

ANGLO AMERICAN IFRS RESTATEMENT 2004 RESULTS

9 MAY 2005

This presentation is being made only to and is directed only at (a) persons who have professional experience in matters relating to investments falling within Article 19(1) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2001 (the “Order”) or (b) high net worth entities, and other persons to whom it may otherwise lawfully be communicated, falling within Article 49(1) of the Order (all such persons together being referred to as “relevant persons”). Any person who is not a relevant person should not act or rely on this presentation or any of its contents.

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- Transition programme
- Headlines
- Presentation of results
- First-time accounting choices
- Accounting policy changes
- Impact on profit and net assets
- Pro forma impact from IAS 32 and IAS 39

June 2002	All EU listed companies to report under IFRS in 2005
April 2003	Anglo established global IFRS team
Feb 2004/05	Disclosure of qualitative impact in UK annual report
June 2004	Substantial completion of global training programme
Aug 2004	Implementation of IFRS reporting system
Jan 2005	IFRS adopted for Group reporting
May 2005	Release of audited 2004 IFRS results
Aug 2005	Reporting 2005 IFRS interim results

	Change	IFRS
Total profit from operations and associates*	+\$105 m	\$4.3 bn
Profit attributable to shareholders	+\$588 m	\$3.5 bn
Headline earnings	(\$117 m)	\$2.6 bn
Cash generation (EBITDA)	(\$79 m)	\$7.03 bn
Operating cash flow	+\$518 m	\$5.3 bn
Net operating assets	+\$2.5 bn	\$40.1 bn

* Group operating profit net of associates' tax, finance charges and underlying minority interests before exceptional items

- Headline earnings remains a key performance indicator
- Exceptional items are consistent with UK GAAP
- Joint venture entities are proportionally consolidated
- Net income from associates is shown on one line
- Minority Interests are classified within equity
- Some unrealised gains reported through the income statement

First time accounting choices

- Acquisitions prior to 1 January 2004 have not been restated
- Actuarial losses on defined benefit schemes are recognised in full
- Prospective translation of non US dollar goodwill arising post 1 January 2004
- Currency translation differences are deemed to be zero at 1 January 2004
- IAS 32 and 39 are adopted prospectively from 1 January 2005

Accounting policy changes

Significant changes

- De Beers USD preference shares
- Deferred tax
- Goodwill
- Unrealised gains
- Proposed dividends
- Defined benefit schemes

Other changes

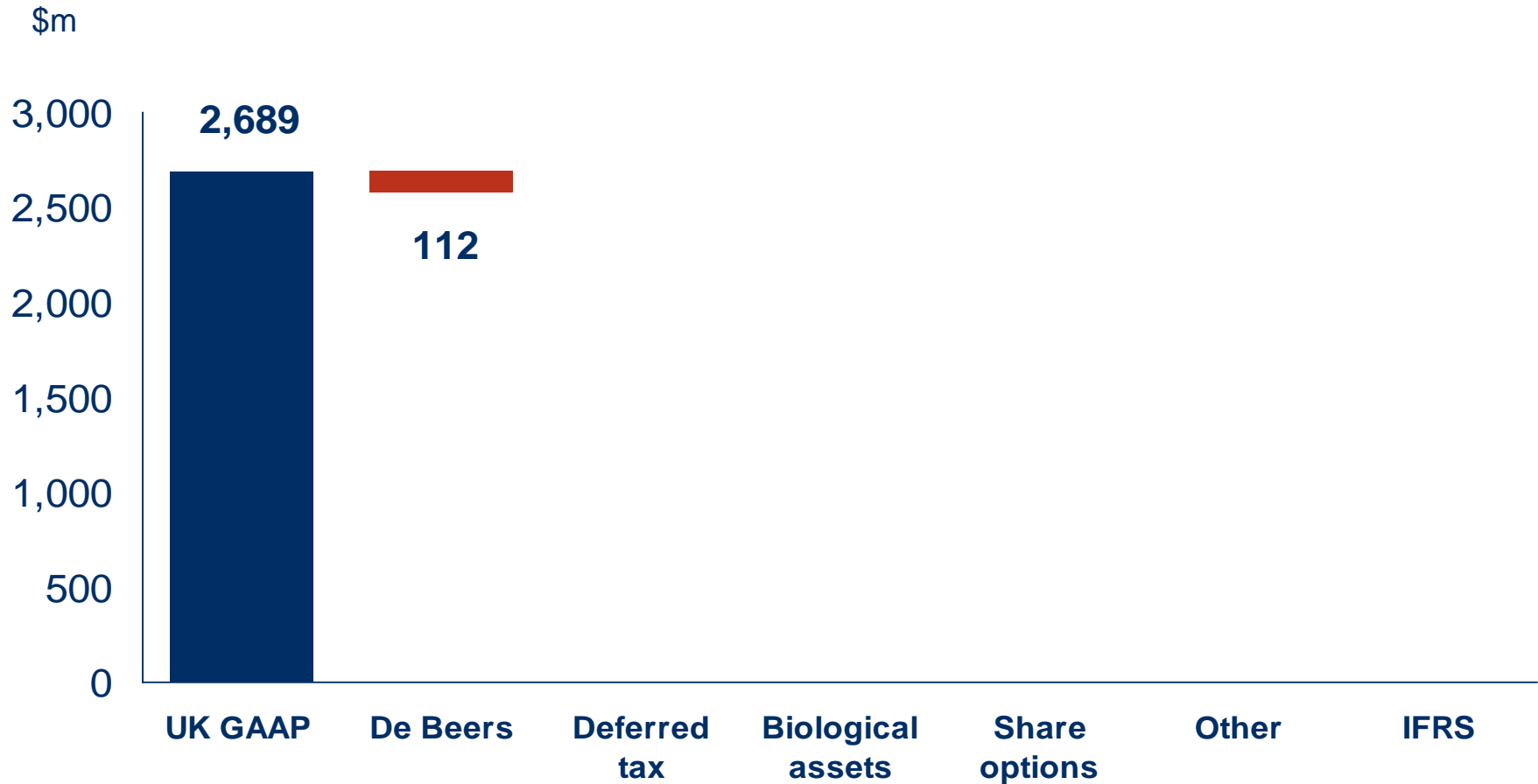
- Biological assets (eg. forests)
- Share options
- Inclusion of CTA in profits on disposal of foreign operations

IMPACT ON PROFIT

Headline Earnings for the year



Headline Earnings for the year



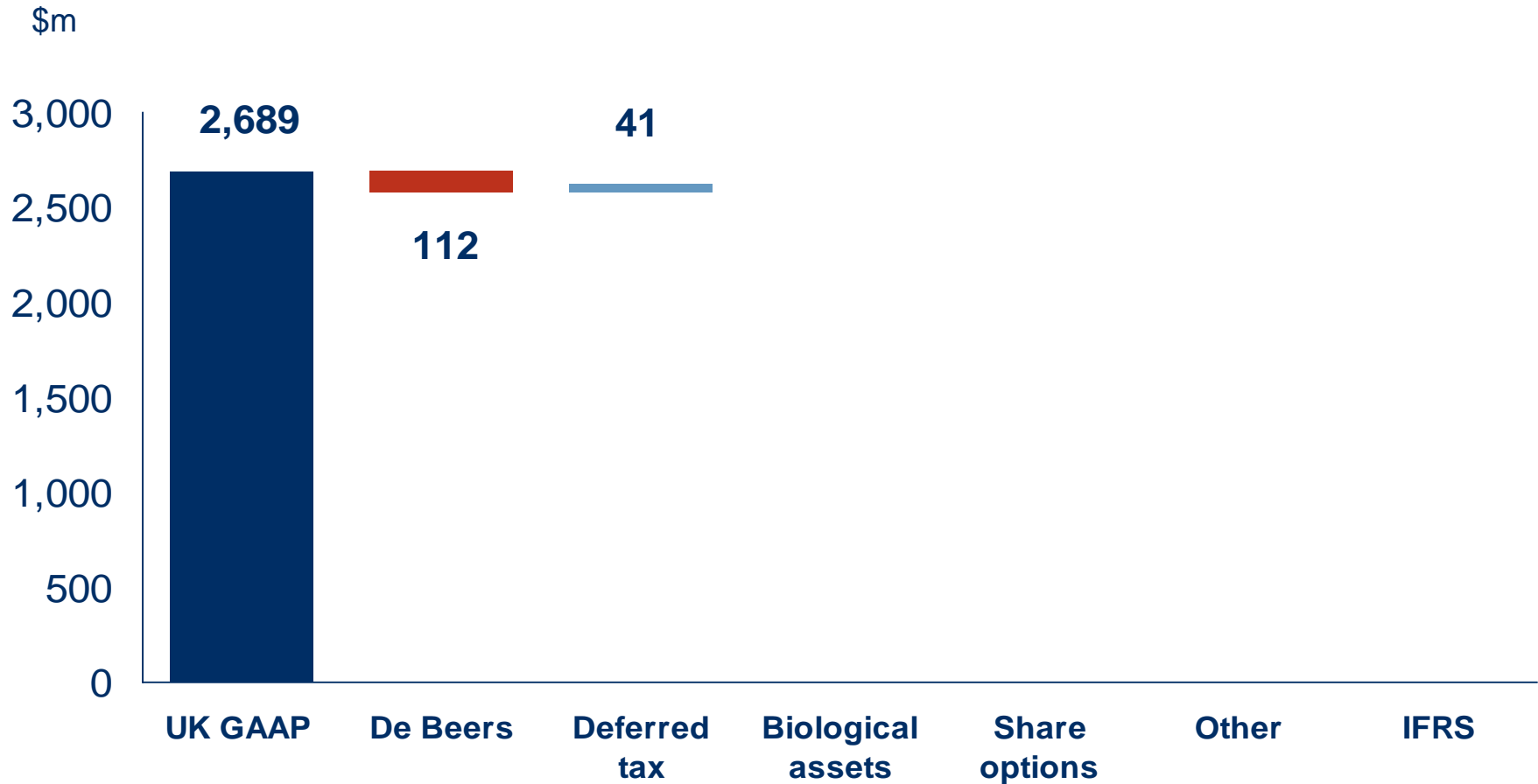
Key policy change

- US dollar preference shares are not considered quasi-equity
- Return on the shares is now shown within interest, not operating profit
- As a financial asset, held in a Rand entity, they are translated each reporting period through the income statement
- Resulting translation differences are recorded within “net finance costs”

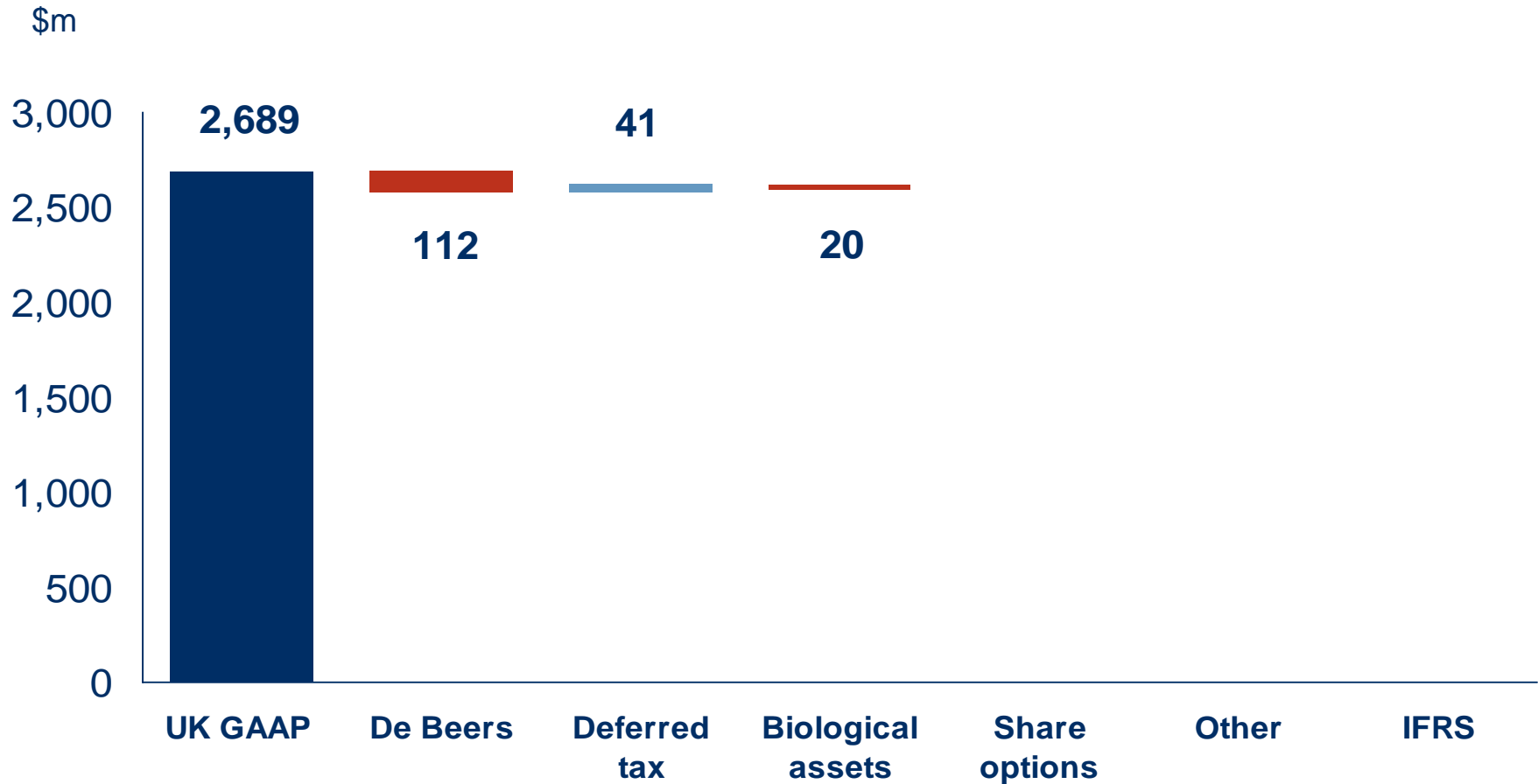
Key policy impact

- **Headline earnings and Total profit:** (\$112 million); (\$69 million)
- **Net assets at 1 January 2004:** (\$130 million)
- **Net assets at 31 December 2004:** (\$218 million)

