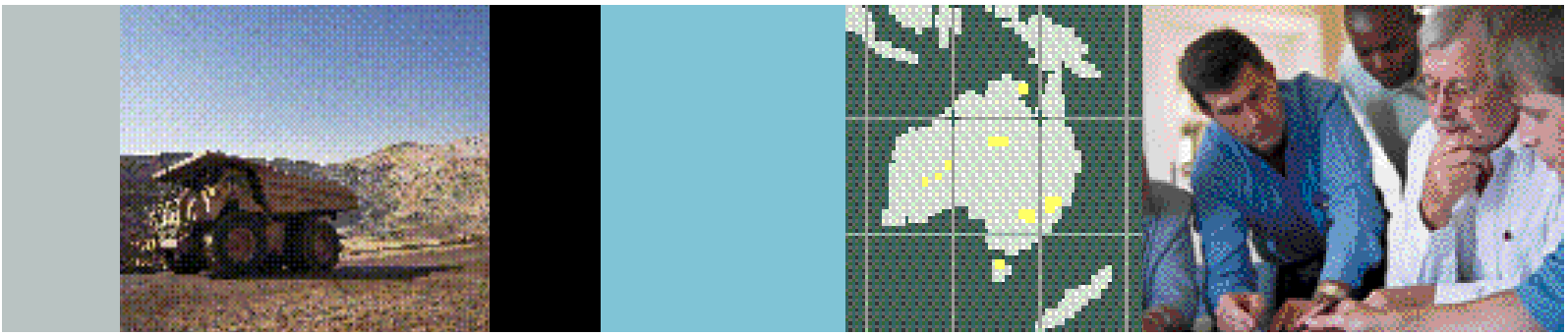
ANGLO AMERICAN

Annual review 2000





Anglo American plc

with its subsidiaries, joint ventures and associates is a global leader in the mining and natural resource sectors. It has significant and focused interests in gold, platinum, diamonds, coal, base and ferrous metals, industrial minerals and forest products, as well as financial and technical strength. The Group is geographically diverse, with operations and developments in Africa, Europe, South and North America and Australia. Anglo American represents a powerful world of resources.

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The Group's Annual Report 2000 which includes the financial statements, directors' report and report of the auditors (which is unqualified) is available to shareholders free of charge from the Company's Registrar.

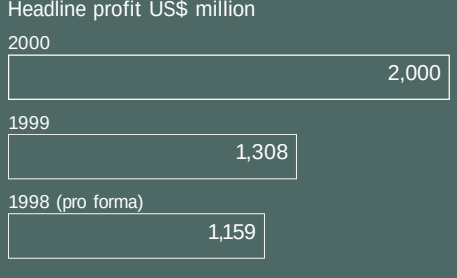
A separate Safety, Health and Environment Report is available on request.

The Annual Review 2000, the Annual Report 2000 and the Safety, Health and Environment Report 2000 are available on the corporate website: www.angloamerican.co.uk

Headline profit

US$2 billion

Headline profit up by 53%, with significantly improved markets for platinum group metals, diamonds, base metals, paper and pulp.

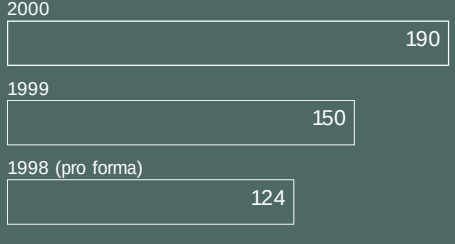


Dividend

190 US cents

Final dividend of 130 US cents per ordinary share recommended, giving a dividend for the year of 190 US cents per ordinary share, an increase of 27% over 1999.

Dividend US cents

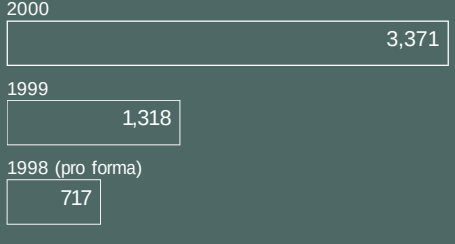


Acquisitions

US$3.4 billion

Major acquisitions this year include Tarmac (US$1.1 billion), Shell Coal (US$959 million), further interests in Frantschach and Neusiedler (US$234 million) and Assi Sacks (US$490 million).

Acquisitions US$ million

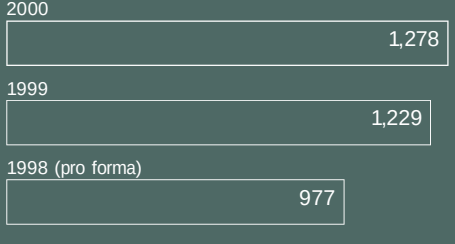


Disposals

US$1.3 billion

Major disposals announced this year generate proceeds of US$1.3 billion. In addition the exchange of a 15.3% stake in FirstRand for holdings in listed mining stocks, valued in December at some US$730 million.

Disposals US$ million



Anglo American plc has enjoyed a successful second year since its listing in London in May 1999 and has seen considerable further progress towards realising its strategy as a leading global mining and natural resource group. We have delivered on our commitments to focus on disposals, growth and business expansion, and cost savings.

After directing the restructuring of the old Anglo American and Minorco groups and the formation and listing on the LSE of the new merged Anglo American plc, with the board's support I announced at the AGM last year that I was handing over executive responsibilities to Tony Trahar with effect from 18 July. Mr Trahar's report as chief executive follows immediately hereafter and deals at greater length with some of the matters I touch on below.

Results

It is pleasing to record that our operating profits increased by 50% to US$3.2 billion, that headline profit rose by 53% to a new record level of US$2 billion and that the total dividend increased by 27% to 190 US cents.

Strategy

At the AGM in May last year I announced that the board had agreed that the existing strategy of the Company should be further refined to include the disposal of all industrial interests as well as the financial services interests which had previously been identified as non-core, and to focus on seven business sectors and our investment in the diamond business through De Beers. Significant progress has been made towards that goal, with total disposals during the year amounting to US$1.3 billion. Anglo American is committed to concluding its disposal programme for value as soon as market conditions allow.

Growth and expansion

Secondly, in pursuit of the Company's overall strategy, the year saw significant developments in building the world-class status or consolidating the niche or geographic positions of the seven core business sectors of the Company.

Major milestones included:

> Anglo Platinum announced a US$2.1 billion expansion programme.

> AngloGold made investments of US$400 million in Mali and Tanzania.

> Anglo Coal acquired Shell Coal in Australia and Venezuela and a one-sixth interest in Cerrejón Zona Norte in Colombia for over US$1 billion.

> Anglo Base Metals completed the acquisition of control of Konkola Copper Mines in Zambia and received board approval for the US$454 million Skorpion zinc project in Namibia as well as US$200 million for smaller projects in South Africa and Chile.

> Anglo Forest Products acquired Assi Sacks for US$490 million and simplified the Mondi Europe division by buying out the minorities in Neusiedler and increasing the stake in Frantschach to 70% in deals worth US$234 million.

> Industrial Minerals acquired Tarmac for US$1.1 billion net of disposals of Tarmac USA and certain assets in the UK.

Increased stake in De Beers and removal of cross-holding

Since the end of the financial year, Anglo American announced a proposed offer together with Central Holdings Limited and Debswana to take De Beers private and increase its exposure to the diamond business from 32.2% of De Beers to 45% of the new DB Investments SA, the company that would hold 100% of De Beers.

The transaction, approved by the De Beers boards on 13 February and to be recommended to their shareholders, would, inter alia, see the cross-holding between the companies removed, a hitherto key unresolved strategic issue, thereby maintaining Anglo American's weighting in the FTSE 100. This is a further significant step in delivering value to shareholders of Anglo American.

South African Minerals Development Bill

Discussions with the South African government continue on the Minerals Development Bill. Whilst the industry supports the goals of the proposed legislation, it has outlined to government in a detailed commentary its concerns, centring on expropriation without compensation, security of tenure and excessive ministerial discretion which allows little or no room to appeal decisions in a court of law. The industry is impressing on government that failure to accommodate these concerns would both undermine the achievement of the goals of the legislation and require the review by investors of existing and potential future project returns and time frames in view of the additional risks and uncertainties involved. Anglo American has confidence that good sense will prevail.

Harry Oppenheimer

Although I paid tribute to Harry Oppenheimer in our interim report, it is appropriate to reiterate our great sadness at his death. As chairman of Anglo American Corporation and Minorco from 1957 to 1982, Mr Oppenheimer presided over a period of vigorous expansion of Anglo American's mining and industrial operations both in southern Africa and internationally. His bold leadership and wise judgement, which characterised his seminal contribution to the Group, will never be forgotten.

Directorate and staff

In the prospectus we announced the appointment of Leslie Boyd and Mike King as vice chairmen of Anglo American plc and the intention that they would serve in that capacity until the AGM in 2001. Consequently, both will be retiring in May and on behalf of my colleagues on the board I would like to pay tribute to them for their enormous contributions to Anglo American plc and its forerunners over many years.

Leslie Boyd moved from Britain in 1970 to Highveld Steel, of which he became managing director in 1974 and chairman from 1983. In 1992 he was appointed deputy chairman of Anglo American Corporation of South Africa and chairman of Anglo American Industrial Corporation and in 1995 chairman of Anglo Platinum. He has been successively chairman or president of SEIFSA, FCI, SACOB, BSA and the SA Foundation.

Mike King played a major role from 1961 in the development of South Africa's first merchant bank, Union Acceptances Limited, which was founded by Anglo American and others in 1955. He was head of Corporate Finance and deputy managing director until 1974 when he joined Anglo American.
He has played a leading role in our Finance division – for 18 years as its head – and has been responsible for the Group's financial services interests, the largest of which was FirstRand, of which he is deputy chairman.

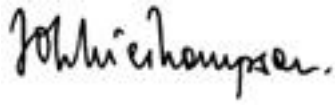
We shall greatly miss their wise counsel.

The board is proposing for election at the AGM, Barry Davison, chief executive of Anglo Platinum, and Bill Nairn, group technical director.

On conclusion of the De Beers transaction, Nicky Oppenheimer intends to resign as deputy chairman but to continue as a non-executive director, and Sir Chippendale Keswick, who is also a director of Central Holdings Limited and De Beers, proposes to resign as a non-executive director. The board intends to appoint additional new independent non-executive directors in the course of the next 12 months.

As the main objectives of transforming Anglo American plc into a global mining and natural resources company over the past four years will have been achieved on conclusion of the De Beers transaction, I propose to retire as chairman after 12 years, and from the board, on which I have served since 1970, at the AGM in 2002. Viscount Davignon and Peter Wilmot-Sitwell, who joined the Minorco board in 1990 and 1993, respectively, propose also to retire then after 12 and 9 years' service, respectively.

Finally, on behalf of the board, I would like to thank the chief executive, the executive directors and our staff for their continued sterling efforts amidst ongoing and rapid change and development in the Company.



Julian Ogilvie Thompson
Chairman



Julian Ogilvie Thompson
Chairman

Success

Anglo American has enjoyed a successful second year since listing in London.



Tony Trahar
Chief Executive

Delivery

We have made major progress in delivery on our strategy of growth, disposal of non-core businesses and removing the cross-holding with De Beers.

This is my first report as chief executive since my appointment in July 2000. The past 12 months have been an exciting period of change and development for Anglo American plc. At the time of our listing in London in May 1999 we set the achievement of enhanced shareholder value as the key objective. We have made, and continue to make, major progress towards realising this objective through acquisitions and organic growth, accelerating the disposal of non-core assets and proposing to dismantle the Anglo American/De Beers cross-holding.

Financial results

The Group benefited from generally higher commodity prices in almost all sectors as well as from the achievement of significant cost reductions, rationalisation and the implementation of new projects and acquisitions. Our operating profits increased by 50% to US$3.2 billion and headline earnings rose by 53% to a record US$2 billion. The cash flow from operations was strong at US$3 billion.

The largest contributor was Anglo Platinum which, reflecting significantly higher platinum and palladium prices, increased its contribution to Anglo American's headline profit by 150% to US$500 million. These higher prices more than offset the adverse effects on operations of exceptional rainfall during the first quarter of 2000, lower head grades and disappointing cost control and productivity in some sections.

The record performance of De Beers, flowing from buoyant diamond sales in the first half and the results from its 35% stake in Anglo American, increased the headline contribution from this associate by 67% to US$524 million.

A 55% higher earnings contribution of US$308 million was made by Anglo Forest Products, reflecting growth in most of its core businesses, higher pulp and paper prices and the beneficial impact of strategic acquisitions during the year.

AngloGold's results were affected by disappointing performances at its South African mines, offset by significant expansion and acquisition of low-cost operations in Australia, Mali and Tanzania. The contribution to Anglo American's headline profit declined to US$201 million.

Anglo Base Metals benefited from stronger metal prices and higher production volumes in 2000. Headline profit amounted to US$132 million, with the Collahuasi copper mine in Chile being the biggest contributor to earnings.

Anglo Coal benefited from a recovery in prices during the third quarter of 2000 which, coupled with the inclusion of Shell Coal and other smaller acquisitions, resulted in an increased contribution of US$138 million for the year.

The contribution of the Industrial Minerals division to headline profit, at US$159 million, was disappointing. Trading conditions were difficult in the UK, with demand impacted by heavy rain, rapidly rising energy prices and intense competition. However, the rationalisation of Tarmac with our existing operations proceeded smoothly and annualised savings of US$60 million per annum exceeded the target of US$45 million.

The Ferrous Metals division recorded an improved contribution to headline profit of US$86 million. This was due mainly to higher steel prices and volumes in the first half, although by the middle of the year a substantial rise in global output caused prices to decline.

Strategic progress

Anglo American/De Beers cross-holding

On 15 February this year, we announced, in conjunction with Central Holdings Limited (CHL) and Debswana Diamond Company Limited (Debswana), that a new company DB Investments SA (DBI) had reached agreement with the boards of De Beers for a proposal to be made to acquire the public shareholdings in De Beers. De Beers would then be owned by Anglo American (45%), CHL (45%) and Debswana (10%). CHL would be contracted to manage the business. In terms of the transaction, all De Beers linked unitholders, including Anglo American, will receive by way of a scheme of arrangement a pro rata distribution of 130.4 million Anglo American shares held by De Beers; in addition, public linked unitholders will receive further Anglo American shares and cash. The effect is that each public unitholder will receive 0.43 Anglo American shares and US$14.40 in cash, and will be entitled to the final dividend of US$1 per linked unit for the year ended 31 December 2000. If approved, the benefits of the transaction to Anglo American would be:

- The elimination of the cross-holding.
- An increase in Anglo American's interest in De Beers from 32.2% to 45%.
- An inflow of US$1.1 billion in cash now, with a further inflow of US$701 million in future years on redemption of the preference shares to be taken up by Anglo American in DBI.
- The retention of a full weighting in the FTSE 100 index.

In addition, 40.8 million Anglo American shares received by Anglo American will be cancelled, and Anglo American will then make a bonus issue of three new Anglo American shares for each existing Anglo American share then held.

The implementation of this proposal would address the major inhibitor to unlocking value for our shareholders and would, we believe, result in a significant re-rating of Anglo American's shares in relation to our major international competitors.

Growth through acquisitions

In March 2000 we acquired Tarmac plc. After disposing of Tarmac's interests in the USA and some peripheral interests in the UK to satisfy UK regulatory requirements, this resulted in a significant expansion of our Industrial Minerals division, making Anglo American the UK's leading producer of aggregates and providing a platform for potential acquisitions and growth in continental Europe. Although the trading results of Tarmac were disappointing during 2000 and were disrupted by the integration, rationalisation and restructuring process, the outlook for the enlarged business going forward is encouraging. The intended increase in infrastructural spending in the United Kingdom, and an anticipated recovery in prices, will enable the division to become a significant generator of free cash flow to the Group.

