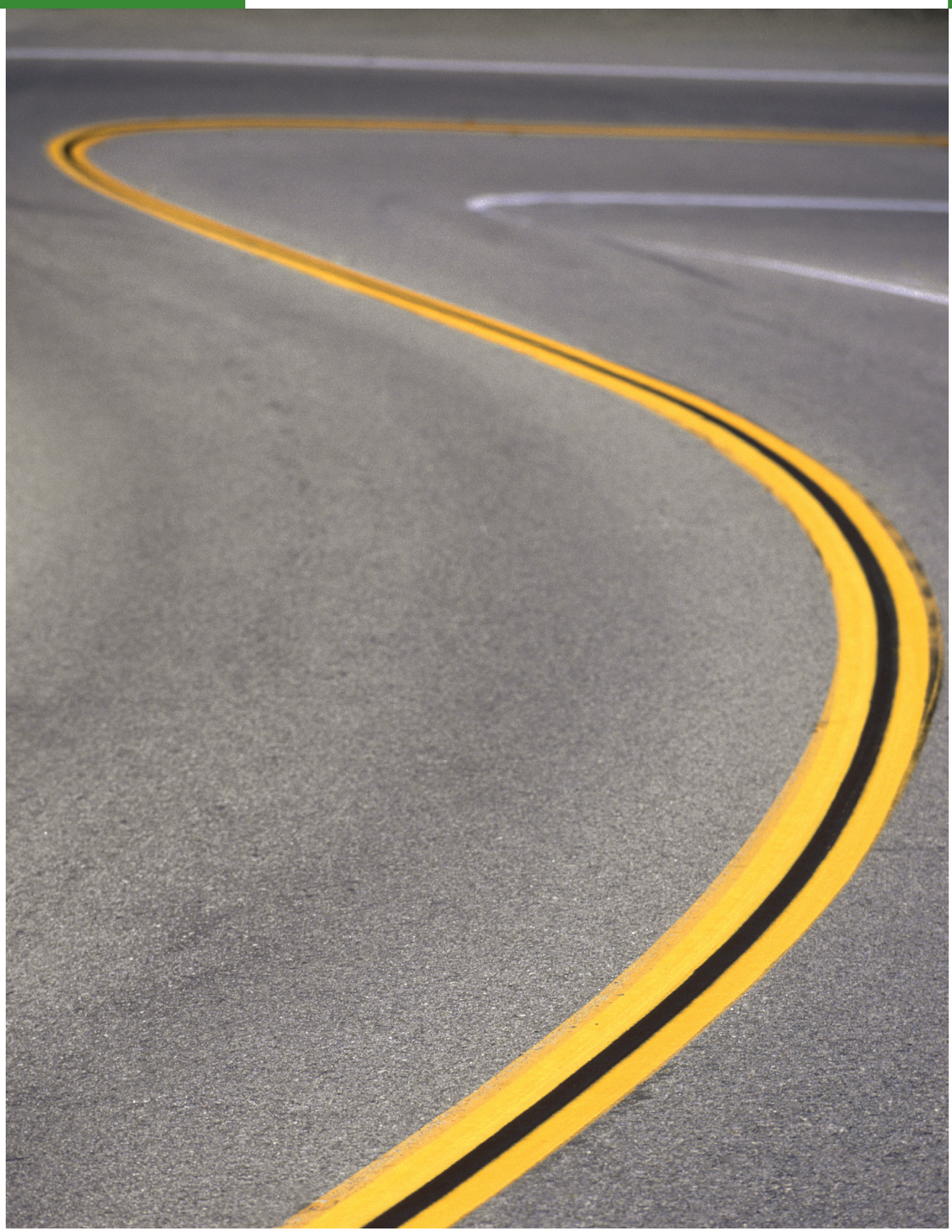
Coal quality parameters for the Coal Reserves for Export Metallurgical and Export Thermal collieries meet the contractual specifications for coking coal, PCI, metallurgical coal, steam coal and domestic coal.

Coal quality parameters for the Coal Reserves for Domestic Power Generation and Domestic 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.

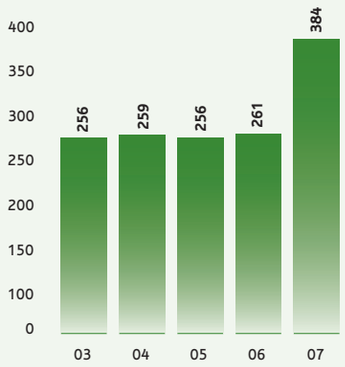
(8) Gas Reserves are reported in terms of saleable volume (million cubic metres) and saleable energy (Petajoules (PJ), or one thousand trillion Joules).