Headline Earnings for the year



Headline Earnings for the year



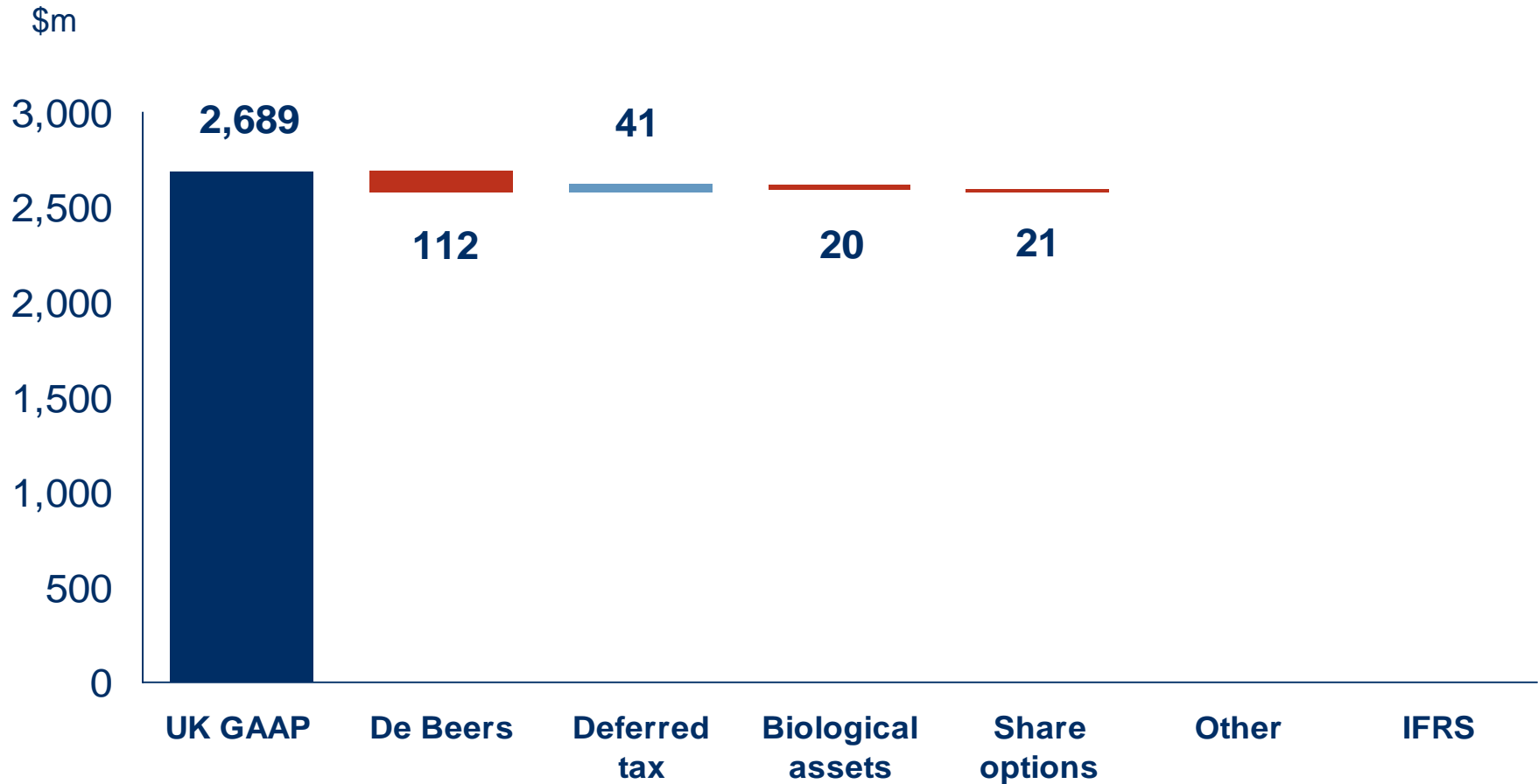
Key policy change

- Afforestation and crops are disclosed separately on the face of the balance sheet (previously within fixed assets)
- They are recorded at fair value with fair value changes recorded through the income statement until the assets are harvested

Key policy impact

- **Headline earnings and Total profit** (\$20 million); (\$21 million)
- **Net assets at 1 January 2004** +\$26 million
- **Net assets at 31 December 2004** +\$14 million

Headline Earnings for the year



Key policy change

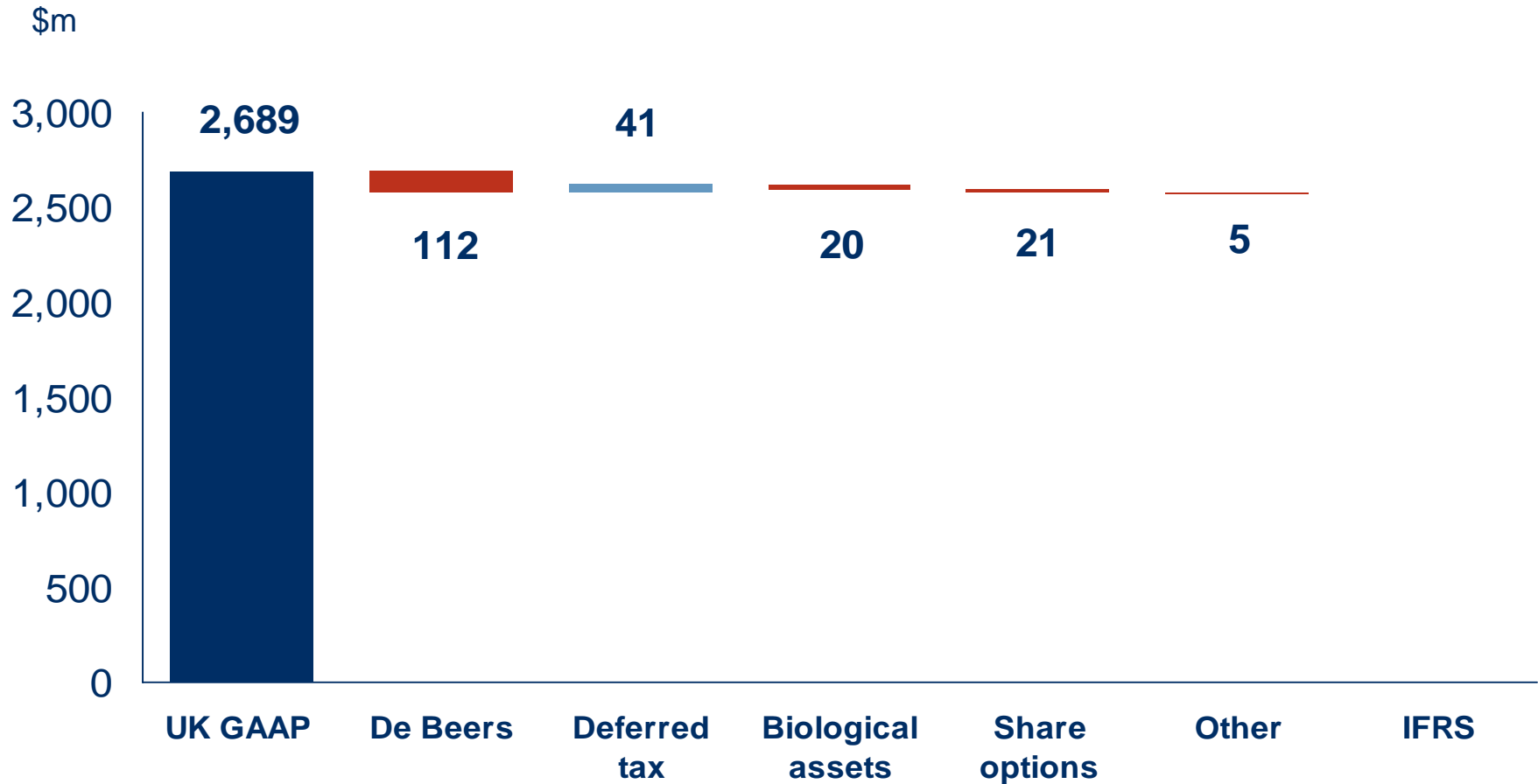
- Options granted to employees are fair valued at grant date using an option pricing model
- Fair value is charged through the income statement over the vesting period, the opposite entry taken through “share based payment” reserve

Key policy impact

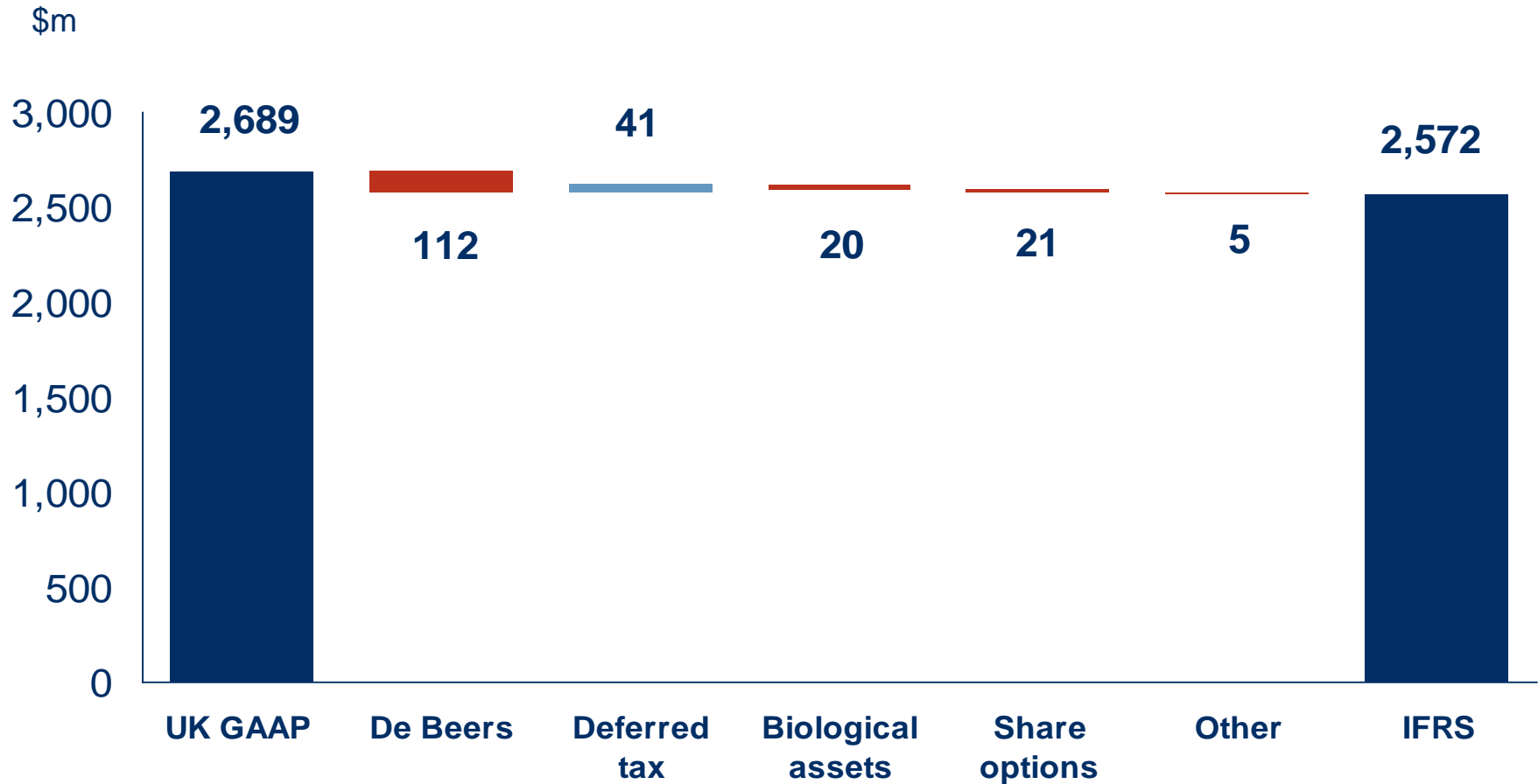
- **Headline earnings and Total profit** (\$21 million)*
- **Net assets at 1 January 2004** +\$6 million
- **Net assets at 31 December 2004** +\$1 million