In April we completed our acquisition of a 33.1% effective interest in Konkola Copper Mines in the Zambian Copperbelt through our 50.9% subsidiary, Zambia Copper Investments Limited. Pleasing progress is being made in the revitalisation and restructuring of these assets, with a view to potential expansion in due course.

In July 2000 we acquired Shell Coal and, subsequently, certain additional minority interests for US$959 million and in October also acquired a one-sixth interest in Cerrejón Zona Norte, which will add to our existing significant position in Colombian coal through Carbones del Cerrejón. These acquisitions have produced a well-balanced coal portfolio in terms of geography and product mix. We now expect to produce a combined annual sales tonnage of some 76 million tonnes of coking and thermal coal.

In August 2000 our Forest Products company, Mondi Europe, completed a series of transactions, including: acquisition of AssiDomän's industrial sack business in Europe to make Frantschach Packaging the largest producer of industrial sacks in the world; the increase in our stake in Frantschach from 50% to a controlling 70% position; and moving from 49% to 100% ownership in Neusiedler, the uncoated woodfree paper producer. In parallel, we disposed of our interest in the Pöls pulp mill in Austria in pursuit of greater focus on our core paper and packaging interests and acquired a 50% interest and management control in Ruzomberok, a large and cost-effective uncoated woodfree paper producer in Slovakia.

Expansionary growth

In May 2000 our 50.2% owned subsidiary Anglo Platinum announced a US$2.1 billion expansion programme to increase annual production of platinum group metals to 3.5 million ounces by 2006. This programme is well underway and approximately half of the project capital has already been approved.

We also approved a significant expansion in zinc through the US$454 million Skorpion zinc project in Namibia. New mines opened during the period include the Lisheen zinc mine in Ireland and Loma de Níquel in Venezuela.

Disposal of non-core businesses

When we listed in London we announced that we would seek to dispose of certain non-core businesses, primarily in the industrial and financial services sectors. Significant progress has been made in this regard. With effect from 1 January 2001, we achieved the disposal of a 15.3% stake in our financial services associate, FirstRand, in exchange for substantial holdings in Gold Fields and Billiton having a value in December of US$730 million. We have also successfully reduced our 53% stake in AECI to 19.8% through an approved buyback of shares, sold the first tranche of our stake in Li & Fung, the listed Hong Kong trading business, for US$282 million and disposed of our 68% stake in LTA for US$130 million. Our major disposals programme is approaching completion, with the remaining investments in FirstRand and AECI to be sold progressively as market circumstances permit. The only substantial remaining non-core asset to be addressed is our 51% stake in The Tongaat-Hulett Group, a listed South African producer of sugar, starches and sweeteners and converted aluminium products. Given that various major expansion projects at Tongaat-Hulett have not yet reached full capacity, this may not be an opportune moment to dispose of this group for value. However, a range of disposal options will continue to be explored.

The Group going forward

As a result of this reorganisation, and particularly if the proposed transaction with De Beers is approved, the Group will comprise five operating divisions in Coal, Base Metals, Forest Products, Ferrous Metals and Industrial Minerals; two major listed subsidiaries, AngloGold and Anglo Platinum; and a 45% interest in De Beers, freed of any cross-holding constraints and focused purely on adding value in that sector.

Group issues

It is essential not only that divisions perform at an optimal level but that the Group itself adds value. We are determined to maximise synergies. For investors, the Group provides a route to the diversification of risk through exposure to a range of commodities. The centre complements the divisions by providing strategic direction, financial strength, benefits of scale and shared support services, including access to a wealth of technical and financial expertise, a cadre of top quality staff, and a sound and ethical reputation which underpins goodwill amongst our stakeholders.

Costs

As part of Anglo American's merger with Minorco and its listing on the London Stock Exchange, we embarked on a major cost cutting and rationalisation exercise across the Group. During the last two years the Group has achieved cost savings in excess of US$290 million per annum. These efforts will continue with ongoing focus on operational efficiencies.

E-commerce

During the year we became a participant in the mining and commodities e-procurement vehicle, Quadrem, which was launched in May 2000. This should unlock significant cost savings and e-trading opportunities for our Group in future years and even greater exposure and access to world markets. We are seeking to ensure that the Group is configured internally to maximise these e-business opportunities. Several divisions are also exploring e-selling opportunities geared specifically to their particular product range.

Human resources

We have a talented, effective and motivated workforce and we regard it as vital that their remuneration is closely related to their performance in enhancing shareholder value. In particular, the introduction of the proposed Long Term Incentive Plan scheme for the most senior management, coupled with the existing annual bonus scheme, tied to pre-set objectives for both the Group and individuals, and the further extension of share option schemes to appropriate levels in the Group will all help to link the efforts of our employees to those of shareholders to realise value for all participants. Further efforts will continue to develop and progress our employees at all levels.

Safety, health and the environment

As part of Anglo American's transition to becoming a fully fledged international player in the mining and natural resources sectors, the Group has embraced a comprehensive set of standards and policies to ensure that the maximum safety, health and environmental standards are attained. Although further work is needed, significant strides have been made and safety records have improved. It is both disappointing and unacceptable that we still incur fatalities, particularly in our deep level underground mining operations, but strenuous efforts are being made to eliminate work-related deaths and significant injuries across the Group.

Our environmental standards are stringent and the Group Safety, Health and Environment Committee continues to set challenging and demanding standards.

Outlook

The increasing evidence of an economic slowdown in the United States and recent weakening economic conditions in parts of Europe could have implications for global growth and, therefore, commodity prices. While the recent moves by the Federal Reserve Bank to stimulate US growth have been positively received, there is still considerable uncertainty regarding global economic growth levels for 2001.

The Group's major operating divisions are all well positioned on the cost curve to generate profits and cash flows even during any slowdown. In addition, the Group's balance sheet is conservatively geared and we will continue to look for opportunities to add shareholder value during the coming year.

Appreciation

I would like to thank Julian Ogilvie Thompson for his unstinting support and wise guidance during the past year and, in particular, in relation to handing over to me the responsibilities of chief executive officer.

I would like to thank all the staff of Anglo American for their outstanding efforts in helping the Company attain this year's excellent results.



Tony Trahar
Chief Executive

Anglo American is striving to ensure that each of its operating divisions is a world-class business, enhancing shareholder value





Large picture
> Coal stacker at Richards Bay Coal Terminal, in which Anglo Coal is a major shareholder. The coal arrives on trains on a 550-kilometre dedicated rail link and is loaded at a rate of 5,500 tonnes per hour, prior to being shipped from South Africa to world markets

Map
> Australia, coal operations

Small picture
> Refining of platinum at Rustenburg Platinum, South Africa



With its subsidiaries, joint ventures and associates, Anglo American is a global leader in gold, platinum and diamonds, a major player in coal and a significant force in the United Kingdom and continental Europe in industrial minerals and paper and packaging.





As one of the world's leading mining and natural resource groups, many of Anglo American's operations are ranked among the world's best. Anglo American's gold, platinum and coal businesses are already global leaders in their field, while associate De Beers is the undisputed leader in the world's diamond industry. World-class, for Anglo American, means that its mines produce on a large scale, have long lives and are internationally cost-competitive.

In the past year, Anglo American has shown that there is much profitable growth still to come from development of its existing assets, from focused exploration, carefully chosen joint ventures, astute acquisitions as well as technical innovation. Growth is based on solid foundations and the experience gained in developing world-class assets is used to bring others into that category.

Anglo American has a strong balance sheet and access to global capital markets. It is of a size and diversity that afford economies of scale not available to most other natural resource groups. It has the ability to attract skilled and energetic people and is at the forefront in the industry's use of technology.

Anglo American has had to change as competition becomes increasingly fierce. Management has been streamlined to speed up decision-making. Operations have been carefully focused. Throughout 2000, good progress was made with the disposal of non-core operations – raising US$1.3 billion, and US$3.5 billion since the disposal process began in earnest some three years ago – and there is more in the pipeline.

Anglo American aims to build a uniquely attractive collection of world-class assets across its divisions. In May 2000, Anglo Platinum, the world's major primary producer of platinum, announced a US$2.1 billion expansion to increase output by 2006 by no less than 80%, from around 1.9 million ounces to some 3.5 million ounces per annum, an investment made possible because of the huge potential of the platinum group metals deposits in South Africa.

As one of mining's global leaders, Anglo American aims to have operations that either are major participants in their particular niches – the Forest Products division, for instance, is the world's biggest producer of industrial sacks and is a market leader in certain countries in specialised packaging and uncoated papers – or are substantial players in a particular region, like the Industrial Minerals division in the UK.

The Group's expertise can quickly be applied to new operations or acquisitions. For example, lessons in logistics, flexibility and transportation skills at its South African coal operations are now being put to good use in Colombia.

From left to right
> The vast 'super pit' at Mantos Blancos copper mine in Chile's Atacama desert
> Hoist winder drums at one of the world's deepest mines, AngloGold's Mponeng in South Africa
> In South Africa, Premier mine, which celebrates its centenary next year, has produced more famous diamonds than any other mine
> Dragline foreman Bill Collier and electrical foreman Moses Matlala looking down an exposed coal seam at Anglo Coal's Landau colliery, South Africa

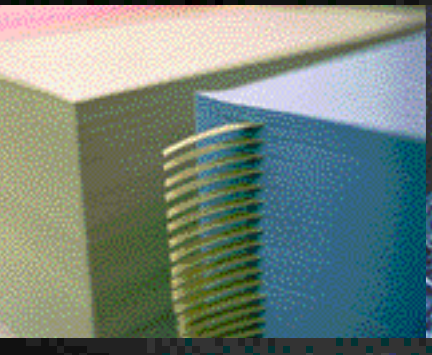


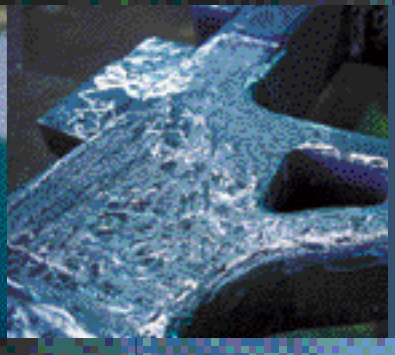


One of Anglo American's competitive strengths is its development and application of proprietary technology. To give two examples: Anglo's Spectrem is an invaluable exploration tool, an airborne electromagnetic system that can penetrate up to 500 metres below surface when searching for deep massive sulphide orebodies; also, Anglo American's novel solvent extraction technique will be used prior to electro-winning and production of low-cost zinc metal at the Skorpion complex in Namibia, due to come on stream in 2003.

Anglo American is also a founding shareholder and equity participant in Quadrem, a business-to-business electronic marketplace that will transform the way the industry does its buying.

Anglo American mines, and refines, an array of minerals and natural resources that are vital to today's high-technology world

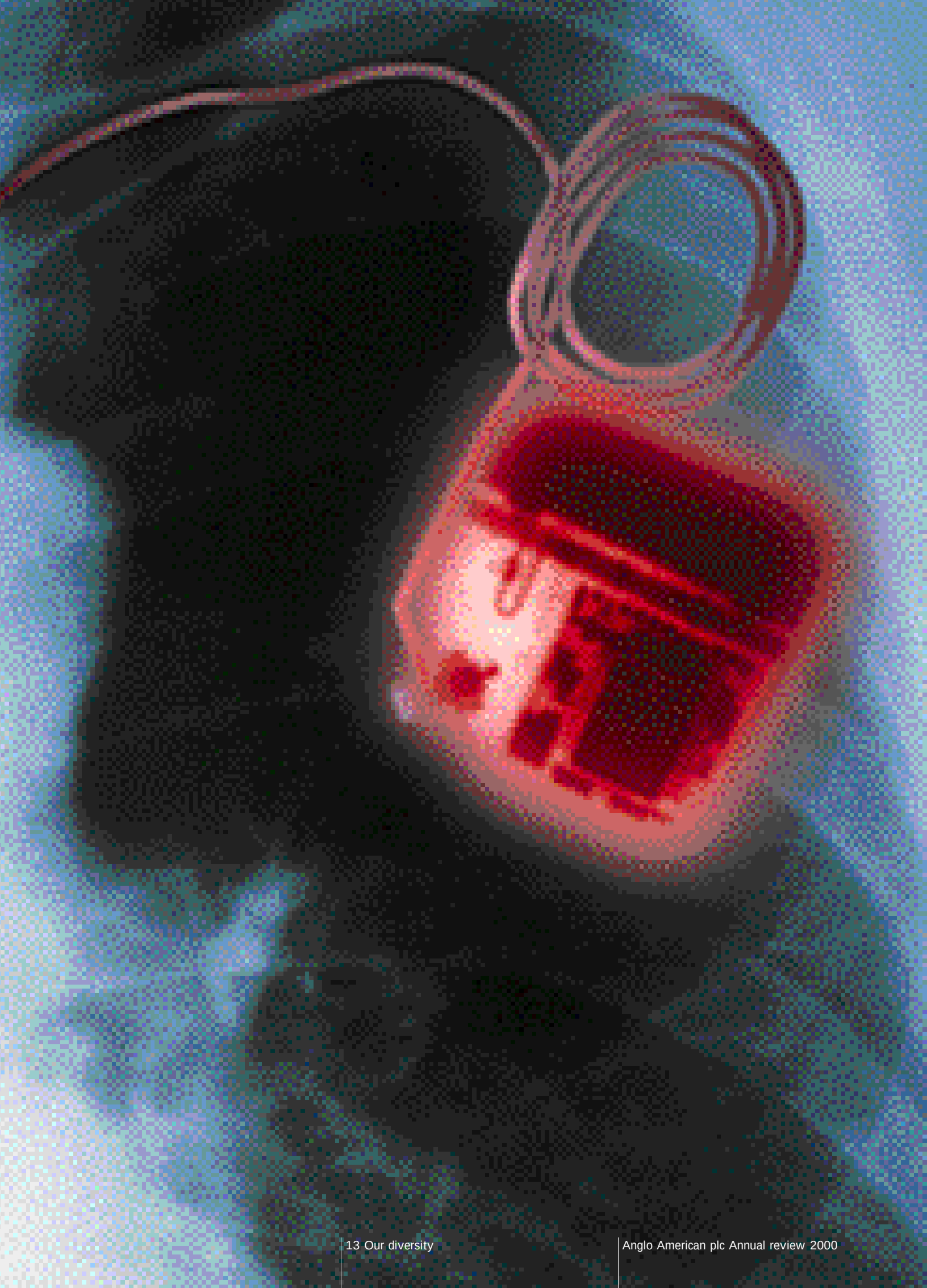






Main picture
> Pacemaker containing platinum electrodes that are used in the treatment of irregular heartbeat

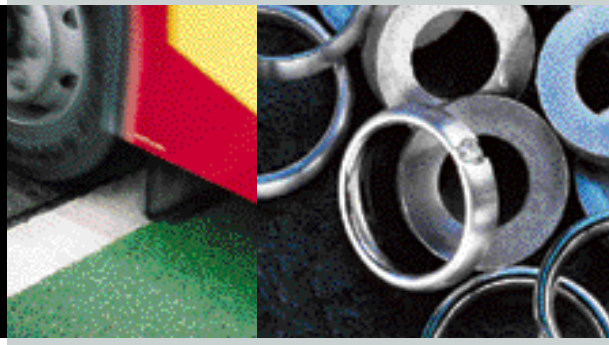
Small pictures from left to right
> Austria-based Neusiedler manufactures a wide range of high-grade papers for the expanding desktop publishing and office communication market
> Rough casting of locomotive bogie frame, Scaw Metals, South Africa
> Mobile phone incorporating palladium in its multi-layer ceramic capacitor and cobalt in the battery



Adding value to a powerful world of resources

Anglo American draws great strength from the diversity of its operations. It produces a wide variety of commodities in many different countries and this provides a natural hedge against commodity price movements and exchange rate fluctuations. This also provides some protection against volatility of profits as prices of these commodities rarely move in tandem.