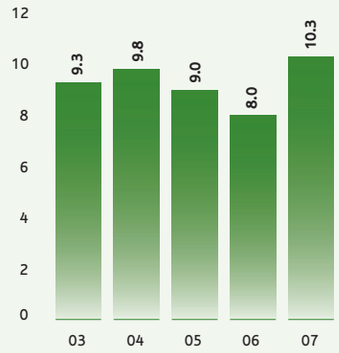
Industrial Minerals quarries and manufactures many of the key products required in road building including crushed rock and asphalt

Financial highlights

FIVE YEAR UNDERLYING EARNINGS
$m

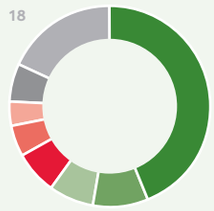


OPERATING MARGIN
%

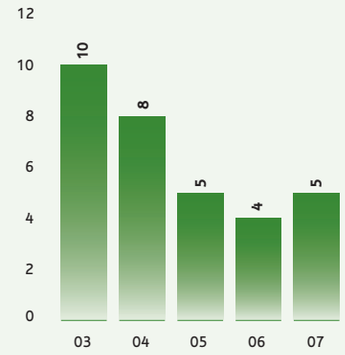


TARMAC OPERATING PROFIT BY PRODUCT 2007
%

Aggregates	44
Asphalt	9
Ready mixed concrete	7
Cement	7
Lime	5
Mortar	4
Concrete products	6
Other	18

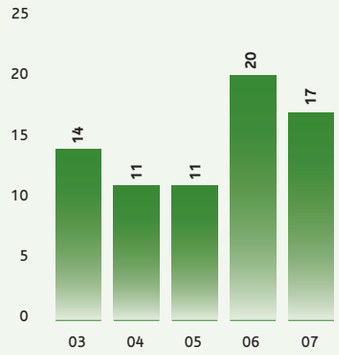


SHARE OF GROUP OPERATING PROFIT (1)
%



(1) On a continuing basis for 2006 and 2007. 2003 has been restated to reflect the adoption of UTIF abstract 38 *Accounting for ESOP trusts*.

SHARE OF GROUP NET OPERATING ASSETS (1)
%



(1) On a continuing basis for 2006 and 2007.

In 2007, Copebrás and Yang Quarry were reclassified from Industrial Minerals to Base Metals and Coal respectively, to align with internal management reporting. As such, the 2007 and 2006 data has been reclassified for the Yang Quarry results and all data has been reclassified for the Copebrás results.

Financial data

US$m	2007[1]	2006	2005	2004	2003	2002
Turnover						
Subsidiaries	4,581	3,961	3,754	3,571	3,007	2,689
Joint Ventures	–	–	–	–	100	76
Associates	10	17	30	25	22	25
Total turnover	**4,591**	**3,978**	**3,784**	**3,596**	**3,129**	**2,790**
EBITDA	**732**	**539**	**570**	**556**	**510**	**437**
Depreciation and amortisation	**258**	**222**	**229**	**201**	**220**	**184**
Operating profit before special items and remeasurements	**474**	**317**	**341**	**355**	**290**	**253**
Operating special items and remeasurements	**(67)**	**(269)**	**(16)**	**(9)**	**–**	**–**
Operating profit after special items and remeasurements	**407**	**48**	**325**	**346**	**290**	**253**
Net interest, tax and minority interests	**(90)**	**(56)**	**(69)**	**(103)**	**(34)**	**(39)**
Underlying earnings	**384**	**261**	**256**	**259**	**256**	**214**
Net segments assets	**4,509**	**4,185**	**3,839**	**4,345**	**4,213**	**3,784**
Capital expenditure	**352**	**383**	**271**	**278**	**298**	**262**

[1] In 2007, Copebrás and Yang Quarry were reclassified from Industrial Minerals to Base Metals and Coal respectively, to align with internal management reporting. As such, the 2007 and 2006 data has been reclassified for the Yang Quarry results and all data has been reclassified for the Copebrás results.