* Impact should diminish as option schemes were replaced with share schemes

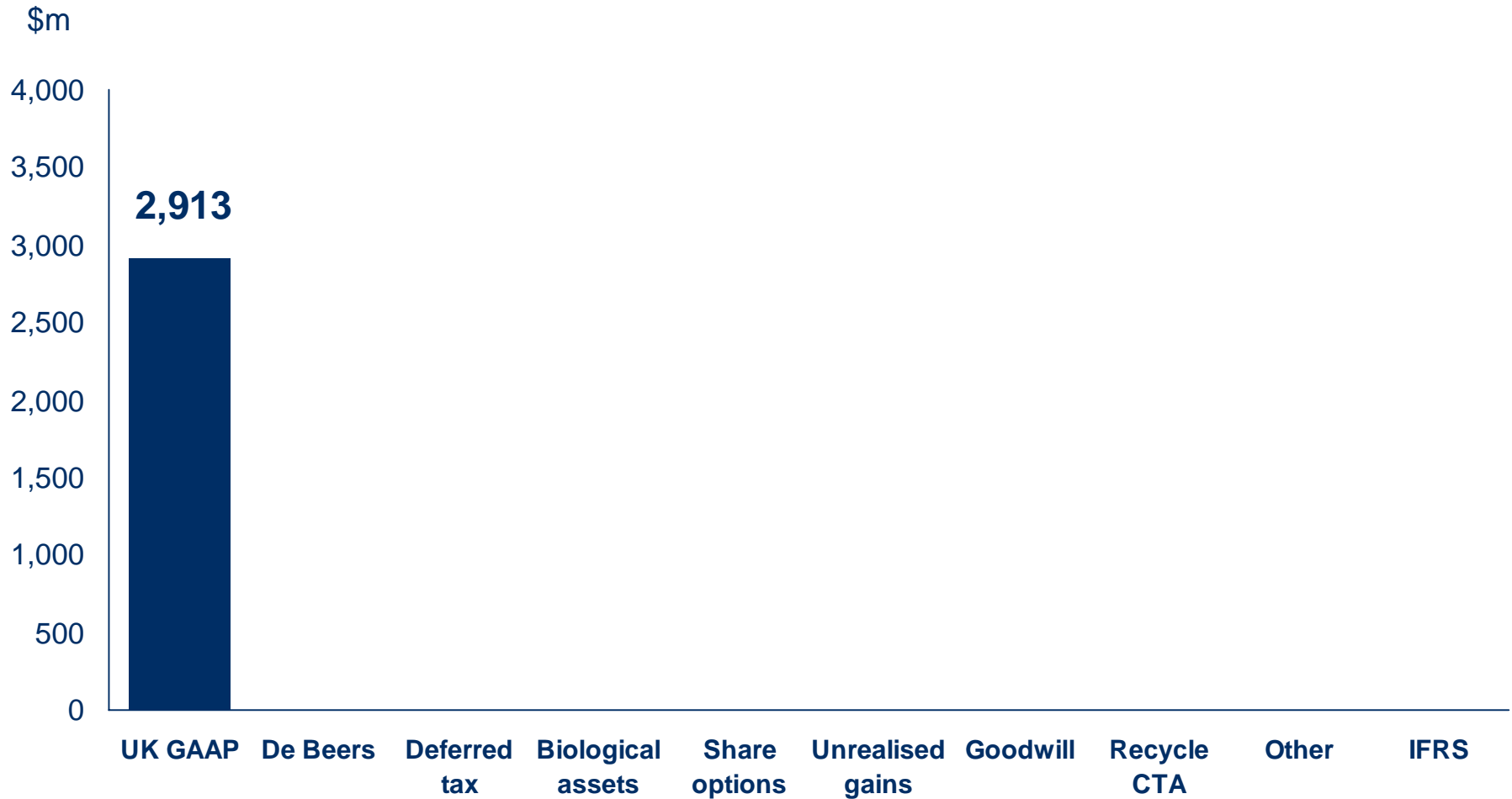
Headline Earnings for the year



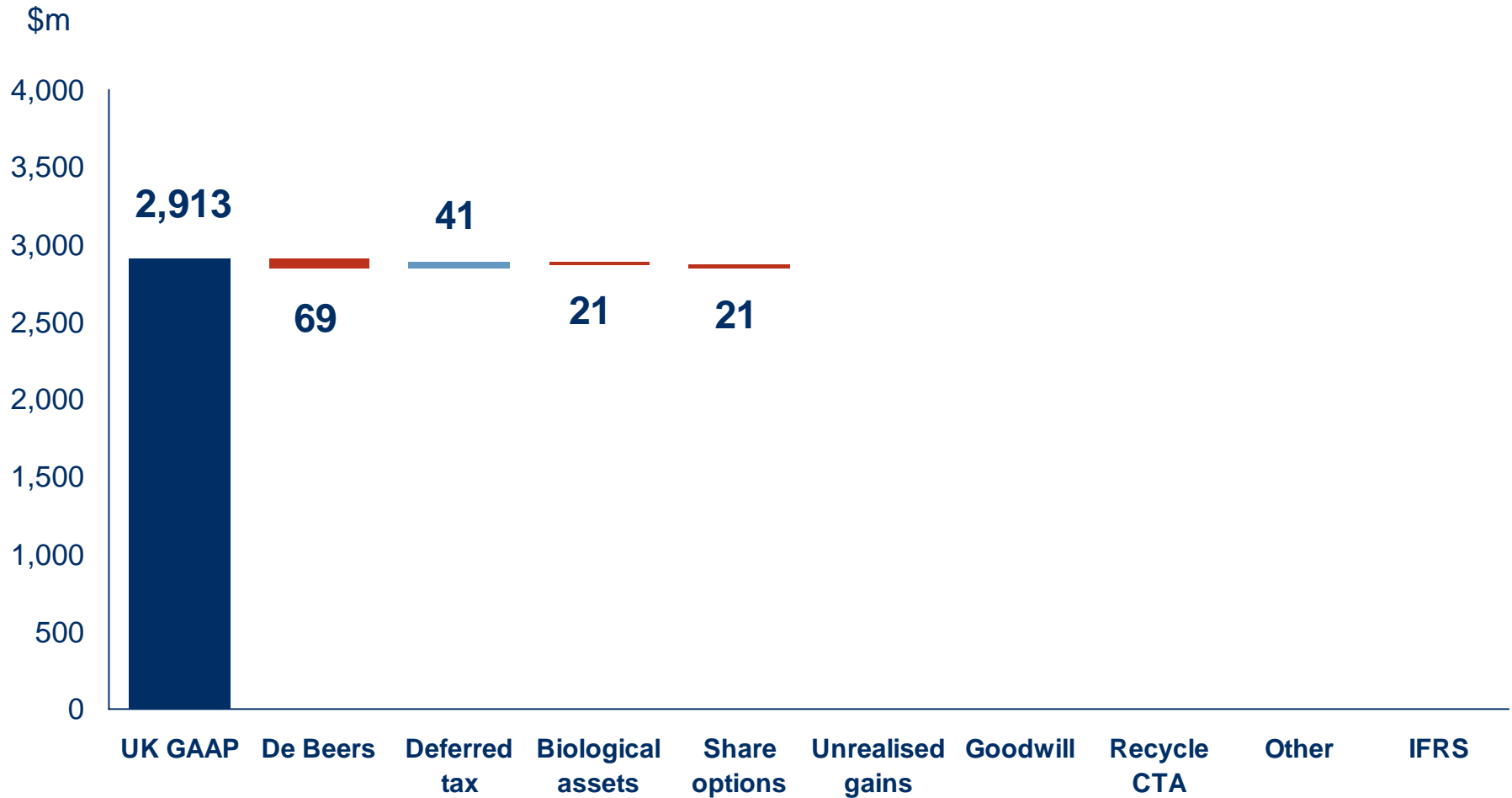
Headline Earnings for the year



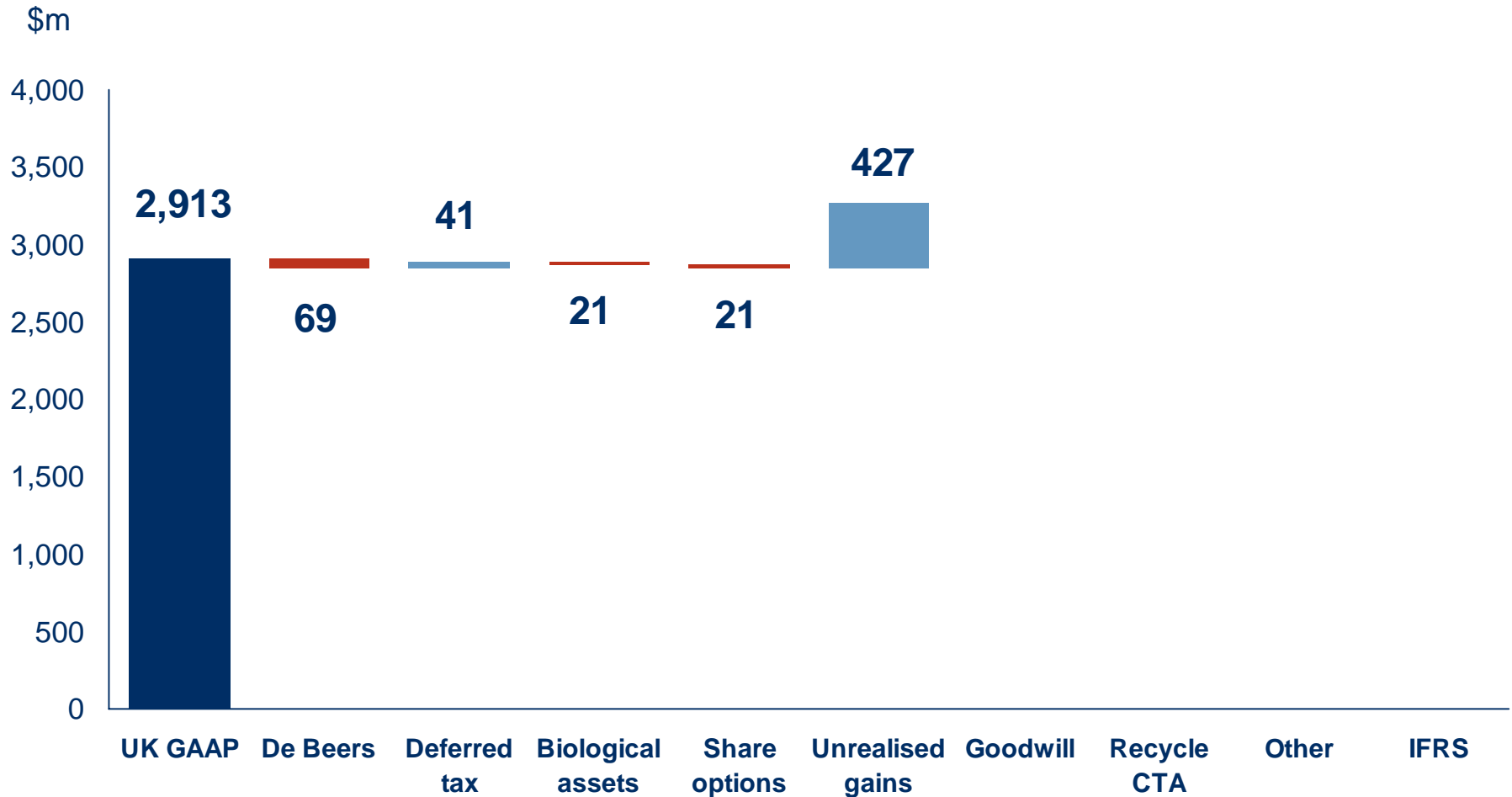
Total profit for the year



Total profit for the year



Total profit for the year



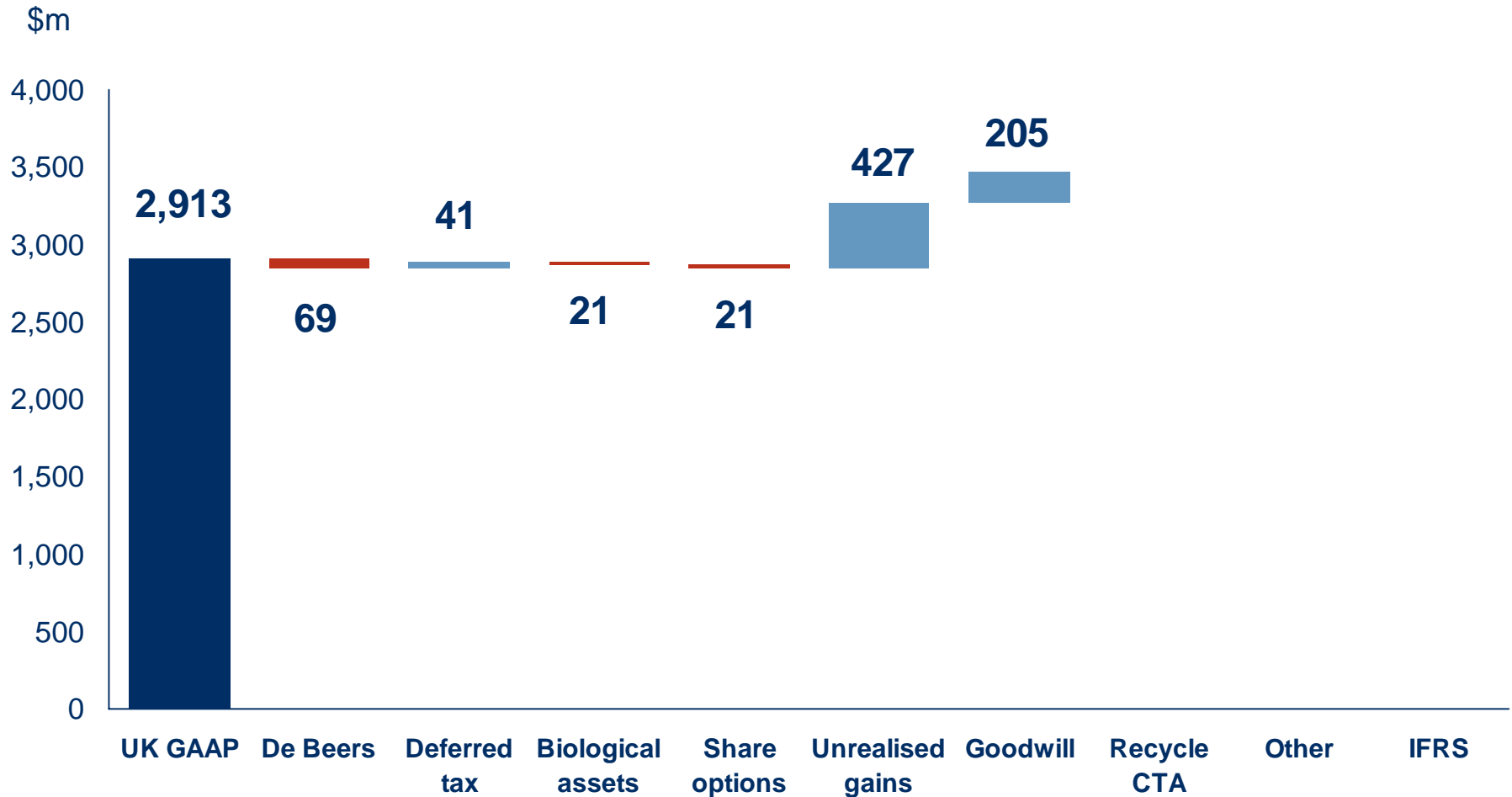
Key policy change

- There is no distinction between unrealised and realised gains for financial reporting
- Unrealised gains, with limited exceptions, will be recorded through the income statement

Key policy impact

- **Headline earnings:** \$nil
- **Total profit:** +\$427 million
- **Net assets:** \$nil

Total profit for the year



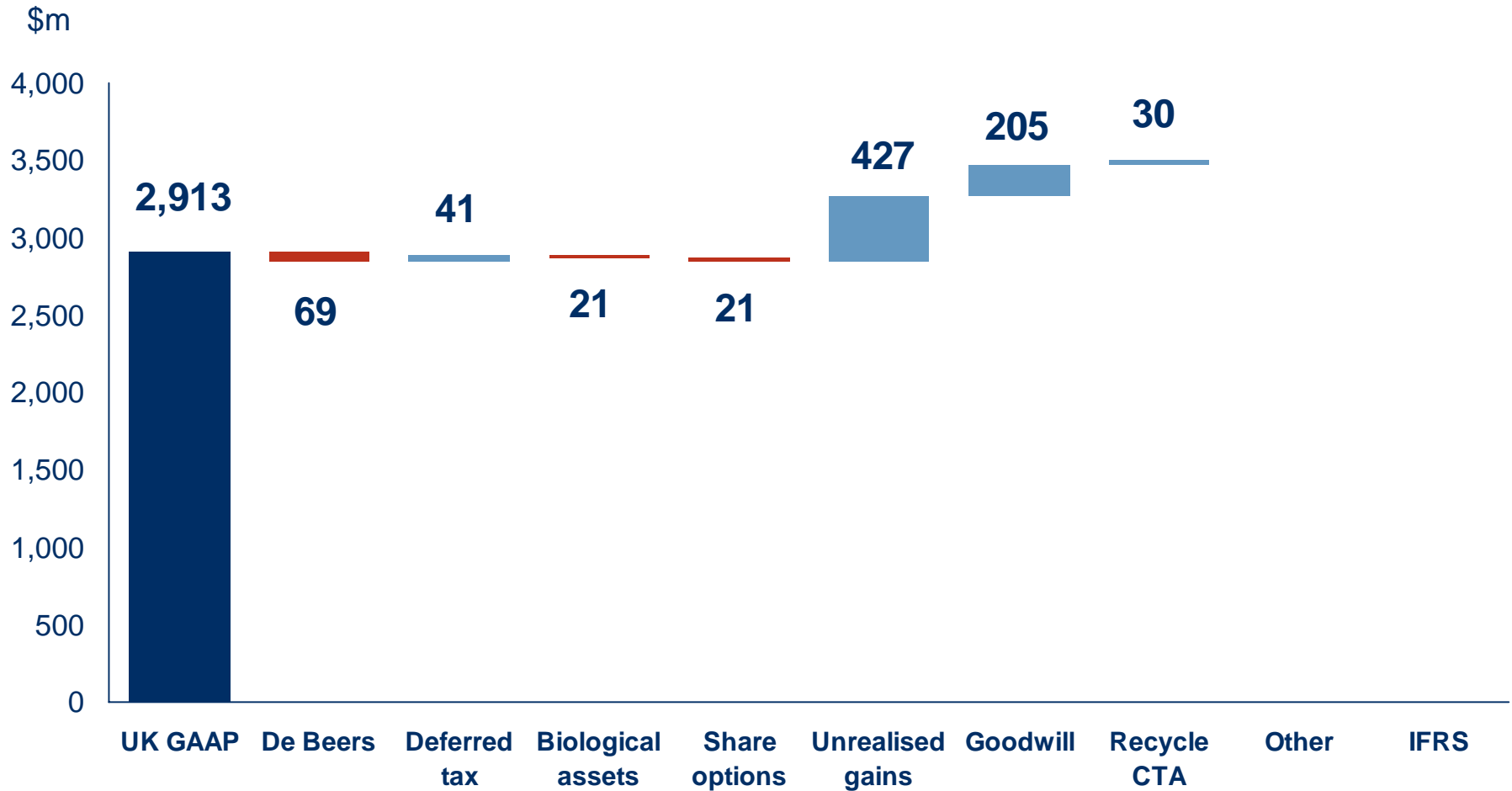