Anglo American is also evolving a more balanced geographical spread of operations. It has long been Anglo American's approach to rely as far as possible upon locally employed, rather than expatriate managers. As its focus has widened to become increasingly global, Anglo American now employs people from many cultural backgrounds whose diversity has enhanced the Group.



Pictures from left to right
> Mastertint pigmented asphalt is one of Tarmac's many branded products available for use, for example, on local authority traffic demarcation schemes
> 'Washers' struck from platinum sheets are crafted into wedding and engagement rings
> Demand for gold for jewellery fabrication alone continues to comfortably exceed newly mined supply
> With electrification continuing apace in the developing world, and electricity increasing its share of the energy market in the developing world, wire and cable will remain a growing market for copper
> Magnified image of a section of the 203 carat Millennium Star

Future growth for Anglo American will come from a variety of materials and products that are part of our everyday lives. Demand has been consistently strong for platinum group metals on the back of growth in the market for jewellery and for autocatalytic and industrial uses. Most exciting of all is that platinum lies at the heart of fuel cell technology which looks set to play a critical role in producing 'clean' power. Diamonds and gold continue to enter new markets, in particular China and India, stimulating further consumer demand for jewellery.

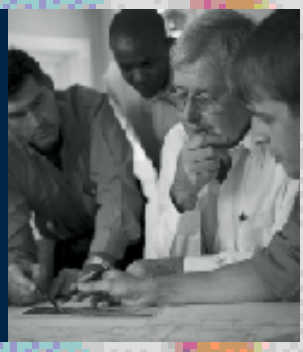
Coal continues to play a crucial role in meeting global energy needs, especially in those countries where there are few viable alternative energy sources. Future growth for Anglo American will also come from a wide array of materials such as copper, which is used for electricity supply and pipes as well as interactive communication; nickel and stainless steel for many household items; and phosphates in detergents. Paints used to brighten and protect our homes generally contain titanium dioxide from mineral sands to add colour. Zinc has a number of applications, most importantly in corrugated iron used in housing, and its anti-corrosive properties have a wide range of uses.

As the leading producer of aggregates and asphalt in the UK, Tarmac's products are used across a broad spectrum, from housing construction to road building. Distribution of materials and products around the globe is becoming ever more complex, calling for packaging that meets demanding requirements. In this respect, Mondi plays a key role as the world's largest industrial sack producer.

Anglo American is producing all these materials and more. The breadth of Anglo American's product base and its varied role in infrastructure and manufacturing underpin a portfolio of businesses with a healthy spread of risks and strong prospects for demand.







Main picture
> Ben Magara, assistant mine manager at Anglo Coal's Landau colliery in South Africa, points out rehabilitated areas at the mine

Small pictures from left to right
> Manneka Mosisili, a chemist, at Anglo American Research Laboratories in Johannesburg, South Africa
> In South Africa, a Premier diamond mine team analyses the proposed expansion project



The Group's employees represent an unparalleled range of experience in the world of natural resources

Anglo American has encouraged a policy of localisation throughout the 40 countries in which the Group operates

Michaela Schlemmer is an operator in the special finishing department at Neusiedler, an Austrian paper company that forms part of the Anglo Forest Products division

A few years ago, Neusiedler, which is based in the small Austrian town of Hausmening, was producing only 300,000 tonnes of paper a year, but now annual output is 1 million tonnes and the company has grown to be Europe's biggest producer of office communications paper. This was achieved in the face of stiff competition from rivals and by careful attention to customers' requirements. Michaela, who joined the company in 1972, works in a department set up two years ago to cater for special orders. For example, a customer might want different coloured sheets of paper in the same package yet no machine has been developed to cope with that kind of requirement. Michaela's workload has increased as Neusiedler has grown rapidly to cope with customers' requirements and occasionally she will have to stay longer than her usual eight-hour shift to fulfil a special order in a hurry. But the expansion has made her job more interesting and "it is certainly exciting when there is much work".



Julio Lizama, head of operations, fine crushing, of the Mantos Blancos copper mine in Chile

Julio joined Mantos Blancos as a 22-year-old mining engineer. He says he particularly likes Anglo American's long term approach, which has enabled Mantos Blancos to survive critical times such as Chile's past political difficulties and severe fluctuations in the copper price.
In the early 1990s, when it seemed mining would end in another four years, Anglo American initiated a project to build a new mine and SX-EW plant at Santa Barbara that has more than doubled copper output and increased the life to at least 2015. For the second time in eight years, Mantos Blancos recently was awarded Chile's most important safety, health and environment award, presented annually by the Chilean government. Julio points out that these aspects need constant attention – and investment. In his fine crushing area, investments are constantly being made, not just to improve environmental conditions but also to optimise the process, particularly for automation in the plant.

David Cather, technical director, Tarmac, based in the United Kingdom

David, who was born in England, spent several years at Anglo American's gold and coal mines and De Beers' diamond operations in South Africa, first as an undergraduate and then after completing a mining engineering degree at the Royal School of Mines in London. He left Anglo American in 1986 to return to the United Kingdom but rejoined in 1998. David was one of the team that worked on the US$1.1 billion acquisition of Tarmac and on the integration of that company with Anglo American's own industrial minerals operations. "I was able to contribute my personal knowledge and experience of the aggregates industry," he says. "I knew the companies and the people in them. Anglo American had the financial strength and power to buy Tarmac, which has become a core business. Now we are looking at the whole of Europe for more acquisitions."

Themba Masondo, production manager at Goedehoop colliery, South Africa

Themba had an unsettled childhood because his father, Andrew, a university lecturer, was imprisoned on Robben Island for his anti-apartheid activities in 1963. At the age of 15 he followed his father's footsteps and joined the ANC in Tanzania. In spite of all the obstacles, he continued his education, emerging with a mining engineering degree from the Institute of Mining and Metallurgy in Havana, where he was sponsored by the Cuban government. After working with a consulting company for a time in 1990, Temba joined Anglo American (Trojan Nickel) in Zimbabwe and the following year was transferred to New Denmark colliery in South Africa. Themba says he feels he can best serve South Africa today by working in a job that enables him to help develop people who have previously been disadvantaged. Anglo American invests in training and development: "We look after all the stakeholders in the Company, the people who work here as well as the shareholders."





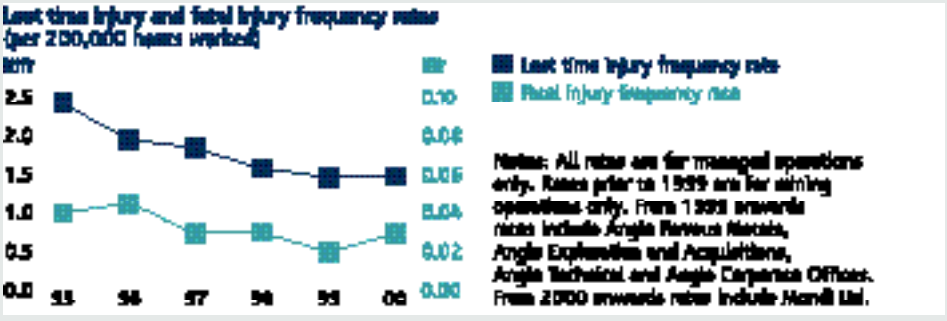


Safety, Health and Environment

We are addressing the core challenges of SHE as part of our contribution to the wider economic, social and environmental well-being in all the countries where we do business.

Our progress is reflected in our first full SHE report, which is summarised below.

Pictures from left to right
> A member of the Group's ecology team inspects grasses on rehabilitated land at a colliery in South Africa
> Children of the Mantos Blancos miners at a summer club at the Mantos Blancos sports centre, Chile





Following its creation in 1999, Anglo American plc appointed a dedicated Safety, Health and Environment (SHE) Committee of the board, and developed a new SHE policy and management principles. We undertook to provide more comprehensive public reporting on SHE matters this year. Anglo American's first stand-alone SHE report is available on our website (www.angloamerican.co.uk) and hard copies are available on request by using the reply paid postcard at the end of this report. It covers all of our managed subsidiaries and operations, but does not include our independently managed subsidiary, AngloGold, or our associate, De Beers, both of which will be producing their own SHE reports in 2001.

The safety of our workforce continues to be the top priority. It is particularly regrettable that 39 employees in our managed operations died in accidents at work in 2000, while 21 contractors also lost their lives. The figures for 1999 were 39 employees and 14 contractors. More than one-third of the deaths in 2000 resulted from rock falls underground and 16% from transport accidents; both aspects have received keen management and independent third-party attention during the year. All fatalities are unacceptable and Anglo American is taking measures to combat them. The second half of 2000 saw significant improvement. Hudson Bay Mining and Smelting's Trout Lake mine, Landau colliery and Namakwa Sands' mining operations recorded zero employee lost time injuries in 2000.

The SHE report describes the development of health management systems and the steps being taken to address the challenges of noise-induced hearing loss and occupational lung disease. A major corporate focus is on the management of HIV/AIDS and in tackling malaria in southern Africa. Although Anglo American has had an active HIV/AIDS management programme for about 15 years, the challenge in southern Africa continues to increase. We have now embarked on a major new proactive HIV/AIDS management strategy which will integrate awareness and prevention campaigns with large scale voluntary HIV testing and counselling, a programme of care for those infected and extensive prevention and treatment campaigns for sexually transmitted infections.

Malaria is the No.1 killer in the Zambian Copperbelt, with incidence rates in young children reaching 50%. In co-operation with the Zambian government's national malaria control programme, which is linked to the World Health Organisation's global 'Roll Back Malaria' campaign, Konkola Copper Mines has launched a major programme to eradicate malaria in its mining areas and surroundings. Anglo American is also working with the Business Trust to tackle malaria in South Africa, Mozambique and Swaziland.

On the environment, Anglo American's first public SHE report focuses on establishing a group baseline so that we can better measure and monitor our impact on the environment and the role we play in addressing concerns such as climate change and the responsible management and conservation of land and biodiversity.

Overall, Anglo American is committed to achieving the optimal balance between the economic, social and environmental dimensions of its businesses. As a group, we are committed to the goal of sustainable development and engaging fully in the debate about its implications. This requires continuing dialogue with such key players as governments, the global and national institutions, non-governmental organisations and academics.

To further our understanding of how the mining industry can contribute to a more sustainable future, Anglo American has come together with other leading mining companies in the Global Mining Initiative (please refer to www.globalmining.com). In this unique exercise, Anglo American is engaging with a wide cross-section of society to identify common ground and the key challenges being faced by our businesses as they seek to juggle the sometimes competing demands for excellence in economic, social and environmental performance.

Social responsibility

Anglo American has long seen business success as bringing with it obligations of good stewardship and ethical behaviour. We seek to spread the economic benefits of our operations as widely as possible.





Globalisation of the international economy and the trend towards liberalisation of trade and capital markets have created opportunities for major companies. It is also important to recognise the fears which have been created. It is incumbent on multinational companies both to make a good return for shareholders and to show the rest of society that they work to the wider benefit of the societies in which they operate.

Our operations are more likely to prosper when the communities surrounding them are stable and benefit from their presence. During 2000, Anglo American made community social investments of some US$28.2 million. If allowance is made for the Company's pro rata share of the social investments made by joint ventures and associates, this figure rises to US$31.4 million. The great majority of these funds was invested in, or donated to, projects in developing countries where most of our operators are based and where the social needs are greatest.

Hence, our emphasis on stimulating the new small businesses around our operations through a vigorous policy of outsourcing. A significant element of our community strategy in the Zambian Copperbelt, for example, is directed towards the establishment of Zambian-owned small and medium sized enterprises to supply equipment and services. Mondi South Africa invested some US$850,000 during 2000 in endowing community trusts to support the Khulanathi Growers Scheme in KwaZulu-Natal. This project was started in the mid-1990s to create forestry growing opportunities for poor rural communities. At its new Maandagshoek project, Anglo Platinum is seeking to mobilise all possible small business opportunities generated by the establishment of the new mine.

A particular challenge for our operations in South Africa is to accelerate opportunity for those disadvantaged by the past. Anglo American has been at the forefront of measures to promote black empowerment. The Company's programme to promote empowerment amounted to over US$140 million. Since the start of 2001, the transaction to transfer assets on a commercial basis from Anglo Coal and Ingwe Coal to empowerment company Eyesizwe – now South Africa's No. 4 coal producer – has been completed.

We aim to make our operations catalysts for the social progress of the communities where we work. In relation to education, the focus of three decades of corporate social investment in South Africa, the Company has been a prime mover behind the efforts of the Business Trust to upgrade the attainments of 1.5 million primary school children. Directly, the Anglo Chairman's Fund has, over the past 25 years, supported over 1,000 rural schools. In 2000, Anglo Platinum invested over US$570,000 in classroom construction and school building renovation. In schools supported by Anglo Coal in South Africa, two-thirds of the pupils come from families not connected with the mines.

In the United Kingdom, Tarmac's Lower Farm Quarry in Newbury donated specialist aggregates to support the building of a special 'sensory garden' for the Westgate Children's Care Unit. The garden has been specially designed for children with disabilities to stimulate their senses and as an extension of therapeutic regimes.

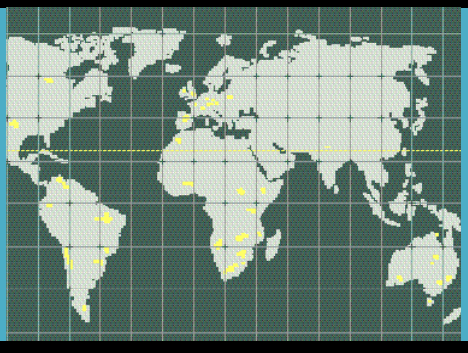
The Group's operations in southern Africa also increasingly support the health needs of their local communities and, in the case of AngloGold, of the families from which their workforce is drawn, even when they may live hundreds of kilometres from relevant operations. The threat of HIV/AIDS is particularly relevant to this and a full description of the Company's pioneering AIDS strategy is to be found in our SHE annual report.

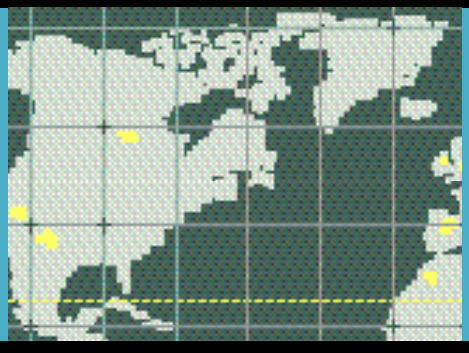
We believe that the community involvement projects supported by our Colombian coal operations are yielding excellent examples of best practice. These are carried out by the mine's social foundation. Priorities are established by the communities and local government and current projects include: updating the training of local teachers; the creation of small enterprises; the installation of infrastructure designed to improve sanitation and health; and special programmes for indigenous communities.

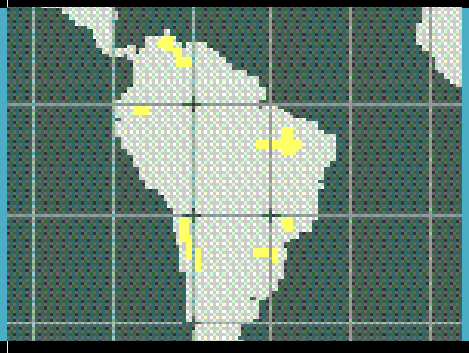
We are increasingly promulgating our culture of community involvement to operations worldwide. Our objective is to help empower communities to manage their own development. This involves being prepared to stand back and to listen with care, to engage a cross-section of community representatives and to proceed with due sensitivity to cultural sensitivities and diversity. The Company has adopted a stakeholder management policy to guide operations in meeting the increasing range of accountabilities that society expects of them.

