



## AngloGold in perspective

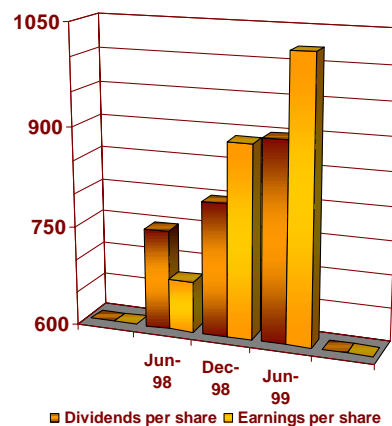
		AngloGold	Barrick	Newmont	Normandy	Newcrest
Gold produced	m.oz	6.8	3.7	4.6	1.8	0.8
Reserve oz	m.oz	125.6	51.5	52.6	16.4	7.6
Resource oz	m.oz	173.1	68.2	74.5	47.3	20.4

Notes: Source is HSBC Securities, Senior Gold Book, June 1999  
Gold produced is the estimate for 1999



## AngloGold's financial character

- **AngloGold's primary objective: shareholder wealth**
  - Focus shareholders' capital on value-creating activities...
  - and reduce exposure to risks that dilute shareholder returns.
  - Monitor activity to assess increases or decreases in economic value added (EVA).
  - This strategy currently delivers a real rate of return (in EVA terms) of 12% per annum...
  - against a 9% (real) cost of capital.
  - A strong cash flow and the pursuit of a substantially full payout policy.
- **The Company is a strong cash generator**
  - In 1998 AngloGold generated US\$502m from operations;
  - re-invested US\$185m in three new South African mines; and
  - paid shareholders US\$257m in dividends.
  - In the first six months of 1999, the Company generated US\$288m from operations;
  - re-invested US\$91m in the business, and
  - paid shareholders US\$128m in dividends.
- **AngloGold presently has around 40% of production over the next five years hedged, and this hedge profile is actively managed to provide a high degree of price certainty.**



## Financial results – Q2/H1 1999 (US\$)

International Accounting Standards	Year Ended Dec '98	Quarter ended		Six months ended	
		June '99	March '99	June '99	June '98
Gold					
• Produced - oz 000	6 602	1 717	1 728	3 445	3 368
• Revenue - \$/oz sold	334	314	311	312	347
• Cash costs - \$/oz produced	227	210	208	209	240
• Total production costs - \$/oz	262	239	237	238	286
• Operating profit - \$m	470	130	127	258	211
Operating Margin (%)	21	24	23	24	18
Net Capital expenditure - \$m	101	50	41	91	40
Attributable profit - \$m	318	166	101	267	198
Attributable earnings - cps	324	170	103	273	202
Headline earnings before deferred tax rate adjustment - cps	283	85	83	168	133
Headline earnings – cps	283	85	160	245	133
Dividends - cps	263			149	127

### Mid-year Highlights:

- Operating profit up 22% to \$258m
- Headline earnings before deferred tax adjustment up 26% to \$164m
- 16% return on shareholders' equity (including deferred tax)
- Dividend of 900 SA cents per share – yield of 7% off a share price of R250

\* Adjusted for sale of Driefontein's attributable ounces, for ease of comparison.



## Abridged balance sheet

	June 1999	March 1999	June 1998
	\$m	\$m	\$m
Mining assets & goodwill	2,586	2,518	1,990
Cash & cash equivalents	484	261	199
Other net assets	5	230	117
	<u>3,075</u>	<u>3,009</u>	<u>2,306</u>
Shareholders' equity	1,263	1,209	1,142
Borrowings	825	839	193
Deferred tax	665	643	769
Other long term liabilities	322	318	202
	<u>3,075</u>	<u>3,009</u>	<u>2,306</u>
Debt equity ratio	17.2	44.4	Net cash

## Abridged cash flow statement

	Qtr ended June 1999	Six months ended June 1999	June 1998
	\$m	\$m	\$m
Cash from operating activities	138.9	288.3	229.7
Taxation paid	(62.4)	(67.5)	(49.8)
Acquisition of Minorco assets	-	(459.2)	-
Sale of Driefontein	215.0	215.0	-
Investment in new mining assets	(50.1)	(91.3)	(38.5)
Net borrowings	(12.2)	488.7	(8.4)
Net cash generated	<u>229.2</u>	<u>374.0</u>	<u>133.0</u>
Dividends paid	-	(128.0)	(124.3)