Key policy change

- Goodwill amortisation is replaced by an annual impairment test
- No negative goodwill
- Non US dollar goodwill arising on post 1 January 2004 acquisitions is translated to closing rate each reporting period

Key policy impact

- Headline earnings and Total profit: \$nil; and +\$205 million
- Net assets at 1 January 2004: (\$214 million)
- Net assets at 31 December 2004: +\$28 million

Total profit for the year



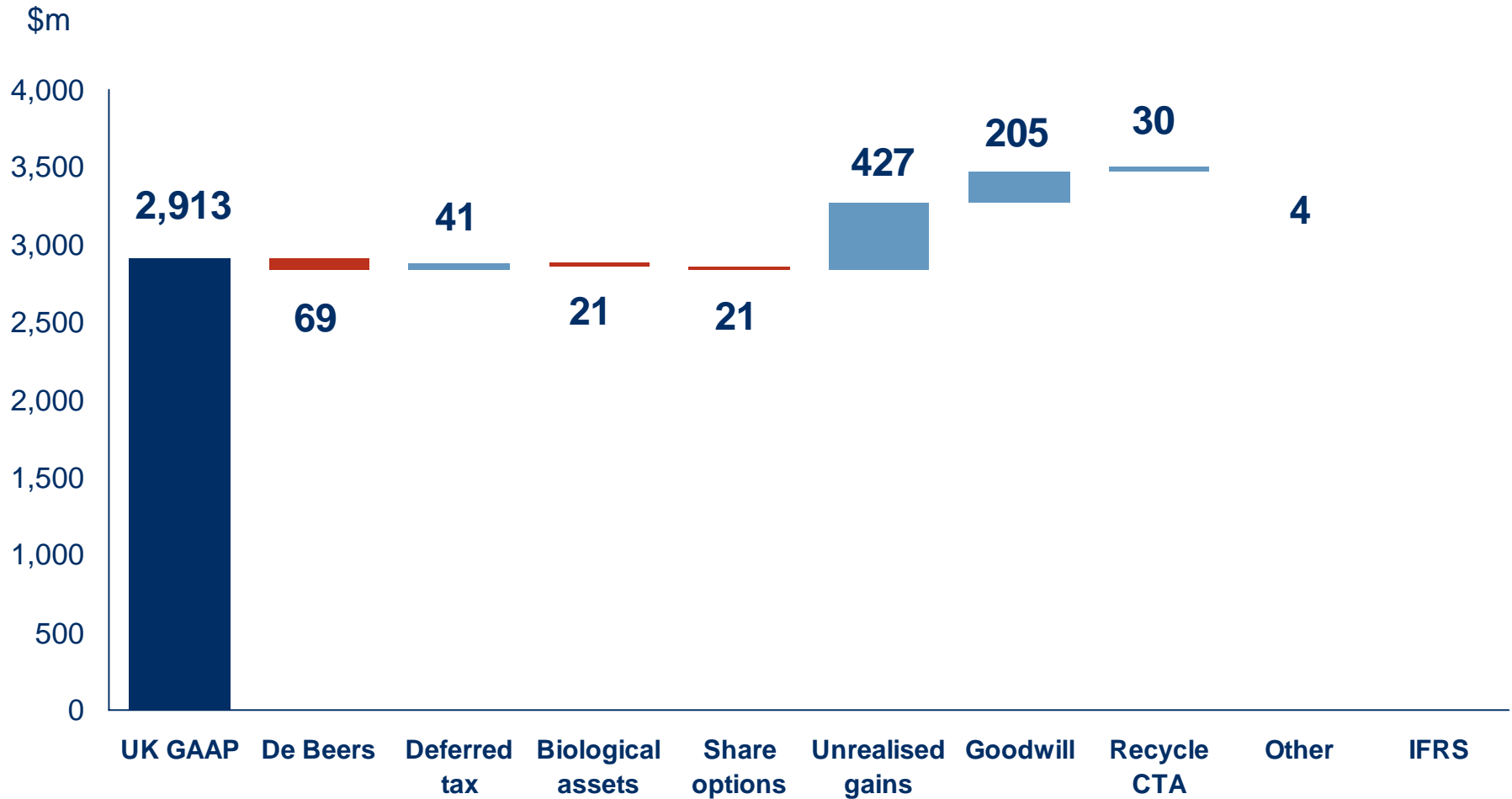
Key policy change

- Cumulative currency translation adjustments (“CTA”) arising on translation of a foreign operation are “recycled” from the CTA reserve through the income statement when that entity is disposed of
- CTA reserve as at 1 January 2004 was deemed to be zero

