

Results for the quarter ended 31 March 1999



Highlights

- Shortfall in gold production less than anticipated
- With Minorco mines, overall production up 8% to 53,7t
- Cash costs decrease by 7% to \$209/oz
- Total production costs 6% down to \$238/oz
- Attributable profit increases by 29% to R611 million



Highlights (contd)

- Earnings before exceptional items decline by 3% to R493 million
- Cash generated from operations – R793 million
- Return on shareholders' equity – 34%
- Return (before tax) on capital employed – 22%
- All financial figures reported solely according to IAS for the first time



Market overview

- Price under pressure
- Indian off-take relatively firm
- Indications of recovery in South-East Asia and Middle East
- Encouraging forecast for gold sales from official sector
- Negativity in banking and investment sector
- Currency markets more stable
- Company's hedge position increased by 8,7%



Overview: SA Operations

- Gold production down 2,5t
 - planned reductions
 - seismic activity
 - shaft infrastructural problems
- Productivity (g/tec) fell by 2%
- Cash operating costs well controlled
- Unit costs up 2%



Planned reductions

- Ergo – single streaming of Daggafontein started
- Bambanani
 - lower output
 - shaft infrastructural work
 - transformer failure



Problem areas

- **TauTona (WDL East)**
 - poor face advance – focus on zero tolerance
 - production now back at planned levels
- **Savuka (WDL West)**
 - production down – damage to tertiary shaft
 - rock mass stabilised; steelwork under repair
 - production expected to improve next quarter



Problem areas (contd)

- **Elandsrand**
 - fall-off in grade in first two months
 - move to higher grade panels
 - improvement in grade but shortfall in square metres
 - recovery by year-end
- **Matjhabeng**
 - production down
 - seismic activity at Kudu shaft
 - repairs at Elands shaft
 - production restored by March
 - earthquake on 23 April
 - losses estimated at 400kg
 - damage repaired by mid-May



Good performers

- Great Noligwa – exceptional quarter (8,7t gold)
- Tau Lekoa – improved performance through twin-streaming
- Kopanang – another remarkable quarter



Overview: Other African Operations

- Sadiola – better than budget performance
- Navachab
 - pit expansion approved
 - recent industrial action
 - joint involvement in resolution
 - production shortfall of 20kg
 - disciplinary measures in place



Overview: Americas

- Integration of Minorco assets progressing satisfactorily
- South America – expectations exceeded
- North America
 - in aggregate, close to expectations
 - 16% shortfall at CC&V – delays with new heap areas
 - confident of recovery in third quarter