## Operational profile

Business Unit	Country	Au Prod (000oz)	June '99 half year			Profile of Operation		
			Cash cost (US\$/oz)	Cum.% of Prod.	Cum. Av.cash cost (\$/oz)	Life years	Recovd. Grade (G/ton)	Prod. Over life (m.oz.)
Sadiola	Mali	190	108	7%	108	8	3.2	1.5
Serra Grande	Brazil	70	122	10%	112	11	7.3	0.8
Cerro Vanguardia	Argentina	135	129	16%	118	13	13.0 - 8.0	1.2
Morre Velho	Brazil	190	131	23%	122	17	7.0	2.2
Great Noligwa	South Africa	990	137	61%	132	19	13.0	12.3
Tau Tona	South Africa	650	163	85%	140	6	15.5	5.1
CC&V JV	United States	230	167	92%	142	13	0.6	4.3
Jerritt Canyon	United States	240	190	95%	144	7	9.5	1.8
Kopanang	South Africa	480	224	104%	151	17	7.7	7.9
Tshepong	South Africa	320	228	123%	163	20	8.0	6.2
Bambanani	South Africa	520	232	136%	169	13	7.6	7
Elandsrand	South Africa	450	236	17%	236	16	7.2	8.5
Joel	South Africa	240	242	20%	237	17	6.0	5.8
Tau Lekoa	South Africa	300	244	29%	239	15	4.7	3.3
Mponeng	South Africa	425	250	40%	242	20	8.5	15.4
Ergo	South Africa	340	257	56%	246	5	0.2	1.4
Navachab	Namibia	40	261	68%	249	13	1.5	0.6
Savuka	South Africa	300	293	70%	250	6	7.5	2.3
Deelkraal	South Africa	200	301	79%	256	8	7.8	1.9
Matjhabeng	South Africa	400	310	86%	260	5	7.0	1.7
Moab Khotsoeng (Project)	South Africa	±580				±20	±13	±9.2



## Market development initiatives

- **Jewellery promotion (with the World Gold Council and alone)**

- Riches of Africa (South Africa)
- Swarnanjali (India)
- Gold for Eternity (Asia)
- Dubai shopping festival

- **Making an impact on offtake**

Continuing engagement with partners in China to enhance the official sector image of gold and to promote the de-regulation of the Chinese gold market.

- **Downstream potential**

Consideration of strategic manufacturing and retailing alliances.



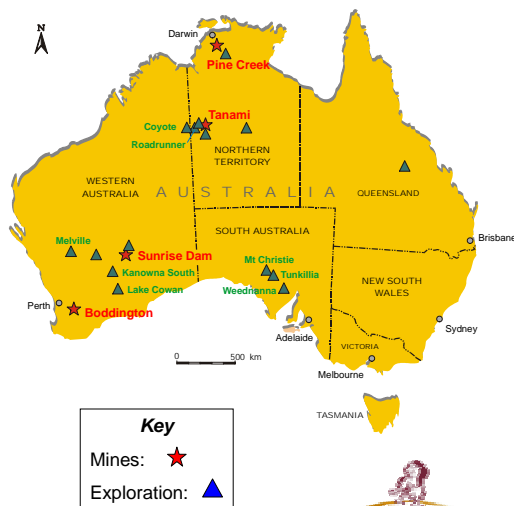
## AngloGold into the new millenium

- **Focus on growth and shareholder value**
- **Expanding market development initiatives**
- **Ongoing restructuring of South African operations**, with a view to enhanced management focus, health and safety, cost containment, and improved productivity.
- **R&D focus on new technology and applications**, including breaking rock in new ways, taking people away from mining risk and gold metallurgy in transition.
- **Continuing search for value-enhancing acquisition opportunities** with focus on country and mining risk diversification.
- **Global exploration programme** on three continents and in 10 countries.
- **Actively managed forward sales programme**, retaining exposure to spot.



## Acacia Resources

- Acacia was **listed on the ASX** in November 1994 when Shell Australia floated off its mineral assets
- Gold production of over **500 000 ounces**
- 1998 cash operating costs of A\$ 272 (**US\$171**)
- **3.8 million ounces of reserves and 11.4 million ounces of resources**
- **A\$125 million expenditure on exploration** between 1995 and 1999, increasing resources from 3.0 to 11.4 million ounces
- 1998 operating **profit after tax of A\$34.4 million before abnormals and A\$20.7 after abnormals.**
- **Dividend of 4 cents a share** in 1998.
- 252 million shares in issue with a **market cap of A\$832 million** at AngloGold's offer price
- Managed **forward sales programme**



## Acacia Attributable Production

	Gold Production (oz) 1998	Cash Cost A\$ / oz (US\$)		Total Cost A\$ / oz (US\$)	
		1H99	1998	1H99	1998
<b>Sunrise Dam</b>	190,757	253 (162)	148 (93)	344 (221)	237 (149)
<b>Pine Creek</b>	176,863	396 (254)	380 (239)	478 (307)	502 (315)
<b>Boddington</b>	85,386	306 (197)	304 (191)	351 (225)	363 (228)
<b>Tanami</b>	57,512	365 (234)	308 (194)	467 (300)	461 (290)



## AngloGold and Acacia – the Transaction

- Intention is to **promote growth and value** by combining quality African, American and Australian production
- Improved geographical and mine type **diversity**
- Increase in AngloGold production by **half a million ounces**
- Final **South African Reserve Bank approval** required
- **No minimum acceptance condition**
- **3.5 AngloGold shares** per 100 Acacia shares
- Based on an AngloGold price of R375 (A\$94), the transaction has a **value of A\$832m (US\$546m)**
- AngloGold shares are tradable in **New York, Johannesburg, London, Brussels and Paris**
- **ASX listing planned**
- **Positive effect** on cash flow and NAV per share