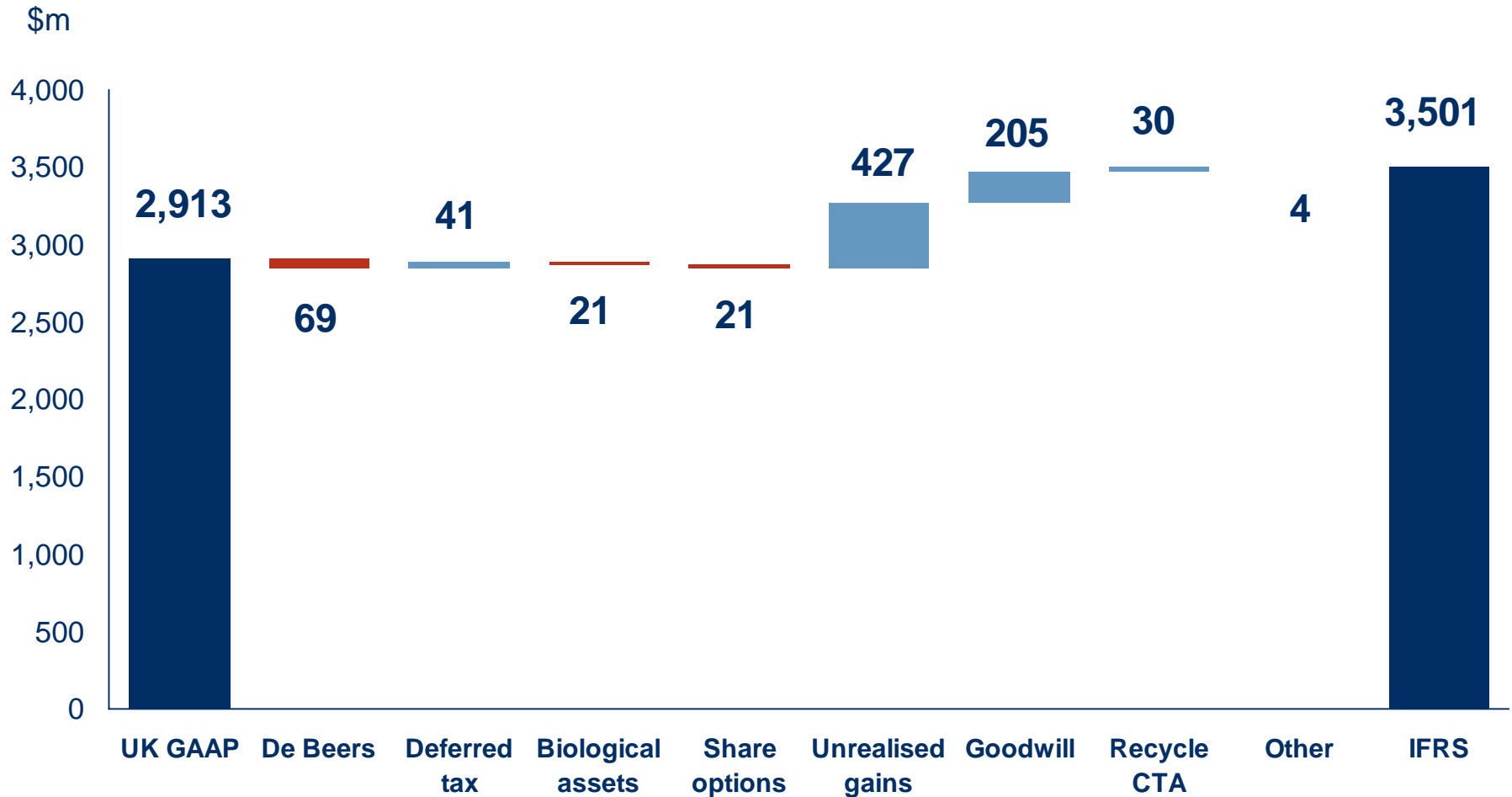
Key policy impact

- | | |
|---------------------|---------------|
| • Headline earnings | \$nil |
| • Total profit | +\$30 million |
| • Net assets | \$nil |

Total profit for the year



Total profit for the year

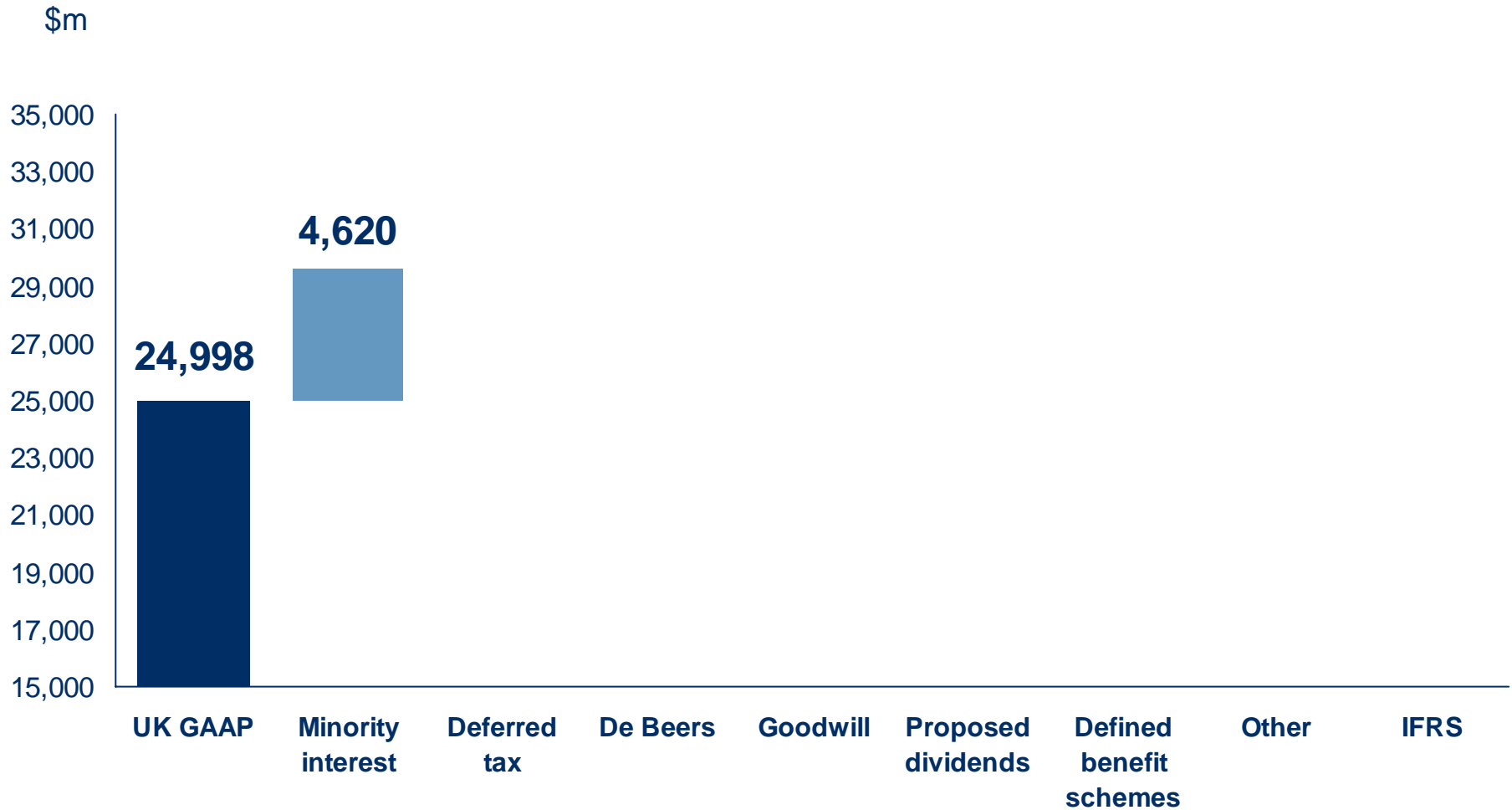


IMPACT ON NET ASSETS

Net Assets at 31 December 2004



Net Assets at 31 December 2004



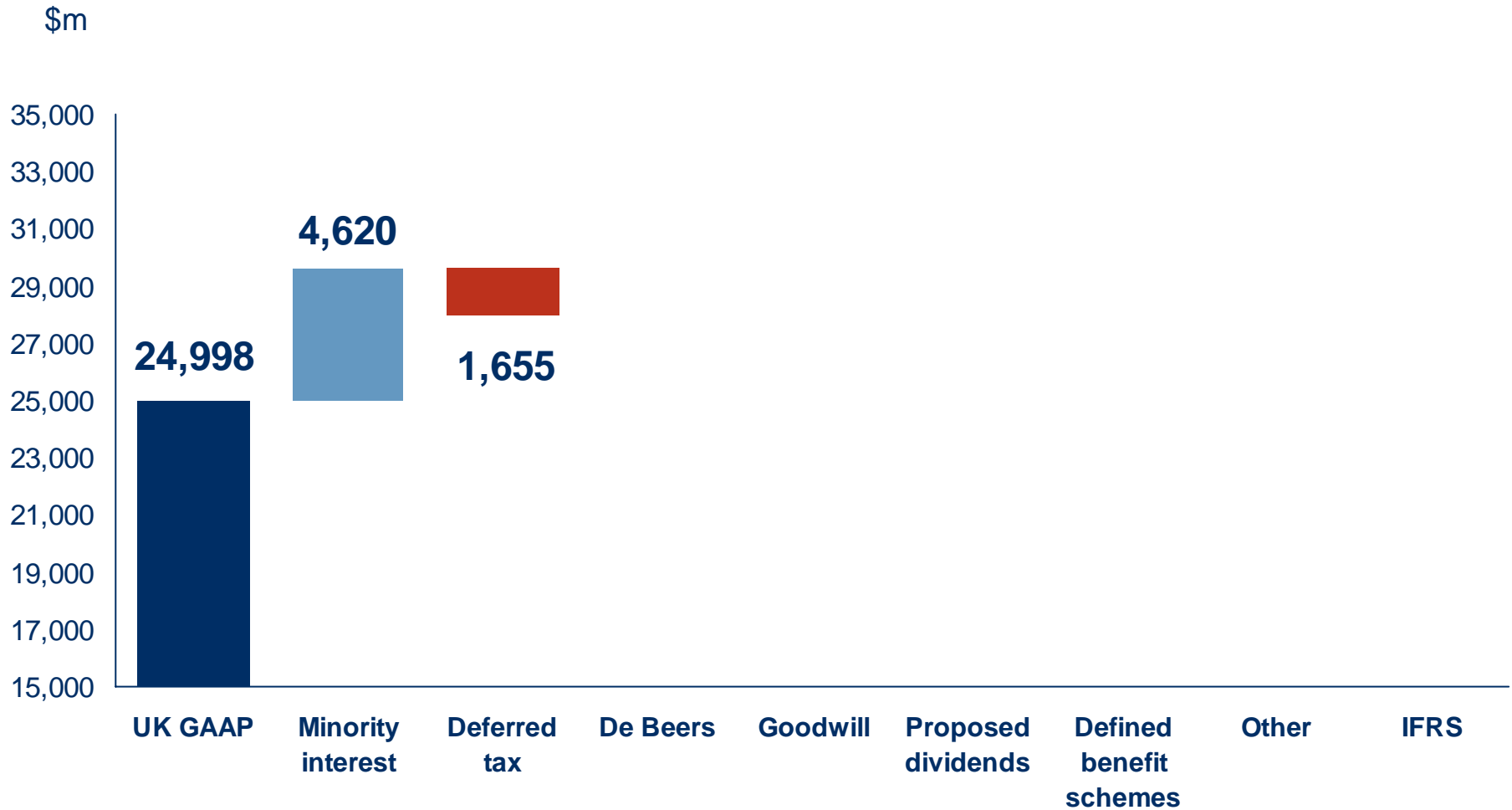
Key policy

- Minority interest is classified within “equity” in accordance with IAS 1
- Format of consolidated balance sheet still reconciles to Net Assets
- Clearly shows Total Net Assets contributing to Total Group Profit
- Clear disclosure of Net Assets and Total Profits attributable to minorities

Key policy impact

- | | |
|---------------------------------------|------------------|
| • Headline earnings and Total profit: | N/A |
| • Net assets at 1 January 2004: | +\$3,396 million |
| • Net assets at 31 December 2004: | +\$4,620 million |