Group profile

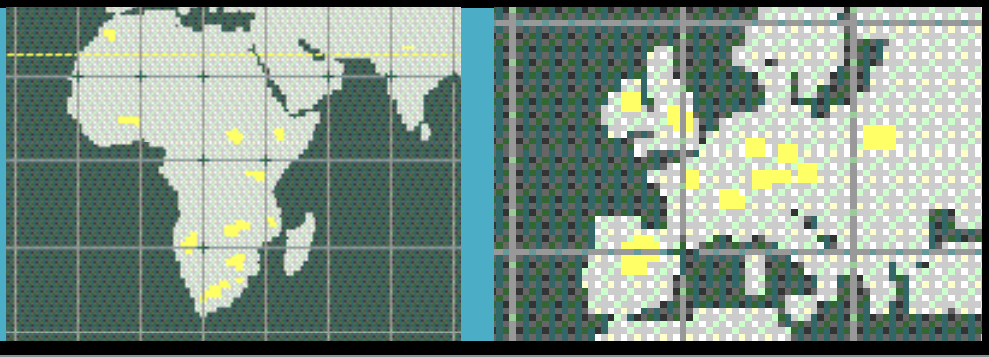
Anglo American's resource base: keeping the world turning







Our businesses	Contribution to headline profit	Profile
Gold	10%	AngloGold is the world's largest gold company, producing some 7 million ounces of gold annually. AngloGold operates throughout Africa, in Australia and North and South America.
Platinum	25%	Anglo Platinum is the world's largest producer of platinum, with an annual output of 1.9 million ounces of platinum as well as substantial quantities of palladium and rhodium.
Diamonds	16%	De Beers is the world's leading producer and marketer of rough gem diamonds. The company has interests throughout Africa, in Europe and North America.
Coal	7%	Anglo Coal is the fifth largest private-sector producer of coal in the world and a major exporter. Anglo Coal produces a range of thermal and metallurgical coals at its operations in South Africa, Australia and South America.
Base metals	7%	Anglo Base Metals produces copper, zinc, nickel, lead and mineral sands. Anglo Base Metals has operations, investments and interests throughout Africa, Europe, Australia, North and South America.
Industrial minerals	8%	Anglo Industrial Minerals is the No. 1 UK producer of aggregates and asphalt and the No. 2 ready-mixed concrete producer. Its interests are in building materials in the UK and continental Europe and fertilisers in the UK and Brazil.
Ferrous metals	4%	Anglo Ferrous Metals produces chrome, manganese, carbon steel, stainless steel, vanadium and niobium. Operations are in South Africa, Australia, Brazil and Zimbabwe.
Forest products	15%	Anglo Forest Products (Mondi) is an international, integrated forest products and packaging group. Mondi has operations and interests in Europe, South Africa and Brazil.



Products and uses	Significant events during 2000
Gold is used for jewellery and as a form of investment.	In 2000, AngloGold progressed in its strategy of moving away from high cost deep mining through the acquisition of interests in Geita (Tanzania) and Morila (Mali) for US$337 million and the development of the Yatela project (Mali). This strategy of low cost mines has been complemented by the disposals of Deelkraal and Elandsrand (South Africa) for US$132 million, both of which were high cost deep level mines.
Platinum is predominantly used for jewellery, but also has important applications in autocatalysts as well as a wide range of other industrial uses.	Anglo Platinum approved a US$2.1 billion expansion programme to increase annual platinum production to 3.5 million ounces by 2006.
Diamonds are used for jewellery, but also have industrial uses.	In 2000, De Beers underwent a radical shift in its approach to the marketing of diamonds. Through The Diamond Trading Company (DTC), De Beers is repositioning itself as "supplier of first choice". De Beers has also embarked on a new marketing joint venture with Louis Vuitton Moët Hennessy to develop the global consumer brand potential of the De Beers name.
Coal is used in electricity generation and district heating, steel, cement and other industrial processes.	Anglo Coal has undergone significant changes in 2000 through its acquisitions of Shell Coal (US$959 million), and a one-sixth stake in Cerrejón Zona Norte (US$159 million). Anglo Coal has successfully positioned itself as a key player in both the Pacific and Atlantic coal markets through its tripod strategy based on operations in Australia, South Africa and South America.
Copper is used primarily in wire and cable, but also in brass tubing and pipes. Zinc is used predominantly in galvanising and nickel is mostly used to produce stainless steel.	In September, Anglo American approved the Skorpion Zinc project (US$454 million), which will increase Anglo Base Metals' zinc production by 150,000 tonnes per annum. In May, Anglo Base Metals approved the Black Mountain Deeps project (US$110 million). In March, Anglo Base Metals acquired the outstanding minority stake in Mantos Blancos (US$95 million) and acquired, through ZCI, a controlling interest in KCM's Zambian copper interests.
Anglo Industrial Minerals produces aggregates, asphalt, ready-mixed concrete, concrete blocks and flooring, block paving and other construction materials.	During 2000, Tarmac (US$1.1 billion net of disposals) was acquired. This acquisition has pushed Anglo Industrial Minerals to the forefront of the building materials market in the UK and also has provided a solid base on which to develop in Europe. Central Europe poses the best growth opportunities, owing to its growing need for infrastructure and high growth rates.
Anglo Ferrous Metals produces chrome, manganese, carbon steel, stainless steel, vanadium and niobium.	During the year, an additional 30% stake was acquired in Catalão, making it a wholly owned operation.
Anglo Forest Products manufactures pulp, graphic papers, packaging papers and converted packaging, solid wood products such as mining support timber, and wood chips.	Mondi acquired Assi Sacks (US$490 million) as well as increasing its stake in Frantschach to 70% and acquiring the minorities in Neusiedler (US$234 million). Frantschach disposed of its pulp assets. These transactions have moved Mondi Europe more downstream to higher value-added businesses.

2000
10%

1999
16%

Contribution to headline profit

2000
2,211

1999
2,235

Turnover US$ million







Gold

AngloGold, our independently managed subsidiary, is the world's leading producer of gold, with an output of some 7 million ounces a year.

Market

After sharp movements in the gold price in 1999, the spot price traded for most of 2000 within a range of US$20 per ounce. At US$279 per ounce, the average spot price was the same as in 1999. However, the overall trend was an easing of the gold price down towards a tight range around US$270 per ounce.

During 2000, the currency markets saw considerably more action than the gold market. Much of this activity was driven by the strength of the dollar.

For the first time in several years, gold sales by the official sector caused no evident dislocation or depression of the gold price. The physical markets once again provided important support at times of price weakness, and steady offtake at other times. It is likely that global offtake of the metal will be a little below the record high levels of recent years, with a fall-off particularly in investment demand. There were also significant regional shifts in offtake.

Looking to the remainder of 2001, most commentators see the gold price in a stable state, with little likelihood of significant weakening. Evolving circumstances in the currency and interest rate markets are likely to support the metal, but the absence of investment interest in gold remains an important factor in the current price trend.

Marketing

AngloGold aims to extract value from gold wherever possible throughout its life-cycle – from mining to retailing. During 2000, AngloGold spent some US$12 million in gold marketing initiatives. Of this, some US$7 million went directly to the World Gold Council.

During the year, AngloGold carried out a number of marketing activities, including the sponsorship of high-profile national and international events; consumer research in important markets; lobbying in respect of achieving a deregulated market for gold, particularly in China; new product development and technical training.

An important move was the creation of an e-commerce business in gold, GoldAvenue. A collaborative effort between AngloGold, JP Morgan and PAMP (Produits Artistiques de Métaux Précieux), GoldAvenue is an independent venture that offers a comprehensive range of products and services for businesses, investors and consumers in the gold market, primarily through the Internet.

In 2001, AngloGold will dedicate a further US$17 million towards its expanded worldwide marketing campaign, both on its own and through its contribution to the World Gold Council.

Operations

2000 was a tough year for the gold industry and AngloGold. The gold price continues at a 20-year low and AngloGold's operational performance in South Africa was disappointing. In contrast, the year saw a major expansion launched at the key Australian mine, Sunrise Dam;

Pictures from left to right
> Ian du Plessis, a rope inspector at Mponeng gold mine, checks hoisting gear
> One-kilogram gold bar of 99.9% purity emerges from final refining
> Inspection team uses a kibble to descend a shaft at Mponeng gold mine
> A new shift starts the day at the Bafokeng-Rasimone platinum mine
> Platinum 'washers' to be used in crafting engagement and wedding rings

2000
25%

1999
15%

Contribution to headline profit

2000
2,368

1999
1,428

Turnover US$ million





the launching of a new mine, Yatela, in Mali; and the acquisition of substantial interests in two other African mines: Morila, also in Mali (for US$132 million, with a project finance provision of US$36 million), and Geita in Tanzania (for US$205 million, with a project finance provision of US$67 million). These expansions will contribute some 20 million ounces of production, at an average cash cost of US$175 per ounce over the next 15 years.

In December 2000, an agreement in principle was reached to dispose of the Deelkraal and Elandsrand mines in South Africa to Harmony Gold Mining Company for US$132 million, in line with AngloGold's strategy of concentrating on higher margin, longer-life operations.

Outlook

In 2001 and beyond, AngloGold faces the major challenges of improving operating performance in South Africa and driving down costs. Management has set a target of reducing overhead costs by at least 10% during 2001 and, in South Africa, to hold operating costs neutral in Rand terms. Elsewhere, despite significant exposure to higher fuel prices, cost savings are being sought across the board.

AngloGold expects to produce 7.1 million ounces of gold in 2001 at an average total cash cost of US$190 per ounce.

Platinum

Anglo American's platinum group metals interests are held through Anglo Platinum, the world's leading primary producer of platinum.

Market

Robust consumer demand and uncertainties regarding future supply boosted prices during 2000, and platinum reached a 13-year high of US$625 per ounce in mid-December. The palladium price, which started the year at around US$440 per ounce, thereafter fluctuated erratically, but had increased by 121% to US$972 on 27 December.

Demand for platinum in 2000 increased by 1.2% to a record 5.7 million ounces owing to firm demand. Total supplies were 9.3% higher at 5.3 million ounces following substantially higher shipments from Russia in response to an amendment of restrictive aspects of Russian legislation.

Despite the strong upward price trend, overall demand for platinum jewellery for fabrication continued to expand. In Japan, demand faltered slightly as the rising price led to other jewellery metals gaining market share. Fabrication of platinum jewellery continued to expand in China, notwithstanding higher prices (and strict tax law enforcement), and also continued to grow in the United States and Europe.

After three years of decline, the use of platinum in autocatalysts recovered. Higher loadings of platinum on catalysts fitted to diesel vehicles in Europe and an increase in diesel vehicle sales in this region were largely responsible for the recovery.

2000
16%

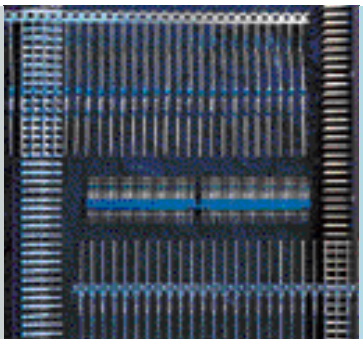
1999
12%

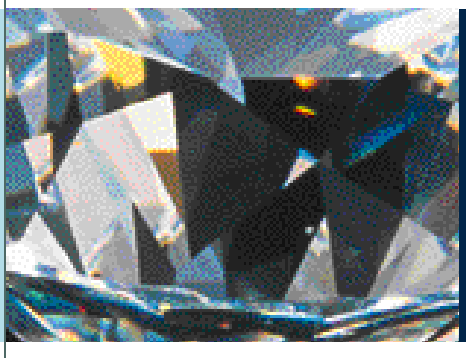
Contribution to headline profit

2000
2,034

1999
1,809

Turnover US$ million





Industrial demand for platinum is estimated to have risen by some 8%, with rising consumption in the electrical and glass sectors offsetting lower chemical sector offtake.

Net demand for platinum investment products was negative in 2000, as higher prices encouraged Japanese investors to offload substantial quantities of platinum.

Operations

In 2000, there was a 7.5% increase in tonnes milled, to 24.6 million tonnes. This improvement was achieved despite exceptionally high rainfall in the first quarter, sporadic incidents of industrial action during the year and a month-long strike over wage demands. However, lower grades and reduced concentrator recoveries more than offset the effect of the increased tonnage milled. In addition, refined production in 1999 benefited from the release of a substantial amount of material from the process pipeline into refined production. Refined platinum production declined by 151,000 ounces or 7.5% to 1.87 million ounces, while palladium declined by 6.9% to 946,600 ounces.

The high metal prices received more than compensated for the reduced output. With the exception of Bafokeng-Rasimone, which is still increasing production, the credit received for other metal revenues exceeded the cost of production of platinum.

In May, Anglo Platinum announced it would increase annual production from some 1.9 million ounces to 3.5 million ounces by the end of 2006. The additional metal will be sourced from mine expansions and several new mines, all in South Africa. The capital expenditure required for the expansion of mining and processing capacity was estimated at some US$2.1 billion.

In December, Anglo Platinum reached agreement with the South African government whereby the company was granted 25-year mineral leases (renewable for a further 25 years) over farms it intends mining on the eastern limb of the Bushveld Igneous Complex in order to meet its expansion target.

Outlook

Provided the restrained Russian selling pattern and a sound global economic climate persist, platinum group metals (PGM) markets are expected to remain firm. Should PGM prices and the Rand/US dollar exchange rate remain at current levels, it is expected that earnings for 2001 will show a significant improvement on those achieved during 2000.

Diamonds

De Beers remains the No.1 name in the world's diamond industry.

Pictures from left to right
> Palladium demand by the electronics sector accounts for around 2 million ounces a year
> Magnified image of polished diamond
> Miners emerge from a lift cage at the end of a shift at De Beers' Premier mine, South Africa
> Exterior shot of Premier mine





Anglo American's diamond interests are represented by its 32.2% shareholding in independently managed De Beers which, with its partners, is the world's largest producer by value of gem diamonds.

Diamond sales

The year was an exceptional one for De Beers and the diamond industry. The Diamond Trading Company (DTC) achieved record sales of rough diamonds of US$5.67 billion, 8% higher than for 1999. The US market, which now accounts for nearly 50% of world diamond retail sales, continued to grow, underpinned by the positive economic environment and boosted by the impact of the De Beers Millennium advertising campaign. All major retail markets, with the exception of Japan, showed positive growth, and the very good Christmas season in 1999, together with the retail sales outlook for 2000, encouraged the trade to restock.

The Diamond Trading Company (DTC)

Following the strategic review embarked upon in 1999, a primary task of the DTC (formerly the Central Selling Organisation, or CSO) has been to improve diamond demand by moving the DTC towards becoming a supplier of first choice. It is a long term strategy aimed at transforming the DTC into a more focused, marketing-oriented organisation, responsive to the needs of the diamond market, and better placed to withstand its volatility.

It was announced in January 2001 that a joint venture had been established with Louis Vuitton Moët Hennessy to develop the global consumer brand potential of the De Beers name.

During 2000, the five-year sales agreements with Debswana and Namdeb were renewed. The DTC continued to purchase rough supplies from Alrosa (Russia's diamond mining company) and completed the first year of a three-year contract to purchase 35% of production from the Ekati mine in Canada.

Investments

During 2000, De Beers acquired 100% ownership of the Venetia mine from Anglovaal Mining (Avmin) and Industrial & Commercial Holdings. De Beers also took its interest in Finsch mine to 100% by acquiring Avmin's 20% interest.

In November, De Beers acquired 100% of Winspear Diamonds. Winspear had owned a 67.8% interest in, and operated, the Snap Lake project in Canada's Northwest Territories. In December, De Beers reached agreement with Aber Diamond Corporation for the purchase of its 32.2% interest in the Snap Lake project, a deal which was concluded in February 2001.

Mining operations

The combined production of De Beers and its partners, Debswana and Namdeb, totalled 36.5 million carats, an increase of some 4 million carats over 1999.

New projects

De Beers is proceeding with its Combined Treatment Plant project in Kimberley. The plant will incorporate the most advanced diamond recovery processes. If approved later this year, shaft sinking operations for the new C-Cut project at Premier mine would start early in 2002. Full production would be in 2009.

