

TAKING STOCK AND LOOKING AHEAD



anglogold



Three objectives in 1998

- Refocus efforts on shareholder value
- Embark on return-enhancing and risk-spreading growth
- Develop new and innovative markets for our product

The year 2000

- Disappointing performance on some South African operations...
- ...but not across the broad spectrum of AngloGold worldwide
- Successful launch of new ventures

Modernizing SA production

- Eliminating high-cost production – 26 shafts closed since 1997
- Enhanced labour productivity
- Focus on production R&D

- Since 1998, 2 million low-cost ounces a year acquired
- Q4 2000: 25% of production and 45% of EBITDA outside South Africa
- Growth projects:
 - Moab Khotsong and Mponeng deepening in SA
 - Sunrise Dam, Yatela, Morila and Geita produce 20Moz at \$175 over 15 years

- Improve desirability of gold
- Improve market sentiment
- Increase offtake

Looking forward

Four key pillars to AngloGold's strategic plan:

- Ensuring operational excellence
- Providing price security and revenue enhancement
- Growing the market for our product
- Pursue value-enhancing growth and consolidation

Operational excellence – steps include

- Asset rationalisation, acquisition and organic growth
- Pursuing productivity improvement and technology advances
- Setting realistic goals – 7.1Moz at \$190/oz cash cost
- Reducing overheads and operating costs

Price security

- **Secure some certainty in regard to future revenue**
- **Protect company from fall in spot price**
- **Adjust the risk profile in response to changing market conditions**

Growing the market

- **Improve the desirability of gold to the modern consumer**
- **Improve market sentiment towards gold**
- **Increase the offtake of gold**



anglogold

Portfolio of marketing activities

- **World Gold Council-funded projects**
- **AngloGold strategic marketing projects:**
 - The Gold of Africa Museum
 - Jewellery design competitions and new product development
 - Research
- **AngloGold strategic investments**
 - OroAfrica
 - GoldAvenue



anglogold

World Gold Council projects – four core functions

- **Market research**
- **Market development**
- **Market liberalization**
- **Research and development**



Investigating new industrial applications for gold

Project AuTek

- Testing novel gold catalysts
- Researching pollution control
- Planning research into industrial chemical reactions



OROAFRICA





Growth and consolidation – four goals

- To spread ore body risk
- To spread geographic risk
- To promote consolidation of the industry
- To put back together the natural ore bodies in South Africa

...only in pursuit of shareholder value