Net Assets at 31 December 2004



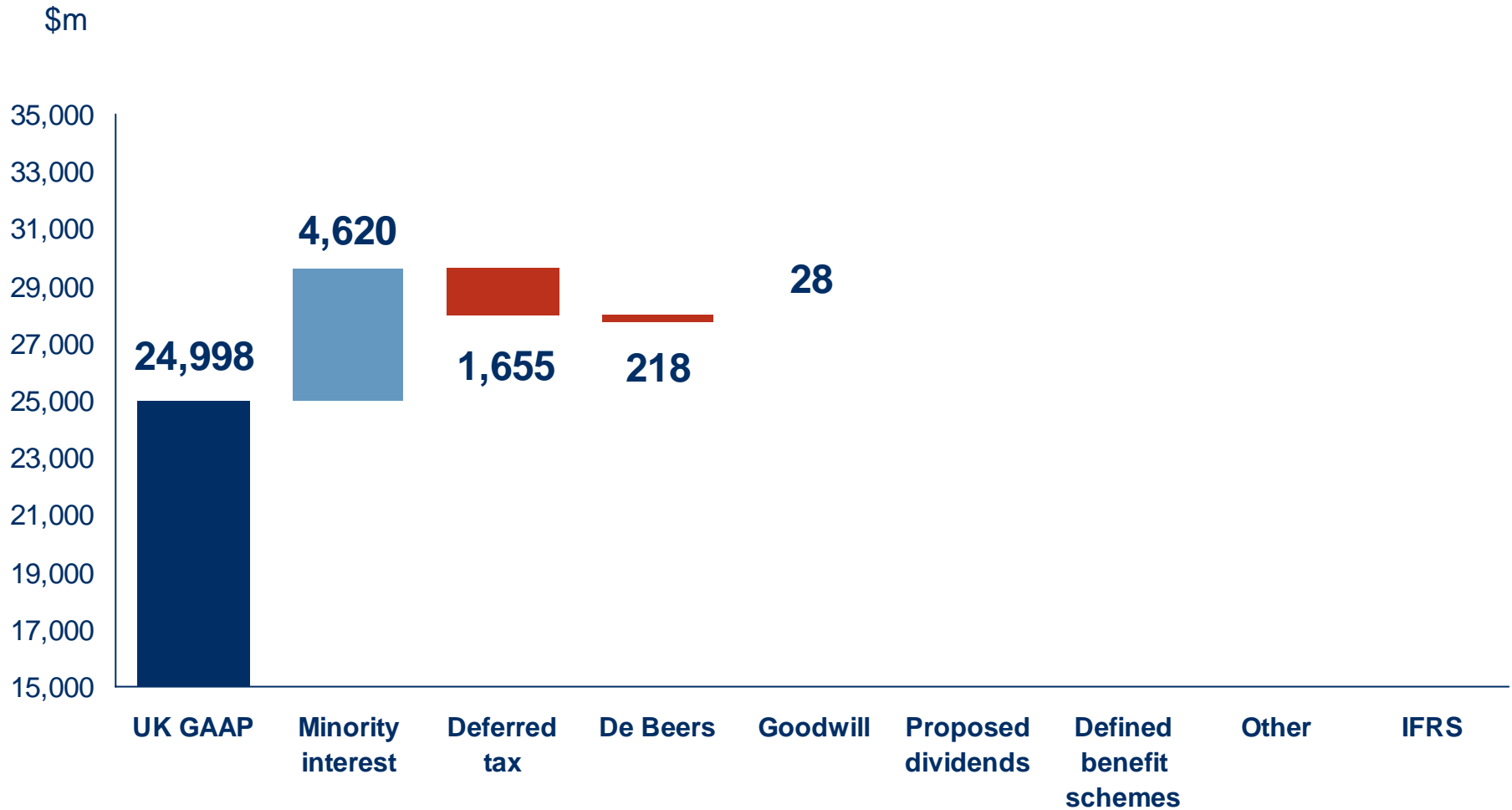
Key policy change

- Deferred tax is provided on additional temporary differences:
 - Fair value adjustments at acquisition
 - Where functional currency differs from the tax base currency
 - Some unremitted earnings of overseas investments

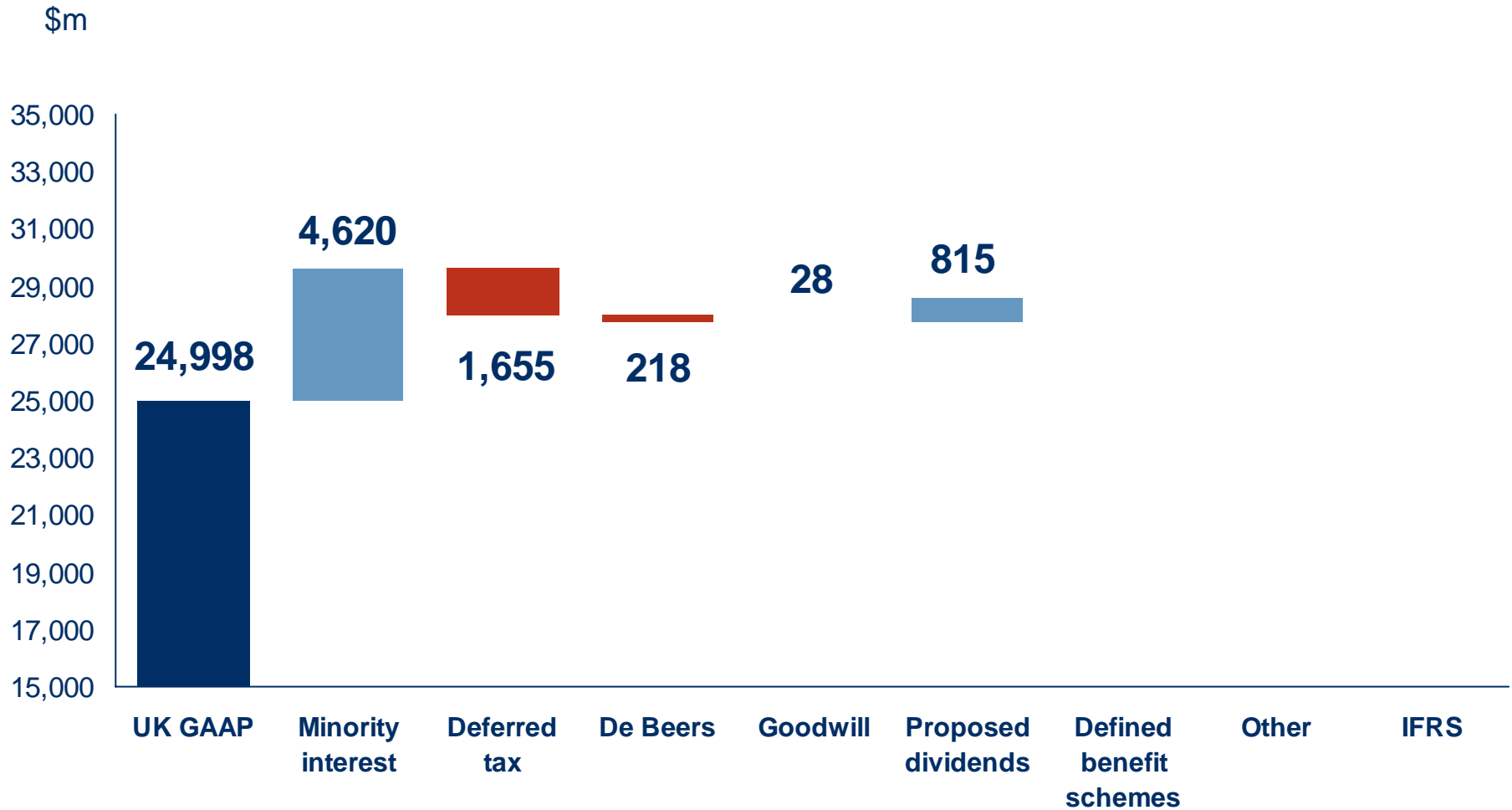
Key policy impact

- Headline earnings and Total profit: +\$41 million
- Net assets at 1 January 2004: (\$1,485 million)
- Net assets at 31 December 2004: (\$1,655 million)

Net Assets at 31 December 2004



Net Assets at 31 December 2004



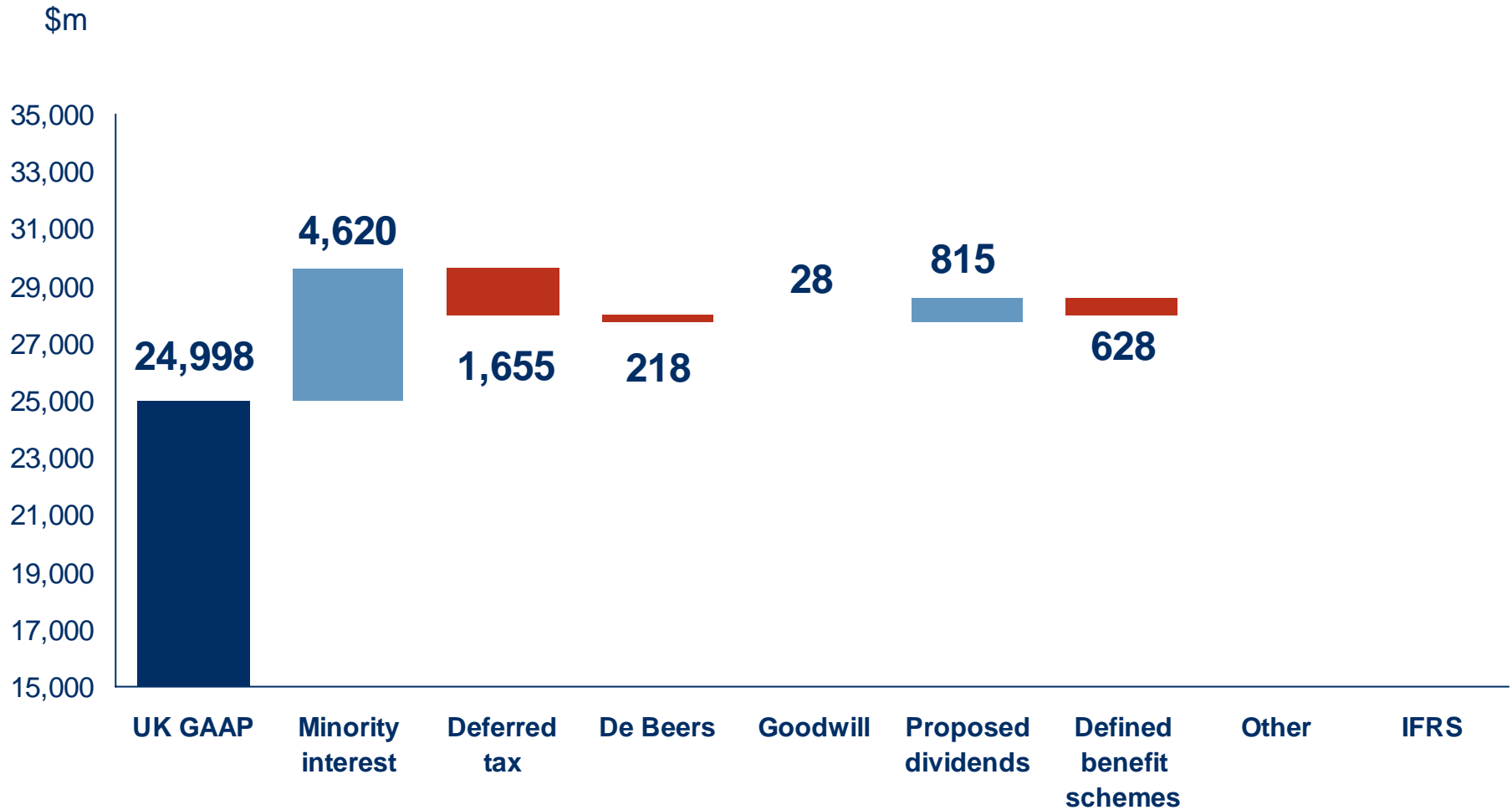
Key policy change

- Proposed dividends are recorded in the period they are approved for payment

Key policy impact

- Headline earnings and Total profit: \$nil
- Profit after dividends: +\$180 million
- Net assets at 1 January 2004: +\$622 million
- Net assets at 31 December 2004: +\$815 million

Net Assets at 31 December 2004



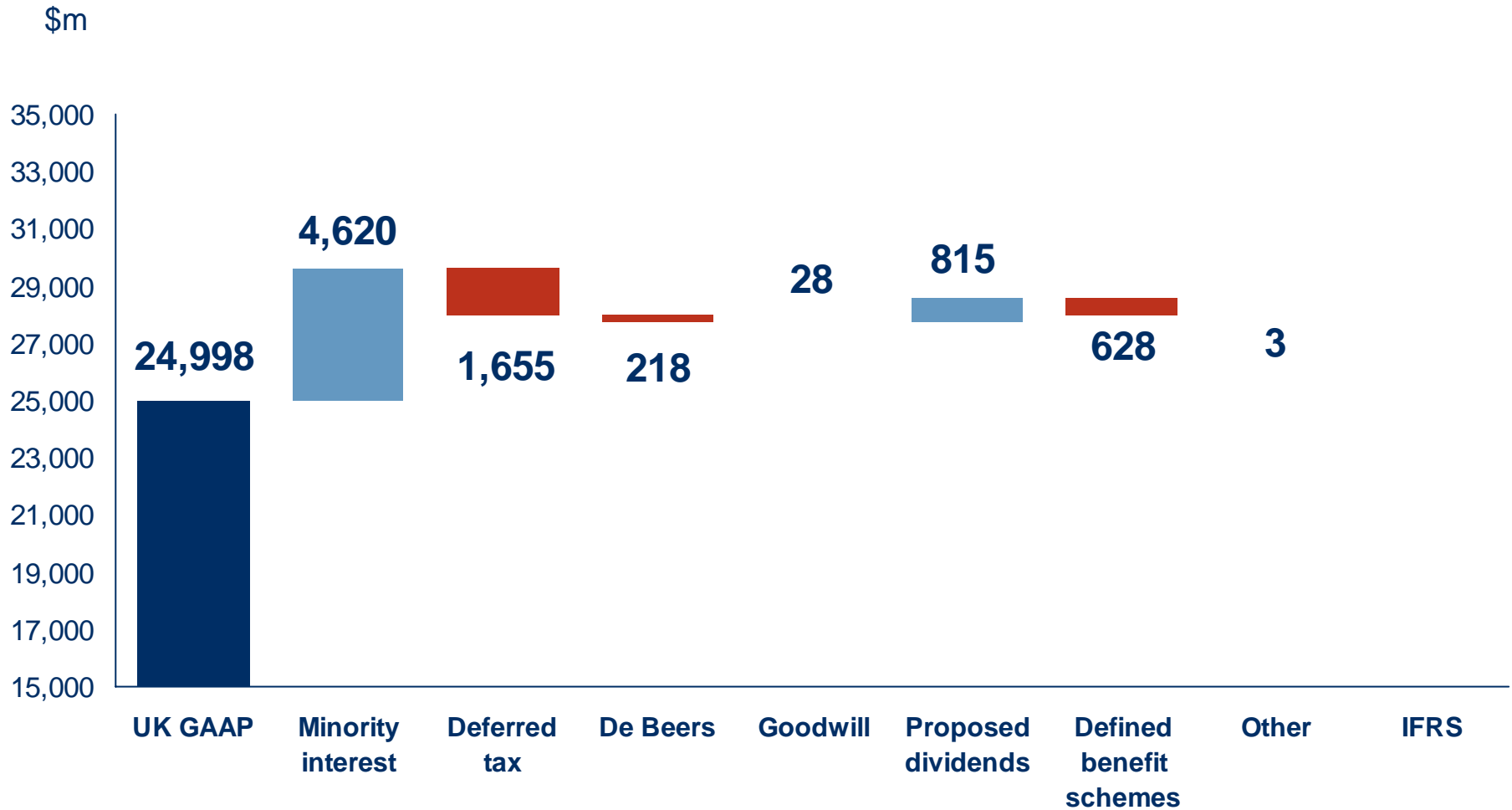
Key policy change

- Full recognition of defined benefit scheme deficit (or surplus, subject to restrictions) on the balance sheet
- Early adoption of the proposed amendment to IAS 19, subject to endorsement by EU before 31 December 2005
- All actuarial gains or losses taken directly through equity