Outlook

Although the US market showed overall positive growth, the third quarter had already seen a slowdown and the Christmas 2000 season was disappointingly below expectations. The American trade is consequently currently in an over-stocked position. Sales prospects for 2001 will be negatively influenced by the time it will take to rectify this imbalance, and will also depend on the general economic outlook for the United States and elsewhere. Against this background, the DTC's own current sales target is US$4.8 billion for 2001.

De Beers transaction

On 15 February 2001, DB Investments (to be 45% owned by Anglo American) announced that an agreement had been reached with the boards of De Beers on the terms of a recommended transaction which is intended to result in the elimination of the cross-holding between De Beers and Anglo American and an increase in Anglo American's interest in De Beers from 32.2% to 45.0%.

2000
7%

1999
6%

Contribution to headline profit

2000
967

1999
787

Turnover US$ million







Coal

Anglo Coal is the fifth-largest private sector coal producer in the world.

Market

Market conditions for internationally traded coal improved as spot price increases were reflected in all markets. This upward trend was most pronounced in the editerranean-Atlantic market. Total export sales amounted to 24 million tonnes, an increase of 35% over 1999, mainly due to the first contribution from the acquisitions in Australia.

Operations

South Africa

Total electricity generated by Eskom, the South African power utility, was 3% higher, reflecting steady growth in electricity demand. Floods in Mozambique damaged transmission lines from the Cahora Bassa hydro-electric scheme early in the year and Eskom had to fall back on coal-fired generating plants. Anglo Coal's Eskom sales were 36 million tonnes. This was 6 million tonnes lower than in 1999 owing to the disposal of Gold Fields Coal Limited to Eyesizwe Coal, a black empowerment company, effective July 2000. Other South African inland sales amounted to 1.8 million tonnes, a decline of 0.4 million tonnes overall.

Colombia

Carbones del Cerrejón (CdelC) raised exports by over 100% to 2.9 million tonnes, resulting in substantially lower unit costs. Anglo Coal's attributable sales in 2000 were 981,000 tonnes. The gaining of rail access to Puerto Bolivar on the Caribbean, thereby eliminating longer transportation by truck to Santa Marta, has led to reduced distribution costs.

A feasibility study to expand output at CdelC to 9 million tonnes per annum was presented to the joint venture partners in June. An environmental permit is awaited, and discussions are in progress regarding the capacity of the first phase of the rail and port expansion.

In January 2000, Anglo Coal and Glencore each increased their holding in CdelC to 50% through the purchase of Rio Tinto's one-third participation. This shareholding was onsold to Billiton in September, effective January 2000. In November, the Anglo Coal/Glencore/Billiton consortium acquired the Colombian government's 50% interest in the Cerrejón Zona Norte (CZN) mine complex. In 2000, CZN produced 18.6 million tonnes of coal, Anglo Coal's attributable share being 0.4 million tonnes for the 1.5 month ownership period exceeding Anglo Coal's valuation assumption. This acquisition is expected to contribute over 3 million tonnes per annum of attributable coal sales for Anglo Coal.

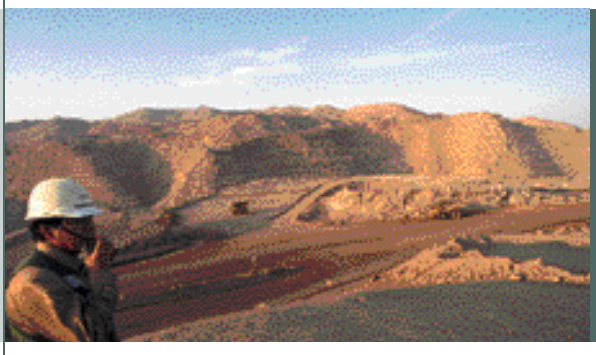
Australia

In July 2000, Anglo Coal completed the purchase of the entire shareholding of Shell Coal Holdings Limited, which included its Australian and Venezuelan assets. Certain minority interests were acquired during the year in Callide, Drayton and German Creek, bringing the total investment to US$1 billion, including debt. The Australian operations performed largely to expectation, although Moranbah North's performance was disappointing, owing primarily to a lengthy mechanical failure. German Creek's output was below

Pictures from left to right
> Haul truck climbs out of an opencast working at Landau colliery, South Africa
> Dragline at an open-cut operation in the Callide Coalfields in central Queensland, Australia
> Drilling after heavy rains at the Carbones del Cerrejón coal deposits in northern Colombia
> In Chile, the Mantos Blancos (pictured) and Mantoverde mines together produced a record 155,000 tonnes of copper in 2000

2000 7%
1999 7%
Contribution to headline profit

2000 1,503
1999 1,163
Turnover US$ million



target because of difficulties associated with gas drainage at the longwall as well as production problems in the opencast section. Callide's results continued to demonstrate steady improvement. Drayton had an outstanding year and achieved both production and productivity records. Dartbrook attained a consistent level of production and development missing from earlier years. In the five months since their acquisition, attributable coal sales from the Australian operations contributed 8.2 million tonnes, and it is expected to increase to 24 million tonnes for the full year 2001.

Outlook
The Australian, Colombian and Venezuelan acquisitions are an important step in Anglo Coal's globalisation strategy aimed at securing a mix of low cost production in a diverse range of countries to supply both domestic and international markets. These acquisitions will take Anglo Coal to more than 76 million sales tonnes per annum, an increase of over 50%. A steady performance is expected in domestic sales revenues and a robust performance in export markets, where US dollar prices, particularly in the Mediterranean-Atlantic basin, have increased significantly. Negotiations with major Asian customers are in progress and although these are not expected to be concluded quickly, market fundamentals support the likelihood of price rises for both metallurgical and thermal coals.

Base metals
Anglo Base Metals has operations, projects and investments in South America, Ireland, Canada, Australia and southern and central Africa from which it produces copper, nickel, zinc, titanium, zircon and their associated by-products.

Market
The cash price of copper averaged 82 US cents/lb, an increase of 15% over 1999. The structural surplus that had depressed the copper market from mid-1997 disappeared from the end of the first quarter, leading to a substantial deficit for the year as a whole. The price responded accordingly and trended firmer, breaking 90 US cents/lb in September, before softening on weakening economic indicators.

Nickel performed well in the first half of 2000 on the back of strong stainless steel demand, a tight physical market and falling London Metal Exchange (LME) stocks. The average price was US$3.92/lb, 44% above the US$2.73/lb for 1999.

Although the average zinc price increased by 5% to 51 US cents/lb from 49 US cents/lb in 1999, with good demand leading to a 30% decline in LME stocks despite continuing high levels of exports from China, the zinc price traded nervously for much of the year before slipping to an 18 month low by the end of December.

Operations
Copper
In March, Anglo American bought out the minorities of Chilean listed Mantos Blancos for US$95 million. Mantos Blancos achieved a record production of 155,000 tonnes in 2000.

Pictures from left to right
> Copper cathodes of 99.9% purity in the tankhouse at Mantos Blancos, Chile
> Installing new ventilation shafts for Konkola mine's No. 3 shaft, Zambia
> The main C and D shaft headgears at Nchanga underground mine, Zambia
> Operations manager Gareth Stratford and quarry shift controller Ken Hibbert at Tunstead quarry, part of the Tarmac Group's Buxton Lime Industries, which is the UK market leader in lime production
> Inside the stone processing plant, Tunstead quarry
> Tarmac's Masterflex, the first thin surfacing system to gain full regulatory approval in the UK, is helping to cut noise on Britain's roads





Despite anticipated declining ore grades, 2000 was another good year for the Collahuasi mine in Chile, with record copper production of 436,000 tonnes owing to improved performance in throughput at both the concentrator and cathode plant, and further process efficiencies. In the fourth quarter of 2000, Collahuasi commenced the preparation of a feasibility study of an expansion in treatment capacity from 60,000 to 110,000 tonnes per day, to maintain production close to present levels in the face of declining ore grades.

The feasibility study has been completed of the Quellaveco copper project in Peru and is being reviewed by shareholders.

Palabora Mining in South Africa had a difficult year owing to flooding and operational difficulties in the smelter.

The Group acquired a 65% interest in Konkola Copper Mines PLC (KCM), through ZCI, on 31 March 2000. KCM had in turn acquired the Nchanga and Konkola operations and the Nampundwe pyrite mine from state-owned Zambia Consolidated Copper Mines Limited. Production for the nine-month period totalled 125,400 tonnes and it is anticipated that full production of 20,000 tonnes of copper per month will be achieved in 2001 as benefits of the refurbishment programme and the increase in developed reserves take effect. The feasibility study for the Konkola Deep Mining project is nearing completion.

Nickel

In Brazil, Codemin's nickel production of 6,347 tonnes was marginally down owing to unscheduled plant maintenance.

First metal production from the new Loma de Níquel mine in Venezuela took place in January 2001. The delay from the previous planned date of July was caused by construction and supply difficulties.

In Botswana, the Tati mine performed well producing 6,484 tonnes in 2000, largely recovering production losses experienced in the first quarter owing to excessive rains.

Zinc

In South Africa, Black Mountain's production was slightly lower than 1999, largely owing to lower grades as the existing Broken Hill orebody reaches the end of its life. In May 2000, the Deeps Project was approved, with an estimated capital cost of US$110 million.

Hudson Bay Mining and Smelting (HBMS) in Canada had a disappointing year. A mid-year explosion in the copper smelter halted copper production for 10 weeks. This was followed by flooding in the Ruttan mine which caused the loss of a further 12 weeks' concentrate production from that mine.

Commissioning of the Lisheen mine in Ireland, which commenced in September 1999, has proceeded more slowly than planned. The mine is, however, on target to reach annualised production of 141,500 tonnes of zinc and 30,000 tonnes of lead in concentrate by mid-2001.

The Skorpion zinc project in southern Namibia was approved in September 2000. The project has an estimated capital cost of US$454 million and is planned to produce 150,000 tonnes of zinc metal per year over a life of at least 15 years.

The feasibility study on the wholly owned Gamsberg zinc project in South Africa was completed in September 2000. A decision on the development of the project will be taken later this year.

The HBMS 777, Black Mountain Deeps and Skorpion projects all remain on budget and on time.

Mineral sands

In South Africa, Namakwa Sands' output increased by around 30% on 1999, reflecting improved treatment rates and mineral recoveries. Operating efficiencies for titanium dioxide production, together with improving zircon market conditions, led to a strong overall performance for the year.

Outlook

The slowdown in world growth has led to a softening in the 2001 demand outlook and a weakening in metal prices. Whilst current prices are already discounting a further economic slowdown, little improvement in metal prices can be expected until consensus is reached on whether the world economy is set to experience a 'hard' or a 'soft' landing.

2000
8%

1999
9%

Contribution to headline profit

2000
2,394

1999
1,008

Turnover US$ million







Industrial minerals

The acquisition of Tarmac has made Anglo Industrial Minerals No.1 in aggregates and the second largest in ready-mixed concrete in the United Kingdom.

During the year, Anglo American completed its US$1.1 billion acquisition of Tarmac plc. In October, the UK disposals programme was completed, raising sale proceeds of US$62 million. The planned disposal of Tarmac's US businesses was also concluded in October for US$647 million.

Operations

Tarmac Group

Overall in 2000, the markets served by Tarmac were difficult. In the United Kingdom, the main aggregates, asphalt, ready-mixed concrete and concrete products businesses all experienced subdued demand owing to continued underspending on infrastructure, exacerbated by the autumn fuel crisis and poor weather. This resulted in a modest decline in sales volumes. Prices generally increased in these businesses despite competitive pressures, although they were not sufficient to offset the reduced volumes and higher fuel and bitumen costs. Mortar volumes were down, though price increases were achieved, which helped to increase profits. The cement plant at Buxton had another good year and continued to operate at full capacity. Price improvements and cost control resulted in an increased contribution from this business.

Faced with these difficult market conditions, management focused on cost savings, particularly those arising from the integration of the businesses. As a consequence, synergies flowing from the Tarmac acquisition are likely to be higher than previously anticipated and exceed US$60 million. These benefits, resulting mainly from rationalisation of regional offices and of production capacity and from downsizing of overheads, should be felt fully from the second half of 2001.

Weak demand and over-capacity in eastern Germany continued to affect the business in central Europe. This prompted further cost reduction, which has kept the business profitable and cash-generative. In Spain, operations benefited from the booming construction industry in Madrid. Profits from operations in France were in line with the previous year and a number of small bolt-on concrete products acquisitions were made.

Cleveland Potash

Cleveland Potash has now recovered from its flooding problem, which severely hampered production in 1999. However, as around half of its production is exported, mainly to continental Europe, the weakness of the Euro adversely affected its financial results. The operation, though, remains both profitable and cash-generative.

2000
4%

1999
5%

Contribution to headline profit

2000
1,510

1999
1,457

Turnover US$ million



Copebrás

A stronger financial performance from Copebrás in Brazil reflected higher sales volumes of fertilisers, offset by lower sales volumes and prices of phosphoric acid.

New projects

In September, planning permission was granted for the new cement plant at Buxton in the United Kingdom, to commence operations in 2003 with a capacity of 800,000 tonnes, at a capital cost of US$173 million. At Copebrás, work has begun on a US$146 million project to increase fertiliser capacity at the company's phosphate rock mine in the state of Goiás. This is scheduled for completion in 2002.

Outlook

The outlook for Tarmac is one of gradual but significant improvement from 2000's difficult trading base. It is expected that the increased costs suffered in 2000 will be recovered in 2001. The resulting increase in margins, together with a return to normal levels of demand and the newly streamlined organisation, should provide for a recovery in profitability, with the full level of cost synergies being realised. In the medium term, prospects should be further enhanced by the UK government's infrastructure spending plans.

Ferrous metals

Anglo Ferrous Metals produces chrome, manganese, carbon steel, stainless steel, vanadium and niobium.

Market

Strongly improved prices and demand for steel characterised the first half of 2000, but these were more than reversed in the second half. The substantial rise in world steel output exceeded demand by mid-year and an inventory build-up occurred which saw international steel prices decline to 1998 levels. Demand for vanadium was strong during 2000, but declined towards the year end owing to oversupply. Chrome and manganese prices improved through the year, though chrome is showing weakness at present.

Operations

Highveld Steel

Stronger prices and demand in the first half were the key factors in a profit turnaround. Full capacity steel production was maintained through the year. Demand for vanadium was strong but declined towards the end of the year.

Columbus

Demand for stainless steel firmed during the first half of the year and resulted in improved conversion margins. However, a build-up of inventory levels, nickel price volatility and disruptive trade actions by China caused price erosion towards year end. Saleable production increased by 15% and operating profits reflected a turnaround from the previous year's loss.

Scaw Metals

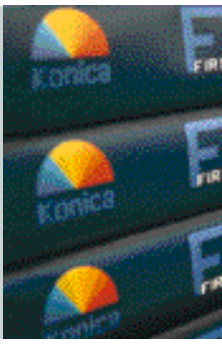
Scaw's markets all exhibited varying degrees of activity: rolled steel construction products suffered from poor domestic demand and continuing weak export prices,

Pictures from left to right
> Continuous casting in the steel mill at Highveld Steel, South Africa
> Computer and numerical controlled horizontal boring mill for the manufacture of locomotive bogie frames for the North American market
> Inside the warehouse at Neusiedler's uncoated woodfree paper mill at Theresiental, Austria
> High quality Neusiedler office communication paper destined for Konica

2000 15%
1999 15%
Contribution to headline profit

2000 3,388
1999 2,464
Turnover US$ million





prices obtained being much the same as those of 15 years ago. Success has been achieved in producing a range of higher quality steels, following the successful commissioning of a new high-speed continuous billet caster, used in wire, rope and chain manufacturing operations. To a large extent, the market for cast engineered products was disappointing but that for castings for the mining industry remained strong.

Samancor
The combination of increased demand and reduced industry stock levels resulted in price increases in high-carbon ferro-manganese during the first half of 2000. In the second six months, prices softened, but were offset by production efficiencies. Ferrochrome alloy sales volumes remained under pressure during 2000, particularly in the fourth quarter, as stainless steel producers reduced output and used increasing amounts of scrap, a situation that was aggravated by the current market oversupply.