Production data

	unit	2007	2006
Anglo Industrial Minerals			
Aggregates	tonnes	95,393,300	92,268,200
Lime products	tonnes	1,836,300	1,428,900
Concrete	m^3	8,858,400	8,526,800

Business overview

Operating profit

2006
$317m

2007
$474m

EBITDA

2006
$539m

2007
$732m

- **Tarmac occupies leading position in aggregates and ready-mix concrete in the UK**
- **Operating profits climb by 38% (excluding benefit from exchange rate movements) on prior year**
- **Tarmac is a cash generative business with strong prospects in the UK and continental Europe**

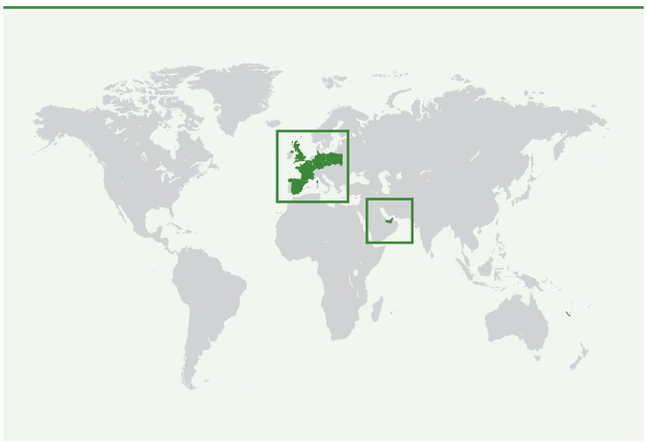
Following a strategic review and as announced in August, the decision was taken to sell Tarmac. It is expected that the performance of Tarmac will underpin a competitive sale process; however it has been decided not to launch the marketing phase of the sale process until current credit market conditions improve.

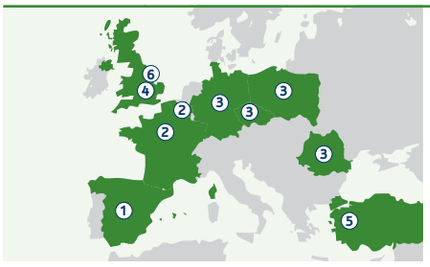
Anglo Industrial Minerals' (AIM) sole business is Tarmac, an international heavy building materials producer. In the UK it is a market leader in aggregates, asphalt, mortar and ready-mixed concrete and it has significant operations in concrete products, lime and cement. It has operations in continental Europe and the Middle East, where it is principally involved in the production of crushed rock, sand and gravel, asphalt, ready-mixed concrete and concrete products.

Tarmac's UK organisation consists of two business units, Aggregate Products and Building Products, which are supported by a shared service centre based in central England. Aggregate Products comprises aggregates, asphalt, contracting, recycling and ready-mixed concrete. The organisation is based in seven geographical areas, enabling strong local customer focus. Building Products is made up of those businesses that have essentially national markets, including cement, lime, mortar and concrete products.

Tarmac International is a combination of six businesses operating in 11 countries. It is a leading producer of hard rock, sand and gravel and concrete products in its Central European countries of operation, and of ready-mixed concrete in the Madrid and Alicante areas of Spain. In France and Poland, it has important and growing shares of the concrete products markets. In 2006, the company entered Turkey and acquired a developing business in Romania, involving interests in quarries and ready-mixed concrete.

Right: Tarmac concrete takes the high road in Scotland as concrete is airlifted to instal a phone mast

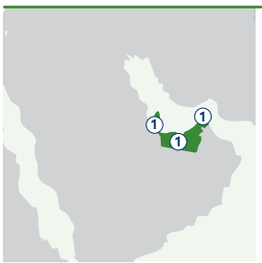




Europe

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
⑤ 100% Tarmac Turkey
⑥ 50% Midland Quarry Products

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. In January 2008, the Group acquired the remaining 50% shareholding in United Marine Holdings.



Rest of the world

① 100% 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.

Industry overview

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

Its 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. Crushed rock may also be used in ready-mixed concrete.

Tarmac's ready-mixed concrete is manufactured at production units located close to its market and is composed 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 mix the material during transit.

Mortar and screeds consist of sand, cement and various admixtures dependent on their application and performance requirements. Mortar is predominantly used for masonry applications such as bricklaying and will often contain lime to improve working properties.

Asphalt, which is manufactured by coating graded, crushed rock with bitumen, 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.

Using extracted materials, Tarmac's concrete products sector provides the construction industry with a variety of pre-fabricated products, including blocks for walling, pre-stressed structural flooring and engineered pre-cast elements.

Tarmac's lime and cement, which employ similar production processes, are added value materials used widely within construction. Lime is also an important product in the environmental and industrial sectors.

The aggregates, asphalt and ready-mix markets in which Tarmac participate are consolidated in the UK, with the top five players accounting for more than 70% of each market. The cement market is also consolidated, with the leading five companies making up nearly 90% of the market. The main aggregates players also compete, though to a lesser extent, in the more fragmented concrete products market.