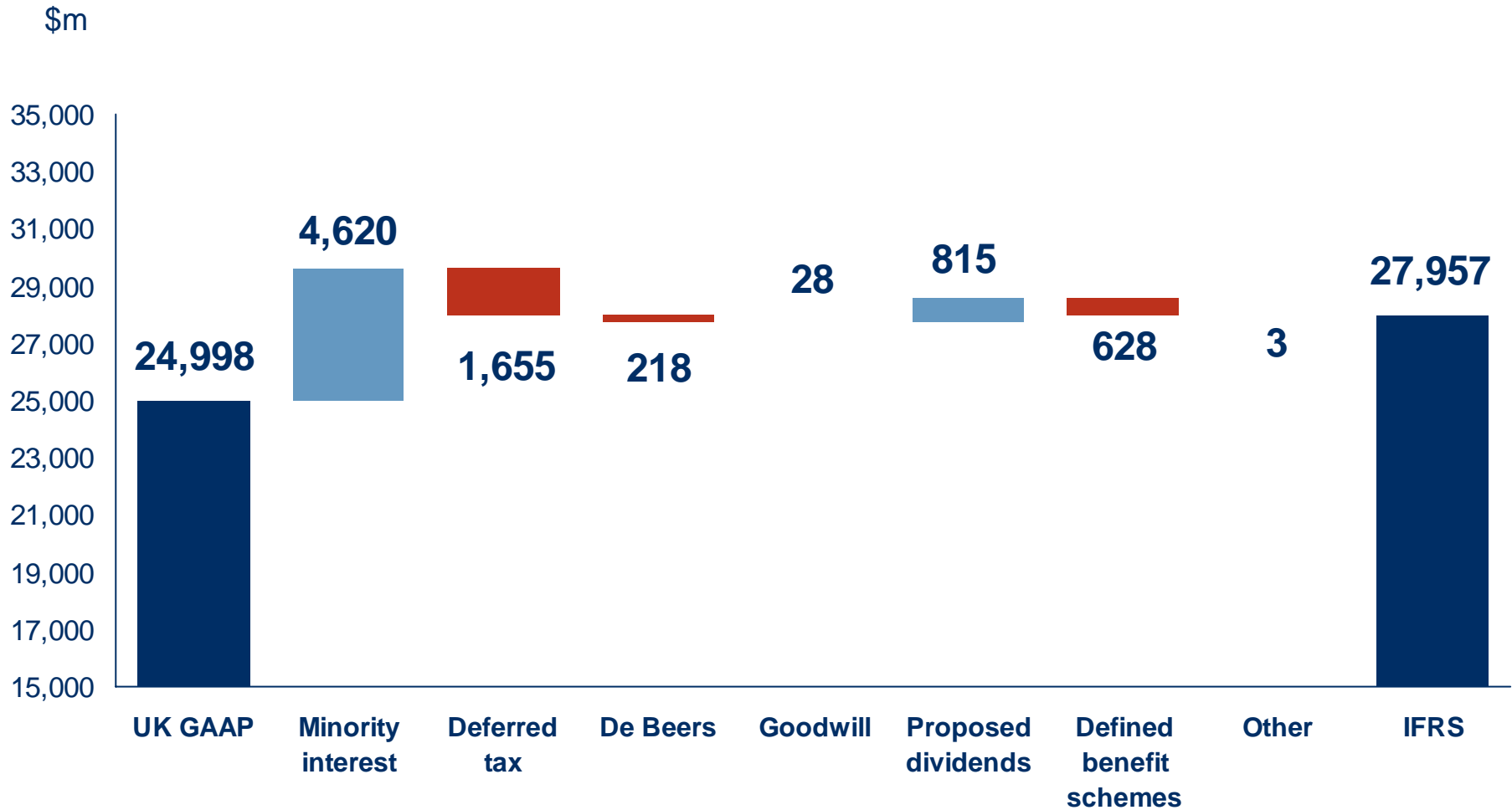
Key policy impact

- | | |
|--------------------------------------|-----------------|
| • Headline Earnings and Total profit | \$nil |
| • Net assets at 1 January 2004 | (\$576 million) |
| • Net assets at 31 December 2004 | (\$628 million) |

Net Assets at 31 December 2004



Net Assets at 31 December 2004



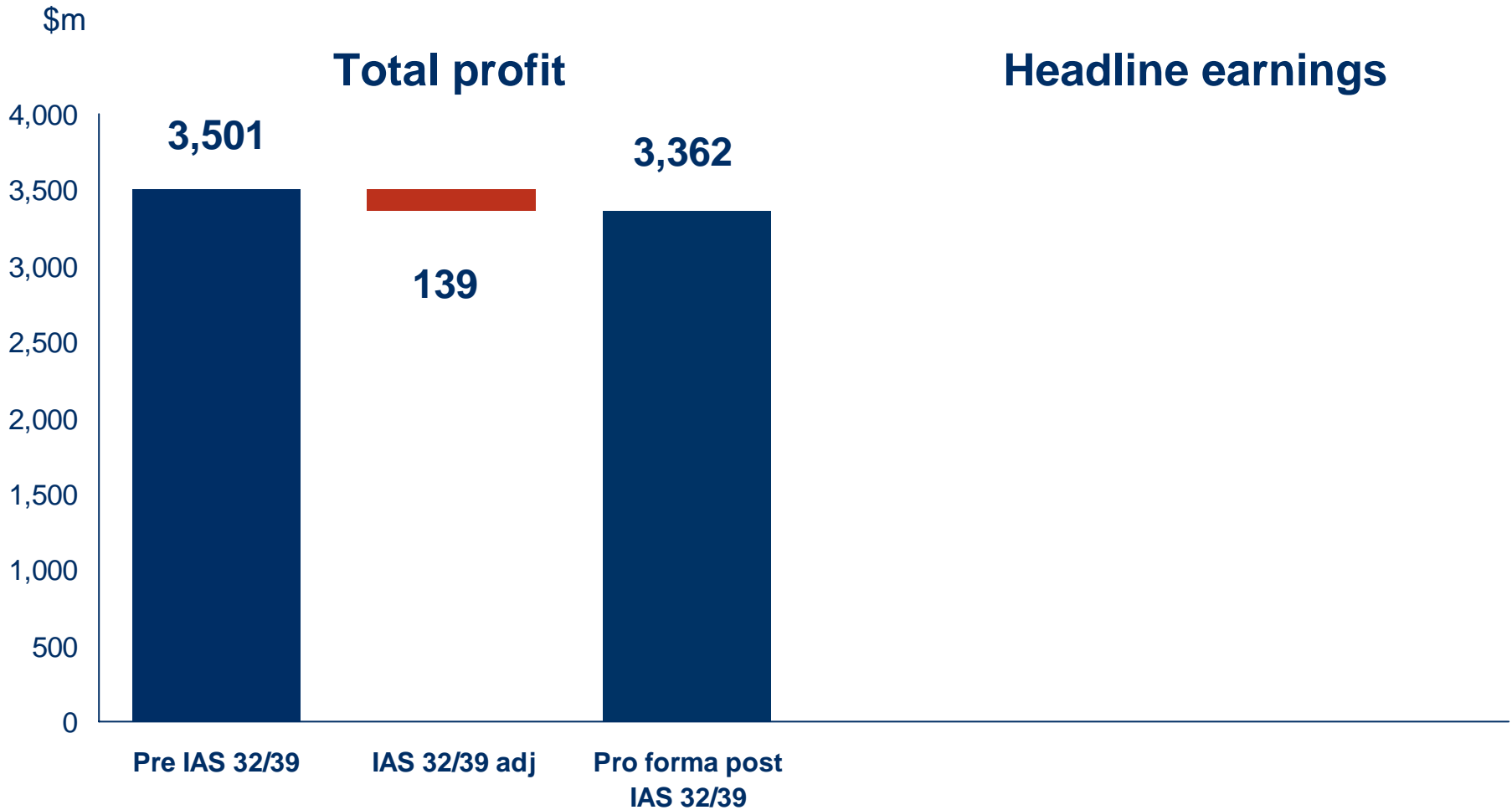
PRO FORMA IAS 32 and 39

- Adopted prospectively from 1 January 2005, however pro forma 2004 information is provided
- In the pro forma 2004 information, the standards were not applied to
 - transactions within entities that were fully disposed of in 2004: or
 - to contracts containing embedded derivatives that no longer existed as at 1 January 2005
- There has been no change to Group treasury policy or risk strategy

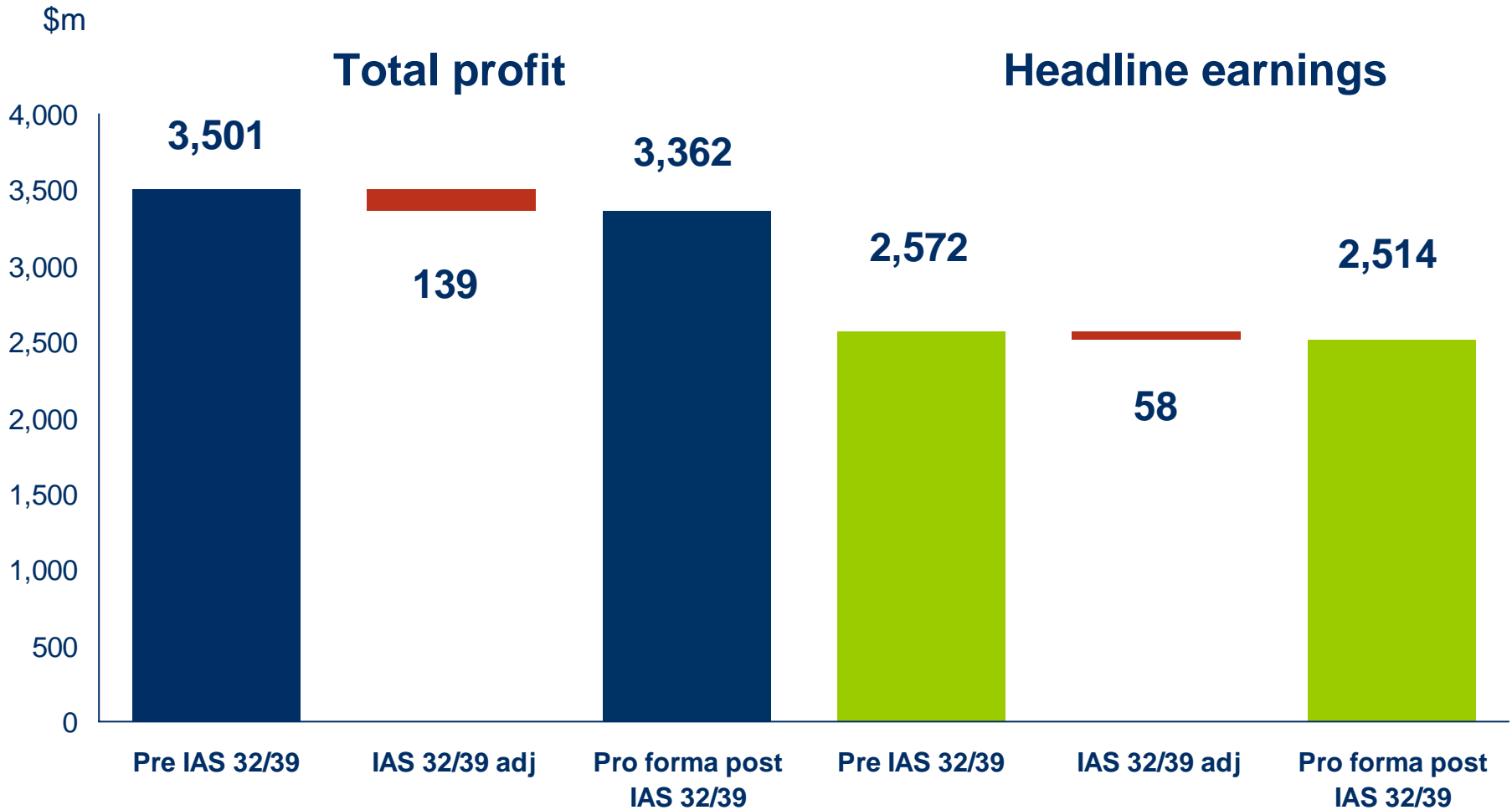
Significant policy changes

- All derivatives (including embedded derivatives) are held at fair value
- Fair value changes are taken through income statement or reserves depending on hedge accounting criteria
- Convertible bonds are regarded as compound instruments
- Equity investments previously held at cost are now fair valued