Other
Catalão's operating profits increased owing to higher production of niobium.

Outlook
Steel production is expected to continue to exceed consumption in 2001. Prices will, therefore, remain under pressure, though with some improvement later in the year. Manganese market conditions are expected to remain steady.

Forest products

Anglo Forest Products, operating under the Mondi name, is an integrated pulp, paper and packaging group with operations and interests in Europe, South Africa and Brazil.

The Forest Products division manufactures pulp, graphic paper, packaging papers, recycled newsprint and converted packaging. It also has forestry operations in South Africa.

Operational review
Mondi Europe
In July, Mondi Europe increased its interest in Frantschach Packaging to 70% and purchased Frantschach's 51% interest in Neusiedler, resulting in 100% ownership of Neusiedler. The total cost of these transactions was US$234 million.

The sack paper and industrial sack markets enjoyed good volumes and firm prices which, together with increased efficiencies, led to improved operating profits. During the second half of the year, Frantschach purchased Assi Sacks (including two sack paper mills, all of Assi's industrial sack converting operations and its barrier coating business) from Swedish paper group AssiDomän for US$490 million.
The integration of the Assi Sacks business is progressing well. Following this acquisition, Frantschach has become the world's largest industrial sack producer.

Uncoated woodfree paper volumes continued to enjoy good growth. Input costs rose sharply owing to high pulp prices which were only partly recovered in paper prices. Operating profit nevertheless increased owing to ongoing cost reductions, volume growth and the impact of acquisitions. During the second half of the year, Neusiedler acquired a

Pictures from left to right
> Storage warehouse for uncoated, woodfree paper at Neusiedler's Theresiental mill, Austria
> Stockpiles of eucalyptus chips in the woodyard of Mondi Kraft's Richards Bay pulp mill, South Africa





2000
10%

1999
15%

Contribution to headline profit

2000
4,195

1999
6,894

Turnover US$ million

50% interest in and management control of Ruzomberok, a Slovakia-based uncoated woodfree paper producer with an annual production capacity of 300,000 tonnes.

Corrugated papers enjoyed a strong year, with good volumes and price increases. Although paper price increases were not fully recovered in the prices of converted products, the benefit of higher paper prices and reduced costs led to a sharp increase in overall profitability.

UK-based Aylesford Newsprint reported consistent earnings. A steady improvement in sales demand matched by production volumes offset the impact of lower newsprint prices and higher energy costs.

Mondi South Africa

Richards Bay's average pulp price was 41% higher than in 1999. The mill continues to operate as one of the lowest cost eucalyptus pulp producers. Its PM2 machine, the rebuild of which was completed in late 1999, resulted in significant increases in production and quality, and maintained the mill's position as the world's lowest cost producer of whitetop kraft linerboard. The local corrugated board market remained under pressure for most of the year. The Mondipak division, however, managed to improve its market share and achieved steady results.

The graphic papers business maintained good results despite increased costs related to the higher pulp price. Selling price increases remained below international trends.

Restructuring in and disposals of non-core sawmilling and other businesses improved the overall cost structure and enhanced total returns achieved. A relatively low level of capital expenditure resulted in strong net cash flows for the year.

Mondi Brazil

Anglo has a 12% shareholding (28% voting) participation in Aracruz, the world's largest and lowest cost producer of bleached eucalyptus pulp. In 2000, the company achieved record production, sales volumes and earnings on the back of a strong pulp price and low operating costs.

Outlook

A modest oversupply of paper grade pulp has led to price reductions in the first quarter of 2001, with lower operating rates required if this situation is not to continue during the balance of the year. Prices for waste-based corrugated paper grades have also decreased, while the sack paper and virgin corrugated paper markets are more stable. Consumer markets in Europe continue to show growth for industrial sack and corrugated products. Uncoated woodfree markets remain firm. Newsprint is undersupplied and prices are increasing.

Mondi's competitive cost structure, together with the full year impact of acquisitions made during 2000, should support real operating earnings growth in 2001.

Non-core activities
Industries and Financial services

Background

At the annual general meeting in May 2000, it was stated that the disposal process of non-core industrial and financial services interests would be widened and accelerated. Major progress was made in this regard during 2000 with the disposal of US$842 million of industrial interests and the exchange of a 15.3% stake in FirstRand for holdings in listed mining assets, valued in December around US$730 million.

The table below outlines the disposal of industrial interests during 2000:

Disposals to date

	Proceeds US$m
Li & Fung (trading)	282
Johnnic (industrial)	209
LTA (construction)	130
AECI (chemicals)	93
Ventron Group (investment)	48
Dorbyl (engineering)	26
Other	54
Total	842

Operational review

Boart Longyear

The current depressed gold price did not improve market conditions for gold exploration. Operating profit recovered to US$28 million (1999: US$10 million). Various non-core businesses have been sold and substantial downsizing has taken place that will contribute to further profit recoveries and strengthening of the balance sheet.

Tongaat-Hulett

World sugar prices firmed from the low levels at the beginning of the year. Generally weaker domestic demand for starch and glucose and aluminium products was offset by improved export sales.

In 2000, operating profit rose by US$5 million to US$126 million. Sugar profits increased as a result of higher production volumes and stronger dollar export prices. Starch and glucose operations performed well, with higher output following the commissioning of major plant.

Hulett Aluminium (50% held by Tongaat-Hulett and 20% directly by Anglo American) performed well. The Rolled Products Expansion Project was officially commissioned during November 2000 and the increased production has been sold in export markets. Total production of both rolled and extruded products was 99,415 tonnes compared with 1999's 68,634 tonnes.

AECI

In 2000, South African domestic business confidence declined and prospects of slower world economic growth also dampened sentiment. High oil and gas prices, a strong US dollar and a weak Euro continued to depress the chemical industry performance.

Operating profit reduced to US$60 million from US$95 million in 1999. This was mainly due to the disposal of Polifin in June 1999 and the weaker performance of the explosives division as a result of continued high ammonia and feedstock prices as well as heavy rains early in 2000.

Terra

There was strong North American demand for nitrogen fertiliser products and methanol, with industry inventories at their lowest point in recent times, which prompted increased selling prices. However, the surge in natural gas prices during the year adversely impacted costs as this represents the primary input to Terra's process.

Anglo American's share of operating profit increased from US$7 million to US$27 million in 2000. The methanol operation performed well and enjoyed increased demand. Current prices of all of Terra's nitrogen products exceeded 1999 levels, resulting in better financial performances from its operations. Natural gas prices will continue to be a crucial factor during 2001.

Financial services

FirstRand had another successful year, contributing US$97 million to the Group's headline profit. These earnings were derived from a combination of traditional banking related operations and from insurance and asset management activities.

In December, Anglo American announced with Remgro Limited the exchange of its 15.3% stake in FirstRand for 7.1% of Billiton and 11.3% of Gold Fields Limited, valued in December around US$730 million.

Exploration

Anglo American maintains a strong in-house focused exploration programme.

Picture below
> Geologists bagging samples at a potential porphyry-type copper deposit in northern Chile

The Exploration and Acquisitions division, working closely with Anglo Base Metals, focuses on identifying and developing world-class base metals resources either through its own exploration efforts, which may include joint venture partners, or by following up early-stage acquisition opportunities. Numerous evaluations, due diligence studies, audits and reviews on mineral resources of potential acquisitions and new investments were carried out in 2000. Anglo American's proprietary airborne survey systems were used extensively in 2000.

Africa

Exploration for copper-zinc-silver-gold mineralisation continued in the High Atlas in Morocco. In west Africa, the main focus was on the Pagala sulphide zinc target area in Togo. Zinc-silver mineralisation was identified in Burkina Faso, and further drilling is planned.

Encouraging copper targets have been identified in western Tanzania. In Kenya and northern Mozambique, zinc targets are being investigated. In the Tete area of central Mozambique drill follow-up of copper-cobalt and copper-nickel mineralised zones commenced.

Exploration for copper-cobalt and copper-gold continued in Zambia with a lower level of activity for these commodities and zinc in the southern Shaba province of the Congo (DRC).

In Namibia, exploration for zinc was undertaken on-strike from the Skorpion zinc project and nickel was targeted in the north of the country. In South Africa, further drilling to define heavy mineral sand resources enriched in ilmenite and zircon was completed in Namaqualand.

South America

In Chile, the search is mainly for porphyry-type copper deposits. Several targets returned results sufficiently encouraging to warrant further work this year. An airborne geophysical survey was flown over five areas located along the main copper belt on which Collahuasi is located. The results are being processed and ground follow-up work has begun. Exploration for additional copper resources also continued near the Mantos Blancos and Mantoverde mines, with positive results for extending the lives of the existing operations. In addition, sulphide copper-gold mineralisation was discovered at Mantoverde.

Reconnaissance exploration for zinc continued in central Peru, supported by an airborne geophysical survey. Throughout the country, numerous opportunities for zinc and copper-gold offered by third parties continue to be evaluated. The Quellaveco feasibility study was completed.

The main target in Brazil is copper-gold in the Carajás province of Pará state. Several targets are under investigation, with preliminary drill testing under way. A programme of airborne geophysical prospecting for new targets has been completed and the results are being processed. Extensions to known mineralisation were established by drilling at the Aripuanã zinc project in Mato Grosso, and airborne geophysical surveys have been flown in search of new deposits in the belt. The search for zinc and copper-gold has been extended to new areas in central Brazil. At the Barro Alto nickel project, geological work and resource estimation for the feasibility study have been completed.

North America and Mexico

In western Canada, copper exploration targeted massive sulphide mineralisation in the Yukon and British Columbia. In the Northwest Territories and Nunavut, exploration commenced for Olympic Dam style copper-gold and volcanic-hosted massive sulphide targets.
In eastern Canada, joint venture agreements cover highly prospective ground in the Brunswick region, where the Group's airborne geophysical technology is being used to generate new drill targets.

Drilling for sulphide deposits is being carried out at Williams Lake in Manitoba, while further drilling is planned for the Harmin and Fenton sulphide bodies at Flin Flon. Exploration for sulphide nickel deposits in the Thompson nickel belt is under way in joint venture with Falconbridge. Also in Canada, a generative



project has been initiated along the belt which hosts Voisey's Bay, Raglan and Thompson.

In Mexico, early-stage exploration programmes continued in the central zinc belt. Further work is planned for 2001 to follow up potential targets.

Europe, the Middle East and India

Exploration in northern Sweden is targeting Olympic Dam style copper-gold deposits through an Anglo American managed joint venture with Rio Tinto.

In the Rajasthan region of India, comprehensive geochemical and geophysical programmes were completed and a full analysis of the data is in progress to identify targets for drill testing early in 2001.

In Iran, effort was directed towards establishing an acceptable investment framework.

Asia Pacific and Australia

The Philippines exploration programme, managed by Anglo American on behalf of a joint venture with local Philippines partner Philex Gold Inc, discovered a potentially significant copper-gold porphyry system at Boyongan in Mindanão. Increased expenditure is planned for 2001 to further evaluate this discovery.

In Australia, in a two-year joint venture with Rio Tinto, exploration continued on a large block of ground surrounding Pasminco's Century zinc mine. Additional target generation work for zinc and nickel is ongoing.

The business
an overview

Gold[1]

AngloGold 53.41%

South Africa 100%
- Vaal River operations
- Free State operations
- West Wits operations
- Ergo

Other Africa
- > Geita (Tanzania) 50%
- Morila (Mali) 40%
- Sadiola (Mali) 38%
- Navachab (Namibia) 100%
- > Yatela (Mali) 40%

North America
- Cripple Creek & Victor (USA) 67%
- Jerritt Canyon (USA) 70%

South America
- Morro Velho (Brazil) 100%
- Serra Grande (Brazil) 50%
- Cerro Vanguardia (Argentina) 46%

Australia
- Brocks Creek 100%
- Sunrise Dam 100%
- Union Reefs 100%
- Tanami 40%
- Boddington 33%

Platinum

Anglo Platinum 50.18%

South Africa
- Rustenburg Platinum operations 100%
- > Bafokeng Rasimone 100%
- Amandelbult UG2 100%
- > Process expansion phase 1 – converting process 100%
- > Maandagshoek 100%
- Potgietersrust Platinums operations 100%
- Lebowa Platinum operations 100%
- Rustenburg Base Metals refinery 100%
- Precious Metals refinery 100%
- > Waterval UG2 Project at Rustenburg Section (South Africa) 100%
- > Union Section UG2 Expansion Project (South Africa) 100%

Diamonds[2]

De Beers 32.24%

South Africa
- Finsch 100%
- Kimberley 100%
- Koffiefontein 100%
- Namaqualand 100%
- Premier 100%
- Venetia 100%
- Small mines
- De Beers Marine (Exploration & Services) 100%

Botswana
- Orapa 50%
- Letlhakane 50%
- Jwaneng 50%

Namibia
- Namdeb 50%
- De Beers Marine Namibia 85%

Other mining
- De Beers Marine 100%
- Williamson (Tanzania) 100%
- > Snap Lake (Canada) 100%

Diamond Trading Company

Industrial diamonds
- Industrial Diamonds 50%

Coal

Anglo Coal 100%

South African trade collieries
- Bank 100%
- Goedehoop 100%
- Kleinkopje 100%
- Landau 100%
- Greenside 100%

South African power generation collieries
- Kriel 100%
- New Denmark 100%
- New Vaal 100%

South Africa – other
- Eyesizwe Coal 11%
- Richards Bay Coal Terminal 25%

Colombia
- Carbones del Cerrejón 33.3%
- Cerrejón Zona Norte mine complex 16.7%

Australia
- Callide 100%
- Moranbah North 88%
- German Creek 72.8%
- Drayton 88.2%
- Dartbrook[3] 75%

Venezuela
- Paso Diablo[3] 24.9%

Base metals

Anglo Base Metals 100%

Copper
- Collahuasi (Chile) 44%
- Mantos Blancos (Chile) 99%
- Palabora (South Africa) 29%
- Konkola Copper Mines (Zambia) 33%
- > Quellaveco (Peru) 80%
- > Kolwezi Tailings (Congo (DRC)) 30%
- > Salobo (Brazil) 50%

Zinc/Lead
- Hudson Bay (Canada) 100%
- Black Mountain (South Africa) 100%
- Lisheen (Ireland) 62%
- > Gamsberg (South Africa) 100%
- > Skorpion (Namibia)100%

Nickel
- Codemin (Brazil) 90%
- Tati (Botswana) 43%
- Bindura (Zimbabwe) 53%
- BCL (Botswana) 23%
- Anaconda Nickel (Australia) 26%
- > Loma de Níquel (Venezuela) 89.4%
- > Barro Alto (Brazil) 100%

Mineral sands
- Namakwa Sands (South Africa) 100%

Industrial minerals

Anglo Industrial Minerals 100%

- Tarmac Group Aggregates and building materials (Europe) 100%
- Cleveland Potash Potash and salt (UK) 100%
- Copebrás Phosphate products (Brazil) 73%
- Portland Cement (Zimbabwe) 44%
- Botswana Ash Soda ash and cement (Botswana) 21%

Ferrous metals

Anglo Ferrous Metals 100%

- Samancor (South Africa) 40%
- Australian Manganese 40%
- Zimbabwe Alloys 100%
- Catalão (Brazil) 100%
- Columbus Stainless (South Africa) 38.9%
- Highveld Steel (South Africa) 76.6%
- Scaw Metals (South Africa) 100%

Forest products

Anglo Forest Products 100%

Fibre supply
- Forests (South Africa) 100%
- Waste paper (South Africa) 100%

Pulp
- Richards Bay (South Africa) 100%
- Aracruz (Brazil) 12%

Graphic paper
- Merebank (South Africa) 100%
- Neusiedler (Austria) 100%
- Aylesford Newsprint (UK) 50%
- Europapier (Austria) 70%
- Paperlink (South Africa) 100%

Packaging
- Mondipak (South Africa) 100%
- Corrugating paper (South Africa) 100%
- Mondi Packaging (Europe) (UK & France) 100%
- Frantschach Packaging (Austria) 70%
- Frantschach Swiecie (Poland) 55%
- Cartonboard (South Africa) 100%

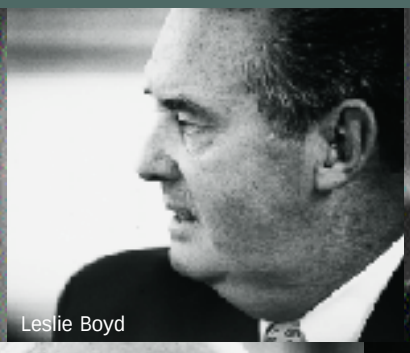
Solid wood
- Mining timber (South Africa) 100%
- Sawmilling (South Africa) 50%
- Woodchips (South Africa) 100%

Effective interests as at 2 March 2001

> Projects under construction
> Projects currently at various stages of feasibility study or development

(1) Operated by AngloGold, the Company's independently managed subsidiary.
(2) Operated by De Beers, the Company's independently managed associate.
(3) Acquisition subject to finalisation of negotiations with joint venture parties.