Markets

The construction industry has experienced challenging market conditions over the past few years, and some weakness could continue, particularly with roads and housing. The volatility of energy prices and the impact on cement and distribution costs will also continue to affect the industry.

Strategy and growth

Tarmac's strategy is to maximise shareholder value by exploiting its core competitive advantage of maintaining reserves in established territories and continuing acquisitive and organic growth in selected regions. In January 2008, Tarmac increased to 100% its ownership of United Marine Holdings, a significant UK marine dredged aggregates business. Tarmac will focus on the UK and Europe, with increasing emphasis on central and eastern Europe, where it can develop businesses of scale. It will also concentrate on aggregates and downstream activities where the latter provide routes to market for aggregates. Tarmac aims to be the supplier of choice across its full product range.

Several programmes are under way across the UK and international businesses which will deliver improvements in business performance and lay the foundations of a culture of continuous improvement in all businesses. Within Tarmac as a whole, there remains significant upside potential from operational and commercial business improvements and focused growth, with initiatives planned to deliver that upside by 2010.

Tarmac's management team combines significant industry experience with new perspectives from complementary industries. During 2007, changes were made to the management teams and accountability and delivery ownership were clarified.

Market information

2007 ESTIMATED UK VALUE OF CONSTRUCTION MARKET

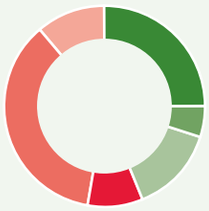
%

New construction	56
Repair and maintenance	44

NEW CONSTRUCTION MARKET STRUCTURE BY VALUE

%

Private housing	25
Public housing	5
Other public	14
Industrial	9
Commercial	36
Infrastructure	11



REPAIR AND MAINTENANCE MARKET STRUCTURE BY VALUE

%

Private housing	32
Other private	34
Other public	16
Public housing	18

Other information

Market capitalisation	as at 31 December 2007	2006	2005	2004	2003	2002	2001	2000
Anglo American plc								
– US$ billion	82.0	75.2	50.8	35.3	31.8	21.8	22.2	22.5
– £ billion	41.4	38.4	29.6	18.4	17.8	13.6	15.3	15.0
– ZAR billion	562.7	525.1	322.0	199.6	212.7	187.2	266.2	170.2

Credit ratings – as at 30 April 2008	Standard & Poors	Moody's Investors Service	DBRS
Long term	A-	A2	A(H)
Short term	A-2	P-1	R-1(M)

Exchange rates		2007	2006	2005	2004	2003	2002	2001	2000
£/US$	period end	0.50	0.51	0.58	0.52	0.56	0.62	0.69	0.67
	average	0.50	0.54	0.55	0.55	0.61	0.67	0.69	0.66
US$/ZAR	period end	6.84	7.00	6.35	5.65	6.67	8.58	11.96	7.58
	average	7.05	6.77	6.37	6.44	7.55	10.48	8.62	6.91

Ordinary shares prices – period end	2007	2006	2005	2004	2003	2002	2001	2000[1]
Anglo American plc								
– £ per share	30.80	24.91	19.79	12.32	12.07	9.23	10.41	12.30
– ZAR per share	415.02	342.00	213.70	133.50	143.00	126.50	183.20	102.25

Analysis of Anglo American plc ordinary shares	Shares outstanding as at 31 December	Weighted average number of shares in issue[2]
2000	1,630,644,976	1,567,000,000
2001	1,467,434,848	1,473,916,161
2002	1,469,156,171	1,410,732,309
2003	1,476,304,626	1,415,193,472
2004	1,493,839,387	1,434,486,714
2005	1,493,855,896	1,447,133,203
2006	1,541,653,607	1,467,739,208
2007	1,342,911,897	1,308,662,275

(1) A three-for-one bonus share issue was approved at the Extraordinary General Meeting held on 4 May 2001 and 1,222,983,732 ordinary shares of 50 US cents each were alloted to shareholders on the register at that date. The ordinary share prices and weighted average number of shares for the year ended 31 December 2000 have been restated as if this allotment had occured at the beginning of that year.

(2) The weighted average number of shares excludes shares held by the employee benefit trusts and other Anglo American shares held by the Group.

Further information

Other Anglo American publications

- 2007 Annual Report
- 2007 Interim Report
- 2007/08 Fact Book
- 2007 Notice of AGM and Shareholder Information Booklet
- 2007 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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http://www.angloamerican.co.uk/newsandmedia/reportsandpublications/request/requestreportpopup/

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