Pro forma IAS 32 and 39



Pro forma IAS 32 and 39



APPENDICES

Headline earnings

\$m	UK GAAP	IFRS
Total profit attributable to equity shareholders	2,913	3,501
Exceptional items	(428)	(933)
Amortisation of goodwill	221	-
Related tax & minority interests	(17)	4
Headline earnings for the financial year	2,689	2,572
EPS (cents per share)	188	179
DPS (cents per share)	70	58

Analysis of Headline Earnings

\$m	UK GAAP	adj.	IFRS
Platinum	239	1	240
Gold	158	(19)	139
Diamonds	381	(113)	268
Coal	351	6	357
Base Metals	1,042	(6)	1,036
Industrial Minerals	267	21	288
Ferrous Metals and Industries	480	(4)	476
Paper and Packaging ¹	381	(14)	367
Exploration	(91)	-	(91)
Corporate Activities ^{1 2}	(519)	11	(508)
Headline Earnings	2,689	(117)	2,572

¹Headline earnings for Paper and Packaging have been adjusted for the year ended 31 December 2003 as net interest for wholly owned operations in Paper and Packaging is now accounted for centrally within Corporate Activities

² Includes Gold Fields

Reconciliation to total profit

\$m	UK GAAP	adj	IFRS
Operating profit (pre exceptionals)	4,572	125	4,697
Operating exceptional items (incl. Assoc)	(92)	-	(92)
Operating profit (post exceptionals)	4,480	125	4,605
Associate - tax	(296)	16	(280)
Associate - finance charge	(64)	(36)	(100)
Associate - underlying minority interest	(19)	-	(19)
	4,101	105	4,206
Associate – non operating exceptionals	10	-	10
Total profit from operations and associates	4,111	105	4,216
Operating exceptional items (incl. Assoc)	92	-	92
Associate – non operating exceptionals	(10)	-	(10)
Total profit from operations and associates*	4,193	105	4,298

* Excluding exceptionals

Analysis of Operating Profit

\$m	UK GAAP	IFRS adj	IFRS
Platinum	537	(1)	536
Gold	263	33	296
Diamonds	586	(13)	573
Coal	487	10	497
Base Metals	1,275	1	1,276
Industrial Minerals	346	75	421
Ferrous Metals and Industries	895	(8)	887
Paper and Packaging	559	10	569
Exploration	(120)	-	(120)
Corporate Activities ¹	(256)	18	(238)
Operating Profit²	4,572	125	4,697

¹ includes Gold Fields

² operating profit before operating exceptional items

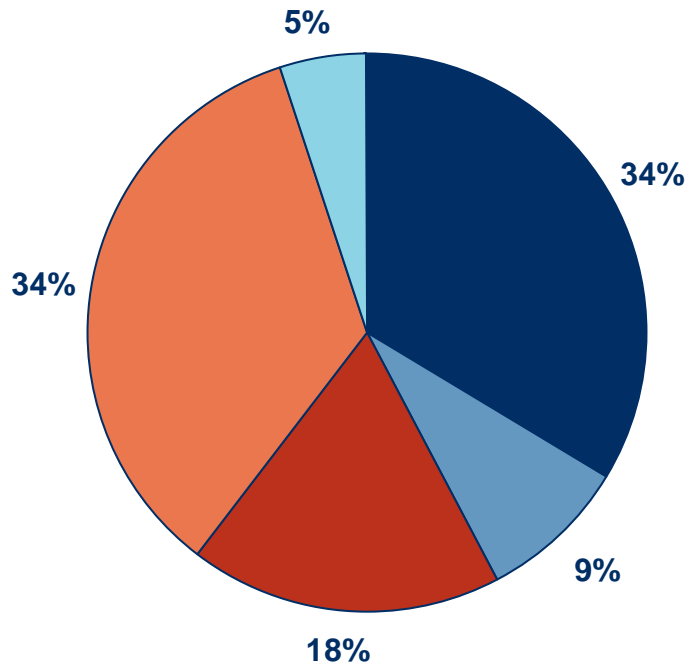
Operating profit¹

\$m	UK GAAP	IFRS adj	IFRS
South Africa	1,535	(32)	1,503
Rest of Africa	394	6	400
Europe	827	122	949
Americas	1,587	17	1,604
Australasia	229	12	241
	4,572	125	4,697

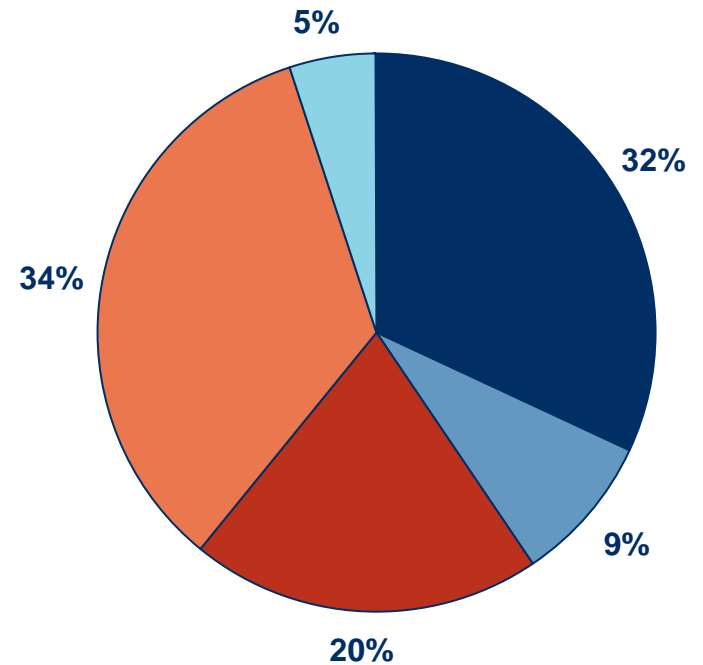
¹ operating profit before operating exceptional items

Operating profit¹

UK GAAP



IFRS



- South Africa
- Rest of Africa
- Europe
- Americas
- Australasia

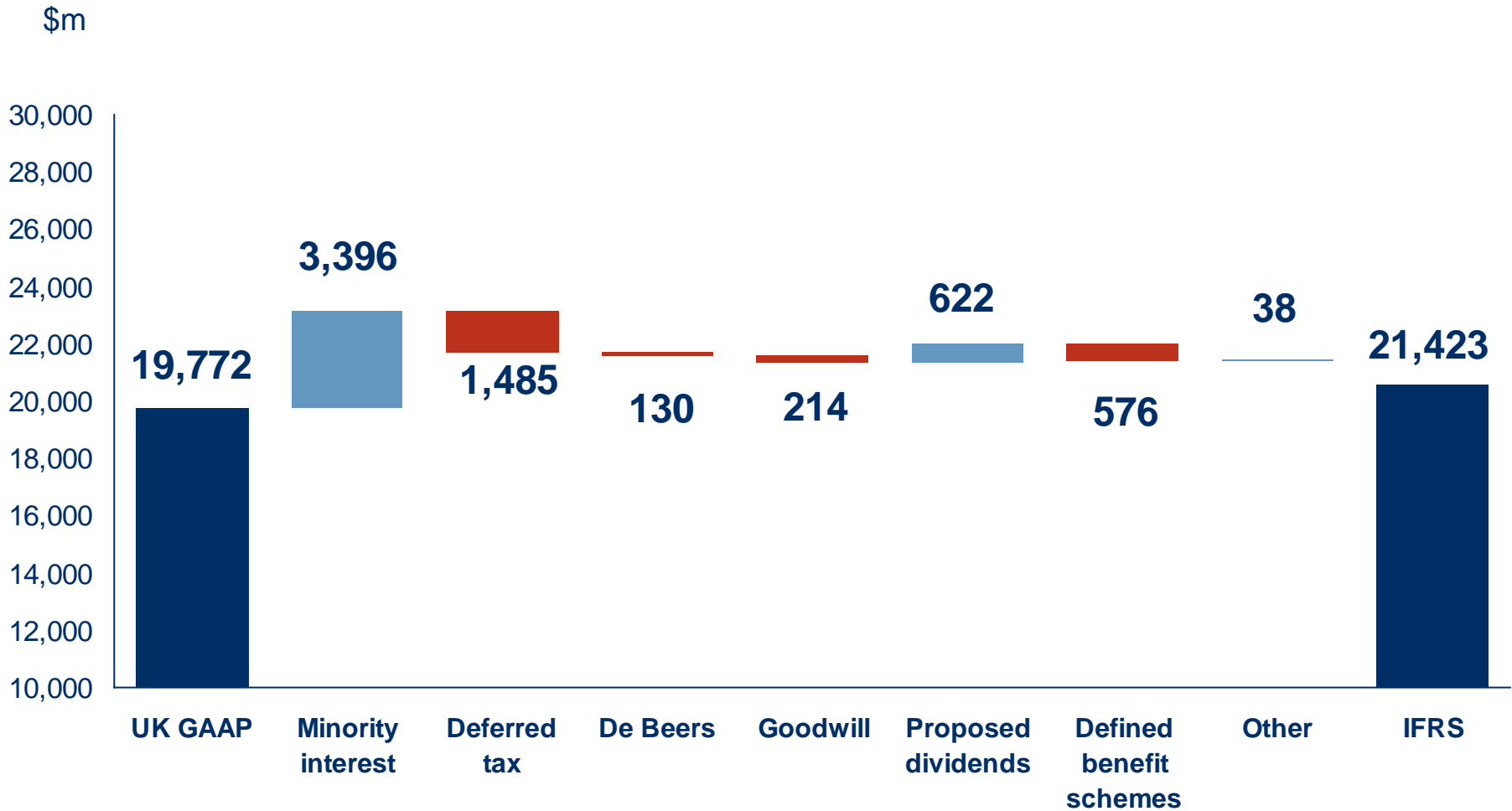
¹ operating profit before operating exceptional items

Analysis of EBITDA

\$m	UK GAAP	IFRS adj	IFRS
Platinum	867	(14)	853
Gold	701	(7)	694
Diamonds	688	(33)	655
Coal	686	1	687
Base Metals	1,626	(1)	1,625
Industrial Minerals	624	14	638
Ferrous Metals and Industries	1,249	(18)	1,231
Paper and Packaging	996	(18)	978
Exploration	(120)	-	(120)
Corporate Activities ¹	(207)	(3)	(210)
EBITDA	7,110	(79)	7,031

¹ includes Gold Fields

Impact on opening net assets



Key policy change

- Joint venture entities are proportionally consolidated

Key policy impact on UK GAAP results

- Group turnover* +\$1,195 million
- Group operating profit* +\$446 million
- Increase to Group cash (net of overdraft) +\$294 million
- Increase to Group borrowings +\$418 million
- Net operating assets +\$1,778 million
- Cash flow from operating activities +\$518 million

* Presentation change on the face of the income statement, not to underlying value

Key policy change

- Income from associates is presented on the face of the income statement, net of interest, tax and underlying minority interests

Key policy impact on UK GAAP results

- Group tax charge (\$296 million)
- Group finance charge (\$64 million)
- Group minority interests (\$19 million)

Pro forma IAS 32 and 39

US\$ million	Total earnings	Headline earnings	Net assets
IFRS pre IAS 32 and 39	3,501	2,572	27,957
Derivatives	(63)	(63)	72
Impairment of assets	(64)	2	(140)
Cash flow hedges	15	15	(159)
Convertible debt	(12)	(12)	60
Fair value of equity investments	(46)	(3)	57
Deemed disposal of AngloGold	30	-	-
Other adjustments	1	3	(3)
Pro forma IFRS results post IAS 32 and 39	3,362	2,514	27,844
Pro forma impact of IAS 32 and 39	(139)	(58)	(113)

ANGLO AMERICAN MEETING THE WORLD'S NEEDS

9 May 2005

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