Julian Ogilvie Thompson


Leslie Boyd


Sir Chips Keswick


Tony Trahar


Mike King


Bobby Godsell

The board of directors

Executive directors

Tony Trahar

51, is chief executive and has been with the Group since 1974. He is chairman of the Executive Committee (Exco), and a member of the Safety, Health and Environment (SHE) Committee. He is non-executive chairman of the Mondi Group and the Industrial Minerals division. Tony Trahar's other directorships include AngloGold and Anglo Platinum.

Leslie Boyd

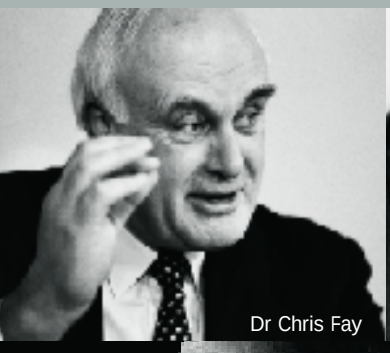
64, is an executive vice-chairman. He joined the Group as Highveld Steel's general manager in 1970. Leslie Boyd is chairman of Anglo Platinum and Highveld Steel. He is a deputy chairman of Exco with responsibility for platinum and ferrous metals and has joint responsibility for industries. Leslie Boyd retires from the board at the forthcoming annual general meeting.

Mike King

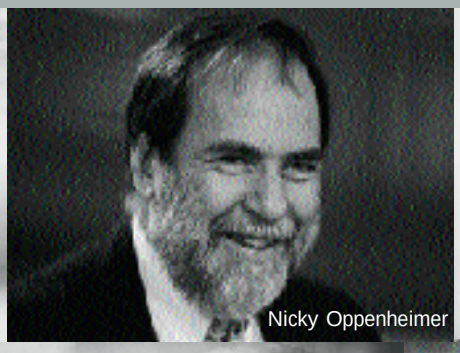
64, is an executive vice-chairman and has been with the Group since 1974. He is a deputy chairman of Exco and a member of the Investment Committee. Mike King retires from the board at the forthcoming annual general meeting.

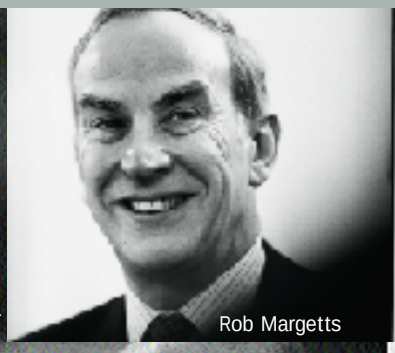
Dr James Campbell

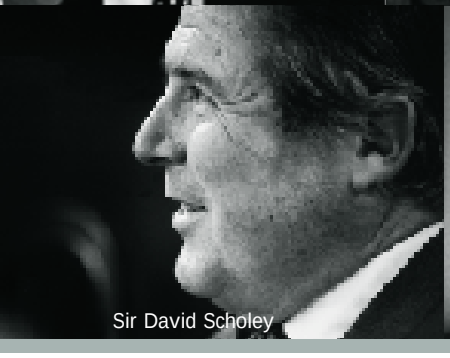
51, joined the Group in 1975 and is a non-executive director of De Beers Consolidated/Centenary. He is the Exco member with responsibility for coal and base metals.

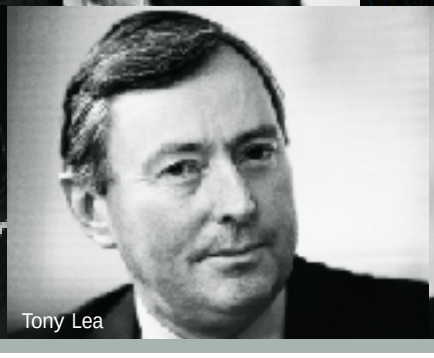

Dr Chris Fay


Dr James Campbell


Nicky Oppenheimer


Rob Margetts


Sir David Scholey


Tony Lea


Viscount Davignon


Peter Wilmot-Sitwell

Tony Lea
52, is finance director and has been with the Group since 1972. He became a director of Minorco in 1985. Tony Lea is a member of Exco and chairs the Investment Committee.

Non-executive directors

Julian Ogilvie Thompson
67, is chairman and has been with the Group since 1957. He is also non-executive deputy chairman, and a former chairman, of De Beers Consolidated/ Centenary. Julian Ogilvie Thompson is chairman of the Nomination Committee and is a member of the SHE Committee. He is a governor of the South Africa Foundation.

Sir David Scholey CBE
65, is a deputy chairman and is the senior independent non-executive director. He is a member of the Remuneration and Nomination committees. Sir David is a former chairman of S.G. Warburg Group and a former director of the Bank of England. He is a senior adviser to UBS Warburg and to the International Finance Corporation in Washington.

Nicky Oppenheimer
55, is a deputy chairman and a member of the Nomination Committee. He joined the Group in 1968 and subsequently became an executive director and a deputy chairman of Anglo American Corporation of South Africa Limited. He became deputy chairman of De Beers Consolidated in 1985 and has been chairman of De Beers Consolidated/Centenary since 1998. He was chairman of AngloGold until December 2000.

Viscount Davignon
68, is president of Société Générale de Belgique. He chairs the Audit Committee. His career includes being president of the International Energy Agency and vice-president of the EEC and chairman of the Association for the Monetary Union of Europe. Viscount Davignon is chairman of the Paul-Henri Spaak Foundation and of the Royal Institute of International Relations. He is on the boards of several major European companies.

Dr Chris Fay CBE
56, is a former chairman of Shell UK. Chris Fay chairs the SHE Committee and is a member of the Remuneration Committee. He is a non-executive director of BAA plc, the Weir Group plc and Stena International b.v. and non-executive chairman of Expro International Group PLC. He is chairman of the British government's Advisory Committee on Business and the Environment.

Bobby Godsell
48, is a member of the SHE Committee and has been with the Group since 1974. Bobby Godsell is chairman and chief executive of AngloGold, the latter a position he has held since its formation in 1998. He is the past president of South Africa's Chamber of Mines and a former director of Standard Bank Investment Corporation.

Sir Chips Keswick
61, is a member of the Audit Committee. Sir Chips was chairman of Hambros Bank Limited and in 1997 became chairman of Hambros PLC. Sir Chips is a non-executive director of De Beers Consolidated/Centenary. His other directorships include the Bank of England, Investec Bank (UK) Limited, Persimmon PLC and IMI PLC.

Rob Margetts CBE
54, assumed chairmanship of the Remuneration Committee in March 2001 and is a member of the Audit Committee. He is a non-executive chairman of Legal & General Group PLC, chairman – Europe of the Huntsman Corporation and was formerly vice-chairman of ICI PLC. Rob Margetts is a governor at Imperial College of Science, Technology and Medicine and is chairman of the UK National Environment Research Council and a member of the UK Council for Science and Technology.

Peter Wilmot-Sitwell
66, is a member of the Remuneration, Nomination and SHE committees. He was formerly chairman of S.G. Warburg Securities. He has been chairman of Merrill Lynch World Mining Trust plc since 1993 and is a non-executive director of Close Brothers Group plc and Foreign & Colonial Income Growth Investment Trust plc.

Summary financial statement
for the year ended 31 December 2000

The directors present to shareholders their summary financial statement for the year ended 31 December 2000. A summary financial statement does not contain sufficient information to allow as full an understanding of the results of the Group and the state of affairs of the Company or of the Group as is provided by the full Annual Report and Accounts.

The full financial statements, directors' report and report of the auditors (which is unqualified) are included in a separate document entitled 'Annual Report 2000' which is available to shareholders free of charge. If you wish to obtain a copy please contact the Company's Registrar. That document and this Annual Review together comprise the full Annual Report and Accounts of Anglo American plc.

Summary directors' report

Business activities and development
Reports by the chairman and the chief executive on the performance for the year and the future development of the Group's businesses are included in the front of this document. Two events announced after the year end were the FirstRand and De Beers transactions. These are discussed in detail in the chairman's and the chief executive's statements.

Dividends
Anglo American paid an interim dividend of 60 US cents per share on 20 October 2000. The directors recommend a final dividend of 130 US cents per share. Subject to approval by members at the AGM, the final dividend will be paid on 18 May 2001 to shareholders on the register on 23 March 2001.

Annual general meeting
The AGM will be held at The Banqueting House, Whitehall, London SW1A 2ER at 11:00 am on Tuesday, 15 May 2001.

In addition to routine AGM business, there will be proposed special business to approve the Rules of a Long Term Incentive Plan, described in the Chairman's letter dated 10 April 2001 enclosed with this review, to renew the directors' existing authorities to allot ordinary shares and to make market purchases of ordinary shares. It will also be proposed that the Articles of Association of the Company be amended so that dividend payments to shareholders on the overseas branch register in South Africa can be satisfied by means of a dividend paid by any subsidiary in South Africa.

Summary corporate governance report
The Company has complied with the provisions of the Combined Code throughout the accounting period except that the chairman of the board was also chief executive until 18 July 2000 at which date he stepped down as chief executive. The directors are satisfied that there is an ongoing process of internal control which has been operational since 1 January 2000, for identifying, evaluating and managing the significant risks faced by the Group.

The directors, their responsibilities and the membership of the principal committees of the board are set out on pages 38 and 39. Sir David Scholey has been designated as the senior independent non-executive director. All the non-executive directors are considered to be independent, except for J Ogilvie Thompson, Sir Chips Keswick, R M Godsell and N F Oppenheimer.

Details of the remuneration policy and of the remuneration of the directors are given in the Remuneration report in the Annual Report and a summary of this report is set out on page 46.

The Company values its dialogue with both institutional and private investors. For the benefit of private investors, in particular, Anglo American has produced this short form Annual Review which contains the information believed to be of most interest to them.

Statement of the auditors to the members of Anglo American plc

We have examined the summary financial statement on pages 40 to 45.

Respective responsibilities of directors and auditors
The directors are responsible for preparing the Annual Review. Our responsibility is to report to you our opinion on the consistency of the summary financial statement within the Annual Review with the full annual accounts and directors' report and its compliance with the relevant requirements of section 251 of the Companies Act 1985 and the regulations made thereunder. We also read the other information contained in the Annual Review and consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the summary financial statement.

Basis of opinion
We conducted our work in accordance with Bulletin 1999/6 'The auditors' statement on the summary financial statement' issued by the Auditing Practices Board.

Opinion
In our opinion the summary financial statement is consistent with the full annual accounts and directors' report of Anglo American plc for the year ended 31 December 2000 and complies with the applicable requirements of section 251 of the Companies Act 1985 and the regulations made thereunder.

Deloitte & Touche,
Chartered Accountants and
Registered Auditors,
Hill House, 1 Little New Street,
London EC4A 3TR

13 March 2001

Summary consolidated profit and loss account
for the year ended 31 December 2000

US$ million	Before exceptional items 2000	Exceptional items 2000	2000	1999
Group and share of turnover of joint ventures and associates	20,570	–	20,570	19,245
Less: Joint ventures' turnover	(1,590)	–	(1,590)	(1,720)
Associates' turnover	(4,156)	–	(4,156)	(5,947)
Group turnover – subsidiaries	14,824	–	14,824	11,578
Total operating profit	3,480	(266)	3,214	2,142
Profit on disposal of fixed assets	–	402	402	489
Costs of fundamental reorganisations	–	(79)	(79)	(79)
Profit on ordinary activities before interest	3,480	57	3,537	2,552
Net investment income	308	–	308	265
Profit on ordinary activities before taxation	3,788	57	3,845	2,817
Tax on profit on ordinary activities	(1,005)	–	(1,005)	(481)
Profit on ordinary activities after taxation	2,783	57	2,840	2,336
Equity minority interests	(917)	34	(883)	(784)
Profit for the financial year	1,866	91	1,957	1,552
Equity dividends to shareholders – paid and proposed	(742)	–	(742)	(585)
Retained profit for the financial year	1,124	91	1,215	967
Headline profit for the financial year			2,000	1,308
Basic earnings per share (US$):				
Profit for the financial year			5.01	4.03
Headline profit for the financial year			5.12	3.40
Dividend per share (US cents)			190	150

Summary headline profit for the financial year
for the year ended 31 December 2000

US$ million	2000	1999
By business segment		
Gold	201	210
Platinum	500	200
Diamonds	321	162
Coal	138	79
Base metals	132	97
Industrial minerals	159	116
Ferrous metals	86	67
Forest products	308	199
Industries	99	82
Financial services	100	112
De Beers investments[1]	203	151
Exploration	(92)	(112)
Corporate activities	(155)	(55)
Headline profit for the financial year	2,000	1,308

[1] Represents De Beers' share of Anglo American plc earnings for the 12 months to 31 December.

Summary consolidated balance sheet
as at 31 December 2000

US$ million	2000	1999
Fixed assets		
Intangible assets	2,462	1,585
Tangible assets	11,819	9,512
Investments in joint ventures and associates	6,339	6,902
Other financial assets	1,621	1,489
	22,241	19,488
Net current assets		
Stocks	1,748	1,431
Debtors	3,222	2,060
Current asset investments and cash at bank and in hand	3,405	3,618
	8,375	7,109
Short term borrowings	(3,398)	(999)
Other current liabilities	(4,027)	(2,611)
	950	3,499
Total assets less current liabilities	23,191	22,987
Long term liabilities	(3,597)	(2,538)
Provisions for liabilities and charges	(1,404)	(1,324)
Equity minority interests	(2,646)	(2,951)
Total shareholders' funds (all equity)	15,544	16,174

The financial statements were approved on behalf of the board of directors by J Ogilvie Thompson, chairman, A J Trahar, chief executive, and A W Lea, finance director, on 13 March 2001.

Summary consolidated statement of total recognised gains and losses
for the year ended 31 December 2000

US$ million	2000	1999
Profit for the financial year	1,957	1,552
Currency translation differences on foreign currency net investments	(1,725)	(549)
Net asset value movements in associates	(120)	–
Total recognised gains for the financial year	112	1,003

Summary consolidated cash flow statement
for the year ended 31 December 2000

US$ million	2000	1999
Net cash inflow from operating activities	2,959	1,850
Expenditure relating to fundamental reorganisations	(44)	(46)
Dividends from joint ventures and associates	258	209
Returns on investments and servicing of finance		
Interest received and other financial income	348	388
Interest paid	(501)	(402)
Dividends received from fixed asset investments	68	50
Dividends paid to minority shareholders	(357)	(380)
Net cash outflow from returns on investments and servicing of finance	(442)	(344)
Taxes paid	(329)	(273)
Capital expenditure and financial investment		
Payments for fixed assets	(1,511)	(1,251)
Proceeds from the sale of fixed assets	177	84
Payments for other financial assets[1]	(104)	(45)
Proceeds from the sale of other financial assets[1]	535	534
Net cash outflow for capital expenditure and financial investment	(903)	(678)
Acquisitions and disposals		
Acquisition of subsidiaries[2]	(2,705)	(889)
Disposal of subsidiaries	226	103
Investment in associates	(257)	(429)
Sale of interests in associates	517	592
Investment in proportionally consolidated joint arrangements	(42)	–
Investment in joint ventures	(367)	–
Net cash outflow from acquisitions and disposals	(2,628)	(623)
Equity dividends paid to Anglo American shareholders	(657)	(276)
Cash outflow before use of liquid resources and financing	(1,786)	(181)
Management of liquid resources[3]	(358)	912
Financing	1,935	(403)
(Decrease)/increase in cash in the year	(209)	328

[1] Disposal and acquisition of other financial assets included in fixed assets.

[2] Net of assets resold of US$709 million in respect of the acquisition of Tarmac plc.

[3] Cash flows in respect of current asset investments.

Summary segmental analysis
for the year ended 31 December 2000

US$ million	Turnover 2000	Turnover 1999	Operating profit Before exceptional items 2000	Operating profit Exceptional items 2000	Operating profit 2000	Operating profit 1999	Net operating assets[1] 2000	Net operating assets[1] 1999
By business segment								
Gold	2,211	2,235	410	(29)	381	452	2,667	2,990
Platinum	2,368	1,428	1,336	–	1,336	480	1,327	1,519
Diamonds	2,034	1,809	491	–	491	245	101	131
Coal	967	787	169	–	169	114	1,580	708
Base metals	1,503	1,163	196	(237)	(41)	174	2,102	1,606
Industrial minerals	2,394	1,008	150	–	150	118	3,196	1,184
Ferrous metals	1,510	1,457	127	–	127	75	390	470
Forest products	3,388	2,464	458	–	458	272	3,054	1,348
Industries	4,195	6,894	272	–	272	358	1,317	2,137
Financial services	–	–	128	–	128	138	–	–
Exploration	–	–	(116)	–	(116)	(138)	–	–
Corporate activities	–	–	(141)	–	(141)	(146)	406	441
	20,570	19,245	3,480	(266)	3,214	2,142	16,140	12,534
By geographical segment (by origin)								
South Africa	9,923	11,558	2,446	(26)	2,420	1,554	6,062	8,039
Rest of Africa	1,729	1,398	315	–	315	168	433	150
Europe	4,945	2,678	310	(100)	210	176	5,989	1,864
North America	1,120	1,505	–	–	–	16	727	502
South America	1,253	1,053	282	(55)	227	220	1,392	1,431
Australia and Asia	1,600	1,053	127	(85)	42	8	1,537	548
	20,570	19,245	3,480	(266)	3,214	2,142	16,140	12,534

[1] Net operating assets consist of tangible and intangible assets (excluding investments in joint ventures and associates), stocks and debtors less non-interest bearing current liabilities.

Summary of exceptional items before taxation
for the year ended 31 December 2000

Operating exceptional items

US$ million	2000	1999
Impairment provision in respect of Gold assets	(29)	–
Impairment provision in respect of Base metals assets	(237)	–
Total operating exceptional items	(266)	–
Minority interests	12	–
	(254)	–

Non-operating exceptional items

US$ million	2000	1999
Profit on disposal of fixed assets	402	489
Cost of fundamental reorganisations	(79)	(79)
Total non-operating exceptional items	323	410
Taxation	–	18
Minority interests	22	(98)
	345	330
Total exceptional items (net of tax and minority interest)	91	330

Summary remuneration report
for the year ended 31 December 2000

This is a summary of the full Remuneration report contained in the Annual Report, copies of which may be obtained free of charge from the Company's Registrar.

1 Directors' emoluments

The fees paid to non-executive directors during the year ended 31 December 2000 amounted to £370,000 (1999: £345,000). In addition, R M Godsell has a service contract with AngloGold, in his capacity as chairman and chief executive of that company. Under this contract he received a salary and other benefits amounting to £270,000 (1999: £304,000).

	2000						1999[3]
Executive directors	Salary and fees £'000	Supplement[1] £'000	Accrued leave pay[2] £'000	Annual performance bonus £'000	Other benefits £'000	Total £'000	Total £'000
J Ogilvie Thompson – chairman[4]	510	31	–	237	44	822	811
A J Trahar – chief executive	428[5]	–	–	228	44	700	595
L Boyd – vice-chairman	460	–	42	196	42	740	540
M W King – vice-chairman	460	–	331	230	34	1,055	583
Dr J W Campbell	376[5]	–	92	176	42	686	465
A W Lea	393	–	–	177	22	592	541
H R Slack (resigned 14 April 1999)	–	–	–	–	–	–	614
T C A Wadeson (resigned 31 December 1999)	–	–	–	–	–	–	537

(1) J Ogilvie Thompson is paid a supplement in lieu of a pension contribution.

(2) Previously, executive directors who have service contracts with Anglo Operations Limited were allowed to encash accumulated leave at any time up until retirement at their salary at that time. This policy was changed with effect from 1 January 2000 so that directors could only encash accumulated leave at its value at that date. During the year L Boyd, M W King and Dr J W Campbell exercised their entitlement for the redemption of previously accrued leave.

(3) In respect of the figures for the year ended 31 December 1999, emoluments received from predecessor companies during the period 1 January 1999 to 23 May 1999 and emoluments received from Anglo American during the period 24 May 1999 to 31 December 1999 have been aggregated.

(4) J Ogilvie Thompson was appointed non-executive chairman with effect from 18 July 2000. Prior to this date, J Ogilvie Thompson was chairman and chief executive.

(5) During the year ended 31 December 2000, the Remuneration Committee permitted A J Trahar and Dr J W Campbell to forgo a portion of their base salary, amounting to £54,000 and £39,000 respectively, in favour of supplementary voluntary pension contributions.

2 Pensions

The amounts paid into defined contribution pension schemes by Anglo American in respect of the directors totalled £587,000 (1999: £474,000), including the supplementary voluntary pension contributions as described above. Four executive directors are members of defined benefit pension schemes. In addition, R M Godsell is a member of the AngloGold Pension Fund, a defined benefit pension scheme.

3 Directors' options

During the year ended 31 December 2000, A J Trahar and L Boyd exercised share options resulting in gains of R940,000 and R2,030,000, respectively. Their share options were granted prior to 1 January 1999 under a previous share option scheme operated by AAC which were subsequently 'rolled-over' into Anglo American options.

During the year ended 31 December 2000, 114,701 options were granted to directors under the Share Option Scheme and under the Anglo American Share Savings (SAYE) Plan. The exercise prices of the options granted under the Share Option Scheme were £30.62 and £30.65, whilst the exercise price under the SAYE scheme was £19.38.

In addition, R M Godsell has share options in AngloGold, including 10,000 which were granted during the year ended 31 December 2000.

Three year selected consolidated financial information for the year ended 31 December 2000

US$ million	2000	1999	1998[1]
Profit and loss account			
Group and share of turnover of joint ventures and associates	20,570	19,245	19,381
Total operating profit before exceptional items			
Gold	410	452	489
Platinum	1,336	480	331
Diamonds	491	245	148
Coal	169	114	166
Base metals	196	174	86
Industrial minerals	150	118	95
Ferrous metals	127	75	164
Forest products	458	272	232
Industries	272	358	318
Financial services	128	138	98
Exploration	(116)	(138)	(137)
Corporate activities	(141)	(146)	(111)
	3,480	2,142	1,879
Profit on disposal of fixed assets	402	489	165
Costs of fundamental reorganisations	(79)	(79)	–
Net investment income	308	265	332
Profit for the financial year	1,957	1,552	1,252
Headline profit for the financial year	2,000	1,308	1,159
Basic earnings per share (US$):			
Profit for the financial year	5.01	4.03	3.32
Headline profit for the financial year	5.12	3.40	3.07
Dividend per share (US cents)	190	150	124
Balance sheet			
Fixed assets	22,241	19,488	18,389
Net current assets	950	3,499	3,999
Net (debt)/funds	(3,590)	81	(199)
Shareholders' funds	15,544	16,174	15,016

[1] Unaudited pro forma information.

Notice of annual general meeting

Notice is hereby given that the annual general meeting of shareholders will be held at The Banqueting House, Whitehall, London SW1A 2ER, at 11:00 am on Tuesday, 15 May 2001 for the following business:

Ordinary Business

1 To receive and adopt the financial statements comprising the consolidated financial statements of the Anglo American Group and the unconsolidated financial statements of Anglo American plc incorporated therein and the reports of the directors and auditors for the year ended 31 December 2000.

2 To declare a final dividend of 130 US cents per ordinary share, which, together with the interim dividend declared in September and paid in October 2000, will result in a total dividend in respect of the year ended 31 December 2000 of 190 US cents per share.

3 In accordance with the provisions of the Articles of Association of the Company and upon the recommendation of the board, to elect as directors (as separate resolutions):
(a) Mr B E Davison
(b) Mr W A Nairn

4 In accordance with the provisions for retirement in the Articles of Association of the Company to re-elect the following directors (as separate resolutions):
(a) Dr C E Fay
(b) R J Margetts
(c) N F Oppenheimer
(d) A W Lea

5 To re-appoint Deloitte & Touche auditors for the ensuing year and authorise the directors to determine their remuneration.

Special Business

To consider and, if thought fit, to pass the following resolutions which will be proposed, as to resolutions 6 and 7, as ordinary resolutions, and as to resolutions 8, 9 and 10, as special resolutions.

Ordinary Resolutions

6 To approve the Rules of the Anglo American Long Term Incentive Plan (the "Plan") described in the Chairman's letter dated 10 April 2001 and produced in draft to this Meeting and for the purposes of identification initialled by the Chairman, subject to such modifications as the directors may consider appropriate to take account of the requirements of the UK Listing Authority and London Stock Exchange and market practice and that the directors be authorised to adopt and do all acts and things necessary to operate the Plan.

7 That the authority to allot ordinary shares conferred on the directors by Article 9.2 of the Company's Articles of Association be renewed until the date of the Annual General Meeting in 2002 up to an aggregate nominal amount of US$67,000,000 (134 million ordinary shares), or, subject to: (i) the passing of resolutions 2,3 and 4 set out in the circular to shareholders of the Company dated on or about 10 April 2001 (the "Circular"); and (ii) to the Bonus Issue (as defined in the Circular) being effected, an aggregate nominal amount of US$240,000,000 or 480 million ordinary shares.

Special Resolutions

8 That subject to the passing of Ordinary Resolution 7 set out in this notice, the power to allot ordinary shares for cash conferred on the directors by Article 9.3 of the Company's Articles of Association be renewed for the period referred to in such resolution up to an aggregate nominal amount of US$10,000,000 (20 million ordinary shares), or, subject to: (i) the passing of resolutions 2,3 and 4 set out in the Circular; and (ii) to the Bonus Issue (as defined in the Circular) being effected, an aggregate nominal amount of US$35,000,000 (70 million ordinary shares).

9 That the Company be and is generally and unconditionally authorised for the purpose of Section 166 of the Companies Act 1985 to make market purchases (within the meaning of Section 163(3) of the Companies Act 1985) of ordinary shares of US$0.50 each in the capital of the Company provided that:
(a) the maximum number of ordinary shares of US$0.50 each in the capital of the Company authorised to be acquired is 40 million or, subject to: (i) the passing of resolutions 2,3 and 4 set out in the Circular; and (ii) to the Bonus Issue (as defined in the Circular) being effected, 145 million;
(b) the minimum price which may be paid for ordinary shares is US$0.50 which amount shall be exclusive of expenses;
(c) the maximum price which may be paid for an ordinary share is an amount (exclusive of expenses) equal to 105% of the average of the middle market quotation for an ordinary share, as derived from the London Stock Exchange Daily Official List for the five business days immediately preceding the day on which such ordinary share is contracted to be purchased; and
(d) the authority conferred shall expire at the conclusion of the annual general meeting of the Company to be held in 2002 (except in relation to the purchase of ordinary shares the contract for which was concluded before the expiry of such authority and which might be executed wholly or partly after such expiry) unless such authority is renewed prior to such time.

10 That the Articles of Association of the Company be and are hereby amended as follows:
(a) Article 2 be hereby amended as follows:
(i) in the definition of "DAS", the words "and/or any other redeemable preference share in any other South African incorporated subsidiary for the time being of the Company, in any case" be inserted after the words "Anglo South Africa (Proprietary) Limited";
(ii) the existing definition of "DAS Trust" be deleted and replaced by the following: "The trust established for the purpose of holding a DAS in accordance with the provisions of the trust deed dated 19 April 1999 between Anglo American Corporation of South Africa Limited and the Trustees named therein as such trust deed may from time to time be amended in accordance with its terms"; and
(b) Article 116.4 be hereby amended as follows:

(i) the definition "("ASA")" in the first sentence be deleted;
(ii) the words "or any other South African incorporated subsidiary for the time being of the Company (a "Qualifying Subsidiary")" be inserted after the words "(for so long as it is a subsidiary of the Company)" in the first sentence;
(iii) the words "Anglo South Africa (Proprietary) Limited" in Article 116.4(i) be deleted and replaced by the words "a Qualifying Subsidiary"; and
(iv) the defined term "ASA" appearing elsewhere in Article 116.4 be deleted and replaced with the words "a Qualifying Subsidiary".

A copy of the Articles of Association of the Company and the above mentioned proposed amendments are available for inspection at the Registered Office of the Company from 10 April 2001 until the conclusion of the annual general meeting or any adjournment thereof.

Any shareholder may, in writing, appoint a proxy, who need not be a shareholder, to represent him/her at any general meeting. Any company, being a shareholder, may execute a form of proxy under the hand of a duly authorised officer or may authorise in writing such person as it thinks fit to act as its representative at the meeting subject to the production to the Company of such evidence of authority as the Board may require. The instrument appointing a proxy, and the written authority of a representative, together with evidence of the authority of the person by whom the proxy is signed (except in the case of a proxy signed by the shareholder), shall be deposited at the Registered Office of the Company or the office of the UK Registrar or its agent in South Africa, forty-eight hours before the time for the holding of the meeting or adjourned meeting at which the person named in such instrument proposes to vote. No instrument appointing a proxy shall be valid after the expiration of twelve months from the date of its execution.

By order of the board of directors:

Nicholas Jordan
Company Secretary
Anglo American plc
20 Carlton House Terrace
London SW1Y 5AN

Registered Number 3564138

10 April 2001

Shareholder information

Annual General Meeting
At 11:00 am on Tuesday, 15 May 2001, The Banqueting House, Whitehall, London SW1A 2ER.

Shareholders' diary 2001/2

Dividend record date	23 March 2001
Dividend payment date	18 May 2001
Interim report	September 2001
Interim dividend paid	October 2001
Annual results announcement	March 2002
Annual report	April 2002
Annual General Meeting	May 2002
Final dividend paid	May 2002

Shareholder enquiries
If you have any questions about your shareholding or dividend, please contact the Registrar at the relevant address below.

UK Registrar
Computershare Services PLC,
PO Box 82,
The Pavilions, Bridgwater Road,
Bristol BS99 7NH, England
Telephone +44 (0)870 702 0000
Fax +44 (0)870 703 6101

Registrar's agent (South Africa)
Computershare Services Limited,
2nd Floor Edura, 41 Fox Street,
Johannesburg 2001, South Africa
Telephone +27 (11) 370 7700
Fax +27 (11) 836 0792

Any other matters should be addressed to the Company Secretary or the Investor Relations Department at the following address.

Registered and Head Office
Anglo American plc
20 Carlton House Terrace,
London SW1Y 5AN, England
Telephone +44 (0)20 7698 8888
Fax +44 (0)20 7698 8500

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Designed by Bamber Forsyth Limited.
Printed by Westerham Press.

